Exploring the dimensions of emotional intelligence in the
Lebanese family Firms

Hani El-CHAARANI
Beirut Arab University (BAU),
Lebanon

Key Words
Emotional Intelligence, Family Business, Job Performance, team leader, Job satisfaction, Turnover.

Abstract
A consideration of emotion has been traditionally neglected in the context of family business. In this study, the Lebanese family businesses were explored to examine all the dimensions and the specificity of the emotional intelligence (EI) of teams’ leaders. Multiple regressions were applied to investigate the impact of EI on employee’s job performance, job satisfaction and turnover. The results showed that there is a significant and positive impact of leader EI on employee job performance and job satisfaction. Moreover, the findings indicate that the implication of the family member as a team leader increases the positive relationship between EI and employee job performance and satisfaction. The family managers feel more dependent to their organization which can lead to create a general emotion affecting positively the job performance and the satisfaction. However, our results have not support any relation between Leader’s EI and employees’ turnover level.

Introduction
The family firms are the driving force behind the Lebanese economic development. By their existence and their growth, they perform an essential role as providers of employment and innovation opportunities. In 2011, the Lebanese family firms constitute about (85%) of the total economic institutions in the private sector, contribute around (75%) of the total added value produced by the private sector and employ nearly two thirds of the labor force. To ensure this vital economic and social place, the Lebanese families are required to be much more involved in their work physically as well as emotionally and intellectually. According to Colvin (1999) those who are emotionally intelligent follow their values and believe in continuous learning and focus on instilling vision. Hence, the emotional intelligence may contribute to job performance by enabling people to work effectively, building a social capital, reducing conflicts level and supporting the organizational objectives.

In the last years, we have been witness to a particular growing body of research regarding the importance of emotional intelligence for successful family firm (Labaki R. et al., 2011). For some researches, the family mangers use their valuable emotional intelligence to enable a positive environment at work. For some others, the using of negative emotional intelligence (based on the nepotism for example) may be viewed as a destructive variable for family firm performance. In this context the work of Schulze, Lubatkin and Dino (2003) found that the conflicts in the family business can be based on the altruism for which the owners-managers encourage by the coming of their children the expropriation and the entrenchment mechanism.

Therefore, it seems essential to know to what degree the family uses their emotions as a constructive element of organizational behavior, and in turn, how the human resources react to
family behavior in term of performance, satisfaction and turnover. In other words, can the emotional intelligence of the family members be considered a variable rewarding the specificity and the superiority of family businesses? To fully explore our research questions, we will define the study hypotheses based on our literature review. Then, we will try to formalize a set of tools for the assessment of the emotional skills. Finally, we will study the involvement of these skills in the managerial success as well as its specificity.

**Emotional intelligence**

The concept of emotional intelligence (EI) brings new depth to the understanding of human intelligence because it expands the ability to evaluate one's general or overall intelligence. Actually, a consensus is emerging around the idea that EI is an important skill to be more adapted in any emotional events. Goleman (2001) defines EI as the ability to recognize and to control one’s own emotions and those of others. Similarly, Salovey and Mayer (1990) defined the concept as: "a form of intelligence which assumes the ability to control its feelings and those of others. Several years later in 1997, these authors revised their definition to propose the following dimension of emotional intelligence: EI is the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth.

In their model, Mayer and Salovey describe four areas of capacities or skills that collectively describe many areas of EI (Mayer and al., 1997). The domain of EI describes several discrete emotional abilities. As per the ability model of EI, these emotional abilities can be divided into four classes: Identifying emotions (it is the ability to recognize how you and those around you are feeling); Using emotions to facilitate thought (it is the capacity of the emotions to enter into and guide the cognitive system); Understanding and analyzing emotions (it is the ability to understand complex emotions, how emotions transition from one stage to another) and finally Managing emotions (it is the capacity to regulate and manage one's own and others' emotions to promote personal and social goals).

Caruso (1999), the co-creator of the Multifactor Emotional Intelligence Scale (MEIS), has offered another definition: "EI is the ability to use your emotions to help you solve problems and live a more effective life. EI without intelligence, or intelligence without EI, is only part of a solution. The complete solution is the head working with the heart". Weisinger (1998) defined EI as "the intelligent use of emotions: you intentionally make your emotions work for you by using them to help guide your behavior and thinking in ways that enhance your results". Another researcher who has made a significant contribution to the development of the concept is Bar-On (1997). For this author EI can be defined as a way to be understood, to understand the other, to maintain relations with people and to adapt to the external environment.

**Emotional intelligence and family firm performance**

In organizational behavior, the EI emerges as a dependent variable of job performance. The exploration indicates that employees and employers are likely to get better results if they know how to manage interpersonal relationships, to stay motivated and build teams. Consequently, leaders in organizations are interested in knowing the factors that improve employees’ EI (Andries, 2009). The extant literature shows that EI relates positively with employee behavior, attitude, team play, customer satisfaction and job performance.
Sy, Tram & O'Hara (2006) found that employees having high EI are more capable to regulate their own as well as others’ emotions to promote positive interactions which would lead to higher performance through organizational citizenship behavior. In 2011, Chaudhry and Usman reveal a positive relation between the EI and employee performance measured in terms of organizational citizenship behavior. During 2010, Rangriz and Mehrabi proved a significant positive relationship between EI and employee performance. Other studies that support the predictive validity of EI on job performance were that of Lam & Kirby, (2002) and Wong, Law & Wong, (2004).

Additionally, in 2003, Carmeli has found that EI is negatively related with employees’ withdrawal intentions from the organization. Furthermore, in 2011, Jordan and Troth demonstrate a negative correlation of EI with employee turnover intentions working in a large company. On the other hand, Weiss &Cropanzano (1996) revealed that managers having high EI exhibit optimistic work attitudes which lead to employees’ higher satisfaction and performance at job. This result was confirmed by the study of Sue-Chan and Latham, (2004), in which they indicate a high positive correlation of managers’ EI and their team playing behavior.

Schlechter and Strauss, (2008), indicated that the EI of team leader relates positively with trust within a team context and hence commitment within the team. In 2006, the study conducted by Gowing, O’Leary, Brienza, Cavallo & Crain (2006), illustrated the relationship between EI and leadership success. Finally, Jonker (2009) views that managers may use EI as a tool to augment their decisions for selection, recruitment, training and development of employees from entry level to senior executive positions.

By considering these results, the first three hypotheses of the research are defined as follows:

H.1: EI of team leader is positively related to employees’ Job Performance;
H.2: EI of team leader is positively related to employees’ Job satisfaction;
H.3: EI of team leader is negatively related to employees’ turnover.

In family firms the emotional relationships exist between the family and the business (Shepherd, 2003), that is why Kets-de-Vries and al. (2007), defined the family business as a unique form of business organization since it involves the overlap of a system structured on rational economic principles with a system organized and driven by emotions. Accordingly, the use of EI in the family business seems to be evident. For example, through the succession of the company and to make a good impression, the son may use his emotional communication to disseminate values inherited from his father, the founder of the company. To this end, some researchers indicate that emotions can be transferred from generation to the next in order to conserve a strong set of values and history (Denison and al. 2004).

Moreover, if one of the family members is suffering from financial difficulties, his relatives would rush to help him. In this sense, positive emotions arise as a factor in promoting cooperation between the members of the family by making the process of negotiation more comfortable and helping achieve better business performance. Furthermore, EI helps family members to be more capable of preventing and eliminating many types of conflict (family-family; family-business and business-business) through the creation of a specific social capital that can explain the positive relation between family ownership and firm performance (Nathalie et Goshen, 1998). In this case, family firm identity is an important source of competitive advantage in the marketplace by establishing a loyal and emotional relationship with all the stakeholders. Lee (2006) confirms that...
the involvement of family owners in the management ensures the development of trust and loyalty with all their employees. Taking these results into consideration, the hypotheses of the research can be defined as follow:

H.4: The implication of the family member as a team leader increases the positive relationship between EI and employees’ job performance.

H.5: The implication of the family member as a team leader increases the positive relationship between EI and employees’ job satisfaction.

H.6: The implication of the family member as a team leader increases the negative relationship between EI and turnover.

Method

Sample and data collection

The main sample consists of the responses of 1850 employees extracted from 245 Lebanese family firms. The instrument used was a questionnaire, which tapped different measures like demographic information, gender, emotional intelligence and job performance. The family businesses were selected based on at least one of the following criteria: 1- the succession of control and ownership; 2- the majority of ownership in the family’s hands; and 3- the implication of family members in the control of the firm.

Given the circumstances, our response rate (68%) can be regarded as adequate. We only included fully completed questionnaires which reduced the final sample to 1258 employees. 67% of the employees were males, with an average tenure of 9 years and an average age of 38 years. The total number of managers was 268, with an average tenure of 14 years and an average age of 46 years. 57.8% of the asked employees were supervised by family managers’ and just 13.3% of these family managers were females. All the non-family managers were males. The average age of family business was 22 years and the majority was SME with an average size of 210 employees. The main sectors of these companies were: services (39%) and industrial (26%).

Variables

Based on the studies of Pearce & al. (1986), Black & al. (1991), Hochwarter& al. (1999), and Carmeli (2003), the first dependent variable: job performance of employees (JPE) is measured through the evaluation of managers by the following dimensions: 1- ability to get along with others; 2- completing tasks on time; 3- quality of performance and 4- the achievement of work goals. These four elements were assessed on a seven points Likert scale (ranging from 1 = strongly disagree, to 7 = strongly agree). The second dependent variable: turnover level (TL) is measured by the number of employees that have quit within a year over the total number of employees at the beginning of the year (Newman et al. 2002). The third dependent variable: job satisfaction is measured by using 23 questions based on Meliaet al. (1989) questionnaire. This questionnaire presents high level of validity and internal consistency (Gil et al. 2005). It contains 23 items relative to job dimensions such as participation and work environment. The independent variable: emotional intelligence of team leader (EIM) is assessed by using the evaluation of employees based on (Bar-On) instrument, developed by Bar-On (1997), which has high validity (see table 1 for the model). Based on a set of questions, the data in this test were collected on a seven points Likert scale (ranging from 1 = strongly disagree to 7 = strongly agree).
Table 1: Emotional Intelligence SCALES – Bar-On Model

<table>
<thead>
<tr>
<th>EQ-i (Emotional Quotient Inventory) SCALES</th>
<th>The EI Competencies and Skills Assessed by Each Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intrapersonal</strong></td>
<td><strong>Self-awareness and self-expression:</strong></td>
</tr>
<tr>
<td>Self-Regard</td>
<td>To accurately perceive, understand and accept oneself.</td>
</tr>
<tr>
<td>Emotional Self-Awareness</td>
<td>To be aware of and understand one’s emotions.</td>
</tr>
<tr>
<td>Assertiveness</td>
<td>To effectively and constructively express one’s emotions and oneself.</td>
</tr>
<tr>
<td>Independence</td>
<td>To be self-reliant and free of emotional dependency on others.</td>
</tr>
<tr>
<td>Self-Actualization</td>
<td>To strive to achieve personal goals and actualize one’s potential.</td>
</tr>
<tr>
<td><strong>Interpersonal</strong></td>
<td><strong>Social awareness and interpersonal relationship:</strong></td>
</tr>
<tr>
<td>Empathy</td>
<td>To be aware of and understand how others feel.</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>To identify with one’s social group and cooperate with others.</td>
</tr>
<tr>
<td>Interpersonal Relationship</td>
<td>To establish mutually satisfying relationships and relate well with others.</td>
</tr>
<tr>
<td><strong>Stress Management</strong></td>
<td><strong>Emotional management and regulation:</strong></td>
</tr>
<tr>
<td>Stress Tolerance</td>
<td>To effectively and constructively manage emotions.</td>
</tr>
<tr>
<td>Impulse Control</td>
<td>To effectively and constructively control emotions.</td>
</tr>
<tr>
<td><strong>Adaptability</strong></td>
<td><strong>Change management:</strong></td>
</tr>
<tr>
<td>Reality-Testing</td>
<td>To objectively validate one’s feelings and thinking with external reality.</td>
</tr>
<tr>
<td>Flexibility</td>
<td>To adapt and adjust one’s feelings and thinking to new situations.</td>
</tr>
<tr>
<td>Problem-Solving</td>
<td>To effectively solve problems of a personal and interpersonal nature.</td>
</tr>
<tr>
<td><strong>General Mood</strong></td>
<td><strong>Self-motivation:</strong></td>
</tr>
<tr>
<td>Optimism</td>
<td>To be positive and look at the brighter side of life.</td>
</tr>
<tr>
<td>Happiness</td>
<td>To feel content with oneself, others and life in general.</td>
</tr>
</tbody>
</table>

To detect the direct implication of the family emotional intelligence, the binary variable (FEI) was used in this research. This variable equals to 1 if the asked employee is supervised by at least one of the family members and 0 otherwise.

We used several control variables. (OS) was measured by the number of permanent employees; Tenure in the organization (OT) was measured by the number of years for the employee in the current organization; (WE) was measured by years number of employee’s experiences; (RA) was measured by employee’s age; and finally to control the gender of emotional
intelligence the binary variable (FFEI) was used in our study. This variable equals to 1 if the asked employee is supervised by a female and 0 otherwise.

Results

The multiple regressions were run on the data. The reliability estimated for the four dimensions of EI were low (Cronbach alphas 0.34, 0.48, 0.48, and 0.69, respectively), but the overall reliability of the scale was more adequate (Cronbach alpha = 0.82). Hence, the consolidated score on EI were used for all further analyses. Similarly, the reliability estimated for the overall job performance scale (0.91) was adequate to capture the impact of EI on the global Job performance. Therefore, the impact of EI on job performance was detected through 5 regressions based on the overall job performance and the four basic variables of job performance (1-ability to get along with others; 2-completing tasks on time; 3-quality of performance and 4- the achievement of work goals) as follow:

Dependent variable(*)

\[ \beta_0 + \beta_1 \text{EIM} + \beta_2 \text{EIM*FEI} + \beta_3 \text{EIM*FFEI} + \beta_4 \text{EIM*FFEI} + \beta_5 \text{OS} + \beta_6 \text{OT} + \beta_7 \text{RA} + \beta_8 \text{WE} + \epsilon_{it} \]

(\text{While dependent variable equals to : job performance in regression 1; ability to get along with others in regression 2; completing tasks on time in regression 3; quality of performance in regression 4; and finally to achievement of work goals in regression 5.)

Table 2: Regression Analysis (Job performance)

The dependent variable is the job performance measured respectively by the overall job performance in regression (1), ability to get along with others in regression (2), completing tasks on time in regression (3), quality of performance in regression (4), and achievement of work goals in regression (5). The independent variables are: the overall emotional intelligence of team leader EIM, the binary variable FEI which indicate if the EI is used by family team leader, and the binary variable FFEI which indicate if the EI is applied by female manager. The controllable variables are: the organizational size OS, the organizational tenure OT, the respondents’ age RA, and the number of years of respondent experience (WE).

<table>
<thead>
<tr>
<th></th>
<th>Regression (1)</th>
<th>Regression (2)</th>
<th>Regression (3)</th>
<th>Regression (4)</th>
<th>Regression (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIM</td>
<td>.53*</td>
<td>.38*</td>
<td>.40**</td>
<td>.62**</td>
<td>.58*</td>
</tr>
<tr>
<td>EIM*FEI</td>
<td>.64**</td>
<td>.52*</td>
<td>.53*</td>
<td>.65*</td>
<td>.60**</td>
</tr>
<tr>
<td>EIM<em>FEI</em>FFEI</td>
<td>.45</td>
<td>.23*</td>
<td>.31</td>
<td>.52</td>
<td>.34</td>
</tr>
<tr>
<td>EIM* FFEI</td>
<td>.32</td>
<td>.12*</td>
<td>.23</td>
<td>.21</td>
<td>.21</td>
</tr>
<tr>
<td>OS</td>
<td>-.21</td>
<td>-.15</td>
<td>.06</td>
<td>-.18*</td>
<td>-.43</td>
</tr>
<tr>
<td>OT</td>
<td>.42*</td>
<td>.61*</td>
<td>.31</td>
<td>.73</td>
<td>.42*</td>
</tr>
<tr>
<td>RA</td>
<td>.69</td>
<td>.36**</td>
<td>.27</td>
<td>.34*</td>
<td>.65</td>
</tr>
<tr>
<td>WE</td>
<td>-.85*</td>
<td>-.54</td>
<td>-.34*</td>
<td>.45*</td>
<td>.53</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.43</td>
<td>.38</td>
<td>.35</td>
<td>.31</td>
<td>.27</td>
</tr>
</tbody>
</table>

* Significant at the 0.05 level,  
** significant at the 0.01 level,  
*** significant at the 0.001 level.
As seen in Table 2, the results support the first hypothesis (H1), namely that *EI of team leader is positively related to employees’ job Performance*. These results are also in line with many researchers who found that emotional intelligence was positively associated with job performance. Hence, having a family team leader with high emotional intelligence is a necessity for attaining sustainable performance.

Moreover, the impact of the variable (EIM*FEI) on job performance is higher than that of EIM. This means that the impact of individual behavior, specifically EI on job performance is moderated by team leader characteristics. In the case of family business, the implication of family as a team leader contributes excessively to work performance by creating a specific social capital and by enabling a positive environment at work. These results support the hypothesis (H4), namely that *the implication of the family member as a team leader increases the positive relationship between EI and employees’ job performance*.

Results of the table 2 demonstrate that there is no significant general difference between emotional intelligence among male and female. However, they are emotionally intelligent in different ways. We also found that females are very talented to build a solid relationship with their coworkers in the family firms (regression 2).

**Table 3: Regression Analysis (job satisfaction and turnover)**

The dependent variable is the job performance measured respectively by the job satisfaction in regression (1), and by the turnover in regression (2). The independent variables are: the overall emotional intelligence of team leader EIM, the binary variable FEI which indicate if the EI is applied by family leader and the binary variable FFEI which indicate if the EI is applied by female leader. The controllable variables are: the organizational size OS, the organizational tenure OT, the respondents’ age RA, and the number of years of respondent experience (WE).

<table>
<thead>
<tr>
<th></th>
<th>Regression (1)</th>
<th>Regression (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIM</td>
<td>.445*</td>
<td>-.324</td>
</tr>
<tr>
<td>EIM*FEI</td>
<td>.831**</td>
<td>-.519</td>
</tr>
<tr>
<td>EIM<em>FEI</em>FFEI</td>
<td>.421</td>
<td>-.231</td>
</tr>
<tr>
<td>EIM* FFEI</td>
<td>.354</td>
<td>-.162</td>
</tr>
<tr>
<td>OS</td>
<td>-.321</td>
<td>.231</td>
</tr>
<tr>
<td>OT</td>
<td>.123</td>
<td>-.024*</td>
</tr>
<tr>
<td>RA</td>
<td>-.218</td>
<td>.138</td>
</tr>
<tr>
<td>WE</td>
<td>-.041</td>
<td>.312</td>
</tr>
<tr>
<td>Adjusted R2</td>
<td>.483**</td>
<td>.437**</td>
</tr>
</tbody>
</table>

* Significant at the 0.05 level,
** significant at the 0.01 level,
*** significant at the 0.001 level.

The first regression in table 3 indicates a positive relation between EI of the leader and employees job satisfaction. Additionally, EIM of family leader measured by (EIM*FEI) seems to be more significant and valuable for employee job satisfaction. These results confirm respectively the hypothesis H2 (in which the *EI of team leader is positively related to employees’ job satisfaction*) and H5
(namely that the implication of the family member as a team leader increases the positive relationship between EI and employees’ job satisfaction).

The second regression in table 3 indicates a non-significant relation between EI and turnover level inside the family business. It seems that the using of EI by family and non-family leaders have no impact on employees’ turnover level. Due to these results, the hypotheses (H3 and H6) can’t be confirmed.

Finally, in all the regression results there are no significant impact of female emotional intelligence on the level of turnover and the employees’ job satisfaction.

Conclusion
This study explored the interactions between the EI of team leader and employees job performance, job satisfaction and turnover inside the family business. In our study some of relationships have been confirmed, specifically the positive impact of leader emotional intelligence on employees job satisfaction and performance in the family businesses. Moreover, our results indicate a positive impact of the family member as a team leader on the relations between EI, job satisfaction and job performance. In their business, the family leaders feel more dependent to their businesses which can lead to create a good environment affecting positively the relationship with their employees. However, EI of team leader was not found to have any significant relationship with the employees turnover level.

To conclude, our results lead to valorize the importance of EI in the business system. A team leader with high emotional intelligence can control his (or her) own impulses, communicate with others effectively, solve problems, and use humor to build rapport in tense situations. Despite the contributions of the present study, its limitation must be noted. The first limitation involves the validity of the employee’s job performance and emotional intelligence measures as compared with other known measures used in previous research. The second limit is the evaluation of manager’s EI by the employees. Some employees were hesitant to complete the questionnaires for various reasons which may have influenced the final results.

This research did not consider the impact of emotional intelligence on team job performance and internal structure of the organization. It is suggested that these aspects may be considered for future research. In addition, exploring qualitatively the emotional intelligence from a different angle may positively contribute to the body of research around emotional intelligence. Finally, demographic characteristics could be studied to explore some variables as education and culture that could interact with the EI to influence the job performance.

Notes
(1) The model further predicts that emotionally intelligent individuals are more likely to have grown up in biosocially adaptive households (i.e., have had emotionally sensitive parenting), be non-defensive, be able to reframe emotions effectively (i.e., be realistically optimistic and appreciative), choose good emotional role models, be able to communicate and discuss feelings, and develop expert knowledge in a particular emotional area such as aesthetics, moral or ethical feeling, social problem solving, leadership, or spiritual feeling (Mayer and Salovey, 1997).
The Model demonstrates that there is good consistency within the factorial components of this model as well as stability over time (Matthews and al., 2002; Newsome and al., 2000; Petrides & Furnham, 2000).

(3) Weiss & Cropanzano (1996); Lam & Kirby, (2002); Sue-Chan and Latham, (2004); Wong, Law & Wong, (2004); Caruso and Salovey (2004); Sy, Tram & O’Hara (2006); Gowing, O’Leary, Brienza, Cavallo & Crain (2006); Schlechter and Strauss (2008); Chaudhry and Usman (2011); Rangriz and Mehrabi (2010); and Jordan and Troth (2011).

References


