

Relationship study between Competitive Strategies and Emotional Intelligence of Negara Bank

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Abstract

Present investigation tries to recognize the relationship between competitive strategies and emotional intelligence in private and public banks working in the province of Pahang. The Statistical society included managers and personnel in four top public banks and two top private banks in the central headquarters. The Methodology of this survey study is correlational and descriptive. Signer's Emotional intelligence questionnaire (1998-1999) was used based on Pahang components to collect information and then distributed among the related respondents. Cronbach alpha was 0.86 and reliability was 0.82 for competitive strategy. Acquired results of multivariate regression analysis to draw fitness model of influencing factor on competitive strategy was based on emotional intelligence with modified coefficient of 0.72 indicated that social skills, empathy and self-awareness variables determined 0.72 changes in leadership method of managers and in this model, 51 % of changes are impacted by empathy variable in competitive strategy positively and directly. The secured results of multivariate regression analysis for fitness model of determined factor of competitive strategy based on emotional intelligence with 0.11 coefficients indicated empathy variable remained in the model and 35 % of changes in competitive strategy were affected by empathy variable positively and directly.

Keywords: Competitive Strategy, Banks, Emotional Intelligence

Introduction

Emotional intelligence is defined as ability to understand, evaluate and explain emotion, access or create time emotions which facilitate thought and ability to understand emotion and emotional knowledge and organizing emotions to increase mental and emotional growth. This concept was introduced by Saluvi and Myer at first and was known and developed by Chavez (2001). Business managers have high emotional intelligence; it means, they know and conduct emotions well and understand other feeling and behave purposefully. They are distinguished to govern market. They are effective and satisfied in personal life and are able to be productive individuals (Farner 1994)

Emotional intelligence not is only investigated by psychological theory, but could find appropriate solution to solve problems. Today, there are various articles, books and training workshop about EQ which try to reflect new strategies to solve personal and interpersonal problems in complex society and its importance is critical in training and education planning . Based on mentioned issues, there is a main question in this study.

Is there a relationship between emotional intelligence and competitive strategy?

General objective

- To identify the relationship between emotional intelligence and competitive strategies in the public and private banks in Kurdistan province

Secondary objectives

- To determine the relationship between managers self-awareness competitive strategy.

- To determine the relationship between self- management of competitive strategy.

- To determine the relationship between self-motivation and competitive strategy.
- To determine the relationship between manager's empathy and competitive strategy.
- To determine the relationship between manager's social skills and competitive strategy.

Emotional Intelligence

Base of this study is determined Daniel Pahang definitions indices; He believes emotional intelligence is ability to identify self and other feelings to apply them in work climate and create productive relationship (Azizi Moghadam, 2006)

Competitive Strategy

Competitive strategy is a business strategy which determines main and fundamental forces which influence on competitive situation. Business strategies help to access strategies and purposes (Farner, 1994)

History of the study

Slaski & Catwright (2002) conducted a study on 220 school managers and founded emotional intelligence increase performance in different management and group work files. They named these management fields as Conflict management, stress management, time, and crisis management and founded positive correlation between each of these fields and emotional intelligence.

Benjamin Palmer (2001) studied correlation between emotional intelligence and effective leadership and didn't found any correlation. But there is high correlation between different components of emotional intelligence and leadership components. There was correlation among emotional knowledge and emotional management. But there was any correlation between Intellectual arousal and EI indexes. So, there is correlation between EI and leadership indexes (quoted by Ansari Renani and Arasto, 2006: 6)

Burbach (2004) studied impact of ability-based emotional intelligence on Multifactor Leadership Continuum as an article "study the correlation between emotional intelligence and Transformational leadership as cognitive style and self-management"

Data were gathered through 146 leaders and 649 followers. From leaders perspective, there were considerable correlation between emotional intelligence and all leadership styles. Based on this study, self-leadership understanding could modify emotional intelligence and leadership and related results to leadership style from followers perspective.

Schult study (2003) showed different results. He studied correlation between leadership and emotional intelligence index, personality and diagnostic ability using standard questionnaire and founded emotional intelligence is predictable based on general diagnostic ability and personality factors, but is not useful to predict leadership. He believes emotional intelligence rising from previous knowledge about personality and diagnostic ability of human and is not a new phenomenon .conducted a study on 554 Islamic Azad university managers as "correlation between emotional intelligence and time management of Islamic Azad university managers to provide a pattern to manage time based on their emotional intelligence. They founded correlation between emotional intelligence and time management and time management pattern is as following based on managers emotional intelligence: self-motivation (0.017)+ self-awareness (0.26) +1.017 = time management.

Gholamreza Dehshiri (2004) studied correlation between emotional intelligence and time management and job burnout as "study the correlation between emotional intelligence and time management and teachers stress in high schools in Yazd province. Results of this study showed emotional intelligence and time management predict teachers job stress significantly (Dehshiri, 2004)

Using theories and findings of the study, a theoretical model is provided. Theoretical framework of study shows theoretic relationship between influencing factors and variables on study article which adopted study literature and include competitive

strategy and emotional intelligence. Based on studies and researches of time management experts, emotional intelligence based on Pahang emotional intelligence include five components like self-awareness, self-management, self-motivation, empathy, and social skills.

CONCEPTUAL MODEL OF THE STUDY

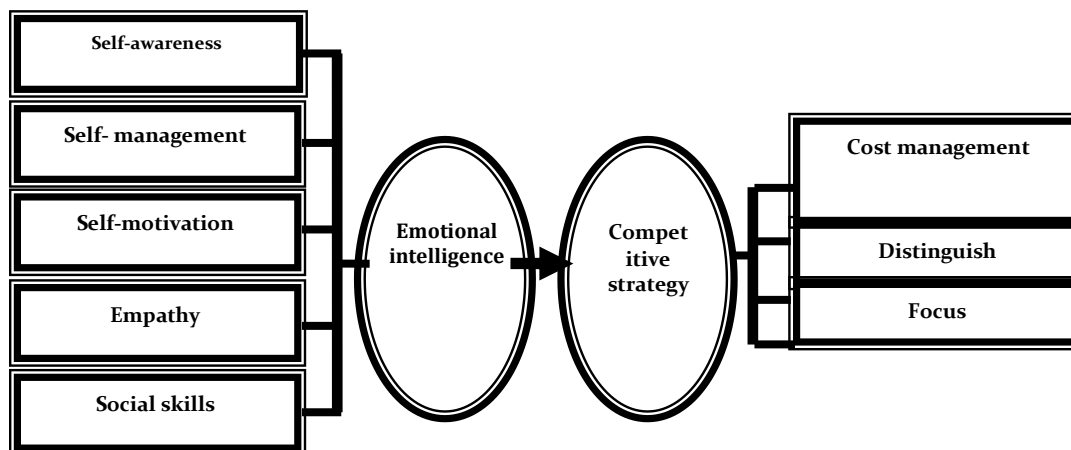


Figure1- Research Conceptual Model

Methodology

This study is applied in term of purpose and is descriptive of correlation type to gather data. Correlational study is subset of descriptive studies (non-experimental) and is done to show correlation between variables.

Data Gathering Tools And Methods

In order to gather data, library and field method was used. Main tool to gather data is questionnaire.

Statistical Society

Statistical society includes managers and employees of four top public banks and two top private banks in central official level. Random simple sampling method was used due to unlimited statistical society.

Validity Of Study Tool

Validity tool depends on consisting questions. If questions in the questionnaire show special features and skill which researcher tend to measure them, test is validity. In this study, scholar’s idea was used to determine validity. Although these questionnaires was standard and don’t need to validity.

Measuring Reliability

Cronbach alpha method was used to measure reliability of this study. Cronbach alpha method applied to measure internal coordination of questionnaire and test. In all amounts, Cronbach alpha was more than 0.70, so calculated Cronbach alpha for different applied questionnaire shows this tool is reliable.

Inferential test

In order to study normality of data, Kolmogorov-Smirnov test was used.

Result	Hypothesis confirmation	Error amount	Significant level	Factor
Normal	H ₀	0.05	0.109	Commercial intelligence
Normal	H ₀	0.05	0.521	Self-awareness
Normal	H ₀	0.05	0.614	Self- management
Normal	H ₀	0.05	0.281	Self-motivation
Normal	H ₀	0.05	0.087	Empathy
Normal	H ₀	0.05	0.328	Social skills

Based on results above, significance level for all components is more than error amount 0.05, so these variables have normal distribution and parametric test was used to survey hypotheses.

Study Hypotheses

Main hypothesis: there is significant relationship between emotional intelligence and competitive strategy Result of Pearson correlation coefficient between emotional intelligence and complete strategy

Competitive strategy		
**0.777	Person coefficient	Emotional intelligence
0.000	Sig	
250	N	

P < 0.01 ** ¹

Table1- Competitive strategy

Based on above table, significance level is lower than 0.05, so Ho is denied and H1 which shows correlation between emotional intelligence and competitive strategy in the organization is accepted. As shown in confidence level 95%, there is significant and direct correlation between emotional intelligence and competitive strategy and correlation coefficient is 0.777.

Secondary Hypotheses

There is significant relationship between manager’s awareness and competitive strategy Result of Pearson correlation coefficient between manager’s awareness and complete strategy

Competitive strategy		
0.900	Person coefficient	manager’s awareness
0.000	Sig	
250	N	

P < 0.01 **

Table2- Competitive strategy

¹Means significance in confidence level 99%

There is significant correlation between manager’s self-management and competitive strategy. Result of Pearson correlation coefficient between manager’s self-management and competitive strategy

Competitive strategy		manager’s self-management
0.767	Person coefficient	
0.000	Sig	
250	N	

P < 0.01 **

Table3- Competitive strategy

There is significant relationship between self-motivation and competitive strategy. Result of Pearson correlation coefficient between self-motivation and competitive strategy

Competitive strategy		Self-motivation
0.901	Person coefficient	
0.000	Sig	
149	N	

P < 0.01 **

Table 4- Competitive strategy

There is significant relationship between manager’s empathy and competitive strategy. Result of Pearson correlation coefficient between manager’s empathy and competitive strategy

Competitive strategy		managers empathy
0.821	Person coefficient	
0.000	Sig	
149	N	

P < 0.01 **

Table 5- Competitive strategy

There is significant relationship between manager’s social skills and competitive strategy

Result of Pearson correlation coefficient between manager’s social skills and competitive strategy

Competitive strategy		social skills
0.861	Person coefficient	
0.000	Sig	
149	N	

P < 0.01 **

Table6- Competitive strategy

Conclusion

Findings of main hypothesis show significant correlation between commercial intelligence and competitive strategies in the banks. According to analysis, significance level for both variables is smaller than 0.05 and correlation is 0.699, so there is direct and positive correlation between commercial intelligence and competitive strategy in the banks. Lizre software analysis showed correlation between commercial intelligence and competitive strategy improvement in banks (factorial loading 0.80). Commercial intelligence improvement affects positively on organizational competitive strategies. In this relationship, each organizations encounters problems and various complexity in the organization like competition, market changing, new challenges, and technological changing. Commercial intelligence is ability to apply mental thought capacity to gain purposes and develop strategies and provided an applicative model to apply this strategy in the organization and gain advantages in the organization. One of results in this study is positive and direct correlation between self-management, self-awareness, and competitive strategy. In this field, managers apply tool to provide self-management in the organization and increase employee's self-awareness. Self-awareness is one emotional intelligence components which defined as understanding emotions and feeling and consist of a set of words and controlling employees. Increasing social skills and understanding leads to control sent messages.

There is some applied recommendation in this regard:

Empathy variable as fourth hypothesis influences most on competitive strategy. One of results in this study is positive and direct correlation between empathy and competitive strategy. Empathy is defined as identifying individual feeling. Empathy means to look in a new view to issue. First result of empathy is to recognize feeling. So, it is recommended that managers to attend individual feeling and understand viewpoints; provide suitable feedback for future needs; guide others to increase satisfaction and customer needs; provide environment to act in different activities and challenge errors.

Recommendation of fifth hypothesis: social skill variable as fifth hypothesis is second influencing factor on competitive strategy. It is recommended that managers provide new training issues in procedure. Empowering employee's relationship in formal and informal forms increase feeling and emotional actions and create good feeling in the organization. So, communication has significant influence on the emotional solidarity among employees and finally, strengths their cooperation feeling.

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