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# SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH HUMAN RESOURCE MANAGEMENT: SOCIAL INTELLIGENCE OF MANAGERS AND PERFORMANCE

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**Abstract.** Human Resources Management (HRM) is still regarded as an unexplored area from the perspective of performance, andtherefore many unanswered questions arise from this topic. The key link is the manager in HRM who is responsible for the co-implementation of HRM practices. From this specific perspective, managerial practices are an important assumption for a successful employees' management and mainly their work performance. People management cannot exist without the existence of social competence that is inevitably influenced to a considerable degree by social intelligence of the manager. The relationship between social intelligence and performance motivation was examined on a sample of interviewees as well as the impact of social intelligence on handling demanding situations that a manager encounters in everyday work situations. The results of the research have showed the discrepancies in the age groups as well as work placement that has proved the fact that managers are more socially intelligent than non-managers. Further results of the research and the conclusions take us beyond in this area which requires increasingly bigger attention from academia. Clearly, both the impact of a manager's personality on HRM and the possibilities of influencing organizational performance are topics that require further research.

Keywords: human resources management practices (HRM practices), performance, social intelligence, social competence, manager, sustainable economic development

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### 1. HUMAN RESOURCES MANAGEMENT AND PERFOMANCE

At the present time, Human resources management (HRM) represents a critical function for ensuring the operation of each organization. HRM affects most of important resources of an organization and is usually a source of permanent competitive advantage in a constantly changing and unpredictable business environment. Therefore we can claim that MRM style accelerates or hinders sustainable development processes. In the context of globalization, society based on social intelligence managers and knowledge is an essential factor where education is becoming one of the key factors of sustainable business and sustainable development (Kiškis et al. 2016; Wahl, Prause 2013; Šabasevičienė, Grybaitė 2014; Tvaronavičienė 2014; Vasiliūnaitė 2014; Guruz, Scherer 2014; Figurska 2014; Garškaitė-Milvydienė 2014; Lankauskienė, Tvaronavičienė 2012; Vosylius, Rakutis, Tvaronavičienė 2013;Litvaj, Poniščiaková 2014; Peker et al 2014; Cuneo et al 2014;. Barberis et al. 2014; Bileišis 2014; Raudeliūnienė et al 2014. Scaringelli 2014; Ključnikov 2016 et al).

Economic and social progress will increasingly depend on lifelong learning, education, creation and use of specific knowledge about the sustainability of international trade which is closely associated with the implementation of innovations and ensuring the nation's success in international markets (Lankauskienė, Tvaronavičienė 2012; Tvaronavičienė 2012; Lankauskienė, Tvaronavičienė 2013; Mačiulis, Tvaronavičienė 2013; Vosylius, Rakutis, Tvaronavičienė 2013; Raudeliūnienė et al. 2014; Tvaronavičienė 2014; Lapinskienė et al. 2013; Lapinskienė et al. 2014; Guruz, Scherer 2014; Cuneo et al. 2014; Barberis et al. 2014 Dudzevičiūtė et al. 2014; Boonyachut. 2016; Vojtovič 2016; Lynch et al. 2017; Daher et al. 2017; Oates et al. 2017; García-Fuentes, de Torre 2017; Crosbie et al. 2017). Human resources management (HRM) refers to various policies, practices and systems that affect behavior, attitudes and employees' performance (De Cieri et al., 2008; Baronienė, Žirgutis 2016; Kaźmierczyk, Aptacy. 2016; Tvaronavičienė, 2016). Effective implementation of HRM practices in an organization is a key source of competitive advantage and in several researches there has been proved a positive relationship with organizational performance (Ordonez de Pablos and Lytras, 2008). Human capital is one of the most essential element sustaining countries economy growth as well as its competitiveness in the knowledge-based world (Evald et al. 2011; Daugėlienė, Marcinkevičienė 2009).

The most striking progress in the examination of practices from the perspective of the impact on performance occurred in the first half of 1990s when an article by Huselida (1995) was published in which the author emphasized that the implementation of certain practices increases performance and productivity (Truss, Mankin, Kelliher, 2012). This breakthrough article inspired many other academics and practitioners to do research on practices that help increase performance at the most and discover the actual mechanism of action of individual practices.

The next significant milestone in this area was the implementation of purely economic approach originally, hence —" approach based on resources" or "resource-oriented approach" on HRM topics. The authors of this theory are chiefly Barney (1991) and Wernerfelt (1998). The resource-oriented approach provided a good theoretical basis for the explanation of the link between HRM practices and organizational performance with regarding to internal organizational resources that increase performance. The relationship between HRM and performance can ensure the advantage for an organization which arises for the organization through appropriateplacement of Human Resources.

Scientific studies offer a variety of theories and empirical approaches on explanation of the relationship between strategic HRM and organizational performance such as Universalistic theory, Contingency theory and Configuration theory (Delery and Doty, 1996; Huselid, 1995; Pfeffer, 1994). Universalistic theory claims that strategic HRM is the best practice in HRM and it is the basis for sustainable competitive advantage in its overall set-up. Contingent theory monitors a close connection between a company strategy and HRM practices. The theory asserts that strategic HRM practices are determined by the kind of strategy, a company applies (Lee, Lee and Wu, 2010). Therefore, if a company connects HRM practices with a strategy directly, it can achieve a better performance than the others that fail to do so. (Chang, Huang, 2005).

Darwish, Singh, Mohamed (2011) refer to two (2) basic approaches for studying the relationship between the HRM practices and performance. The first approach examines the relationship between the HRM practices and performance directly (Chand and Katou, 2007) and the second approach focuses on the indirect relationship between the factors (Wright and Gardner, 2003).

### 1.1 Human Resources Management Practices and Performance

Some research mention that it is necessary to study practices in a more systematic manner not excluding important complementation between individual practices and coordination with respect of their mutual impact (Huselid, 1995; MacDuffy, 1995, Korauš 2016a). Complementation (complementing each other) can be defined as a combination of those practices of Human Resources management that have a significant effect on productivity, and therefore the final result is higher than the sum of effects comprised of individual components (Milgrom and Roberts, 1991). It is proved that complementary practices of Human Resources Management developed and implemented simultaneously have a much more positive effect on performance than the practices

implemented separately without mutual coordination (Ichniowski, 1990).

Huselid states in his research that the complementary practices of Human Resources Management can be beneficial to a company to achieve its strategic targets on the assumption that they are implemented as a whole and as a part of a coordinated system in advance rather than HRM practices implemented without synergic effect. Delanay et al (1996) identified ten practices in their research that also influence performance and productivity. Belás (2016) indicates that performance is a proper functionality. The practices are the following ones: flexible work organization, employee engagement, programs of profit-sharing, set procedures for dispute settlement, information sharing programs, opinion and satisfaction survey, flexible resources planning, daily program of employee care, implementation of outplacement methods and counseling for employees. Reich (1992) states that contemporary economy requires highly flexible and cooperative work force. Bailey (1993) claims that practices that improve skills and knowledge of employees should be supplemented with practices that increase employee motivation. Likert (1967) describes a set of practices that consists of training, subordinate participation in decision-making, employee autonomy, remuneration and control of resources.

It is proved that the appropriate combination and utilization of HRM Practices such as employees' recruiting, development, remuneration, relationships have an impact on psychological contract while fulfilling the promises on the employer's side given to an employee. (Purcell, Kinnie, 2007). Consequently, it can be stated that their main function is to support building and maintaining a positive work relation that leads to higher performance in an organization. (Suazo et al., 2009). Since the psychological contract commences at the start of an employment relation, it has been proved that it also plays a role in forming a relationship between the HRM Practices and performance in an organization (Tekleab, Lepak and Bartol, 2001; Guest and Conway, 2004).

#### 1.2 Performance

Company performance ischiefly related to the company strategy and is influenced mainly by costs, time, quality and employees. Effective management and addressing these factors can become the accepted starting point in the topic of increasing performance, and therefore leading to increasing the competitiveness of the company. Organizations create various strategies to achieve their targets tobecome profitable and competitive in the market. Marketers launch differentiated and client-oriented strategies aimed at distinguishing themselves from other competitors and gaining market advantage (Korauš 2016 b). HRM supports the company by creating the added value to the business. Individual performance of all employees form the organizational performance. Therefore, the performance of each employee is a key segment of organizational performance. Nearly all studies focus on organizational performance in which well-elaborated methods of measurements and performance indicators are stated. However, only few studies focus on the examination of the impact of HRM practices on individual work performance. Workperformance (Motowidlo, 2003) represents a value that can be expected from employees' behavior in a specific organization over a period of time. It is necessary to distinguish between two concepts that is behavior and performance. Behavior is how employees act and performance is the value of their behavior for the organization. Based on the above- mentioned facts we can state that work performance is behavioral, episodic, evaluative and dimensional. Work performance can be regarded as an output of individual human resources and organizational processes. Hence, work performance is a good indicator of the effectivity of HRM system and ultimately, it also influences the organizational performance.

Other research (e.g.Huselid 1995; MacDuffie, 1995) describe the significance to evaluate the system of HRM practices. It is assumed in the research that organizational performance depends on competencies and behavior of its employees and that this specific behavior forms the basis of competitive advantage. Well-implemented HRM practices determine which employees will be selected for specific job positions and which skills and knowledge will be developed. They are also used for setting up employee motivation. This set of practices is named as the best practices of HRM, in English language "Best practices" (Huselid, 1995). The study is based on the implementation of the appropriate (best) HRM practices. This results in the finding that the practices mutually influence themselves and together they influence the final contribution of the employee to organizational performance.

The expressionhigh-performance management appeared in the 1990s. Based on some research, professionals recognized that HRM practices can increase the organizational performance by extendingemployees responsibilities, andtherefore employees can make use of their skills and abilities fully (Patterson et al, 1997). Their research focused on the measurement of the relation between time and employee management and other managerial inputs and their influence on business performance.

Similarly, the research conducted by Mahoney and Watson (1993) refers to the fact that employeeinvolvement in management and decision making in their workplace has a significant impact on their performance. In other words, work delegation and decentralization of decision making leads to increased performance, loyalty and engagement.

### 1.3 AMO Model

Effective HRM requires a new outlook and new competencies of line managers as well as HR managers. Competencies can be defined as knowledge, skills, abilities or personal characteristics that influence an individual's performance directly.

HRM practices that scientists specializing in SRLZ regard as enhancing performance are well-known as HPWP – High-Performance Work Practices (Huselid, 1995).

High-Performance Work Practices are not new at all. By implementing these practices an organization increases its performance. Organizations that implement them are denoted as organizations with high work performance, from original English term "high-performance work organizations". Scientists specializing in SRLZ point to 3 mediators by which HPWPs affect organizational performance. (Becker & Huselid, 1998; Becker et al., 1997; Delery& Shaw, 2001; Huselid, 1995).

- 1. Enhancing knowledge, skills and abilities (KSAs) of employees
- 2. Empowering employees to act
- 3. Motivating employees to act accordingly

The current trend in strategic HRM is to develop the study based on Resource-oriented approach via AMO = Ability, Motivation, Opportunity Model while taking into consideration that an organization manages its employees in a manner that it givesthem abilities and motivation as well as enough opportunities to deliver the best performance. According to the earlier mentioned current trend, the advantage of HRM practices are fundamentally viewed as beneficial for development of employee's characteristics, specifically on knowledge, skills and abilities and other characteristics such as attitudes and behavior and they are classified into three (3) main domains: abilities, motivation and opportunities (Lepak et al., 2006). Subsequently, several authors claim that employees deliver better performance on condition that they can perform so; when they have the appropriate motivation and the workplace offers them adequate support and possibilities to express themselves (Kinnie, Hutchinson, Purcell & Swart, 2006).

Strategic employee characteristics that a company requires to achieveits strategic targets, therefore, can be identified and influenced through specific HRM practices(Wright & McMahan, 1992).

Applying AMO model, the authors highlighted the positive and differential impact of the set of HRM practices that are implemented purposefully to influence the characteristics of employees.

They can be classified into HRM practices as follows:

- 1. Skill-enhancing HRM practices implemented to enhance abilities and knowledge of employees to perform work tasks –they involve practices such as selection and recruitment of employees, testing, training and development, improvement
- Motivation-enhancing HRM practices implemented to affect motivation and attitudes of employees to perform work tasks – they involve practices such as regular feedback, individual motivational stimuli, com-

- pensation, career and promotion, reward system
- 3. Opportunities of Empowerment-enhancing HRM practices implemented to affect behavior of employees to contribute to organizational performance they involve practices such as job design, engagement, information-sharing, involvement in decision-making, formal processes for improvement proposals, resolving complaints

## 2. MANAGER AND PERFORMANCE

Based on research and literature, a manager is regarded as a key element in every organization due to his impact on overall running and performance of the company. He influences daily activities by his attitude and action so that he can contribute to organizational results. It is the manager himself who can decide which HRM practice to select to resolve a day-to-day situation. Hence, the manager takes a decision, and subsequently enters a process of Human resources management and becomes an active part of it, often it is his preferences that determine the direction and utilization of HRM practices. The personality of a manager, his abilities, skills and social intelligence are significant and it is useful to know them well, and therefore make use of them appropriately for the benefit of the company. If a manager is motivated and involved, he can also motivate others and influence individuals as well as organizational performance indirectly.

Extensive research on employee management examines the extent to which superiors affect their employees in the workplace and their perception. For example, the research shows that superior's support is the main trigger for job satisfaction (Griffin et al., 2001). It also has been proved that the quality of employee and superior relationship can result in productive behavior of an employee. (Alfes et al., 2013). Although superiors are not specialists in HRM, they are confronted with conducting HRM practices. (Purcell and Hutchinson, 2007). The scientists proved that most of HRM practices with which employees were confronted are the practices that were used by their superiors, involving a certain symbiosis in the relation between superior and HRM practitioner. Recently McCarthy et al.(2013) have added finding to this statement that HRM practices are cascaded over the organizational structure through line managers, and therefore a superior is becoming an important segment in that how he can influence employees and their interpretation and reaction to HRM practices. According to Armstrong (2006), work performance management should focus on planning and improving future work performance rather than on retrospective assessment of employee performance and it should create a starting point for a regular and frequent dialogue between managers and individuals or teams about planning development and performance. Based on the above-mentioned findings, it is essential to create a process of continual communication and constructive feedback between employee and manager.

### a. Social intelligence as a significant social competence of a manager

A manager encounters various interpersonal situations daily while conducting his managerial functions. Social interactions with others are an inseparable part of his work. Psychology considers characteristics such as social intelligence, social competence and wisdom to be very important when explaining work interaction. (Vyrost, Baumgartner, 2006). A manager who wants to be successful in the world based on knowledge must be able to communicate and get along with his subordinates. Above all, it is required from a manager to have a wide range of basic knowledge of managerial profession and a high level of social competences. (Habbel, 2002). Bedrnova and Novy (2007) agree with the opinion that social competences are an important and inseparable part of every single manager. This is mainly because social competences comprise managing, organizational, interactive and behavioral abilities. In the past years, scientists and experts have studiedorganizational performance increasingly and started to think about factors that form the basis for management. Clearly, emotional intelligence belongs to these factors. Emotional intelligence can be interlinked with social intelligence and with well-known and recognized principles and methods of leading and management. (Albrecht, 2006).

The construeof social intelligence was first mentioned in 1920 by E.L.Thorndike, who describes social intelligence as "an ability to understand and lead men and women, boys and girls – act sensibly in interpersonal relationships". (Suresh 2009). Thorndike's concept has a long tradition in psychology, however, its usefulness is

questionable. One of the problems concerning the construe could be defined that it is conceptually ambiguous. Similar meaning as social intelligence have also other concepts such as emotional and practical intelligence and so on. Various aspects constitute a group of problems while defining the concept of social intelligence. Some definitions prefer cognitive components such as an ability to understand other people and other definitions emphasize behavior, and thus an ability to influence people positively. (Vyrost, Baumgartner, 2006).

It is necessary to state that not all people with a high level of general intelligence must have high social intelligence. To judge social intelligence specific verbal, behavioral and perceptive abilities are applied. An ability to judge other people appropriately and to interact with people appropriately are taken into consideration. The author is convinced that both abilities do not have to be in line since there are certain people who know how to interact with other people, but because of some of their personal barriers they are not able to do so. (Nakonecny, 1998). According to the original Thorndike's definition of social intelligence, the two main constituents - understanding and the ability to act sensibly in interpersonal relationships lay the foundations for more theoretical conceptions. Early research of social intelligence was supported by determining social intelligence especially as an ability to deal with people. (Ruisel, 2004).

Birknerova, Janovska and Istvanikova (2009) assume that while studying social intelligence, it is necessary to focus not only on a frequently discussed question which is related to a problem with prosocial or antisocial context of social intelligence. Socially intelligent behavior is more or less perceived automatically as prosocial, moral and ethical. The said authoresses identify themselves with the assertion that social intelligence in this sense have a neutral charge. It means that social intelligence is a construe which can be used in both prosocial and antisocial context.

Frankovsky (2010)says that from historical point of view as well asbased on several definitions of social intelligence, it is necessary to realize that social intelligence is largely identified at a level of practical experiences (we encounter people throughout our lives who find orientation in social environment easy, impress other people and are communicative) rather than at a theoretical level. When a manager is resolving all sorts of problems and situations in his work, he frequently has to mobilize all his strengths and abilities. Sometimes he is successful, other times he is less successful and it often happens that people fail to succeed in such situations. In addition, Krivohlavy (2013)emphasizes that a person's personality as well as his personal features influence the atmosphere and work environment to a great degree. The level of manager's social intelligence, namely the ability to predict social behavior in a certain social group, enables a manager to react appropriately to happenings in the group. Managers who possess a higher level of social intelligence can identify easily and faster the negative orientation of the group. Therefore, they avoid conflicts and can get on well with other people. Not only they are content and happy at work but also their subordinates are happy because these managers create favorable social conditions in the workplace.

### b. Motivation as a significant social competence

Every organization focuses on activities that aim at maintaining the most productive employees and their high level of performance, too. Motivation plays a key role and stimuli such as rewards, bonuses, benefits, work environment and so on are crucial. All these things increase employees' performance and their loyalty to the company. Since well-motivated people are the way how to achieve a company's targets, the proper form of motivation increases a sense of duty that results in accomplishing company targets as well as personal targets of employees. Consequently, it is clear motivation should be an inseparable part of a manager's social competences. Managers must strive to achieve that their employees fulfilled their work tasks and targets. Employees' performance is influenced by several factors either coming from the employee himself or the company. Motivation is a very important determinant that has a large impact on a person's performance. The word motivation originates from the Latin word "movere" that means to move. In relation to motivation we are interested in people's behavior, so why they come to work on time, why they submit a high-quality work, why they work faster and more intensively and so on (Sedlak, 2001).

The ability to motivate belongs to basic managerial skills. A manager should be able to find out what motivates his subordinates to influence his employees in such a way that they enjoy their work, are willing to engage in work, deliver tasks and fulfill the mission and targets of the company. Various motivational theories assist managers to motivate their subordinates daily. However, none of the theories can provide them with a universal handbook or reply to human behavior. Each theory offers a solution but it is not applicable to each situation and to all people.

### c. Performance motivation

Performance motivationis closely related to the concept of motivation itself. Any activity conducted by a person leads to moments which are crucial to determining motivation. Based on motives, human actions have a psychological meaning, value and so on (Pašková, 2008). Blažek (2011) asserts that a motive says why a person acts in a certain manner. People have several motives. Biogenic motives are related to physiology of the human body. Next, there are sociogenic motives that rely on needs related to social function of person. Pašková (2008) asserts that "a performance motive plays a major role in the process of performance motivation. It is a tendency in which to a significant degree past experiences, personal success, failure and influence of upbringing are applied that leads to independence. Unconscious processes are applied in performance motive. It can be understood as a desire to deliver an excellent performance connected with a desire for recognition. It is manifested in the approach to task completion as an effort to achieve good results".

Existing psychological and managerial literature on performance motivation confirms that currently there is not an integrated and verified concept of performance motivation that is homogeneous, universal and general for various environments. (Schuler, Prochaska, 2003). Belohlavek (2003) considers assessment of work performance to be one of the strongest motivational tools in a manager's hands. If the assessment system is well-prepared, and therefore leads to acquiring managers, it can become an effective method of performance management. On the contrary, the assessment becomes meaningless when little proper attention was given to its preparation and promotion. The theory of performance motivation by McClelland and his colleagues (1953) has been edited and altered several times. (Páleník, cit. according to Kollárik et. al., 2008). The key characteristics of this theory is the need for performance, which arose from the conducted studies. McClelland identifies three basic needs that people acquire and develop throughout their lives:

- The need for power
- The need for affiliation
- The need for performance

Various people have different levels of these needs. The need for performance develops gradually simultaneously with the individual's personality. (Pašková, 2008). It is typical that one need is usually dominant, but that does not mean the other needs do not influence the individual. Employees with a high need for performance tend to seek situations with a high degree of personal responsibility for assigned projects and the overall performance where they often receive clear feedback and where the assigned tasks are demanding and innovation is required from their side. The said characteristics form the assumptions for effective managerial work (Berryova, 2009). Employees whose need for power is at the highest level in work process are characterized by being straightforward, energetic, practical and demanding towards themselves and others, and therefore not very popular in teams (Majtán, 2008). And lastly, there are employees with a high need for affiliation who try to build and maintain friendly relationships with colleagues and prefer to work in teams in which they work effectively. Per McClelland, performance motivation is the reason whysome people are successful in their activities whereas other people are not willing to make effort and the fact that they will be successful or not is of little meaning to them. (Páleník in Kollárik et. al 2008). As far as a manager aims at optimizing work of his employees, he must focus on the level of motivation and lead his employees in such a way that meeting targets of the organization will become their own personal target, too. (Dedina, Cejthamr, 2005). Managers should create such an environment, atmosphere and quality of work life that all these work elements motivate employees to deliver higher performance, and therefore meeting not only their own targets but also the targets of the entire organization.

#### 3. MATERIALS AND METHODOLOGY

Profile of a manager's personality must be judged by the relation between circumstances and situations in which a manager performs his managerial activities. Social intelligence means acting sensibly in interpersonal relations. It is expected from a manager to have a wide range of abilities that enable him to act proficiently in social situations. It is generally known that a manager with a specific set of personal qualities can be very successful in certain situations. On the contrary, he can find other situations very difficult. This leads to the finding that an exactly defined set of qualities that make a manager socially successful does not exist. Being a successful or unsuccessful manager is also conditioned by the manager's ability to fulfill the needs and requirements of members of the group he manages. Moreover, this ability depends on how a manager can assert himself in the workplace and how he can handle his social status arising from his position appropriately and effectively. All these facts create a profile of his social intelligence. If a manager cannot influence people, understand their needs, attitudes and interests and cannot find suitable forms of management that would facilitate his managerial decisions and interests, he is not a good manager as he is not able to build a natural authority (Pauknerova 2006).

It is necessary that managers have anability to communicate with their workers, listen to them and get to know their needs as well as the ways how to meet their needs, then to influence and lead people in an appropriate manner. On the other hand, managers must recognize their own behavior and take responsibility for all their decisions, only when their management becomes effective. From HRM perspective when AMO model is utilized, the superior's influence is perhaps most significant on HRM practices that affect motivation and opportunities. For these specific groups of practices the presence of social competence is essential. Table no.1 shows an overview of a superior's social intelligence influence on the implementation of individual HRM practices to increase employees' productivity. To summarize, the level of manager's social intelligence can have an influence on performance motivation of his subordinates since many manager's activities directly or indirectly affect employees' satisfaction and performance.

**Table No.1.** Simple overview of HRM practices (Guest et al (2004) according to AMO theory supplemented by the importance of superior s influence from social intelligence perspective

	HRM practice	Theory AMO – influence on character	Important presence of superior's social intelligence
1	Recruitment of employees	Abilities	Yes
2	Testing and selection of employees	Abilities	Yes
3	Trainingand development of employees	Abilities	Yes
4	Wages	Motivation	No
5	Remuneration system	Motivation	No
6	Career and promotion	Motivation	Yes
7	Benefits	Motivation	No
8	Management and performance assessment	Motivation	Yes
9	Teamwork and cooperation	Motivation	Yes
10	Security = secure job	Motivation	No
11	Planning the number of employees	Motivation	No
12	Profit-sharing	Motivation	No
13	Design of the workplace	Opportunities	No
14	Communication and information-sharing	Opportunities	Yes
15	Engagement	Opportunities	Yes
16	Possibility to participate in management	Opportunities	Yes
17	Autonomy and decentralized decisions	Opportunities	Yes
18	Formal processes regarding complaints	Opportunities	No
19	Symbolic equality	Opportunities	No
20	Diversity and equal opportunities	Opportunities	Yes
21	Survey of satisfaction	Opportunities	No
22	Relationships with employees	Opportunities	Yes
23	Analysis of the workplace	Opportunities	No

24	Civil and social activities	Motivation	Yes
25	Activities Work-life balance	Motivation	Yes
26	Process of employment relation termination	Opportunities	No
27	Activities related to charity (CSR)	Opportunities	No
28	Professional and effectiveteam of HRM	Opportunities	No
29	Regular feedback	Opportunities	Yes

(Source: own processing)

Based on the afore-mentioned facts, we have examined the relationship between social intelligence and performance motivation. We have focused on confirming or disproving the hypothesis:

H: We assume that relationships between social intelligence and performance motivation exist.

## a. Determining the research sample

While conducting the research two hundred and seventeen (217) respondents have been asked, namely managers and employees in non-managerial positions from all walks of life working at various work levels, of various age groups with a different length of work experience and education working for big organizations operating in various industries.

### b. Description of research methods

The objective of the research is to verify the methods enabling to measure social intelligence based on psychometric approach. Methodology **MESI** entails twenty-one (21) items that are evaluated on a 5- point scale (0-never, 4-very often). Three factors of social intelligence have been extracted by the methods of factor analysis (Principal Component Analysis with Varimax rotation) that Birknerova and Frankovsky (2011) named: Manipulation: People who have a higher score in this factor are capable of persuading others to do anything.

<u>Manipulation:</u> People who have a higher score in this factor are capable of persuading others to do anything. They can take advantage of people for their own benefit and persuade them to support them. They get an advantage of other people's lies for their own benefit. Cronbach's alpha -0.846

Empathy: Individuals who have a higher score in this factor can identify intentions, feelings and weaknesses of other people. They can adapt to new people, assess and fulfill their wishes, too. Cronbach's alpha – 0,816 Social irritability: People who are characterized by a higher score in this factor become nervous when they deal with other people. Other people's feelings infuriate them. In addition, adapting to other people is difficult for them. Weaknesses and wishes of others distract them. People who are willing to do anything for them make them nervous. Cronbach's alpha – 0,771 (Frankovsky, Lajcin, Slavikova, 2012, Frankovsky, Birknerova, 2012) **DMV** – in this work methodology that describes performance motive from the widely- understood aspects of Hermans' perspective have been used such as:

1. Aspect of performance behavior with the following 8 items:

- People think I work more than it is necessary/no.1
- I like working /no.4
- Life without work would be joyless/no.9
- It seems to me that my peers should be working a little harder/no.12
- I am totally committed to my work/no.14
- Others think I work hard/no.17
- My friends and acquaintances think I am industrious/no.18
- I have a lot of work/no.19

### 2. Aspect of aspirational level with the following 4 items:

- It is right to put effort into something I want to achieve in the society/no.2
- I do not avoid work that requires responsibility/no.6
- I set out demanding requirements for my work/no.10
- A certain degree of competitiveness cannot be harmful/no.20

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### 3. Aspect of persistence at work represented by the following 3 items:

- I work more than I have intended to do/no.11
- When I take up work, I get a good result/no.13
- When I start a demanding job, it is difficult for me to stop/no.15

### 4. Aspect of time orientation towards the future represented by the following 5 items:

- When I consider my future, I look to long-term future/no.3
- I like planning/no.5
- I find it important to plan my future in advance/no.7
- Preparing for an important role for a long time indicates a sense of reality/no.8
- Generally, I am focused on future/no.16

The aspect of time orientation towards future, which has been filled with the earlier-mentioned items and which is a systematic result of all factor analyses, would require to include the fourth scale that is near, nevertheless, distinctive from the performance motive scale. The first version of the analysis conducted by item analysis that has been filled with a factor of time orientation towards future correlated higher with the total score of time orientation towards future, however, their correlation with a motive scale were considerable at the significance level a = .01/in the value range r = .21 up to r = .44/. The correlation between the total score of the time-oriented scale towards future and the motive performance scale has achieved the value r - .42. Given the low number of items in the facultative scale of time orientation towards future and their satisfactory correlation with the total score of the performance motive scale in the fourth, final version of the questionnaire, we have decided to add items of this scale to the performance motive scale. Hermans takes into consideration the aspect of time orientation towards the future when characterizing the performance motive and in the corresponding PMT scale there are items of planning of the future included. (Pardel, Marsalova, Hrabovska 1992).

Respondents answered a 20-item questionnaire with help of a 5-point scale:

- 1. It does not apply to me at all
- 2. It barely applies to me
- 3. Sometimes it applies to me
- 4. It often applies to me
- 5. It absolutely applies to me

Social intelligence scale Tromso – TSIS – the authors of the methodology are Silver, Martinussen and Dahl and it originated in 2001. The scale comprises three (3) sub-scales and each subscale consists of seven (7) items from the questionnaire, thus twenty-one (21) items altogether. The first subscale is the social information processing scale = SP, the second one is the social skills scale = SS and the third one is the social awareness scale = SA. The said authors indicate values by Cronbach a for individual subscales as follows: SP = 0,79, SS = 0,85, SA = 0,72. Each of the items is assessed on a 7-point scale. While 1 characterizes a person very weakly, 7 characterizes a person very well. (Molcanova, Baumgartner, Kanukova, 2007).CSI (Coping Strategy Indicator) – its author is J.H.Amirkhan (1990). The questionnaire is also known in Slovakia. The author derived three (3) basal procedures from basic reactions of people to threat. The first procedure is called instrumental strategy that aims at solving a problem, the second one is a strategy of approaching other people, seeking advice, assistance and human contact. The third procedure is based on avoidance strategy (in a physical and psychological sense), escape and retreat. The questionnaire comprises 33 assertions. Each of the strategies is represented by eleven (11) items. Three final separate scores are derived from the individual strategies that indicate the preferences of individual strategies.

### 4. RESULTS AND DISCUSSION

We have validated the assumption that a relationship between social intelligence and performance motivation exists. The results of correlation are stated in the table below.

Table 2. Relation between social intelligence and performance motivation

Variables	Aspect of performance behavior	Aspect of aspirational level	Aspect of persistence at work	Aspect of time orientation towards future
Empathy	0,837**	0,875**	0,870**	0,900**
Manipulation	0,734**	0,775**	0,654**	0,739**
Social irritability	-0,750**	-0,832**	-0,754**	-0,822**

(Source: own processing)

When validating the assumption whether there is a relation between social intelligence and performance motivation we have discovered considerable connections in all aspects. The research results show that the more managers were judged empathetic and manipulative, the higher values they achieved in the aspect of performance behavior, aspiration level, persistence at work and in the aspect of time orientation towards future. Hence, managers, who could adjust to others, assess wishes, weaknesses and feelings of others, managed to take advantage of others for their own benefit and simultaneously they liked their work, were regarded as industrious and hard-working. In addition, the managers put high demands on themselves and their work and were oriented to accomplishing good results and towards future.

The more were managers judged socially irritable, the lower values they achieved in the aspect of performance behavior, aspiration level, persistence at work and in the aspect of time-orientation towards future. The results indicate that managers who are infuriated with the feelings and wishes of others are not considered to be very hard-working. In addition, they do not put on themselves and their work high demands, they are not very competitive and persistent and they do not think it is important to plan their future in advance.

# Hypothesis a) Differences in judging social intelligence between managers and employees in non-managerial positions

We have validated the assumption that differences in judging social intelligence between managers and employees in non-managerial positions exist.

The results conducted with the help of T-test are stated in the following table.

Table 3. Differences in judging social intelligence between managers and employees in non-managerial positions

Variables in Average	Empathy	Manipulation	Social irritability
Managers	2,937	2,079	1,089
Non-managers	1,581	1,103	2,108
t	21,697	14,433	19,025
p	0,00	0,00	0,00

(Source: own processing)

<sup>\*\*-</sup>statistical significance at 1per cent level of significance

According to the results the table 3 shows there are statistical differences between managers and non-managers from the perspective of judging social intelligence. Managers achieve higher score in the factor of empathy, which means managers can identify intentions, feelings, attitudes and opinions of other people better than employees in non-managerial positions. Based on our research managers have higher score than non-managers also in the manipulation factor. This finding says managers can persuade others more easily, win other people over and influence people to such a degree that they would do what is required from them, and therefore take advantage of them for their own benefit.

The results of research demonstrate that non-managers achieved higher score in the aspect of social irritability. It means that these people become nervouswhen they deal with other people. They find it difficult to adapt to other people and feelings of others infuriate them.

Average Values 2.937 3 2,5 2.108 2,079 2 ■ Empathy 1,581 ■ Manipulation 1,5 1,089 ■ Social irritability 1 1,103 0,5 0 managers non-managers

**Graph 1.** Differences in judging social intelligence between managers and employees in non-managerial positions.

(Source: own processing)

### Hypothesis b) Differences in judging social intelligence from the perspective of working position

We have validated the assumption that differences in judging social intelligence from the perspective of working position.

Table 4.Differences between respondents in judging social intelligence from the perspective of working position

Variables average	Empathy	Manipulation	Social irritability
Top management	3,521	2,350	0,750
Middle management	2,984	2,267	0,989
Operational management	2,491	1,580	1,477
Employees	1,581	1,103	2,108
F	249,071	106,911	176,350
P	0,00	0,00	0,00

(Source: own processing)

Average Values 2.937 3 2,5 2,108 2,079 2 **■** Empathy 1,581 ■ Manipulation 1,5 1,089 ■ Social irritability 1 1,103 0,5 0 managers non-managers

Graph 2. Differences between respondents in judging social intelligence from the perspective of working position

(Source: own processing)

When validating the assumption whether differences between respondents in judging social intelligence from the perspective of work placement exist, we have found there are significant differences in all factors. Executive senior managers from top management achieved the highest score in empathy factor and efficient employees recorded the lowest score. The value 1,58 in empathy factor that was measured at efficient employees show that they almost never or only sometimes can identify wishes, feelings, weaknesses and intentions and things which are necessary to adapt to other people. On the contrary, employees at higher management level often or very often can be empathetic that means they can adapt to other people, assess them, and therefore behave in accordance with their feelings. Moreover, managers of top management achieved the highest score in manipulation factor. Hence, it could be said that they are such people who can persuade others, catch their attention and take advantage of others for their own benefit. On the contrary, efficient employees almost never take advantage of people. Neither they tell lies for their own benefit nor persuade them to support them. Consequently, they achieved the lowest score. Social irritability is the factor that represents people who become nervous when they deal with wishes, feelings and opinions of other people. According to the research, efficient employees belong to this group since they achieved the highest score in this factor and they sometimes find it difficult to interact with other people socially.

### Hypothesis c) Relations between a manager's age and judging social intelligence

We have verified the assumption that relations between a manager's age and judging social intelligence exist. The results of the correlation are stated in the table below.

**Table 5.** Relations between a manager's age and judging social intelligence (representation of correlation coefficients)

Variable average	Empathy	Manipulation	Social irritability
Age	0,325**	0,326**	-0,318**

(Source: own processing)

<sup>\*\*-</sup>statistical significance at 1 per cent level of significance

When validating the assumption whether relations between age and judging social intelligence exist, we have found that there are several statistical relations. The results indicatethat the older managers were, the higher score they achieved in empathy and manipulation factors. On the contrary, older managers achieved lower values in the social ability factor. Because of the statement, older managers could identify wishes of others, could behave in accordance with other people's feelings, could take advantage of others for their own benefit, could persuade others to do almost anything for them and to support them. Low score in social irritability factor says that they do not become nervous when dealing with other people, wishes and feelings of other people do not infuriate them. Besides, they do not find it difficult to adapt to other people. The work of a manager is demanding in many aspects and it is not easy to manage all situations and interactions with subordinates that occur in every day working life. A manager must possess competences at a sufficient level to resolve everything. Here we refer to a professional and communication competence and to a large degree, they are competences required for interaction with people. Clearly, social intelligence that has been mentioned earlier and the competence to motivate people to conduct work performance belong to social competences. From this perspective, we have focused on the influence of social intelligence on managers who need to resolve demanding situation that is part of their managerial work.

### Hypothesis d) Relations between resolving demanding situations and social intelligence

We have validated the assumption that relations between resolving demanding situations and social intelligence exist.

The results are stated in the table below.

 Table 6. Correlation of methodology TSIS and CSI

Variables	PR	SS	A
SC	-0,10	0,57	0,65
SP	-0,34	0,61	0,59
SPe	-0,05	0,44	0,45

(Source: own processing)

We have found many statistically significant relations between resolving demanding situations and social intelligence based on calculations. From the results in table 6a relation between SC -social capabilities and the strategy SS -social support and A - avoidance exists in such a way that the more respondents evaluated themselves as socially capable in TSIS, the less they preferred the SS strategy, hence social support strategy and A - avoidance in CSI methodology. Hereby it can be explained that a person who is highly socially capable has more social experience and can select the appropriate behavior in specific social situations. Moreover, this person can understand other people and act in social situation. Thus, his social understanding, perception, memory and practical social skills are at a high level, and therefore he tends not to incline to the strategy SS - social support and A -avoidance when handling demanding situations. His social-cognitive abilities enable him to handle demanding situations by effective PR - problem resolving approach.

The results in Table 6 also show a negative correlation which says that the more respondents can process information in TSIS, the more they prefer the PR strategy, hence problem resolving in CSI. Probably the outcome says that a person who can process social situations easily will select a problem-solving strategy when handling a demanding situation since the social understanding of specific circumstances enables him to analyze and process a concrete situation, and therefore arrive at effective resolving of a problem. Next, the results also demonstrate the relations between SP- processing social information in TSIS and SS - social support and A - avoidance in CSI methodology in such a way that the more respondents can process social information, the less they need social support and avoidance. As it has been mentioned earlier, since a manager can process, understand and analyze social information correctly, he prefers the SS - social support strategy less, therefore

little assistance from colleagues, friends and family or acquaintances as well as the strategy A -avoidance as the correct understanding of a specific situations allows him to resolve a problem effectively and not only to simulate that a problem does not exist.

Statistically significant relations have been proved when determining the correlation among SPe-social perception, SS - social support and A - avoidance that refer to the fact that the more respondents judged themselves as socially perceptive, the less they inclined to the strategy of social support and avoidance.

This fact can be explained that respondents who are socially aware can perceive circumstances of a given situation and observe how other people react to their actions. Further, they prefer the strategy of social support and avoidance less since the sensitivity to the perception of given circumstances does not make them ask for advice from others or even escape from a situation.

 Variables
 PR
 SS
 A

 Empathy
 -0,00
 0,52
 0,47

 Manipulation
 -0,05
 0,42
 0,25

 Uncontrolled own emotions
 0,25
 -0,43
 -0,36

Table 7. Results of correlation EMESI and CSI methodologies

(Source: own processing)

When studying the relations between social intelligence and resolving demanding situations, the correlation between EMESI and CSI have been studied too and several statistically significant relations have been found. Statistically, significant relations between empathy in EMESI methodology and SS -social support with A -avoidance in CSI methodology have been proved. The results indicate that the more respondents judged themselves empathetic, the less they inclined to the strategy of SS -social support and A -avoidance.

This fact can be explained that managers who achieve a high score in empathy can listen to others, observe their feelings, opinions, weaknesses, assess their wishes and have a disposition to fulfill them. It is exactly the sensitivity to observe the inner state of other person that it is not necessary for them to seek advice how to resolve the given situation. Moreover, this disposition aims at not avoiding the given situation.

While finding the relations among manipulation, social support and avoidance, statistically significant correlations have been proved. The results stated in the table assert that the more the respondents judged themselves as manipulative, the less they preferred the strategy of social support and avoidance. In this respect, we can consider managers who manipulate others, take advantage of them and try to use lies for their own benefit, persuade other people to support them to be not inclined to avoidance strategy since they know that they could not use the given situation for their own benefit. Similarly, they do not prefer the social support strategy as they know it best what and how get the best out of a situation and do not need help of others.

While studying therelations among inability to control your own emotions and problem resolving, social support and avoidance, many statistical relations have been proved. The results of findings say that the more respondents are unable to control their own emotions, the less often they select the problem-solving strategy and they incline to social support and avoidance strategy. Managers who cannot control their own emotions are neurotic managers and they do not resolve demanding situations as they cannot control themselves. In addition, they cannot communicate in a calm manner with the others that the problem-solving strategy requires. This category of managers prefers the social support strategy and seeking assistance when resolving a demanding situation. They often incline to the avoidance strategy that means they pretend that the problem does not exist and assume the problem will be settled by itself.

Table 8. Results of methodology correlationEMESI and TSIS

Variables	SS	SP	SA
Empathy	0,61	0,69	0,34
Manipulation	0,39	0,59	0,17
Uncontrolledown emotions	-0,47	-0,42	-0,48

(Source: own processing)

When studying the relations between methodologies EMESI and CSI, many statistically significant correlations have been found. The results in Table 8 demonstrate that the more respondents judged themselvesempathetic, the higher values they achieved in social abilities, processing social information as well as social perception. According to the results of the correlations, it can be considered that the more empathetic a manager is, the better he can process and understand social information, and therefore he can adapt socially more easily. Additionally, he can communicate, behave appropriately and use the correct techniques for resolving a given situation. He is also more conscious, responsive and sensitive to others who are involved in the given situation. When studying the relations between manipulation and variables in TSIS methodology it has been found that the more respondents judged themselves manipulative, the higher values they achieved in social abilities, processing social information and social perception. The results confirm that manipulative managers can understand social situations, therefore can process social information very well. Subsequently, they can comprehend a specific situation and are good at building new relationships, can communicate, influence and inspire other people and are socially perceptive. All these qualities help them manipulate other people.

Statistically significant relations have been confirmed in correlation of inability to control your own emotions with variables in TSIS methodology where it has been found that the more respondents could not control their emotions, the lower values they achieved in social abilities, processing social information as well as social perception. Consequently, managers who are unable to control their behavior in social situations cannot comprehend and process information about a specific situation easily. They have few social abilities that means they are not successful in building new relationships, cannot communicate appropriately, cannot use the correct techniques for resolving demanding situations and besides they are not socially perceptive. On the basis of the results of research it can be stated that the more a person is socially intelligent, the more he is motivated to perform.

### Conclusions

Organizational performance is a major topic of many research in the long term since it comprises several areas of an organization's activities to create an operative and prosperous company. Human resources are a significant factor affecting performance since people are considered the most important and valuable asset of an organization. Each company has a set system and processes of Human resources management including partial practices that influences operation and performance of individuals in a company substantially. The results of several research advise managers in companies to adjust HRM practices so that they could achieve a competitive edge with the help of them. It indicates that companies that decide to be competitive should implement and assess individual HRM practices to gain the added value in their Human resources management. Besides, the individual personality and manager's approach to leading and managing people is an important factor.

The latest trends in people management demonstrate a growing popularity of emotional and social intelligence as a vital part of managerial competencies. Previously, organizational, planning and decision-making abilities played a key role in people management. At the present, social competencies are preferred more often.

Managers while working often experience various demanding and conflict situations. To handle them, it is necessary to have a great portion of social intelligence. Although, not everyone can deal with a fundamental situation equally. There are managers who do not find difficult to resolve unpleasant situations and handle them really well. However, some managers find the unpleasant atmosphere difficult to deal with. The nature of situ-

ation itself, the working environment and the manager's characternature, temperament), all these factors influence how a situation is resolved. Hence, it is a set of distinctive factors that influences the course itself as well as the resolution of a specific situation. On the basis of the aforementioned assertions and findings, we can state that social intelligence and the knowledge of it can affect people management remarkably and consequently social intelligence also affects the overall process of HRM. Therefore, it is inevitable that companies place great emphasis on training and development of their executive employees since all competencies can be developed. The topic of performance motivation as part of HRM practices together with a manager's influence from the individual competences perspective is slightly explored in Slovakia. It would be interesting and beneficial to focus the next research and the influence of social intelligence of managers on individual HRM practices that are implemented in companies.

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