

CHAPTER 1

INTRODUCTION

This chapter gives a background to the issue of emotional intelligence for job performance or success, there have been many research on the role of EI concepts and its relationship towards the job performance . This chapter then discusses the purpose and the significance of the study in relation to the background of the issue. The study is further detailed in this chapter to include discussion of the research questions, and while underlining the scope of this study. Lastly, the structure of the present study is presented.

1.1 Background

The pharmaceutical or also known as medical marketing companies sectors in Malaysia have grown and recorded a remarkable market performance and business development. For the past years, there have been more than 100 registered companies in Malaysia which are governed closely by The Pharmaceutical Association of Malaysia (PhAMA). The main role of PhAMA is to foster the continued viability and growth of an innovative pharmaceutical industry through the provision of quality healthcare products and services in Malaysia. Besides the role of governing, PhAMA also encourages all phases of research, development and manufacturing of pharmaceutical products in Malaysia. In order to maintain professionalism of the industry, PhAMA encourages the provision of adequate manpower for the pharmaceutical industry in order to upgrade the skills and knowledge of industry workforce. There are 3 basic categories in a pharmaceutical industry which are research based pharmaceutical industry, generic drug manufacturer and over the

counter (OTC) pharmaceutical companies. The Malaysian pharmaceutical industry has the capability to produce almost all dosage forms, including sterile preparations such as eye preparations, injections (both large and small volume), soft gelatin capsules of various sizes and shapes, time release medications and powders for reconstitution. The industry can now produce almost 80% of the various categories in the Malaysian Essential Drugs List. Since 1986 when drug registration was started, the cumulative total number of applications received by the Drug Control Authority (DCA) as at the end of 2005 were, total 16,554 for poisons (controlled medicines); 12,529 for non poisons; 28,546 for traditional medicines and 87,532 for cosmetics. As at the end of 2005 the number remaining on the register were 3,711 for prescription products (controlled medicines); 2,831 for OTC products (non poisons); 1,112 for traditional medicines and 82,792 for cosmetics. Over the last decade, the Malaysian pharmaceutical market grew at between 8 to 10% annually. The 2004 market size was estimated to be about RM3 billion for prescription and OTC medicines. The market for traditional medicines together with health and food supplements was estimated to be about RM2 billion. However the market still relies, to a significant extent, on imports.

There are currently 296 manufacturers in Malaysia licensed by the Drug Control Authority. Of these, 87 are licensed to produce pharmaceuticals. There are also another 148 manufacturers licensed to produce traditional medicines and 61 for cosmetics. In BMI's Business Environment Ranking matrix for Q309, Malaysia remains ranked eighth out of the 15 regional markets surveyed in the Asia Pacific region, standing strong in between the

more developed market of Taiwan and the considerably more populous India
(Source : Business Monitor International, July 2009)

The key attractions of the Malaysian pharmaceutical market are the government's encouragement of the biotechnology sector and the forecast steady annual growth in the country's pharmaceutical market. Between 2008 and 2013, the Malaysian drug market is expected to grow from MYR4.12bn (US\$1.22bn) in 2008 to over MYR6.12bn (US\$2bn) at consumer prices in 2013, posting a compound annual growth rate (CAGR) of 10.47% in US dollar terms (or 8.22% in local currency terms, as the ringgit appreciates), Key drivers of growth are medical tourism, the growing reputation of Malaysian pharmaceuticals, the encouragement of the generics and specialist segments and the rising demand for and supply of halal medicines. On the other hand, per capita pharmaceutical consumption is quite low, especially due to high out-of-pocket payment levels, which make the market vulnerable to the current economic crisis

Besides the unpredictable economic crisis and turbulence, other outstanding issues hampering the faster development of more expensive medicines segments in Malaysia include a number of intellectual property (IP) regime deficiencies. In the 2009, Pharmaceutical Research and Manufacturers of America (PhAMA) once again paid greater attention towards Malaysia. The association is mainly critical of the following facts: the government runs a limited list of therapeutic areas for which bioequivalence data are required; the lack of an adequate patent linkage system; and the deficient protection and enforcement of data exclusivity legislation. Therefore, the report forecasts that the patented drugs market will develop at a slower pace than the generics

segment, which will additionally benefit from government encouragement and the cost-containment pressures brought to the fore by the current economic difficulties.

1.2 Purpose and Significance of the Study

In the fast paced environment changes, organizations tends to re-organize, re-engineer and implement management changes towards better individual or organizational performances and growth. Many new management theories are adopted in the daily organizational processes and operations. Organization structuration are constantly viewed and introduced to adapt the constant changes in decision making. One of the behavioral models of management that was introduced was emotional intelligence (EI) which was given rising prominence in current era.

The concept of EI was firstly introduced by Salovey and Mayer (1990) as a type of social intelligence, separable from general intelligence, which involves the ability to monitor one's own and others' emotions, to discriminate among them, and to use the information to guide one's thinking and actions. In a later attempt, a model was expanded and defined EI as the ability of an individual to perceive accurately, appraise and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth (Mayer and Salovey, 1997).

On the other hand, Goleman (1998), who was responsible for the popularization of the concept, has defined EI as —the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships. Goleman

formulated the model in terms of a theory of performance since, as suggested, his model has direct applicability to the domain of work and organizational effectiveness, particularly in predicting excellence in jobs of all kinds, from sales to leadership (Goleman, 1998).

Executives and employees alike were not slow to see how Goleman's claims might affect the business world. People began to see that managers who were aware of their own emotions as well as those of others were better able to challenge, motivate and inspire teams towards productive work than the more traditional manager who has tried to divorce emotions from the workplace.

Over the next ten years much further research tried to quantify EI and its relation to business success. Investigating the potential link between EI and career paths, various studies have lead business academics to believe that superior EI is very likely to lead to career success and promotion. In fact, EI is now a more important screening criterion than intellect and other managerial skills when it comes to moving middle and senior executives up the ladder. So for those managers who still feel a little unsure about EI, what exactly do we now know about it and how can we increase its presence in the workplace? Why emotional intelligence among employees do plays a vital role in an organization? This has been a considerably an important topic or issue that have captured attentions of many organizational practitioners and researchers in present times. Among other important questions which are still under discussion and scrutiny are such as the role of emotional intelligence within an organization, the impact of job performance thru emotional intelligence and

also on the need of reorganization of management for better adaptation of emotional intelligence among employees.

In many researches that have been done in the past have highlighted the underlying components and competencies of emotional intelligence that found to be touted as determination of employee commitment and also job performance. Among other components that have been said are like value, beliefs and tendency for the broad dimension of emotional literacy. However, many of the claims stated are anecdotal and derivatives only. Therefore the impacts of emotional intelligence need not to be direct.

The importance of emotional intelligence concept for organizations has been very subjective and is found to differ from one to another's characteristics and believes or even organizations. There has been lack of understandings on the relationship of emotional intelligence and employee commitment, job satisfaction and also job performances. Lack of thorough understandings and competencies have led to misconceptions on the role or importances of perceiving emotional intelligence as part of organizational development towards better performance.

Findings ways to establish a better strategic method within management to promote the needs of emotional intelligence among employees are crucial and has been considered as vital process for consideration in organization restructuring. Designing methods and rewards to reinforce on the importance of emotional intelligence should be considered by organizational management in order to boost the awareness and greater understandings on the role that it plays among employees.

Significance of this study is that it can provide information that can be adapted in organization training and development programs or even for the employee selection criterion.

1.3 Research Questions

With a constant debate on the need or emphasis of emotional intelligence for job performance or success, there have been many researches studied and viewed on the role of emotional intelligence concepts and its relationship towards the job performance. However there are many limited data on the role and influence of gender and environment in adaptation of emotional intelligence in an organization.

There are many limitations in the questionnaire based analysis on emotional intelligence as it still found to be a rather new area for awareness and also development. Among many area of research that has to be considered are such as on the impact of adaptation of emotional intelligence towards job performance. Secondly are on the role of role of environment and gender in adaptation of emotional intelligence in an organization.

However, due to limited time and restricted sample size, data collection had many constraints to needed to be considered and analyzed carefully.

There are 4 main research questions for this study.

Question 1. How are emotional intelligence clearly spelled in the organization?

Question 2. What are the general factors that contribute towards adaptation of emotional intelligence?

Question 3. What are the driving factors or motivation for higher level management to adopt emotional intelligence?

Question 4. What are among the tools / method already implemented within the organization to encourage emotional intelligence?

1.4 Objective of the Study

In the ongoing competitiveness, organizations are forced to accept and undertake many new changes towards organizational excellence. Many factors lead to the adaptations of new process within the organization. Among other are adaptation of emotional intelligence within the organization in many processes such as decision making. With a constant debate on the need or emphasis of emotional intelligence for job performance or success, there have been many researches on the role of EI concepts and its relationship towards the job performance. However there are many limited data on the role and influence of gender and environment in adaptation of emotional intelligence in an organization.

Review from recent article such as Don Chrusciel (2006) explored on the importance and the relevance of EI in prediction of both the individual and also the organizational success. The research suggests that deeper intention on value and impact evaluation on EI for organizational growth. This emphasizes the monitoring of one's own feelings (emotions) as well as those of others while taking into consideration the influencing factors of people, machines, materials, methods, and environment.

In another review by Patricia Moriarty et al (2003) suggests that intellectual learning is essential for organizational growth. It is thru participation and team

work a leader can help in the decision making process. The author predicted that high EI contributes to success in team. The organization can promote productivity and maximize output thru high EI. Ricardo et al (2008) analyzed on the relationship on emotional intelligence and job satisfaction. Thru the study the author identified five facilitating factors appear to explain Organization Learning Capabilities (OLC) experimentation, risk taking, interaction with the external environment, dialogue and participative decision making which was also found to have interrelation with emotional intelligence. Recognizing the wide views on emotional intelligence and the current practice in many organizations have lead to the justification on the need for this study to be done. The purpose of this study was done is to understand and study on the importance emotional intelligence to be practiced and learned within organization. Finally, taking into account the difference in culture and environment in the selected organizations, by conducting the applied research, result or findings from this investigation is hoped to be beneficial for the organization to carry any action oriented strategies. Since these findings are collected and accesses within the selected organizations thus it gives a clearer picture on the current management system and any improvement that are needed within.

In short, the objectives of this study can be categorized in these 4 segments:

1. To examine the level of presence and acceptance of emotional intelligence concept within the organization.
2. To analyze the leading factors towards emotional intelligence.
3. To examine the factors that can motivate employee to recognize the importance of emotional intelligence.

4. To identify improvement needed for better working environment and good implementation strategies that can create greater awareness on the importance of emotional intelligence.

1.5 Scope of the Study

The primary concern of this study is to measure the performance of medical marketing company within the Klang Valley indicated by the job performance.

Realizing that EI is a strategic asset facilitating improved job performance many organizations including multi-national corporations are realigning their HR policies and career development strategies to favor an emotionally intelligent workplace. As research unfolds, organizations are fast realizing that traditional intelligence, or IQ, is necessary but not sufficient for human performance. Therefore there have been wide adaptations within organization on the importance of emotional intelligence.

According to Mussig (2003), certain organizational cultures practices emotional intelligence as yardstick for employee promotion. In such instances, level of EI is much higher in this group of employee that is constantly measured as performances index and growth. The researcher also mentioned those employees who are leadership driven are likely to be in the process of multi level promotion in the management.

In the ever more competitive world of today's workforce, there is increasing focus on effective practices for staff recruitment and hiring, for training and promotion from within, and for retention of outstanding performers. Langley (2000) highlighted on the importance of conducting emotional intelligence as

these practices effectively are underscored by the growing costs related to sophisticated recruitment techniques, not to mention the substantial cost of promoting someone with inadequate skills. This is particularly crucial for organizations such as not-for-profit agencies where there is no guarantee of fiscal stability.

A considerable amount of literature advocates for EI as a key ingredient on which human resource professionals and organizations must focus. Research indicates a correlation between EI and top performers and performance climates in the workplace. According to such research, EI is supported as a vital element in excellent job performance profiles, in employee behavior and organizational practices leading to an outstanding climate for service delivery, and in employee concern for quality and ability to deal with workplace conflict.

1.5.1 Data Collection

Data for the study was collected from a total of 10 medical marketing company in the Klang Valley.

1.6 Organization of the Study

This study is reported in five chapters.

Chapter One gives an introduction on the purpose of the study, significance of the study, research questions of the study, scope of the study and organization of the study.

Chapter Two discusses the literature of the role of emotional intelligence within an organization as well as the relationship between the constructs. This also includes some previous research involving the application of various

measurement models employed to measure the role of emotional intelligence within an job performance.

Chapter Three describes the research methodology of the study. This includes the research model and research hypotheses, selection of the measures, sampling design, data collection procedure and data analysis techniques.

Chapter Four presents the result of this research providing a summary of the respondents, an analysis of the measures, the results for the hypotheses testing and ends with a summary of the research results. The research results are examined and compared to the research results reported by earlier researcher.

Chapter Five presents the conclusion of the present study, future study recommendations, limitations and implications of the study.