

# The Relationship between Executive Intelligence and Employees' Performance (Case study: Isfahan Gas Company)

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## ABSTRACT

The present study investigated the relationship between Executive Intelligence and Performance of Isfahan Gas Company employees. In this regard, among the whole statistical population (all employees of Gas Company) which were about 300 persons, 169 employees were randomly selected and responded to questionnaires. After literature review, Questionnaires were used in the study to obtain data which include: the researcher made Executive Intelligence questionnaire based on Covey model with 51 questions, and the Performance Evaluation questionnaire with 10 questions. Cronbach's alpha coefficient of two questionnaires obtained to be 84.0 and 91.0, respectively, indicating the high reliability of the questionnaires. The data analyzes in this study was done using SPSS software which showed that there is a direct relation between the Executive Intelligence and its components (clarity, commitment, translation, enabling, synergy and accountability) with employees' performance. Finally, based on the results obtained some suggestions are provided to improve the employees' performance.

**KEYWORDS:** Executive Intelligence, Executive Intelligence Components, Performance, Isfahan Gas Company.

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## 1. INTRODUCTION

Most organizations are not familiar with the principles and skills of good and effective execution and this shortage is felt more in tough economic and competitive conditions. Organizations strong in execution have always been grabbing the opportunities from others who had a weak execution. In fact, for most organizations it is not difficult to realize that they have problems in implementation, but the main difficulty is to solve the problem (Menkes, 2005). One way to solve this issue recently proposed in management theories, is the so called executive intelligence. Executive intelligence is formed of a collection of stable skills which develop a basis for the executive behavior and intelligent management, and influence all aspects of decision making. It's also a scale which shows how individuals and organizations pursue their vital roles (Covey, 2004). Experts believe that for employees and particularly for managers, having executive intelligence helps in solving business problems come forward in the tasks. Furthermore, it seems that having executive intelligence helps people to perform more effectively. Executive Intelligence is a new kind of intelligence that is known by certain cognitive skills and distinguishes a person quietly from peers (Menkes, 2005). Several researchers have studied this topic including Anterasian (2008) who says executive intelligence is related to academic intelligence, but is not the same. Academic intelligence derives from topics such as language, mathematics and logic and is measured through Intelligence Quotient (IQ) and is less related to daily needs of business world. But the Executive Intelligence is the ability of thinking and understanding the concepts precisely which influences on individual performance.

About the difference between the intelligence and knowledge, it can be said that knowledge refers to information we may remember about an issue, but the intelligence determines how much a person can use such information to reach a certain goal (Finkelstein, 2003).

Today, in the highly competitive business environment, risks of poor decisions and performance may cause the loss of credibility of a company among customers, and loss of opportunities, and scarce human and financial resources. Thus in modern approaches to recruitment and training, the executive intelligence concept must be considered, because there is no doubt that intelligence is a key determinant of success. Executive intelligence is not merely a tool to measure people. Executive Intelligence skills needed for success and optimal performance of an organization are also very important and thus, they must be considered through a centralized, purposefully and continuously mechanism of recruitment, promotion and training of employees of an organization (Menkes, 2005).

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Many of leaders are victims of executive fractures: the fractures among promises and obtained results. In fact, the executive fracture is the inability in converting the high level goals of the organization to practice and meeting the given expectations (Bossidy and Charan, 2002).

Lack of executive intelligence is a pervasive problem in most senior ranks of corporate, and it is responsible for some of the most catastrophic business failures. One of the facts of management is that the success of an organization depends on the quality of its members. Thus, its failure is mostly a result of the reduction of the quality of the members (Collins, 2001).

## **2. The importance of executive intelligence in performance**

Today's problems of organizations do not solve with yesterday's solutions and future forecasting does not solve future problems but also should be acting for the future forecasting. Increased competition, changing business environment and globalization are the major changes (Alipour & et al, 2012).

Organizations need to create a revolution in the minds of managers and employees because basically the concept organization, work, quality, competitiveness and ... is changed in their opinion. (Samadaghaei, 2009, p1).

Individual ability and motivation of employees refers to the tendency toward organizational potential manpower for entrepreneurial activities and their ability levels and knowledge to undertake this type of responsibility (Heinonen & Korvela, 2003, 9).

A maximum of 10% of the performance of an organization may be attributed to its leader, although some might consider it high (Pfeffer and Sutton, 2006). Performance optimization is in fact the emphasize on individual executive intelligence which means the ability to digest a great amount of information (usually by the help of others) to make important decisions which lead to useful measures with enough consideration and examination (Little and Fahey, 2006).

Companies need to understand the importance of corporate executive development strategies that it requires flexibility, organizational climate, organizational culture and motivation of staff (Moshtaghi et al, 2012).

The abilities of great executive administrators enable them to evaluate the complex economic situations and show appropriate reflections to professional issues, and make the best decision by establishing the optimum balance between the increments and risks of available options (Drucker, 2002).

Isfahan gas company along with Iran's economic and social development and by considering gas as one of the most important resources in production of fuel and energy, is one the important and influential industrial organizations in the country's oil and gas industry with 300 manpower which plays a vital role in public services to the community in all seasons. To provide good quality services, this company needs empowered employees and managers having a high level of executive intelligence. Investigating this topic in this company is important, because its lack would face the company with major challenges in dealing with problems. This study is to use the Covey model to examine the relationship between executive intelligence and employees' performance in this company.

## **3. The Research Hypothesis**

### **3-1- Main hypothesis**

There is a significant relationship between the employees' executive intelligence and their performance in Isfahan gas company.

### **3-2- Sub hypothesis**

There is a significant relationship between clarity and employees' performance in Isfahan gas company.

There is a significant relationship between commitment and employees' performance in Isfahan gas company.

There is a significant relationship between translation and employees' performance in Isfahan gas company.

There is a significant relationship between empowerment and employees' performance in Isfahan gas company.

There is a significant relationship between synergy and employees' performance in Isfahan gas company.

There is a significant relationship between accountability and employees' performance in Isfahan gas company.

## **4. RESEARCH METHOD**

This is an applied descriptive correlational study and the statistical population includes all managers and employees of Isfahan gas company (300 persons). In the present study, first, 20 questionnaires were distributed for pilot study and were collected for data analysis. Then, using Kohen, Morgan and Kerjsay tables, number of needed samples obtained to be 169. Samples were selected randomly. Measuring tools in the study were researcher made executive intelligence questionnaire with 51 items and performance questionnaire with 10 items. Using Cronbach's Alpha formula, reliability of the questionnaires were calculated as 0.84 and 0.91, respectively. Content validity was used to measure the validity of the questionnaires, and Pearson correlation analysis, independent t, Friedman test, ANOVA and Tukey test were used to analysis results.

**5. Data Analysis**

**Table1- Pearson correlation coefficients for testing the relationship between executive intelligence and employees' performance**

The correlation coefficient (r)/ Performance ratio	Significance level (p)	The samples Number	Executive Intelligence components
0.362	0.0	150	

The main hypothesis: According to the table 1 can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between executive intelligence and performance is significant. Also, the correlation between executive intelligence with the performance is 0.36 percent which shows the relationship between the variables.

**Table 2- Pearson correlation coefficient between the Executive Intelligence components and performance**

Executive Intelligence component	The correlation coefficient (r)/ Performance ratio	Significance level(p)	The Number of Samples
1- Clarity	0.301	0.0	150
2- Commitment	0.377	0.0	150
3- Translation	0.343	0.0	150
4- Empowerment	0.262	0.0	150
5- Synergy	0.320	0.0	150
6- Accountability	0.389	0.0	150

The first hypothesis: According to the above table can be seen that the correlation coefficient between clarity and employees' performance in the Isfahan gas companies ( $r=0.301$ ) is significant in the level of  $p=0.05$ , and thus, there is a direct significant relationship between employees' performance and clarity.

The second hypothesis: According to the above table can be seen that the correlation coefficient between the commitment and employees' performance in the Isfahan gas company ( $r=0.377$ ) is significant in the level of  $p=0.05$ , and thus, there is a direct significant relationship between commitment and the employees' performance.

The third hypothesis: According to the above table can be seen that the correlation coefficient between the translation and the employees' performance in Isfahan gas company is significant ( $r=0.343$ ) in the level of  $p=0.05$ , and thus, there is a direct significant relationship between translation and the employees' performance in Isfahan gas company.

The fourth hypothesis: According to the above table can be seen that the correlation coefficient between the empowerment and employees' performance in Isfahan Gas Company ( $r=0.262$ ) in the level of  $p=0.05$ , It is clear that there is a significant relationship between these two components.

The fifth hypothesis: According to the above table can be seen that the correlation coefficient between the components of synergy and performance of gas company employees ( $r=0.320$ ) is significant in the level of  $p=0.05$ , It is clear that there is a significant relationship between these two components.

The sixth hypothesis: According to the above table can be seen that the correlation coefficient between the components of accountability and the performance of gas company employees ( $r=0.389$ ) in the level of  $p=0.05$  Shows that there is a significant relationship between accountability and employee performance.

**6. DISCUSSION**

Significant and positive correlation between executive intelligence and performance of employees of Isfahan gas company reflects that the increase in the knowledge of employees about their work priorities, commitment, having possession and freedom in doing responsibilities, synergy in team works, accountability and mutual respect among staffs, are very effective in doing duties efficiently and thus, may provide the primary arrangements to increase workforce productivity, and the organization's productivity.

Clarity has a significant positive correlation with performance in Isfahan gas company. This indicates that there are many factors effective in efficient use of time in the organization such as clarity of duties, the relationship between employees' objectives with the strategies of the organization, existence of specific criteria for performance assessment, having a clear purpose and direction for progress in the work, increasing knowledge, capabilities and skills level, responsibility, finding opportunities for improvement, efforts for costs reduction, the focus on work quality, learning and development, which may help them improve their performance in organizations.

Positive and significant correlation of the commitment with performance in Isfahan gas company indicates that factors such as commitment to goals, and the harmony between the goals of company and employees increase the individuals interest to spend the rest of their service at the company. Also, it leads to an effort to reduce the costs, to focus on the duties, learning and work development, and efficient use of time by the employees of the organization.

Translation has a significant positive correlation with performance in Isfahan gas company that this can be caused by factors such as pursuing goals in organization through pre designed plans, statement of the results of individual measures to others, following-up people comments about making goals practical, and giving freedom

to the people in their duties, may be effective in having a clear purpose and direction in the development of work, doing and delivering the works in time, and to enhance performance.

Significant and positive correlation between empowerment and performance of employees of Isfahan gas company reflects that Factors such as continuous looking for the methods to make the works simple, ongoing following-up the new procedures and ideas for improving the individuals performance, and clear understanding of the "role and responsibilities" in organization may result in the reduction of the costs, focusing on the works quality, learning and work development, and efficient use of time by the organization. Generally, the employees of this company believe that the empowerment process and increasing the empowerment level leads to their improved performance in the organization.

Synergy has a significant positive correlation with the performance of employees of Isfahan gas company So it is obviously shows that factors such as knowledge of different organizational units of each other important goals, free speaking in the organization about issues and acute problems, the performance of employees in the organization based on the principle (my success is the success of the others), effective cooperation to reach goals, participation and management support for achieving the goals, individuals cooperation for recognition and solution of problems, prioritizing units' goals to reach goals, free communication of groups and the courteous expression of personal opinions about other people's work, can lead to the improvement of their performance in the organization.

Significant and positive correlation between accountability and performance of employees of Isfahan gas company reflects that factors such as doing the obligations on time by members of the organization, consistent reporting about the work progress and getting close to the goals, commitment of the members to provide the acceptable results, continued talking of members with managers to explore the progress towards reaching goals, decision making in organizations based on the most important ideas and Information, and the individuals efforts to act in the framework of approved budget with increase of these factors, could lead to responsibility, work tracking, finding opportunities for Improvement, trying to reduce the costs, focus on the work quality, learning and occupational development and efficient use of time by individuals, and improve their performance In the organizations.

## 7. Conclusion

Based on the results shown on tables 1 and 2, it may be concluded that in employees' view, there is a significant relationship between executive intelligence and its six components (including clarity, commitment, translation, empowerment, synergy, accountability.) with employees' performance in the Isfahan gas company. In other words, employees believe that by increasing the components of clarity, translation, empowerment, synergy, in the gas company, their performance would improve.

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