

# ROLE OF EMOTIONAL INTELLIGENCE IN ORGANIZATIONAL CLIMATE OF LOGISTICS SECTOR

M. Fatima Lucia Sheeba\*, T. Rita Rebekah\*\*

**Abstract** *The logistics sector, characterised by high pressure and challenging operational demands, increasingly emphasise the significance of emotional intelligence in shaping the organizational climate. The study aims to explore role of EI on various factors affecting Organizational Climate (OC). It also delves to analyse the effect of managers' EI level in OC. This theoretical review paper identifies the role of EI on OC in a particular focus on its implications with logistics sector. Various dimensions of OC, such as (1) Structure, (2) Responsibility, (3) Reward, (4) Risk, (5) Warmth, (6) Support, (7) Standard, (8) Conflict & (9) Identity were analysed in context with managers Emotional Intelligence. After reviewing a number of literatures and articles, it is observed that there is positive relationship between EI and OC. Manager's EI level plays a significant role in shaping Organizational Climate. Factors such as empathy, understanding others emotions, identifying their capabilities, clear communication and support during challenging situations helps employees to improve their overall performance and have a healthy and harmonious organisation climate. Adding to it, the review suggests to provide training and development program on EI within logistics companies to overcome the stress and burnout due to its highly demanding nature.*

**Keywords** *Emotional Intelligence, Organisational Climate, Logistics Management, Managers EI, Perception of Employees*

## BACKGROUND OF THE STUDY

Logistics managers face a variety of challenges that affects the efficiency and effectiveness of supply chain operations. There is a serious lack of skilled personnel and specialists in the logistic sector in India. The labourers are under-skilled, overworked and lack the desired skill-set to make the process more efficient. Although these challenges were identified, very less efforts have been taken to treat the root cause of the issues faced by logistics companies in India. In logistics industry, there is need for constant management of different teams in order to get the job done. This can be difficult as it has to confirm with each and every department works on the same page. In order to have a well-defined process the manager or leader should possess high EI skills that enables in better management in logistics, a time-bound sector. This paper aims to highlight importance of EI skills in effective management of employees by creating a good organizational climate.

## INTRODUCTION

Emotions can have a powerful impact on organisational behaviour and communication. For example Positive emotions like happiness and gratitude can lead to increased

cooperation and teamwork, on the other hand negative emotions like anger and anxiety can lead to conflict and miscommunication. Though Intelligence and emotional intelligence are essential for a successful organisational climate, this study illustrates how emotional intelligence could impact the human-centric practices in boosting the performance with a good organisational climate. The study delves into the concept of emotional intelligence as a major factor that affects organisational climate and to analyse the impression of manager's EI in creating good organisation climate in logistics sector.

The logistic industry in India can easily be called the backbone of any sector in supply chain. Be it the healthcare, hospitality or manufacturing industries, logistic company is one of the most important roles of connecting the organisations to their clients. In logistics everything is time bound. Each process depends on the one predicting age and a minor delay at one stage causes a magnified ripple effect on all the other stages. Every logistics organisations wants to achieve the same target of delivering the products before the expected time. However this does not always go according to the book and as to be expected.

In logistics industry there is a need for constant management of different teams in order to get the job done. This can be

\* Reg. No.: 232221281062001, Research Scholar (Part-Time), Xavier Institute of Business Administration (XIBA), St. Xavier's College (Autonomous), Palayamkottai; Assistant Professor, MHRM Department, St. Mary's College (Autonomous), Thoothukudi, Tamil Nadu, India.  
\*\* Associate Professor, St. Xavier's College (Autonomous) Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Palaymkottai, Tamil Nadu, India. Email: ritarebekah@gmail.com

difficult as a test to confirm with each and every department works on the same page. In order to have a well-defined process the manager or leader should be highly skilled in: a) Identifying the strength and weakness of employees through careful observation on the process of work b) Delegating the right individual with the right task c) Training the employees in upgrading their skills personally and professionally d) Effective communication, that guides the team efficiently and e) Managing conflict among employees, that creates a long run in overcoming any type of challenges prevailing in the organisational climate.

To accomplish the above said managerial aspects, one should develop skills on Emotional Intelligence, also termed as EQ. It is the potential to control one’s own emotions and the capacity to control others’ emotions, which is one of the key ingredient of a successful manager.

“Organisational climate refers to the atmosphere or environment within an organisation created by the attitudes, behaviours and values of the employees and management.”

“It’s the collective perception of the employees about the work environment and it’s often reflected in things like communication patterns, leadership styles and employee morale.” Organisational climate depends on various factors such as interpersonal relationships and conflict management, individual autonomy, organisational control

system, organisational structure, Task or relations oriented management, Rewards and punishments, communication and Risk taking.

Managers are supposed to lead employees effectively. The researcher identifies that some of the emotional intelligence skills in managers could enhance productivity objectivity and creativity among the employees.

A leader or manager with high EQ helps the employees to get relieved of their negative emotions such as grievance, conflict, burnouts in a very positive manner. Adding to, they can even understand others emotions he can sort out the stress factors helping them to overcome the situation. This act of empathy and manager makes the environment, a place where employees feel safe and valued.

## ORGANISATIONAL CLIMATE

### Definitions and its Importance

Organisational climate refers to the atmosphere or environment within an organisation created by the attitudes, behaviours and values of the employees and management it can be described as the overall mode of vibe the workplace, which can greatly impact employee motivation, job satisfaction and productivity.

Type	Explanation
People-Oriented	An organizational climate that emphasizes the importance of caring for each other.
Rule-oriented climate	An organizational climate that prioritizes compliance with organizational rules and regulations for every organizational member.
Innovation-oriented climate	An organizational climate that focuses on implementing innovative working styles and processes to foster creativity and innovativeness at work.
Goal-oriented climate	An organizational climate that is result-driven. Thus, this organizational climate emphasizes the realization of organizational values and perfectionism to attain desirable business outcomes.

Rob Parades, in his article has specified certain categories of Organisational Climate (i.e) People-Oriented, Rule-Oriented Climate, Innovation-Oriented Climate and Goal Oriented Climate.

Arif et al. (2020) some of the factors affecting organisational climate are autonomy, cohesion trust, pressure, support, fairness, recognition etc.

The concept of organisational climate was introduced in the late 1940 and that it has become a very essential metaphor for managing and retaining employees in the organisation, Kumar (2011). The modern firms give top priority to evaluate and understand their employees behaviour and activities and this has brought a lot of attention to understand the organisational climate, Richard and Kevin (1998).

Organisational climate has been characterised by some authors as the interaction of employees with the organisations

current environment. Burkner et al. (1992). Others have categorised organisational climate as a snapshot of an organisation in terms of employees perceptions claiming that organisational climate is more dynamic than culture since individual perceptions can change when events and circumstances in the organisation occur (Obeng et al.)

### Dimensions of Organisational Climate

For the past decades the organisational climate determinants have been altered. The researcher identified few dimensions of previous authors. As definition of climate evolved, the dimensions considered by researchers also evolved. The researcher while reviewing literature observed many definitions and concepts placed by different authors. The study focused on examples of organizational climate dimensions as defined by Litwin and Stringer (1968).

*Structure:* It is defined by the policies roles and procedures of the organisation it serves as the basis of interpersonal relations between supervisors and employees.

*Responsibility:* It refers to the level of autonomy and decision making authority and power employees have at work.

*Rewards:* It is identified with the performance of employees and providing fair awards recognising their efforts and dedication towards the work allotted.

*Risk:* Organisation encouraging employees to explore new ideas without fear of failure at least one environment of creativity and innovation.

*Warmth and support:* Every human being runs on the emotional belief that they are supported and accepted in every aspect of life especially at workplace. This factor boosts employees leading to confidence and sharing new ideas and opinions without fear of criticism.

*Conflict-Management:* Every organisation success is based on how the conflict is being handled. Only an effective conflict management system could encourage the employees to work in a very comfortable and goal-oriented path. If mismanaged, it would lead to a place of distrust without co-operation in achieving the tasks.

*Types of Climate:* Referring to the dimensions considered for the study of organisational climate, researchers aggregated them as particular types of climates.

## Emotional Intelligence

The historical roots of EI go back to Alfred Binet and Charles Darwin who came to identify a second type of intelligence, known as “Social Intelligence” or “Practical Intelligence” (Maamari & Majdalani, 2017). Nevertheless, Edward Thorndike was the first to define social intelligence in 1920 (McCleskey, 2014). In early 1970, researchers frequently examined the association between emotions and cognitive processes. Mayer and Salovey coined emotional intelligence in the early 1990s, which Daniel Goleman popularized in 1995 (Beck, 2013). The term “Emotional Intelligence” revolves around the extent of rational emotions, and the perception that emotions lead to higher-level thinking.

Emotional intelligence refers to the ability to recognize, understand, and manage one’s own emotions, as well as the ability to recognize, understand, and influence the emotions of others. It involves empathy, self-awareness, self-regulation, motivation, and social skills, allowing individuals to navigate social complexities, build relationships, and make more informed and compassionate decisions. Emotional

intelligence (EI) is also referred to as emotional quotient (EQ) and emotional intelligence quotient (EIQ).

### Four Key Skills of Emotional Intelligence

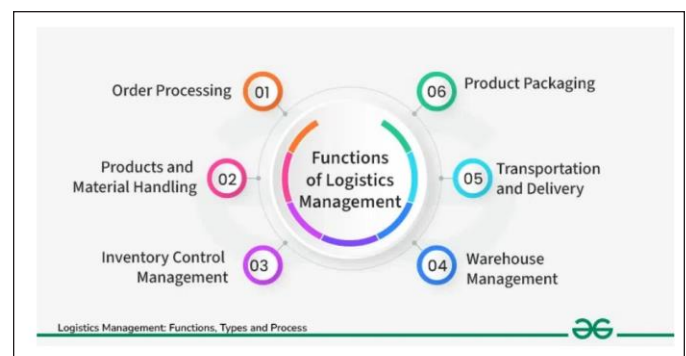
- *Self-Awareness:* The ability to perceive and comprehend your emotions.
- *Self-Management:* The ability to control your emotions so that they do not negatively impact yourself or others.
- *Social Awareness:* The ability to perceive and understand the emotions of others.
- *Relationship Management:* The ability to use the aforementioned skills to successfully create and maintain relationships.

## Developing Emotional Intelligence in Managers

Emotional intelligence has a direct impact on leadership effectiveness. Managers with high Emotional Intelligence are well equipped to inspire and motivate their teams, make informed decisions, and create a harmonious work environment. Not every manager is a great people manager and if we do not provide them right inputs to train them to manage their team effectively, it will have adverse impact on growth of the organization. It should create training programs for enhancing self-awareness in managers, which should include engaging in self-reflection, seeking feedback from others, and practicing mindfulness. Cultivating self-regulation skills in managers involves techniques such as stress management, practicing emotional self-control, and developing effective coping mechanisms.

## Logistics Management

The process of acquiring, storing, and transporting inventory from one location to another is called Logistics Management. It involves making sure that the products are delivered to the right client, at the right time and place, as well as maintaining track of the resources, stocks, and relevant data.



Logistics Management aims at optimizing the movement and storage of goods, ensuring a smooth flow from suppliers to consumers while minimizing costs and delays. For effective logistics management, it is essential to have seamless coordination of various processes such as procurement, production, warehousing, transportation, and distribution.

Some of the important tasks of logistics management are Order processing, products and material handling, inventory control management, warehouse management, transportation and delivery and product packaging. It also involves efficient planning and implementation, control of the flow, storage of goods, services and information from origin to consumption.

Effective logistics management should possess efficient transport systems for a cost-effective, planning ahead, appropriate and updated technology tailored to the sector, prioritised communication, better customer service and persistence in improving the management system.

## Types of Logistics Management

- *Inbound Logistics*: “The practice of carrying out transportation between businesses and their suppliers is known as Inbound Logistics.”
- *Outbound Logistics*: “The transportation of completed goods from manufacturing sites or warehouses to final consumers is known as Outbound Logistics”.
- *Reverse Logistics*: “The management of goods moving from the final customer back to the manufacturer or merchant is referred to as Reverse Logistics.”
- *Third Party Logistics (3PL Logistics)*: “The term “third-party logistics,” also abbreviated as “3PL,” describes the practice of outsourcing the management, warehousing, and fulfillment of e-commerce logistics to an outside company. An important aspect of efficient logistics management is Third-party Logistics (3PL)”.
- *Fourth Party Logistics (4PL)*: “Fourth-Party Logistics (4PL) involves assigning one external supplier to handle all aspects of the supply chain management, from assessment to execution.”
- *Ecological Logistics*: “It is the Process of deciding on and putting into effect ecologically friendly rules and procedures to reduce the environmental impact that logistics”.

## Navigating Emotional Intelligence in Organisational Climate

(O. Tintaru et al., 2021) focused on the relationship between employees emotional intelligence and the experience of organisational climate the study demonstrated that

emotional intelligence had positive impact on organisational climate, which means that employees had with higher scores of emotional intelligence experienced more positive organisational climate.

Results showed that EI plays a strong and positive impact on OC, which is a necessity to enable bureaucratic structures that lead to better problem-solving and decision-making methods (Reed, 2005).

Nargis Neha Shakeel Ahmed observed through his study that there is a strong association between emotional intelligence organisational climate and organisations citizenship behaviour. He also added that the scholastic skills and professional skills are not just sufficient to gain progress in some months shop roles and emotional intelligence can contribute a noticeable role in the progress of an establishment.

## DISCUSSIONS

Emotions are temporary states designed to help us face a complex world. They help us make better decisions and bring joy to life if carefully handled. Everyone feels better when they are allowed to release emotions and be present in the moment to real-time reality.

Matthew Larsen Morava (2024) in his article, he states that all humans are born with an innate emotional intelligence. Babies begin to read basic emotions (anger, sadness, surprise fear, joy) starting at six months. The author states that “Any emotional intelligence training is just a rediscovery or a getting in connect with the innate talents, practising unused muscles, learning to open ourselves up to intuitions having the courage to feel again.”

Jocelyn Stange (2021) underwent research to understand employee emotions and how they restate to employee engagement at work. Researcher identified few positive emotions that affects employees at Organisation, those are feeling valued, happiness, camaraderie, excitement, engagement, belonging, confidence, pride, flow. Some of the negative emotions include burnout, stress, aggression, pessimism, anxiety, depression, anger, isolation.

## Impression of Managers Emotional Intelligence in Organisational Climate at Logistics Sector

- **Organisation Structure**

The designation ‘manager’ in itself is located in the hierarchical structure of the Organization. All levels of management perform planning, organising, directing and controlling.

Top level managers include Directors, President, Vice President, CEO and other similar positions.

Middle level managers include general managers, branch managers and department managers all of whom are accountable to the top level management for the functions of the departments.

First level managers include supervisors, section leads, foremen and similar positions they focus on controlling and directing.

EQ factors such as self-awareness and self-management are essential for an effective manager. It helps them to motivate others and understand the emotional cues of people around them. Self-motivated managers have an internal drive. These emotionally intelligent managers understand the true meaning of their positions and provide motivation, support, constructive criticisms that enhance employee's growth as well as attain Organisational goals. This positive act directly impacts the perception of employees towards the Organisation.

- *Responsibility*: In an organisation where change is inevitable, emotional intelligent managers can lead employees effectively by understanding their strengths and weakness and delegating the task with good communication. Managers must be aware of what they are doing and what they can do to manage their employees. It makes employees more responsible, efficient, innovative, productive and creative. It leads to a good Organisational Climate where employees feel secured with their abilities.
- *Reward*: Managers ability to recognise employee's emotions and perspectives enables them to identify their achievements, recognition on their progress of work. When the employees are awarded for their successful accomplishment in task, for any innovation and creativity at work, helps the employees to feel more dedicated and valued in their Organisation. And this factor reduces employee turnover in logistics sector.
- *Risk-Taking*: The environment of logistics industries is complicated and demanding as it has a complex run around. So having qualified technical and communication abilities is one thing and having emotional intelligence is another managers should be able to maintain awareness of themselves and relationships with their team members. If an employee is encouraged by the manager to explore new ideas without fear of failure or consequences, they won't hesitate to act quickly or take calculated risks, leading to an atmosphere of creativity and innovation.
- *Warmth & Support*: Empathy is a vital feature that a manager should have. Being socially aware lets one

communicate with the team better while improving the chemistry with them. As a manager practising empathy in order to provide warmth and support to the employees in the organisation boosts their productivity and keep them motivated increasing the positive atmosphere of an organisational climate.

- *Conflict Management*: Highly Emotional intelligent managers can handle conflicts with more sensitivity. They practise empathy, promote understanding and resolution. Personal grudges exist at work employees productivity gets affected when they have a personal grudge against their co-workers and even the managers. It's hard to resolve a problem if you are having difficulty in knowing what the conflict is. One must know the emotion of the people involved in the problem to address the issue effectively. Applying emotional intelligence in conflict with solution involves active listening, regulating emotions and providing win-win solutions. As a consequence they can build strong relationships and enhance performance of the team.
- *Identity*: Managers should not be the only ones who have to possess EQ. Employees performance is not only affected if their leaders have EQ. Managers with EQ can also help their employees improve their personality, identity and efficiency by setting a good example in the organisation improving workplace morale.

## Qualities of Highly Emotionally Intelligent Managers

- They stay positive and manage difficult situations successfully.
- Make thoughtful decisions.
- They keep the emotions under control and discuss sensitive issues maturely and thoughtfully.
- Empathetic towards workers.
- They have a strong positive influence on the team.
- Are calm under pressure.
- They know how to earn the respect of clients and employees.
- Listen more often than they speak.
- Can admit the mistakes and learn from them.

Emotional intelligence has been studied extensively in business settings over the last decade.

Managers and executives are always held responsible for success and failures of the organisation.

## CONCLUSION

In this study, it is observed that many literatures prove that there is a strong association existing between emotional intelligence and organisational climate. High emotional intelligent managers are considered as assets to the organization. Their moral behaviour, act of empathy, assigning tasks after careful understanding of their ability and practice of stability and persistence in handling relationship with the co-workers, especially in this time-bound sector, make them more responsible and accountable to the task assigned, motivating them to perform better thereby creating a healthy work environment. Recognition for their progress in work, support and guidance during challenging situations and providing training programmes in enhancing their skills creates good perception among employees towards the organization. Organizations that prioritize the development of emotional intelligence in their managers benefit from improved employee performance, enhanced communication, and a positive organizational climate. By providing training program on emotional intelligence, organizations can build cohesive teams, retain top talent, and achieve long-term success in today's complex business landscape.

By developing emotional intelligence persistently, people managers can elevate their leadership effectiveness and create a positive impact on both their teams and the overall organisation. Therefore manager's EI at workplace is the main factor that moulds employee perception towards good Organisation Climate.

## REFERENCES

- StudySmarter. (2023). *Organizational climate: Understanding change management*. StudySmarter. Retrieved from <https://www.studysmarter.co.uk/explanations/business-studies/change-management/organizational-climate/>
- Shintri, S. (2019). *A theoretical study on evolution of organisational climate theories and dimensions*. ResearchGate. Retrieved from [https://www.researchgate.net/profile/Shreedevi-Shintri-2/publication/330243074\\_A\\_THEORETICAL\\_STUDY\\_ON\\_EVOLUTION\\_OF\\_ORGANISATIONAL\\_CLIMATE\\_THEORIES\\_AND\\_DIMENSIONS/links/60ad1c46299bf13438e7ff76/A-THEORETICAL-STUDY-ON-EVOLUTION-OF-ORGANISATIONAL-CLIMATE-THEORIES-AND-DIMENSIONS.pdf](https://www.researchgate.net/profile/Shreedevi-Shintri-2/publication/330243074_A_THEORETICAL_STUDY_ON_EVOLUTION_OF_ORGANISATIONAL_CLIMATE_THEORIES_AND_DIMENSIONS/links/60ad1c46299bf13438e7ff76/A-THEORETICAL-STUDY-ON-EVOLUTION-OF-ORGANISATIONAL-CLIMATE-THEORIES-AND-DIMENSIONS.pdf)
- AIHR. (2023). *What is organizational climate? 7 steps to improve yours*. AIHR. Retrieved from <https://www.aihr.com/blog/organizational-climate/>
- Culturally. (2023). *Creating an emotionally intelligent workplace*. Culturally. Retrieved from <https://www.cultureally.com/blog/creatinganemotionallyintelligentworkplace?format=amp>
- Emgauge. (2023). *The role of emotional intelligence in effective people management*. Emgauge. Retrieved from <https://emgauge.work/the-role-of-emotional-intelligence-in-effective-people-management/>
- Saylor Academy. (2023). *The impacts of emotional intelligence on individual performance and work-life balance: A conceptual exploration*. ResearchGate. Retrieved from [https://www.researchgate.net/publication/356747589\\_The\\_Impacts\\_of\\_Emotional\\_Intelligence\\_on\\_Individual\\_Performance\\_and\\_Work-Life\\_Balance\\_A\\_Conceptual\\_Exploration](https://www.researchgate.net/publication/356747589_The_Impacts_of_Emotional_Intelligence_on_Individual_Performance_and_Work-Life_Balance_A_Conceptual_Exploration)
- Saylor Academy. (2023). *Change management and organizational climate*. Saylor Academy. Retrieved from <https://learn.saylor.org/mod/book/view.php?id=65729&chapterid=58434>
8. Bute. (2021). *The role of organizational climate in effective management*. BUTE. doi:<https://doi.org/10.31926/but.ssl.2021.14.63.1.9>
- ProQuest. (2023). *The impact of emotional intelligence on organizational climate*. ProQuest. Retrieved from [https://media.proquest.com/media/hms/PFT/1/E2zTK?\\_s=evKg v3C8NQD744K0MYuxRkONh28%3D](https://media.proquest.com/media/hms/PFT/1/E2zTK?_s=evKg v3C8NQD744K0MYuxRkONh28%3D)
- SafetyCulture. (2023). *Organizational climate: Definition, factors, and impact*. SafetyCulture. Retrieved from [<https://safetyculture.com/topics/workplace-safety/organizational-climate/>](<https://safetyculture.com/topics/workplace-safety/organizational-climate/>)
- Hernandez, C. J. (2018). *The role of emotional intelligence in organizational climate*. Hikari. Retrieved from <https://www.m-hikari.com/ces/ces2018/ces53-56-2018/p/hernandezCES53-56-2018-3.pdf>
- 6Q. (2023). *The importance of emotional intelligence in managers*. 6Q. Retrieved from <https://6q.io/blog/the-importance-of-emotional-intelligence-in-managers/>
- Unknown. (2022). *Title unknown*. ResearchGate. Retrieved from <https://www.researchgate.net/publication/353600481>
- AIHR. (2022). The role of emotional intelligence in organizational performance. *International Journal of Emerging Trends in Management and Research*. doi:<https://doi.org/10.29121/ijetmr.v9.i1.2022.1107>
- Shintri, S. (2022). *Impact of emotional intelligence on organizational climate and organizational citizenship behavior*. ResearchGate. Retrieved from [https://www.researchgate.net/publication/362528420\\_Impact\\_of\\_Emotional\\_Intelligence\\_on\\_Organizational\\_Climate\\_and\\_Organizational\\_Citizenship\\_Behaviour](https://www.researchgate.net/publication/362528420_Impact_of_Emotional_Intelligence_on_Organizational_Climate_and_Organizational_Citizenship_Behaviour)
- Dropoff. (2023). *The most common logistical issues and how to overcome them*. Dropoff. Retrieved from <https://>

- [www.dropoff.com/blog/the-most-common-logistical-issues-and-how-to-overcome-them/](http://www.dropoff.com/blog/the-most-common-logistical-issues-and-how-to-overcome-them/)
- Valamis. (2023). *Emotional intelligence in the workplace*. Valamis. Retrieved from <https://www.valamis.com/hub/emotional-intelligence-in-the-workplace>
- LinkedIn. (2023). Study of career preference among adolescents. LinkedIn. Retrieved from <https://www.linkedin.com/pulse/study-career-preference-adolescents-mstech-project-service-ofssf/>
- Scientific Research Publishing. (2023). *Organizational climate: A critical review*. Scientific Research Publishing. Retrieved from [https://www.scirp.org/html/7-8201621\\_21189.htm?btwaf=9132881](https://www.scirp.org/html/7-8201621_21189.htm?btwaf=9132881)
- Quantanite. (2023). *Emotional intelligence in the workplace: Enhancing success and relationships*. Quantanite. Retrieved from <https://www.quantanite.com/blog/emotional-intelligence-in-the-workplace-enhancing-success-and-relationships/>
- GeeksforGeeks. (2023). *Logistics management: Functions, types, and process*. GeeksforGeeks. Retrieved from <https://www.geeksforgeeks.org/logistics-management-functions-types-and-process/#:~:text=The%20process%20of%20acquiring%2C%20storing,%2C%20stocks%2C%20and%20relevant%20data>
- Emgage. (2023). *The role of emotional intelligence in effective people management*. Emgage. Retrieved from <https://emgage.work/the-role-of-emotional-intelligence-in-effective-people-management/>
- Yours App. (2022, May 25). *Emotions in the workplace: Why managers need to care*. Yours App. Retrieved from <https://yoursapp.com/business/blog/workplace-emotions/>
- LinkedIn. (2023). *Study of career preference among adolescents*. LinkedIn. Retrieved from <https://www.linkedin.com/pulse/study-career-preference-adolescents-mstech-project-service-ofssf/>