

## **STUDY THE IMPACT OF SOCIAL INTELLIGENCE ON ORGANISATIONAL EFFECTIVENESS**

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### **Abstract:**

The paper is an attempt to find the relationship between Social Intelligence and Organizational Effectiveness with selected sample of IT Managers. A Survey method is adopted to study the relationship between SI and OE. Stratified random sampling method is adopted, the sample for the present study (N= 518) Top, Middle, Low level managers, respondents were selected from 2 IT companies located at Hyderabad. The finding reveals that there is a positive linear relationship between Social Intelligence skills of IT Managers and organizational Effectiveness.

### **Introduction:**

The concept of Social Intelligence was first coined by E.L Thorndike in 1921; defined it as " the ability to understand and manage men and women, boys and girls - to act wisely in human relations." SI slowly dawns upon the companies that the qualities that were traditionally associated with managers, were not sufficient in order to succeed in the fast-changing business scenario. Organizations started realizing that only IQ of the managers is not sufficient to run a business successfully. According to Forbes magazine, 25 percent of the technology projects fail out rightly, 20 to 25 percent don't show the returns of investment; and as much as 50 percent needs massive reworking by the time they're finished. When compared the performance of Information Technology it has increased over the years, but surprisingly during the same period, failure of IT projects and under performance of the managers at the national and international level are reviewed at the same speed. The major reason for their failure is that they lack human infrastructure.

An organization may have IT managers endowed with impressive technical skills and extensive educations. But, can they effectively relate to the employees and other managers (Manzoor, 2011). One of the challenges for the present management is workforce that has notable variations in perspective and goals due to generational differences (Glass, 2007). In order to achieve a desired level of performance, organizations resort to restructuring, mergers, benchmarks, implement total quality management programmes and introduce competitive staff benefits. Despite these attempts, organizations still ask themselves, why they are not experiencing high performance. (Jeuchter et al., 1998). Social intelligence will provide the insight necessary to build highly collaborative and productive social system. This growth in our human understanding will become a competitive advantage as we leverage social intelligence to unleash strengths in others and able to create a social work environment where collective state of mind drive for high performance reaching new heights of organizational effectiveness. The Elton Mayo father of

industrial psychology as well as Human Relations Movement has been rightly said: “The manager is neither managing man nor managing work; he is administering a social system”. For administering a social system, sophisticated social skills are needed.

### **NEED FOR THE STUDY:**

One of the great hidden transformations happening in business today is in IT (information Technology). We have transitioned into information economy and knowledge worker is almost unnoticed in IT organizations; here human understanding & interactions in the organization is a lever of efficiency; here management remains largely blind to this unfolding reality. Companies hire managers with high IQ who have much knowledge in IT infrastructure and ignore how to operate “Human infrastructure”. This remains the root cause of 60 yrs of IT mega failures and this failure is a failure of management not the IT companies. In other words, in IT companies we rarely fail because of professional skills and knowledge and most often fail as “HUMANS “In recent years Information Technology industry has gained a brand image as knowledge economy due to its development from software exporter in providing IT services to IT enabled services (BPO segment).The sector has been consistently contributing to India’s GDP. The rationale of this research is to help IT managers to add greater value to the organization and creating greater consistency throughout their tenure through social intelligence skills. As a result of this they is constant growth and improvement in their quality, quantity, speed and the capacity of workforce in achieving organizational effectiveness .

### **REVIEW OF LITERATURE:**

Social Intelligence attracted the attention of research in organizations and academia after the Publication of Daniel Goleman’s best-seller book Social Intelligence Biology of leadership (2008), which claimed SI as a best predictor of work and life success (Goleman, 1995; 1998). Many claims have been made about the ability of SI to predict work outcomes, such as job satisfaction, turnover (Goleman, 1998), and performance (Bachman et al., 2000). Mayer, Salovey, et al. (2000b) suggested that SI may have an impact on many work-related outcomes, including job performance and interpersonal interactions, empathy, coordination etc. Tang and Mu-Shang (2008) characterized IT professionals “as a group of people displaying unique ideologies, norms, beliefs and values systems which differ from professionals in other organizations” Another factor that adds to this experience is the lack of SI skills among IT professionals, now the need had arise for interpersonal or “soft skills” to become effective managers. These soft skills are even more sought after than technical skill or “hard skills”. Glen (2003) stated that IT professionals are moving from the backroom to the forefront more and more, therefore, there is a greater need for them to develop “people” skills, which historical they have not needed. But when it comes to India it is worthy to note that social intelligence research in India is still in its budding state and not up to the desired level only few research studies have been conducted on social intelligence with reference to Indian context. So the present research will shed lights to find the nature of relationship and impact of social intelligence skills of IT managers on Organization Effectiveness and is a small step in filling the literature gap..

### **STATEMENT OF THE PROBLEM:**

In the research First and Foremost step happens to be that of selecting and properly defining a research problem. The problem of this research can be stated as **“Social Intelligence is a necessary skill for managers to enhance organizational Effectiveness.**

#### **Research Gap: -**

While a significant amount of research evidences show studies related to social intelligence and Organizational effectiveness are available both in India and outside, however, the researcher didn't come across any research with the present topic. Therefore, the present study assumes a significant importance in view of these and the following reasons:

1. The literature studied on Social Intelligence and Organisational Effectiveness has brought the following research gaps, which are expected to be filled in the present study.
2. As no study has been so far on the present topic this study will break new ground to the get qualitative and quantitative insights to fill the existing gap in the research.

#### **RESEARCH OBJECTIVES:**

1. To explore, the relationship between social Intelligence and Organizational Effectiveness.
2. To find out the Impact of social Intelligence on Organizational Effectiveness.

#### **SCOPE OF THE STUDY**

The study is limited to measurement of social intelligence skills in managers and to analyze the impact on organizational effectiveness and suggesting measures to improve the level of social intelligence skills in IT managers for organization effectiveness. The sample is selected from 2 IT companies situated in Hyderabad region of Telangana state.

#### **LIMITATIONS OF THE STUDY:**

The study being a sample study, the findings of the study may therefore have limitations of the generalization. The research is confined to IT managers in Hyderabad city and it may not represent the whole of India.

#### **RESEARCH HYPOTHESIS:**

##### **Hypothesis: 1**

Ho: There is no significant relationship between Social Intelligence and Organization Effectiveness

##### **Hypothesis: 2**

Ho: There is no linear relationship between Social Intelligence on Organizational Effectiveness

#### **Research Design:**

As the study attempts to explore the relationships between Social Intelligence and Organizational effectiveness .Descriptive model was used in the present study. Sample unit consist of **Top level mangers** (Executives, Directors, Deputy Directors, and General Managers)

**Middle level managers** (Consultants and lead managers) **Entry level managers** (Team leaders). Stratified random sampling method is adopted for the present study. The sample for the present study (N= 518) Top, Middle, Low level managers, respondents were selected from 2 IT companies located at Hyderabad in Telangana state. Total 70 questionnaires were distributed to all the respondents. After constantly reminding and repeatedly persuading 541 questionnaires have received from the respondents. Before conducting research, missing data sheets are eliminated where 23 questionnaires are not properly filled. Thus, the total sample responded is 518 out of 700 estimated, a response rate of 74.2 percent.

#### **VARIABLES IN THE STUDY & SURVEY INSTRUMENTS:**

There are two types of variables-independent and dependent. **Independent variable:** Social Intelligence s. **Dependent variable:** Organization effectiveness .The Organizational effectiveness scale was developed by Srivastava and Banerjee (1997).. The preliminary schedule of this scale consisted of 45 items related to 8 dimensions. These dimensions are: **QE1**. Efficient organizational Congenial climate, Efficiency, Interpersonal harmony, Efficient leadership ,High morale, Job satisfaction & commitment, with reliability co- efficient of **0.794**, All the items are “true - keyed” and have to be rated on 5 - point scale namely (strongly agree, agree, neutral, disagree and strongly disagree)

**TROMSØ SOCIAL INTELLIGENCE SCALE BY SILVERA 2001:** SILVERA, et al. (2001) have prepared a new self-report measure of social intelligence to overcome this limitations. This scale measures three different aspects of social intelligence: i) social information processing (SIP), b) social skills (SS) and c) social awareness (SA). Tromsø Social Intelligence Scale (TSIS) with a reliability co efficient of **0.824**.

#### **DATA ANALYSIS AND DISCUSSION**

The questionnaires collected from the respondents were examined for the completeness in all manners. Later a code book was prepared in order to enter the data in the statistical package for social sciences (SPSS v20). Data were processed using the same statistical package. To test the Hypothesis correlation coefficients and regression analysis were computed.

##### **Hypothesis: 1**

Ho: There is no significant relationship between Social Intelligence and Organization Effectiveness

H1: There is significant relationship between Social Intelligence and Organization Effectiveness

Correlations			
		Organization Effectiveness	Social Intelligence
Organization Effectiveness	Pearson Correlation	1	.692
	Sig. (2-tailed)		.000

	<b>N</b>	<b>518</b>	<b>518</b>
<b>Social Intelligence</b>	<b>Pearson Correlation</b>	<b>.692</b>	<b>1</b>
	<b>Sig. (2-tailed)</b>	<b>.000</b>	
	<b>N</b>	<b>518</b>	<b>518</b>

. Correlation Results revealed that overall correlation coefficient is 0.692. As regards the significance level is the less than 5% and the correlation coefficient is contrary to zero at 95% confidence of the interval. Hence the **HO is rejected and H1 is confirmed. The result shows there is a moderate to strong relationship between social intelligence and organizational effectiveness.**

### **Hypothesis: 2**

Ho: There is no linear relationship between Social Intelligence on Organizational Effectiveness

H1: There is a linear relationship between Social Intelligence on Organizational Effectiveness

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647 <sup>a</sup>	.753	.789	.05697
a. Predictors: (Constant), . Predictors: (Constant) Social Intelligence				

### **REGRESSION ANALYSIS SHOWING RELATION BETWEEN SOCIAL INTELLIGENCE & ORGANIZATIONAL EFFECTIVENESS**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.246	3	2.415	18.954	.000 <sup>b</sup>
	Residual	29.054	515	.127		
	Total	36.300	517			
a. Dependent Variable: Organization Effectiveness						

b. Predictors: (Constant) Social Intelligence

From 'ANOVA' table, it is evident that Sig (p value) = 0.000 which is less than 0.05; so the model fits the data properly Here the null hypothesis is rejected ( $F(3) = 18.954$ ,  $p < 0.05$ ), and concludes that Social Intelligence, is positively related to Organizational Effectiveness.

### **CO EFFICIENT IN PREDICTING ORGANIZATIONAL EFFECTIVENESS**

The above given 'coefficients' table provides regression coefficients, standard errors of the estimates, t-tests. The estimated regression coefficients are given under the heading 'un-standardized Coefficients B, shows, linear relationship between independent and dependent variables, the predicted change in the dependent variable when the independent variable is increased by one unit based on a condition that all the other variables in the model will remain constant. Here we estimate that organization effectiveness increases by **53.6%** with one unit increase of social intelligence skills in managers assuming that there is no change in the rest of variables.

<b>.Coefficients</b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.016	.304		16.500	.000
	SII: SOCIAL INTELLIGENCE	.536	.026	.398	4.237	.000
a. Dependent Variable: Organizational Effectiveness						

### **CONCLUSION:**

To survive and prosper in today's turbulent & uncertain environment, organizations need managers who are flexible and adaptive. These managers must be able to understand the

complex relationships among performance determinants and recognize what can be done to influence them in a beneficial way. Managers with high social intelligence skills are excellent team players as they have the ability to move an agenda along and keep focus while at the same time remaining aware of the emotional climate of the group and possess the ability to respond to it. Social intelligent managers are excellent at making connections, networking, and bringing people together to work on projects. They are able to bring their social intelligence skills into play in a larger arena. This implies that in coming years Social intelligence will be essential for the human species to survive.

### **SCOPE FOR FURTHER RESEARCH:**

- An attempt can be made to study social intelligence with respect to different service sector organizations like hospitals, educational institutions, Tourism, Banks etc.
- A comparative study can be done analyzing SI skills of employees with respect to public and private sector companies.
- Instead of self-report measures researchers can collect the respondents SI from various sources in the organization like subordinates, peers and supervisors as well.

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