

**The impact of manager's emotional intelligence on performance: The case of Vietnam****Thi Minh Phuong Nguyen<sup>a\*</sup>, Quang Bach Tran<sup>a</sup>, Duc Tai Do<sup>b</sup>, Thi Hoang Mai Tran<sup>a</sup> and Quang Tai Dang<sup>a</sup>**<sup>a</sup>Vinh University, Vietnam<sup>b</sup>University of Labour and Social Affairs, Vietnam**CHRONICLE****ABSTRACT***Article history:*

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The study aims to examine direct and indirect impacts of managers' emotional intelligence on performance of firms through determinants of job satisfaction, trust and opportunistic behavior. Data are collected from 617 respondents as managers of firms in Vietnam. The results show that the managers' emotional intelligent not only had a direct and positive impact on the firm performance but also indirectly affects through two intermediaries of their satisfaction and trust. In addition, the findings reveal the relationship between determinants such as satisfaction positively influencing their trust and negatively affecting opportunistic behavior. Opportunistic behavior has a negative impact on trust and firm performance in the context of emerging countries like Vietnam.

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**1. Introduction**

According to Mayer and Salovey (1997), emotional intelligence (EI) is the ability to accurately recognize, assess and express emotions; the ability to approach and create emotions when these emotions facilitate improving thinking, the ability to understand emotions and knowledge of emotions and the ability to adjust emotions to accelerate emotional and intellectual development. Emotional intelligence is a strong predictor in determining a person's success and work performance (Abraham, 2000; Ashforth & Humphrey, 1995; Ashkanasy & Daus, 2002; Goleman, 1995, 1998). Many studies have shown a positive relationship between managers' emotional intelligence and job performance (Bachman et al., 2000; Jordan et al., 2002; Wong & Law, 2002). Emotional intelligence indicators and their use for managers are significantly important, governing manager's decisions, influencing work acumen, affecting the process of establishing, maintaining and developing relationships in firms, affecting trust, cohesion, and efficiency of business operations.

Up to now, in many of research projects, many scientists have investigated the relationship between the emotional intelligence of managers and the firm performance. The majority of studies reveal that emotional intelligence had a positive effect on firm performance. Emotional intelligence plays a coordinating role in the relationship between the supplier and customer satisfaction; the emotional intelligence of the administrator is a fundamental motivation, positively impacting firm performance (Rehman et al., 2012). Meanwhile, firm performance is rooted in the process of providing high quality services and often significantly influenced by the emotional intelligence of managers (Pahuja & Sahi, 2012; Rehman et al., 2012). Slaski and Cartwright (2002) demonstrated that there is a positive relationship between emotional and mental capacity as well as the effectiveness level in the work of the managers.

Zhou and George (2003) suggested that managers with high emotional intelligence can facilitate cognitive processes, identify fundamentals, perceive opportunities, and promote work efficiency. Similarly, Marlowe (1986) also argued that the emotional

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index is one of the determinants that helps managers understand the thoughts, behaviors and emotions of others, help promote the activities of employees and managers themselves at work so that contributing significantly to improving firm performance.

In fact, the emotional intelligence of the manager is always an important determinant in management activities. Emotional intelligence helps managers have better awareness and acumen in the process of working and coordinating employee activities, promoting the efficiency of individuals and organizations, thereby contributing to improving firm performance. In the context of Vietnam with the majority of small and medium-sized firms, although it is considered to have significant progress in many areas, many firms with limited operating scale, fragmented practices and lack of clear business strategies lead to unexpected firm performance. Moreover, in terms of management, many policies are still seriously based on relationships, the process of creating trust and employee engagement with the firms have not been focused. This dramatically affects the psychology and productivity of the labor and firm performance. Improving the emotional intelligence of managers, and creating fairness in all activities would be an important tool, contributing to the loyalty, long-term relationship of employees with organization, increasing operational effectiveness in the work of each individual, department and the whole firm, creating sustainable and long-term development for firms and society.

This research aims to model and examine the direct impact of managers' emotional intelligence competencies on firm performance in Vietnamese firms, as well as the indirect impact of this relationship through intermediaries including job satisfaction, opportunistic behavior and trust in the firm's management.

## **2. Theoretical framework and hypotheses**

### *2.1. Emotional intelligence and firm performance*

Emotional intelligence (EI) is an essential factor, determining success in work and life. The abundant mentality plays an important role in forming the interaction between managers and employees in their working environment (Hasan, 2012). Goleman (1998) argued that emotional intelligence is the ability to recognize our emotions and those of others and to better manage our emotions in ourselves and in our relationships. They proposed four fundamental aspects of emotional intelligence, including (i) Self-awareness; (ii) Self-management; (iii) Social awareness; (iv) Relationship management. A leader tends to significantly influence people's thinking and motivation.

Mayer et al. (1990) proposed the EI measurement method. This measurement is designed to measure the skills that affect an individual's ability to effectively deal with the risks of environment and stress in life. This measurement refers to five determinants as (i) Self-knowledge includes the ability to self-identify, self-determination, and the ability to assess self-objectively; (ii) Relationships include competencies such as empathy, ability to perform; (iii) Stress management, including practical assessment skill and problem-solving skill; (iv) Resilience includes stress tolerance skill and ability to control impulse; (v) Personal mood consists of keeping a state of joy, optimism, and happiness.

The emotions in decisions always have strong relationships with each other. Cooper (1996) presented an EI scale that divides emotional intelligence competencies into factors including Current environment; Understanding of emotions; Emotional Intelligent; Values and attitudes; Results. An innovation proposal can be successfully done if the effort is made to innovate and there are high expected goals, favorable results and high commitments. Firms need to be motivated to adopt. Incentives for supporters need to persuade them to participate in innovation. Besides, innovation should be designed so that it can engage all parties together, and all their benefits are taken seriously. Venkatraman and Ramanujam (1986) argued that firm performance is a determinant that is concerned not only with managers, leaders in firms but also getting a lot of attention from researchers with many different aspects such as terminology, level of analysis (individual, group, department). Firm performance can be viewed from the perspective of financial, non-financial results or a combination of these criteria.

Neely et al. (1995) suggested that firm performance is a set of criteria to quantify the efficiency and effectiveness of all aspects of firm activities. It is tested by three levels of individual, firm goals and the relationship between those evaluation criteria and the operating environment (culture, customer satisfaction, development strategy, etc.). Maisel (2001) assessed firm performance as a system that helps firms build plans, measure and control the results of sales, marketing, information technology and making business decision and other business activities with the aim of setting goals and creating value for people with relevant interests. According to Kaplan and Norton (1993), firm performance is determined from four basic component groups including finance, customers, internal processes and development learning. It builds the foundation for turning business strategy content into execution conditions.

A study of Delaney and Huselid (1996) measured firm performance not based on financial indicators but on employee perceptions of firm performance based on criteria e.g. product quality, new product development, ability to attract employees, customer satisfaction and the relationship between managers and employees as indicators of the firm performance. Awareness-based measurement had a positive effect on organizational performance (Dollinger and Golden, 1992).

In addition to two direct impact determinants mentioned in the research, including the managers' emotional intelligence and firm performance, the research also mentions intermediary determinants including job satisfaction, opportunistic behavior, and managers' trust in the organization.

Olsen (1993) defined job satisfaction as a positive emotional response to a job when the value of work brought as expected. Meanwhile, according to Williamson (1975), opportunistic behavior is the one that seeks personal gain by fraud, breaking commitments, violating obligations and responsibilities that must be fulfilled (Morgan and Hunt, 1994). Opportunistic behavior is considered as a form of the negative behavior of employees in the organization, dominated and decided by the awareness, attitudes, and capabilities of the employees themselves.

Trust is one of the factors that create effectiveness in relationships. Mayer et al. (1995) believe that trust is when we put our belief to another, it is necessary to clarify the concept of trust in the relationship between trustees and believers. In the corporate structure, building trust between colleagues, and between employees and managers, organizations, or vice versa is always a mandatory requirement for managers and employees in the enterprise.

## 2.2. Research hypotheses

According to Daus and Ashkanasy (2005), emotional intelligence is an important predictor of firm performance, including job satisfaction. Research of Kafetsios and Zampetakis (2008), Sy et al. (2006), Guleryuz et al. (2008) also demonstrated that there is a positive effect of emotional intelligence on job satisfaction of managers. Thus, most previous studies have agreed and pointed out a direct and positive impact of emotional intelligence on job satisfaction of managers. In order to test this relationship more accurately, we design a hypothesis as:

**H<sub>1</sub>:** Emotional Intelligence (EI) has a positive effect on job satisfaction of managers in Vietnamese firms.

Cote and Miners (2006) suggested that there is a significantly meaningful relationship between emotional intelligence and organizational building behaviors. Solan (2008) also found evidence of the relationship between managers' emotional intelligence and organizational building behavior. The emotional intelligence of a manager has a positive influence on an organization-driven behavior, but does not influence an individual's behavior toward goals. As a form of organizational behavior, opportunistic behaviors are negative, directed towards individualism and have a serious impact on the work motivation, the personal orientation of the managers and also the overall goal of the entire firms. To consider the impact of managers' emotional intelligence on their opportunistic behavior in the course of their work. A hypothesis is designed as:

**H<sub>2</sub>:** Emotional Intelligence has a negative effect on the managers' opportunistic behavior in Vietnamese firms.

Ivancevich and Mattson (2005) said that job satisfaction was expressed through an individual's attitude toward the job and self-awareness, and an individual's perception of the job leads to his or her attitude toward the job. When managers are satisfied with a job, they often have a positive attitude, while dissatisfied they will have a negative attitude and behavior toward the job. Maintaining and improving the managers' satisfaction level in the business help them to maintain positive spirit and attitude at work. Thereby, it helps reduce the negative opportunistic behaviors to seek personal benefits in the business. With the case study of Vietnamese firms, to clarify the impact of the managers' job satisfaction on their opportunistic behavior in businesses, the hypothesis is built as:

**H<sub>3</sub>:** Job satisfaction has a negative effect on the managers' opportunistic behavior in Vietnamese firms.

Studies have shown a relationship between EI and trust of managers during working. According to Jordan et al. (2002), individuals with high EI would gain more success in their jobs and gain confidence in the workplace. High EI helps managers correctly recognize the job requirements, evaluate and approach the work reasonably, have an impact on performance promotion and build trust in the organization. In the context of Vietnamese firms, how managers' EI influence their trust in the organization and the hypothesis is given as:

**H<sub>4</sub>:** Emotional Intelligence has a positive impact on the managers' trust in Vietnamese firms.

George and Jones (1996) believed that an individual's job satisfaction was the collection of his or her feelings and beliefs with the current job. Creating managers' satisfaction is considered as an essential solution to increase their trust in the organization, create efficiency in the workplace as well as build a working environment in the same direction of the business development strategy. In order to clarify the impact of job satisfaction on the managers' trust in Vietnamese firms, we design a hypothesis as:

**H<sub>5</sub>:** Job satisfaction has a positive impact on the managers' trust in Vietnamese firms.

According to Katsikeas et al. (2009), there is an impact relationship of opportunistic behavior on trust and thereby influencing firm performance. Morgan and Hunt (1994) showed the negative effects of opportunistic behaviors on trust in relationships marketing. To maintain activities and achieve success, many firms and individuals do not exclude individual and group opportunistic behaviors to create their own benefits. This has a significant impact on trust of individuals and employees in firms and the overall firm performance. So to examine the impact relationship between the managers' opportunistic behavior and their trust in the organization. We design a hypothesis as:

**H<sub>6</sub>:** Opportunistic behavior has a negative influence the managers' trust in Vietnamese firms.

The managers' job satisfaction plays an important role in improving the firm's financial position (Aronson et al., 2005).

Understanding their job satisfaction is the firm’s important goal. Their job satisfaction is an essential element in the job performance to create a positive culture and an effective motivation for managers in the workplace, thus influencing productivity and revenue of firms (Becker, 2004). In the context of firms in Vietnam, to understand the impact of the managers’ job satisfaction on the firm performance, a hypothesis is designed as:

**H7:** The managers’ job satisfaction has a positive impact on the firm performance of Vietnamese firms.

According to Katsikeas et al. (2009), there is a negative impact of opportunistic behavior on trust, thereby affecting the firm performance. Opportunistic behavior often stems from the needs and benefits of individuals. In this relationship, needs determine benefits. Performance is highly dependent on interpersonal relationships, tolerance, adaptability and teamwork which are also important personal behaviors in the workplace. Firm performance, if greatly influenced by personal benefits, will have a negative impact. Most studies showed an indirect effect of the managers’ opportunistic behavior on firm performance. Therefore, in the context of Vietnamese firms, to identify whether there is a direct impact of the managers’ opportunistic behavior on firm performance or not, the hypothesis is set as:

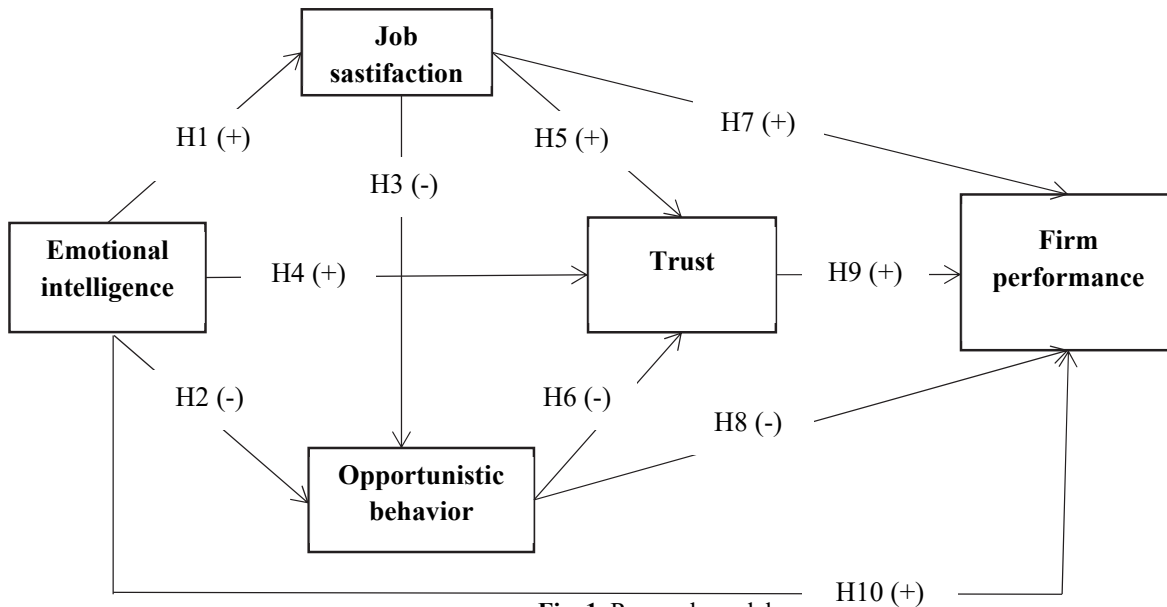
**H8:** The managers’ opportunistic behavior has a negative impact on the firm performance of Vietnamese firms.

Bakiev (2013) said that high performance system through intermediaries of relationships between trust, organizational cohesion, and performance awareness have a positive impact on the firm performance. Guinot et al. (2014) believed that trust in an organization was a factor with a positive effect on its performance. Most of the study results agreed that beliefs have a positive effect on performance such as those of Klein and Rai (2009). However, in practice, not all studies find a positive relationship between trust and firm performance. In management activities, building trust is one of the vital determinants, affecting the effectiveness of management decisions, and at the same time influencing the firm productivity. So, in the context of Vietnamese firms, to identify how the management’s beliefs affect the firm performance, the hypothesis is formulated as:

**H9:** The trust of managers in the organization has a positive influence the business performance of Vietnamese firms.

Emotional intelligence is one of the determinants of the performance of the management environment (Mayer, 2001). The study of Rahim and Malik (2010) concluded that there was a direct impact between the managers’ emotional intelligence and performance. Rice (1999) confirmed that individuals with high EI are often reputed to contribute significantly to performance. Managers with high EI tend to make accurate judgments and forecasts, and timely decisions on their jobs. Thereby, promoting activities and business processes, leading higher results and efficiency. It can be seen that most studies showed a positive relationship between EI and performance. In order to further clarify this relationship with managers in Vietnamese firms, we design a hypothesis as:

**H10:** Managers’ emotional intelligence has a positive impact on the firm performance of Vietnamese firms.



**Fig. 1.** Research model

**3. Research methodology**

*3.1. Measurement scales*

Based on literature review, this research proposes a research model with independent and intermediate variables including

managers' emotional intelligence, satisfaction level, opportunistic behavior, beliefs and the target variable that is business performance. The scale used in the research is a likert scale with 5 levels (Strongly agree; Agree; Normal; Disagree; Strongly disagree). The indicators measuring the applied variables are adjusted in accordance with the characteristics of the sample from the previous studies (see Appendix No. 1).

Emotional intelligence variable (Symbolled as EI) using SSRI scale of Ciarrochi et al. (2001) included 33 observations with 4 groups of factors of Emotional awareness capacity (Symbolled as EMP) with 10 observations.

The ability to use emotions (Symbolled as USE) with 6 observations;

The ability to understand emotions (Symbolled as UNE) with 8 observations;

Emotional management/control capacity (Symbolled as MAE) with 9 observations.

Job satisfaction of the manager which uses the Judge scale et al. (2002) includes 5 observations.

Opportunistic behavior using a scale of Katsikeas et al. (2009) with 5 observations.

Beliefs using a scale of Morgan and Hunt (1994) with 5 observations.

Firm performance using a Huselid scale (1995) consists of 6 observations.

### 3.2. Data collection and sampling

The sample selected by the non-probability sampling method is a convenient sampling, relatively stratified by provinces and localities in Vietnam. The unit of analysis in this study is an administrator in Vietnamese firms. The sample size for collection is 617 samples. The data collection process is conducted in two ways: direct and online questionnaires distribution. The number of online questionnaires collected was 351, the number of available questionnaires was 288. In term of direct survey, the number of questionnaires issued is 650, the number of questionnaires collected is 412, the number of questionnaires used is 329. The total number of valid questionnaires used for analysis is 617. Based on the study of Hair et al. (1998) for reference to the expected sample size, the minimum sample size is 5 times the total number of observed variables. With the number of observations in this study is 54, the research scale includes 617 samples to ensure analysis requirements.

### 3.3. Processing techniques

This research employs quantitative approaches. The data after collection and cleaning are processed through SPSS and Amos. First, the study assesses the reliability of the scale with Cronbach's Alpha value > 0.7. Next, the paper analyses EFA discovery factor with the aim of determining "convergent values" and "discriminant values of the scale". Then, using AMOS to assess the suitability of the research model through CFA test and finally the research conducts to examine the research hypotheses by analyzing SEM model.

## 4. Results and discussion

### Verify the reliability of the scale

Cronbach's Alpha test analysis results show that the reliability of the scale used in the analysis that Cronbach's Alpha coefficient of all variables > 0.7. However, EMP2 indicator has Cronbach's Alpha if Item Delete coefficient as 0.913 which is larger than the Cronbach's Alpha coefficient of EMP variable (0.907). Meanwhile, MAE6 indicator has a Cronbach's Alpha if Item Delete coefficient of 0.845 larger than the Cronbach's Alpha coefficient of the variable MAE (0.843). FP6 has a Cronbach's Alpha if Item Delete coefficient of 0.959 greater than the Cronbach's Alpha coefficient of the FP variable (0.940). Therefore, in order to increase the suitability of the scale, the study conducted only EMP2, MAE6 and FP6 indicators.

**Table 1**

Assess the reliability of the scale through Cronbach's Alpha coefficient

No.	Variables	Code	Cronbach's Alpha coefficient
1	Emotional perception	EMP	0.913
2	Using emotion	USE	0.828
3	Understanding emotion	UNE	0.874
4	Managing emotion	MAE	0.845
5	Job satisfaction	JOS	0.865
6	Opportunistic behavior	OPB	0.858
7	Trust	TR	0.904
8	Firm performance	FP	0.959

### EFA analysis

After conducting the test of the suitability of the scale, the research conducts the analysis of EFA discovery factor. The analysis

process is conducted for both independent, intermediate and dependent variables. For the group of independent and intermediate variables, the analysis is carried out twice in which the the load factor coefficient all is > 0.5 in the analyzes, showing appropriate correlation between observed variables (indicators) and selection factors in the model. However, in the first analysis, due to the failure to ensure the "convergent" for the same factor, MAE9 indicators were excluded. The results of the second analysis show that the remaining data are eligible for analysis due to load factors > 0.5 and satisfy the two conditions as "Convergence" (observed variables converge to a single factor) and "Discriminant" (observed variables belonging to different from each other). With the dependent variable of the work motivation of the middle-level manager, the analysis results show that the KMO coefficient is 0.891 (> 0.5), Sig of Bartlett's test is 0.000 (<0.05) and the total variance extracted is 86.142% (> 50%). At the same time, the indicators of the work motivation scale are grouped in a single group, ensuring its "convergence" requirement.

**Table 2**

Results of analysis EFA factor

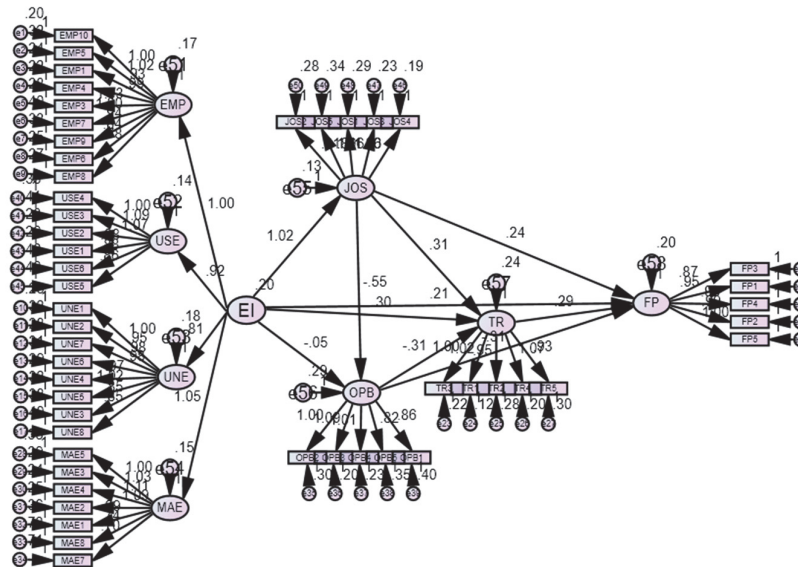
EFA analysis	KMO coefficient	P-value	Variance extracted	Load factor coefficient	Conclusion
1st time	0.936	0.000	62.194	All coefficient >0.5	Remove 1 indicator
2nd time	0.937	0.000	60.707	All coefficient >0.5	Ensure analysis requirements

**CFA analysis**

The research results indicate the appropriateness of the measurement model. Chi-square = 2671.122, df = 1147, Chi-square/df = 2.329 (<3), P = 0.000, GFI = 0.852 (>0.8), TLI = 0.915 (>0.9), CFI = 0.920 (>0.9), RMSEA = 0.046 (<0.05).

**SEM analysis**

Conducting analysis of SEM model for the research model, we found that the general indicators are satisfactory. In particular, Chi-square = 2756.182, df = 1161, Chi-square/df = 2.374 (<3), P = 0.000, GFI = 0.848 (>0.8), TLI = 0.912 (>0.9), CFI = 0.917 (>0.9), RMSEA = 0.047 (<0.05).



**Fig. 2.** SEM model analysis

The results of estimating the relationships in the model show that the research model is suitable. Except for hypothesis H2, all hypotheses with significance level P <0.05 are accepted. Particularly, with the hypothesis H2, the significance level P in the test is 0.673 (> 0.05), which means the rejection of the hypothesis H2. This means that the managers' emotional intelligence does not affect their opportunity behavior in Vietnamese firms. Although disagreeing with the research results of Cote and Miners (2006), Solan (2008), but this finding also shows that opportunistic behavior of managers is a form of negative behavior, influenced by a variety of causes, stemming from the private interests of individual managers. And to limit opportunistic behaviors, improving emotional intelligence is not the most important factor, but it is necessary comes from the actual needs of the managers, in relation to the goals of the organization. The hypotheses of H1 and H3 with significance levels P <0.05 are all accepted to show the correlation between the emotional intelligence factors, job satisfaction and opportunistic behaviors of the managers, corresponding to the results of related studies such as Daus and Ashkanasy (2005), Kafetsios and Zampetakis (2008), Sy et al. (2006), Guleryuz et al. (2008), Ivancevich and Mattson (2005), etc. In particular, with the acceptance of hypothesis H1, it is possible to conclude that emotional intelligence has a positive influence on the job satisfaction of managers in Vietnamese firms. Meanwhile, with the hypothesis H3, job satisfaction has the negative effect on

the opportunistic behavior of managers in Vietnamese firms. The hypotheses H4, H5, H6 examine the direct impact of emotional intelligence, job satisfaction, opportunistic behavior at work on the trust of managers in businesses in Vietnam, the results also show that the hypotheses are accepted with significant P level  $<0.05$ . That is, emotional intelligence and job satisfaction have a positive impact on the trust of managers, while opportunistic behavior has a negative impact on the trust of managers in businesses in Vietnam (regression weight  $<0$ ). This result is similar to the studies of Jordan et al. (2002), George and Jones (1996), Katsikeas et al (2009), Morgan and Hunt (1994).

The hypotheses of H7, H8, H9, H10 examine the direct impact of factors of emotional intelligence, job satisfaction, trust and opportunistic behaviors of managers on performance in Vietnamese firms. The results show that the hypotheses are accepted with a significance level of  $P < 0.05$ , which means that opportunistic behavior of managers has the negative effect on business performance (regression weight  $<0$ ). While the remaining three determinants are emotional intelligence, job satisfaction and trust, all positively affect the performance of Vietnamese firms. The order of influence is determined by the regression weight which is trust (0.294), job satisfaction (0.238) and emotional intelligence (0.209). Thus, with only the hypothesis H2 being rejected, while the test results accept the remaining hypotheses, it can be concluded with the context of Vietnam, the emotional intelligence of managers not only have a direct and positive impact on firm performance, but also indirectly through two intermediaries of job satisfaction and trust of managers for business. These results will be meaningful contributions in both theoretical and practical research as well as help managers come up with more effective suggestions for improving firm performance in the process of operating of firms in Vietnam and firms in emerging countries as well.

**Table 3**

SEM analysis results for the relationships in the model

Hypothesis	Relationship	Mean	S.E.	C.R.	P	Conclusion
H1	JOS $\leftarrow$ EI	1.016	0.079	12.877	***	Accepted
H2	OPB $\leftarrow$ EI	-0.051	0.122	-0.421	0.673	Rejected
H3	OPB $\leftarrow$ JOS	-0.555	0.093	-5.955	***	Accepted
H4	TR $\leftarrow$ EI	0.305	0.112	2.732	0.006	Accepted
H5	TR $\leftarrow$ JOS	0.305	0.087	3.492	***	Accepted
H6	TR $\leftarrow$ OPB	-0.308	0.048	-6.477	***	Accepted
H7	FP $\leftarrow$ JOS	0.238	0.077	3.111	0.002	Accepted
H8	FP $\leftarrow$ OPB	-0.311	0.044	-7.137	***	Accepted
H9	FP $\leftarrow$ TR	0.294	0.044	6.701	***	Accepted
H10	FP $\leftarrow$ EI	0.209	0.098	2.141	0.032	Accepted

### Descriptive statistical analysis

It can be noticed that the importance of the determinants of emotional intelligence for managers in improving firm performance. In addition, the determination of the average value also shows the reality of each determinant in this study to the firm performance. With the highest average value in the variables included in the model as 3.8175, the job satisfaction of managers in Vietnamese firms is quite high. However, if compared with the general index of other factors in the management activities, this index is still at a moderate level. In addition, the mean value of the emotional intelligence variable is 3.6666, which is the lowest of all variables included in the model. This shows that the actual emotional intelligence of managers in Vietnamese firms is limited. It is imperative that in the coming time, managers need to be more aware of the importance of emotional intelligence, and do not stop learning and acquiring to improve their own emotional intelligence.

**Table 4**

The results of the descriptive statistical analysis of the variables' value

Variables	n	Min	Max	Mean	Std. Deviation
EMP	617	1.22	5.00	3.7605	0.60134
USE	617	1.17	5.00	3.7234	0.59695
UNE	617	1.88	5.00	3.7166	0.56297
MAE	617	1.43	5.00	3.4658	0.63134
EI	617	1.92	4.72	3.6666	0.45802
JOS	617	1.00	5.00	3.8175	0.63559
OPB	617	1.00	5.00	2.1536	0.65465
TR	617	1.00	5.00	3.6363	0.68242
FP	617	1.00	5.00	3.8159	0.66152

### 5. Conclusions and implications

This study has modeled and examined the direct and indirect impacts of managers' emotional intelligence on firm performance. With the context of emerging countries like Vietnam, the findings reveal that the emotional intelligence of the management not only had a direct and positive impact on firm performance but also had an indirect impact through two intermediaries of job satisfaction and trust of the managers for firms. In addition, the results also has shown a link between determinants such

as satisfaction positively influencing trust and inversely influencing opportunistic behavior of managers. Opportunistic behavior has the negative effect on the trust and firm performance in the context of Vietnam. Based on the findings together with in-depth interviews with management and policy makers, some suggestions are given for improving performance as:

**First**, in terms of emotional intelligence, firms should have some measures to train and develop the emotional intelligence of the managers. This helps administrators better control the personal feelings at work. It is important for managers to understand and properly perceive their capabilities, abilities and limitations at work and constantly learning, improving their level of management with the aim of creating the best performance. At the same time, emotional training measures give administrator skills to identify, understand, influence and effectively manage employee behavior. Managers themselves need to practice for enhancing the ability to communicate personal feelings and needs to others, aware of the changes in personal emotions that influence management decisions.

**Second**, in terms of trust, it is necessary to create a friendly working environment within the company, encourage open and frank information sharing among administrators and colleagues in the organization. Firms should place greater emphasis on building good relationships of managers with colleagues, employees, and executives in the business, creating trust among members of the organization.

**Third**, regarding to job satisfaction, firms need to be equipped with sufficient means to support the working process of managers. It has significant value for assigning personnel in accordance with the qualifications and skills of the administrator to help them best promote their strengths and capabilities and contribute to the organization. At the same time, firms need to have a reasonable salary and income policy based on managers' own capabilities, the performance of the work and their contribution to the organization. Besides, firms also need to pay more attention to the life needs of managers, ensure the income which can be balanced with the lives of individuals and families to create satisfaction and long-term commitment to the firm's management.

**Last but not least**, in terms of opportunistic behavior of individuals in the organization, it is significantly important to develop specific targets for managers and employees in each unit. Firms should encourage employees to enhance their work by fairly evaluating policies and recording achievements and creating reasonable incentives. Strengthen control activities in the firm is considered as an ideal way to limit self-reliance and psychological dependence on work. This pattern creates positive working mentality, contributing to promoting firm performance.

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## Appendix No. 1

## List of variables and its attributes

Variables	Code	Indicator	Sources
<b>Emotional perception</b>	EMP1	I understand the facial expressions, gestures, behaviors of others that they are satisfied (or upset/ afraid, etc.) with me.	Modified application of the scale SSRI of Ciarrochi et al. (2001)
	EMP2	I realize I'm feeling happy (or uncomfortable/shy/stressed, etc.) immediately after meeting someone.	
	EMP3	I take the initiative and understand the messages/implications being conveyed when assigning jobs to my subordinates.	
	EMP4	Looking at the expression on the face of the opposite person, I immediately realize that they are feeling comfortable (or uncomfortable/stressed/apprehensive/anxious) while talking and working with me.	
	EMP5	When my emotions for work changes (from excitement to frustration or from confusion to goodness, etc.), I know the reason why it changes like that	
	EMP6	I easily recognize my true feelings (feeling happy/upset/ stressed / shy) immediately after I meet someone.	
	EMP7	I realize the underlying meaning behind other people's gestures and actions is that they are feeling confident (or frustrated/angry/scared/guilty...) for me.	
	EMP8	Just by looking at a person, I always know what their feelings are right now.	
	EMP9	I always recognize the feelings of others by listening to the intensity of their voices.	
	EMP10	I often don't understand why people have the same feelings they still have.	
<b>Using emotion</b>	USE1	When I encounter a major event of my life, I often judge what is important or not important.	Modified application of the scale SSRI of Ciarrochi et al. (2001)
	USE2	When the mood changes in a positive way, I find myself more enthusiastic with the job.	
	USE3	Emotions are one of the things that makes my life meaningful.	
	USE4	When I'm in a good mood, I always solve problems easily.	
	USE5	When I'm in a good mood, I can create lots of new ideas.	
	USE6	I tend to come up with new ideas when I feel a change in my emotions.	
<b>Understanding emotion</b>	UNE1	I always know when I should or shouldn't share my privacy issues with others.	Modified application of the scale SSRI of Ciarrochi et al. (2001)
	UNE2	People often feel comfortable sharing their issues with me.	
	UNE3	I like to share my feelings with people.	
	UNE4	When communicating, I know how to organize events to make others happy.	
	UNE5	When I need to express myself to someone, I always know how to make a good impression on that person.	
	UNE6	I often praise when my subordinates do something good.	
	UNE7	When a person tells me about an important event in their life, I often feel as though I have experienced that situation myself.	
	UNE8	I often help others feel more comfortable when they are sad.	
<b>Managing emotion</b>	MAE1	Whenever I encounter difficulties/obstacles at work, I often recall similar situations that have caused emotions (boredom/anger) in myself and how I have overcome those feelings.	Modified application of the scale SSRI of Ciarrochi et al. (2001)
	MAE2	I always believed that I would do everything well.	
	MAE3	In every situation, I always expect great things to come to me.	
	MAE4	When the mood is good, I know how to prolong it.	
	MAE5	I am always looking for jobs that bring me happiness and excitement.	
	MAE6	I always control my emotions in any situation.	
	MAE7	I have the ability to control and stimulate personal emotions to adapt to all changes of circumstances.	
	MAE8	I easily find effective ways to deal with problems that occur within the company.	
	MAE9	I always keep calm whenever I have a problem.	
<b>Job satisfaction</b>	JOS1	I find my current job very interesting.	Modified application of the scale SSRI of Judge et al. (2002)
	JOS2	I am always happy to be able to do my current job.	
	JOS3	I am very enthusiastic about my work every day.	
	JOS4	I feel that every day of work seems to pass very quickly.	
	JOS5	Overall, I am satisfied with the work I am doing.	
<b>Opportunistic behavior</b>	OPB1	In my company, managers often pursue their own interests in the working process.	Modified application of the scale SSRI of Katsikeas et al. (2009)
	OPB2	My relationship with colleagues is always dominated by own private interests.	
	OPB3	There is always private opportunistic behavior in working process in the company.	
	OPB4	I always have high expectations for career advancement.	
	OPB5	My working performance are always heavily influenced by personal goals inside and outside the job.	
<b>Trust</b>	TR1	Willing to share thoughts and perceptions with colleagues in the company.	Modified application of the scale SSRI of Morgan and Hunt (1994)
	TR2	Superiors always believe in the ability of managers in the company.	
	TR3	The working environment in the company helps administrators and employees always trust each other.	
	TR4	There is transparent and frank exchange and sharing of work knowledge among colleagues in the company.	
	TR5	Managers fairly treat subordinates and employees.	
<b>Firm performance</b>	FP1	Realizing the quality of products and services of the company is guaranteed.	Modified application of the scale SSRI of Huselid (1995)
	FP2	Recognize that the company has developed new products and services.	
	FP3	Realizing the number of business products the company increased.	
	FP4	Seeing positive feedback from customers.	
	FP5	Noticing the increased sales of the business.	
	FP6	Realizing profitability of firms increases.	

