UNIVERSITI TEKNOLOGI MARA

THE INFLUENCE OF EMOTIONAL INTELLIGENCE ON FRONT-LINE EMPLOYEES' JOB PERFORMANCE IN SERVICE BUSINESSES

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ABSTRACT

The current study conceptualizes the role of EI dimensions in influencing employees' job performance dimensions by taking into account the moderation effects of service typologies; namely, Professional Service, Service Shop and Mass Service, the nature of service (the extent of Emotional Labor used during service provision), and the employees' differences; which include Personality Traits and Internal Work Motivation in to a cohesive framework. Job performance dimensions were observed from two different standpoints; peer's and supervisor's evaluations.

Data were collected from front-line service employees attached to 40 purposively selected service companies located in Selangor and Kuala Lumpur. Questionnaires were distributed through the human resource manager of the participating companies. The process of data collection took approximately six months from October 2007 to March 2008. Out of 400 questionnaires distributed, 188 were returned yielding a response rate of 47%. However, 19 responses were non-usable leaving 167 responses to be analyzed. A series of statistical analyses were applied to test the hypotheses as well as to answer the research questions. The analyses include descriptive analyses, reliability analysis, correlation analysis, factor analysis, and multiple regression analysis. Besides, moderated multiple regression (MMR) for categorical variables were applied to analyze the moderating effects of Service Type variables. A series of hierarchical regression analyses were performed to analyze the moderating effects of Emotional Labor, Personality Traits and Internal Work Motivation.

The findings highlight the importance of Regulation of Emotion (ROE) to affect service providers' Job Role as well as Career Roles. Besides, it is also discovered that Others' Emotional Appraisal (OEA) significantly affects service provider's Career Role. With regard to Service Types, Self Emotional Appraisal (SEA) is crucial to achieve Organization Role and Innovator Roles. Besides, SEA is also important for the employees to attain high Career Role in low Emotional Labor work environment. Looking at employees' Personality Traits, the study revealed that Agreeableness, Openness to Experience and Neuroticism significantly moderate the relationships between EI dimensions and job performance dimensions. Regarding the moderating effects of Positive Drive on the relationships between EI dimensions and job performance dimensions, the study revealed that Positive Drive significantly moderates the relationships between Self Emotional Appraisal (SEA) and supervisor's evaluation of Team Role and between Others' Emotional Appraisal (OEA) and the same dependent variable.

The study has incorporated a complex model job performance into a cohesive framework. Using this model provides a clearer picture on the influence of EI dimensions on multiple roles of service providers than using a single job performance construct. The study has established that some EI dimensions are important to affect job performance dimensions. Besides, the study has integrated the effects of Service

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CHAPTER 1

INTRODUCTION

Research Background

Realizing that developed economies are driven predominantly by the services sector, the Malaysian government has taken the initiative to launch the third Industrial Master Plan (IMP3) on August 18, 2006 in conjunction with the Ninth Malaysian Plan, which was presented to the Dewan Rakyat on March 31, 2006. Under the IMP3, which carries the theme of "Malaysia – towards global competitiveness", the non-government services sector is projected to expand by 7.5 percent, and to increase its contribution to Gross Domestic Product (GDP) from 51 percent in 2005 (as indicated in Table 1.1) to 60 percent in 2020. Eight services sub-sectors, namely business and professional services, distributive trade, construction, education and training, healthcare, tourism, I.C.T. and logistics, have been identified to be the main focus of the IMP3.

Malaysia is regarded as service economy since service industry contributes more than 57.42% of the country's GDP as indicated in Table 1.1 (forecasted figure in 2009). Service industry has become the major player in our economy which was previously dominated by manufacturing, agriculture, forestry and mining industries. The boost for service industry is due to certain factors like the increase in the standard of living and higher income level (*Productivity Report*, 2009). Service firms and businesses have grown rapidly to cater to the needs of the people. Financial institutions,