

Modelling a Competitive Strategy Framework using Emotional Intelligence, Organisational Citizenship Behaviour and Job Satisfaction

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Abstract: *The dynamic business environment has pressured business leaders to think deeply on the strategies to be competitive and to move upwards. The need to have a strong strategic asset has become an important agenda. This paper studied three variables in the performance of an organisation in the manufacturing industry. Questionnaires were distributed among the executives in the organisation. There exist a relationship among the variables. It was further found that Job Satisfaction had a stronger mediating effect as compared with Organisational Citizenship Behaviour. This showed satisfaction is an important aspect which management needs to focus if they want to achieve a higher competitive advantage.*

Index Terms: *assets, non-substitutability, non-imitability, productivity*

I. INTRODUCTION

The forces in the business environment has created an environment which is ever changing. Business leaders need to keep up with these changes. The call to have the competitive advantage or edge over the competitors is urging. To gain the edge over the competitors, organisations need to have an asset which can not be copied or substituted. Many studies have linked Emotional Intelligence to individual performance. The researchers asserted that a higher level of emotional intelligence results in better employee performances. Organisations also need employees that display contextual behaviours and be satisfied in their jobs. Studies linking emotional intelligence to organisational performance have evolved for quite sometime, however, the results were not convincing. Studies were conducted using differing measurements, organisational setting, sample size and countries. This then presses the need to conduct further studies relating emotional intelligence and performance. The purpose of this study is to model a competitive strategy framework using emotional intelligence, organisational citizenship behaviour and job satisfaction.

II. LITERATURE REVIEW

A. Competitive Performance

Organisation need an asset which can assist in steering to a better future. It has been suggested that employees can enhance the productivity of the organisation. Employees can be a powerful asset if they are equipped with the right amount

of skills and knowledge. The performance of the employees strengthens the organisation and this enables the organisation to perform better in this tough business situations. Employees are the people employed in the organisation, they are a critical asset. They contribute their skill and expertise.

The model used in the study is the resource-based view. The resource-based view model focuses on both tangible and intangible assets. The competencies of the employees which includes their ability and knowledge. These are the resources owned by the organisation. Some tangible resources or assets can be very valuable but the asset can be copied or replaced. The advancement of technology has made it easier to copy equipment or machines. If the asset can be copied, it cannot be a good core competency.

The onus now lies with the intangible asset - the competencies that they have. Employees may have similar qualifications. However, it will be their marketable attitude that sets them apart from others. There has been much claims that employees with higher level of emotional intelligence will have a better job performance [1].

Many researchers have studied models on organisational performance. Unfortunately, the results has been mixed and divided. Findings do not suggest or assert the relationships of these intangible assets to the performance of the organisation. Also, most of the earlier studies were conducted among the western countries, while studies among the eastern countries were scarce. Most western countries are developed while countries in the east are less developed. The need for more studies in these developing countries has become urgent especially since more and more of these countries have signed free trade agreements with developed countries.

B. Emotional Intelligence

Emotional intelligence can be represented as the quality of an individual to succeed and deal the extreme of feeling, not only about themselves but of others around them. The extreme of emotions includes anger, sadness, fear and happiness. Researchers have claimed that emotional intelligence is important for the organisation to be effective and efficient. A higher level of emotional intelligence leads to higher level of performance [2],[3]. Individuals who are more emotionally intelligent are claimed to be more productive and will contribute more to the performance of the organisation. A research conducted in 2011 found that

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emotional intelligence does not have significant contribution on performance [4]. The research revealed that other factors have more significant influence on performance compared to employees' level of emotional intelligence. The differing findings could be attributed to different research situations such as organisational settings and business activity.

C. Organisational Citizenship Behaviour

Organisational citizenship behaviour is defined as the extra role, discretionary behaviour that helps other members in the organisation to perform their jobs. It also includes showing support and conscientiousness towards the organisation [5],[6],[7]. Organisational citizenship behaviour has five elements: conscientiousness, sportsmanship, civic virtue, courtesy, and altruism [8]. Researchers have opined that organisational citizenship behaviour accelerates the social machinery of an organisation. It provides the flexibility needed to work through many unforeseen contingencies including helping colleagues who require urgent assistance [9]. Furthermore, its positive incorporation is reflected when employees suggest improvements in and around the organisation, care for the organisation's property, and have good attendance attitudes beyond enforceable levels [9].

As organisational citizenship behaviour has positive effects on the employees in an organisation, it is expected to improve productivity as well [11]. Organisational citizenship behaviour is claimed to assist employees in functioning better and becoming effective in their jobs [12]. However, insufficient empirical studies are available to link organisational citizenship behaviour to organisational performance [13],[14]. Factors contributing to this are (i) numerous types of organisation that are available in the business environment, (ii) different types of industry such as service, manufacturing, construction, mining, and agriculture that need to be studied, and (iii) a majority of the earlier studies were not conducted in Asian countries [15]. Will organisational citizenship behaviour affect performance of an organisation?

D. Job Satisfaction

Job satisfaction can be best described as any combination of psychological, physiological, or environmental circumstances that cause a person to say that they are satisfied with their job truthfully [16]. It has claimed that satisfaction is an affective reaction and attitude towards one's job [17]. Hence, employee's attitude reflects their level of job satisfaction. A study found that employees who were satisfied were claimed to be more committed in their work [18]. It was further suggested that employees who are more committed will be more productive. This suggestion is supported by few researchers [17],[19],[20]. These researchers proposed that a satisfied employee will improve the performance of an organisation. However, some studies argued that an employee who is satisfied with the organisation will only intend to work longer in the organisation [21]. They will not have any intention to resign from the workplace. Their level of productivity is not related to their state of satisfaction. An

employee who is satisfied could be content with their current situation and are in their comfort zone. Does job satisfaction affect performance of an organisation?

III. METHODOLOGY

The framework for the study is based on the Resource-Based View model. The framework used 3 independent variables; emotional intelligence, organisational citizenship behaviour and job satisfaction. The dependent variable is represented by organisational performance. The study will test the relationships of :

- The relationships of Emotional Intelligence, Organisational Citizenship Behaviour and Job Satisfaction to Organisational Performance.
- Relationship between Emotional Intelligence and Organisational Performance with Organisational Citizenship Behaviour and Job Satisfaction as the mediating variables.

A successful Malaysian manufacturing organisation has been chosen as the target sample of the study. The organisation has been in operations for more than 50 years They have also been one of the top manufacturers especially in plastic in Selangor, Selangor is the top producers of plastics products in Malaysia. Malaysia is also one of top producers of plastic products in Asia.

IV. RESULTS AND FINDINGS

The first research objective was to analyse the relationships between Emotional Intelligence, Organisational Citizenship Behaviour and Job Satisfaction with Organisational Performance. Based on the R square value (seen in Table I), 90% of the variations in Organisational Performance are answered by the independent variables. Emotional Intelligence and Job Satisfaction were found to have a positive and significant relationship with Organisational Performance (p value less than 0.05. The findings revealed that Job Satisfaction has a higher beta coefficient value ($\beta = 0.823$) than Emotional Intelligence ($\beta = 0.160$). This indicates that Job Satisfaction plays a stronger role in the framework.

Table I : Multiple Regression Analysis

Model	Unstd Coeff		Std Coeff	t	Sig.
	B	SE	Beta		
EI	.215	.060	.160	3.559	.001
OCB	.015	.050	.011	.297	.767
JS	.878	.048	.823	18.206	.000
R		R Square		Adjusted R Square	
.960 ^a		.922		.920	

Reference:

EI : Emotional Intelligence, OCB : Organisational Citizenship Behaviour, JS : Job Satisfaction

The second research objective was to examine the effects of the mediating variables in the relationship between Emotional Intelligence and Organisational Performance. Based on the Direct Effect values (0.2152) and Indirect Effect Values (0.8659) as seen in Table II, the mediating



variables of Job Satisfaction and Organisational Citizenship Behaviour impacts the relationship between Emotional Intelligence and Organisational Performance.

Table II : Direct and Indirect effects of Emotional Intelligence to Organisational Performance with 2 mediating variables

Direct Effect of Emotional Intelligence on Organisational Performance			
Effect	SE	t	p
0.2152	0.0605	3.5595	0.0006
Indirect Effect of Emotional Intelligence on Organisational Performance			
Effect	BootSE		
Total	0.8659	0.0747	
JS	0.8556	0.0742	
OCB	0.0103	0.0315	

Reference:

OCB : Organisational Citizenship Behaviour, JS : Job Satisfaction

The findings (based on Table I and II) suggests that Emotional Intelligence, Organisational Citizenship Behaviour and Job Satisfaction strengthens the organisation's performance. As suggested in the Resource-Based View, resources have many characteristics. However, certain characteristics that are unique such as Rare, Non-imitable and Non-substitutable differentiates organisations. These are the characteristics that will provide the competitive edge to organisations. These characteristics edges the organisations and pushes the performances to higher levels. This study shows that intangible resources have stronger effect to performance and it is suggested to form an important role in the business strategy.

V. CONCLUSION

The objective of this paper is model a competitive strategy framework using intangible resources within the organisation. Intangible resources have certain characteristics that is not available among tangible resources. Intangible resources cannot be easily copied as it is rare and unique in nature. Since it not be imitated nor substituted, this makes intangible resources a good core competency that edges the organisation from others. Findings supports the arguments that employees who are satisfied are more productive than those who are dissatisfied.

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