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## The Relationship between Emotional Intelligence of Managers, Innovative Corporate Culture and Employee Performance

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### Abstract

The main aim of this study is to emphasize the importance of constructing an innovative institution culture within the company and having managers with high level of emotional intelligence for institutions. By doing this, the study aims to study the effects of these factors on employees. With the study conducted, the effects of an innovative culture institution and working with emotionally intelligent managers on the performance of the employees are analyzed. A 41-item survey is given to the employees. 305 of the surveys in total have been assessed. Their validity and reliability have been checked via SPSS 17, and then the results have been evaluated by using the methods of factor analysis, correlation analysis and regression analysis. As a result, it has been determined that there is a meaningful relationship among emotional intelligence, innovative institution culture and the performance of the employees. Thus, it can be stated that it is necessary for a company to create an innovative institution culture and to have managers who have high level of emotional intelligence in order to increase the employees' performance at work.

*Key Words:* Emotional Intelligence, Innovative Corporate Culture, Employee Performance

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### 1. Introduction

As companies continue to survive in today's competitive business world, it is required that they have the qualified managers and employees, and they try to keep these employees in the company. Also, raising the success of a qualified manager to the next level depends on the emotional abilities in addition to the cognitive intelligence. In addition to emotional intelligence, it is also important that companies open to the innovations, and develop their products and services, as they compete with other firms in the market. For this, managers with higher emotional intelligence should create innovative corporate culture approach in the company, and ensure that all employees adopt this approach. As people become successful and happy in their private and professional lives, being seen that cognitive intelligence is not enough itself has caused an increase of importance of the emotional intelligence concept. Besides, today, as companies can maintain their existence, and be competitive with other companies, they should be open to innovation. It can be by embracing and supporting the innovations by the employees. At this point, it is great

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important that firms build the innovative corporate culture. The main purpose of this study is to research if the emotional intelligence of managers and innovative corporate culture has a performance impact on employees.

## 2. Literature Review And Hypotheses

### 2.1. Emotional Intelligence

As the concept of the emotional intelligence can be understood, first of all, it is necessary to examine the concept of intelligence and emotion. First use of the concept of intelligence has gone back to Aristotle. The first classification related to the intelligence was done by Thorndike in 1920. Thorndike examined the intelligence in three dimensions in his work named "Permanent Mistakes in Psychological Evaluation". These are social intelligence, abstract intelligence and mechanical intelligence. Social intelligence is a dimension of intelligence which is associated that human being adapts to the social life. It includes the ability to understand and manage people. The abstract intelligence is a dimension of intelligence which is associated with concepts and principles and, which enables these concepts to be used in solving problems. Abilities and behaviors related to use of tools and objects describe the mechanical intelligence (Yaşlıoğlu and others 2013, 193).

- According to Sternberg, the intelligence is mental abilities that are necessary to select the environment, to form it and to comply with it. According to this definition, the intelligence is not only reactive, but also proactive. In addition to the individual adaptation, it is important to select and form the environment. Many people with creative and practical intelligence are people who are capable of lasting effects on those around, and change the environment for both themselves and other people (Sirem 2009,4).
- The word of Emotion is derived from the Latin word "motere". Meaning is to move. When "-e" prefix is added to this word, it means to move away. It refers each emotion turns to a movement (Goleman 2013, 32). According to Daniel Goleman, the emotion is also "the tendency of a feeling and certain specific thoughts of this feeling, and psychological and biological states, and a series of movements" (Goleman 2013, 373).
- Firstly, the emotional intelligence was defined by Dr. Peter Salovey from Yale University and Dr. John D. Mayer from New Hampshire University in 1990. According to these authors, the emotional intelligence has emerged as understanding of one's own and others' feelings, emotions, the feature of control, and the emotional reasoning ability. According to Salovey and Mayer, there are three dimensions of emotional intelligence: Evaluation Emotion Evaluation, Emotion Regulation, and Ability to Use the Emotions as Intelligence (Gürbüz and Yüksel 2008, 176). Concept of emotional intelligence has been used to describe the emotional attributes such as "empathizing, expression and comprehension of emotions, controlling temperament, ability to adapt, admiration, solving interpersonal problems, persistence, compassion, and respect" (Yesilyaprak 2001,140).
- According to Cooper and Sawaf, the emotional intelligence is the ability to use, feel and understand effectively the power and quick perception of emotions, human energy information and their relationships as a source of its influence (Cooper and Sawaf 1997, 12). Baron has examined the emotional intelligence in five sections as personal, interpersonal, adaptability, stress management and general mood. Also these five sections are divided into sub-dimensions in its own. (Sahin and others 2009, 246). These sub-dimensions, and abilities forming them are presented in table 1:

**Table 1. Emotional Intelligence Dimensions and Sub- Dimensions in Bar-on Model**

| Dimensions                          | Sub-Dimensions  |
|-------------------------------------|---|
| Personal Awareness                  | Independence, Self-Realization, Stability, Self-Esteem, Emotional Sense of Self |
| Interpersonal Relations             | Social Responsibility, Interpersonal Relations, Empathy                         |
| Adaptation of Terms and Environment | Flexibility, Realism, Problem Solving   |
| Stress Management                   | Stress Tolerance, Impulse Control   |
| General Mood                        | Happiness, Optimism   |

**Reference:** Mumcuoğlu, Ö. (2002). Turkish Language Equivalency, Reliability and Validity Study of Bar-on Emotional Intelligence Test. Unpublished Master Thesis, Marmara University, Institute of Education Sciences. Istanbul.

Salovey and Mayer has defined that the emotional intelligence is a type of social intelligence, and is an ability to feel others' feelings and emotions, to inspect, to separate them from each other and use these information as a guide in thoughts and behaviors (Jordan and others 2001, 195). According to another definition, the emotional intelligence includes sensory abilities such as telling emotions with the correct expression, ability to integrate emotions to cognitive processes, ability to understand emotions and their effects on a variety of situations. (Law and others 2004, 485). Moreover, the ability to perceive emotions is important, because an individual can fully and accurately perceive and interpret its own emotions, it can be better prepared when reacting to the situations, which there are emotional interactions (Akin 2010, 24).

## 2.2. Innovative Corporate Culture

Innovation is derived from “in” and “novus” and “in-novatus” words that meaning is renewal, making new, and changing. According to the Turkish Language Society Dictionary, it means “1. a situation that is new or a feature that something is new. 2. changing the things considered obsolete, harmful or insufficient to new, useful and sufficient ones, regeneration, 3. Innovation. Innovation has also defined as the development of more advanced, higher quality, more functional new products, production processes, organization, and management practices by starting from existing knowledge (Turkish Language Society 2014). According to Professor Joseph Schumpeter, who taught at Harvard University, in simplest terms, the innovation has defined as establishing a new production function. Innovation includes activities of creation a new organization in industry, such as the inventing a new product, the developing a new production method, establishing a new market, creating new resources for supply of raw materials, and creating monopolies (Schumpeter 1939, 84). Certo has defined the innovation as “*use and development of new techniques and new methods in working conditions in the production of goods and services*” (Certo 2005, 519). According to Jones, innovation is described as the development new product in both service and business industries and, making new developments in production and business systems (Jones 2001, 404). Drucker has described the innovation as “*useful information allowing different information and abilities of employees convert efficiently*”. Innovation is one of the tools of entrepreneurship. Also, innovation is a science that can be improved by learning and practicing (Sarıçay 2012, 17). Moreover, there are authors, who describing the innovation as product innovation (Griffin and Page 1996, 481). Radical innovation is generally a kind of innovation that is performed by scientists, is a very high need for new information, and describes the new one for the world or institution. They occur at the end of the lasting studies, and a high-cost process. As they have been brought to life in line with scientific advances rather than the market needs, the most important feature is the high risk of failure. In addition, as radical innovation would create a new market, there

are risks which market analysis is not allowed to be done, and the market occurring may be too small to meet the innovation investment, or they do not adequately adapt the innovation (Christensen, 1997, 276). Barker has defined an innovative culture as “a rich mix of expertise and experience that will bring to new ideas, processes and products by opening the window of the mind” (Barker 2011, 72). Some causes such as the process requirements, incompatibilities, unexpected developments, changes in the industry and market, demographic changes, changes in perception, new information arising inside or outside the organization have forced the organization to make innovation (Drucker 1985, 30).

There are different kinds of classifications of innovation types as well as various definitions of the concept of innovation. Thusman and Nadler (1986) divided the innovation into two basic categories as product and process innovations. Zaltman (1973) mentioned three types of innovation as programmable innovations, final and helpful innovations and radical innovations. Damanpour has been made triple classification as managerial and technical innovations, radical and slow-paced innovations and product-process innovations in the light of the work done for innovation. According to the literature, it seems that the most common classification type is a product, process, radical, and progressive innovations ( Sarıçay 2012, 20).

Corporate culture can be defined as a whole of the basic thinking methods, values and norms affecting behaviors and actions of everyone in the company. As important variables that determine the corporate culture, it may be taken into account the personal profiles of entrepreneurs and managers, management style, communication style used in organization, willingness of entrepreneurs and managers for transfer of power, opportunities granted to lower managers for innovating (Tokmak 2008, 96). Organizational culture elements of them affecting the innovation are shown in table 2 (Tokmak 2008, 97):

**Table 2. Organizational Culture Elements and Applications Affecting Innovation**

| <b>Organizational Culture Factors Affecting Innovation</b>          |   |  |  |   |
|---|---|--|--|---|
| <b>Strategy</b>   | <b>Structure</b>  | <b>Support Mechanisms</b>  | <b>Applications Promoting Innovation</b>   | <b>Communication</b>  |
| * Business vision, mission and goals which innovation is emphasised | *Flexibility<br>- Freedom for Employees<br>-Autonomy<br>- Empowerment<br>* Participation in Decision<br>*Cross- functional teams and interaction environment between groups | * Reward system encouraging innovation<br>* Support of sources<br>- Time<br>- Information Technologies<br>- Creative Employees | * Welcome occurrence of errors<br>*Promoting the wealth of ideas<br>* Learning culture having continuity<br>* Encouraging risk-taking<br>* Competitiveness<br>* Support of changing<br>* Support of conflict | * Establishment and support of versatile, formal/informal communication channels for open communication |

Reference: Tokmak, İ. (2008), **Effect of Strategic Human Resource Management on Innovation Ability and A Study on Electronic Industry**, PhD Thesis, Sakarya University, Institute of Social Sciences, Sakarya

### 2.3. Employee Performance

Performance can be described as an effective effort performed for reaching a goal, or a success of fulfilling a job effectively, of execution and completion. Performance is a quantitative and qualitative expression, where the person, group or business doing the work can reach for intended destination related to this work (Baş and Artar 1990, 13).

Performance is a concept describing how a person can use its own potential or real knowledge, skills and abilities in order to able to reach its own goals or expectations. It is the percentage of using the capacity of people in order to complete a work successfully in a certain period of time (Yıldız and others 2008, 240).

- Performance evaluation is a formal management system which businesses have created in order to evaluate the performance quality of employees (Grote 2002, 1).
- Performance evaluations are activities made for measuring what extent employees do their jobs (Mathis and Jackson 1991, 288).

The purpose of performance evaluation is to improve the performance of employee, and to give administrative decisions such as wages, promotion, and dismissal, according to the results of performance evaluation. In order to improve the performance of employee, first of all, it is necessary to recognize staff, to distinguish between successful and unsuccessful staff (Pinar 2012, 26). In addition to this purposes, to provide feedback to employees related to their performance, to discuss dismissal or their downsizing strategies, to create and determine goals, to determine the purposes of business and the development needs, to improve the performance of whole businesses, to provide guidance to insufficient employees are also among the purposes of performance evaluation (Grote 2001, 5).

- It helps to identify themselves and remedy their deficiencies.
- Employees learn the expectations in the framework of job descriptions of their boss.
- It can be ensured that employees see their business successes so that they achieve the job satisfaction.
- The results of performance evaluation prepare person to make new breakthroughs and new quests.

In this study, the Following Hypothesis will be evaluated:

H<sub>1</sub>. Emotional intelligence has a direct and positive impact on employee performance.

H<sub>2</sub>. Innovative corporate culture has a direct and positive impact on employee performance.

### 3. Methodology

The purpose, scope and limits of study, methods used throughout the study, the data obtained from study, and the evaluation of them, reliability analysis of study scale, factor analysis, correlation and regression analysis are discussed individually in this section. In this thesis study, by means of questionnaires applied to employees of the company, it has been measured if emotional intelligence and innovative corporate culture have an impact on the performance of employee. Questionnaires were made for employees of company via e-mail and the internet. Method of questionnaire was used as a method of data collection during the study. A total of 305 questionnaires were evaluated. Questionnaire forms were prepared and applied in responding to questionnaire, according to 7 point Likert scale. Options related to evaluation of the responses in the questionnaire are as follows: (1) Completely disagree, (2) Mostly disagree, (3) Partially disagree, (4) Neither agree, nor disagree, (5) Partially agree, (6) Mostly agree, (7) Completely agree, are represented. It has been thought that 7 point Likert scale would give more reliable results compared to 5 point and 10 point Likert scale.

**Table 3. Variables and Number of Questions**

| Variables                    | Number of Questions |
|------------------------------|---------------------|
| Emotional Intelligence       | 14                  |
| Innovative Corporate Culture | 10                  |
| Employee Performance         | 12                  |
| Total Number of Questions    | 36                  |

Variables and number of questions used in the study are shown in table 3. In the section related to the emotional intelligence, it was utilized from the models of MSCEIT, EQ-I and ECI (Demir 2009, 140). For the innovative corporate culture, it has been benefited from Altındağ's doctoral thesis (Altındağ 2011, 88). Also, it has been benefited from Gürkanlar's master's thesis for the Employee Performance section (Gürkanlar 2010, 110). In addition to the said questions, there are questions containing demographic information about managers in the questionnaire. Information about business and people who filling out the form were obtained with these specially prepared questions. There are nine demographic questions in the questionnaire in total. However, the total number of questions has become 45 within the scope of the questionnaire. The required information for the study has also collected from other provinces, mostly in Istanbul by applying questionnaire method via e-mail and internet. With the questionnaire conducted, it was tried to measure the emotional intelligence of managers and innovative corporate culture's effects on the performance of the employee. Although the scales used in the research model have been taken from previous scientific studies, reliability analysis of scale has an important place within the scope of our study. Reliability is stable result resulting from repeating the measurement.

For the purpose of testing the reliability of all study scale, firstly Cronbach Alfa value of the variables replaced in the scale was examined. Alpha coefficient in the overall reliability analysis including the variables of all factors are determined as 0,929 for 36 variables. This number is well above the 0,700 that is the threshold. This result shows that the questions of questionnaire are clearly understood by employees and it has internal consistency (Nakip 2013). Nevertheless, each factor has been included in this analysis in its own in order to go to the exploratory factor analysis that will be the next level in statistical analysis without leaving any room for doubt.

**Table 4. Reliability Analysis of Variables**

| Variables                    | Number of Questions | Croanbach Alfa ( $\alpha$ ) Values |
|------------------------------|---------------------|------------------------------------|
| Emotional Intelligence       | 14                  | ,861                               |
| Innovative Corporate Culture | 9                   | ,864                               |
| Employee Performance         | 11                  | ,936                               |

Emotional intelligence factor is divided into three sub-factors in itself. KMO values are also ranged from 0,935 to 0,864. This value is a ratio that is almost perfect. Finally, all variables belonging to the performance of the employee that is dependent variable of the study are grouped under a single factor. KMO value of the employee performance factor has been determined as 0,935. Point to be considered is that first-numbered question has been removed from the analysis in this structure occurring as one factor, as only first-numbered question remain alone with a factor with high load. The reason is the idea that the factors consisting of one or two questions would have a negative impact on the results of study, and would be interpreted incorrectly.

**Table 5. Correlation Analysis of Variables**

|                              | Sensuality | Empathy | Awareness | Innovation Orientation | Radical Innovation | Emotional Intelligence | Innovative Corporate Culture | Employee Performance |
|------------------------------|------------|---------|-----------|------------------------|--------------------|------------------------|------------------------------|----------------------|
| Sensuality                   | 1          | ,278**  | ,523**    | ,315**                 | ,226**             | ,912**                 | ,405**                       | ,504**               |
|                              |            | 0       | 0         | 0                      | 0                  | 0                      | 0                            | 0                    |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |
| Empathy                      | ,278**     | 1       | ,381**    | ,259**                 | ,144*              | ,589**                 | ,334**                       | ,321**               |
|                              |            |         | 0         | 0                      | 0,012              | 0                      | 0                            | 0                    |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |
| Awareness                    | ,523**     | ,381**  | 1         | ,723**                 | ,118*              | ,738**                 | ,712**                       | ,692**               |
|                              |            |         |           | 0                      | 0,04               | 0                      | 0                            | 0                    |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |
| Innovation Orientation       | ,315**     | ,259**  | ,723**    | 1                      | ,132*              | ,485**                 | ,921**                       | ,418**               |
|                              |            |         |           |                        | 0,022              | 0                      | 0                            | 0                    |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |
| Radical Innovation           | ,226**     | ,144*   | ,118*     | ,132*                  | 1                  | ,230**                 | ,483**                       | ,164**               |
|                              |            |         |           |                        |                    | 0                      | 0                            | 0,004                |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |
| Emotional Intelligence       | ,912**     | ,589**  | ,738**    | ,485**                 | ,230**             | 1                      | ,567**                       | ,626**               |
|                              |            |         |           |                        |                    |                        | 0                            | 0                    |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |
| Innovative Corporate Culture | ,405**     | ,334**  | ,712**    | ,921**                 | ,483**             | ,567**                 | 1                            | ,461**               |
|                              |            |         |           |                        |                    |                        |                              | 0                    |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |
| Employee Performance         | ,504**     | ,321**  | ,692**    | ,418**                 | ,164**             | ,626**                 | ,461**                       | 1                    |
|                              |            |         |           |                        |                    |                        |                              |                      |
|                              | 303        | 303     | 303       | 303                    | 303                | 303                    | 303                          | 303                  |

\*\* Correlation is significant at the 0, 01 level. \*Correlation is significant at the 0, 05 level.

Within the analysis of correlation, both sub-dimension of emotional intelligence and innovative corporate culture factors and all higher dimensions including all variables have been included in the analysis. First, when sub-factors of emotional intelligence have been examined, it has been seen that the sensuality factor has a mid-level relationship with innovative corporate factor and employee performance. Basically, the correlation level between sensuality level and the employee performance has been determined as 0, 504. One of the most remarkable situations drawing attention in the analysis is that there is a relation as 0,912 between the sensuality factor and the emotional intelligence, which is a higher factor connected with sensuality factor. The same situation is between the innovation orientation factor and the innovative corporate culture that is the top factor. It has been seen that there is a relation as 0,921 between innovative orientation and innovative corporate culture. It is called multiple correlation problems in statistics in this situation. If the correlation ratio is 0,850, or higher, two factors may want to measure the same thing.

And it brings doubt of a design flaw in the questionnaire. However, it has not been found any multi-correlation. Under this thesis, it may be shown as a proof which it has been measured correctly and an ideal scale design has been made.

In the next step, the regression analysis was applied to data set. Regression analysis is an analysis method used for measuring the relationship between two or more variables. If it is made an analysis by using a single variable, it is called a single variable regression; if it is made an analysis by using more variables, it is called a multivariate regression analysis.

**Table 6. Regression Analysis Model 1**

| Model          |                        | Non- Standardized Coefficients |                          | Standardized Coefficients | t      | Sig.   |
|----------------|------------------------|--------------------------------|--------------------------|---------------------------|--------|--------|
|                |                        | B                              | Standard Error           | Beta                      |        |        |
| 1              | (Constant)             | 1,961                          | 0,247                    |                           | 7,93   | 0      |
|                | Sensuality             | 0,145                          | 0,044                    | 0,164                     | 3,301  | 0,001  |
|                | Empathy                | 0,032                          | 0,036                    | 0,042                     | 0,893  | 0,372  |
|                | Awareness              | 0,6                            | 0,059                    | 0,694                     | 10,117 | 0,000  |
|                | Innovation Orientation | -0,115                         | 0,212                    | -0,158                    | -0,542 | 0,588  |
|                | Radical Innovation     | 0,048                          | 0,11                     | 0,057                     | 0,441  | 0,659  |
|                | Innovative Culture     | 0,004                          | 0,346                    | 0,004                     | 0,013  | 0,99   |
| R <sup>2</sup> |                        | 0,521                          | Corrected R <sup>2</sup> | 0,512                     | F      | 53,761 |

Dependent Variable: Employee Performance

First of all, all sub-factors of emotional intelligence and innovative corporate culture and innovative corporate culture as a top factor have been evaluated. In the analysis including a total of 5 sub-independent variables, a top-independent variable, and a dependent variable, the findings emerging have shown that sensuality, awareness, innovative orientation factors have had an impact on the employee performance. 52,1% of the changes in employee performance is explained by three independent variables. It has been shown that innovative corporate culture has not affected the employee performance as a top factor. When we look Beta values, it is seen that the highest rate is in awareness factor with 0, 694. In the model, which F value is 53, 761, the error rate of significant independent variables is below 5%. When evaluating in the regression analysis, the most important point to be considered is certainty (determination) coefficient. In this model, this coefficient, that is in the level of 0, 521, is about two times of the average considered in the field of social sciences.

**Table 7. Regression Analysis Model 2**

| Model          |                        | Non- Standardized Coefficients |                          | Standardized Coefficients | t      | Sig.   |
|----------------|------------------------|--------------------------------|--------------------------|---------------------------|--------|--------|
|                |                        | B                              | Standard Error           | Beta                      |        |        |
| 2              | (Constant)             | 1,961                          | 0,246                    |                           | 7,963  | 0      |
|                | Sensuality             | 0,145                          | 0,043                    | 0,165                     | 3,391  | 0,001  |
|                | Empathy                | 0,032                          | 0,034                    | 0,042                     | 0,954  | 0,341  |
|                | Awareness              | 0,6                            | 0,058                    | 0,694                     | 10,371 | 0,000  |
|                | Innovation Orientation | -0,112                         | 0,043                    | -0,154                    | -2,623 | 0,009  |
|                | Radical Innovation     | 0,05                           | 0,035                    | 0,059                     | 1,417  | 0,157  |
| R <sup>2</sup> |                        | 0,521                          | Corrected R <sup>2</sup> | 0,513                     | F      | 64,731 |



Dependent Variable: Employee Performance

In this regression analysis model, all sub-factors of emotional intelligence and innovative corporate culture have been evaluated. In the analysis including total five independent variables, and one dependent variable, findings emerging have shown that sensuality, awareness, and innovation orientation factors have had an impact on employee performance. 52.1% of changes in employee performance is explained by these three independent variables. When we look Beta values, it is seen that the highest rate is in awareness factor with 0, 694. In the model, which F value is 64, 731, the error rate of significant independent variables is below 5%. When evaluating in the regression analysis, the most important point to be considered is certainty (determination) coefficient. In this model, this coefficient, that is in the level of 0, 521, is about two times of the average considered in the field of social sciences. Another of 47,9 % that has an impact on employee performance, but cannot be explained is due to the different factors other than independent variables used in this study model. In the future studies, other factors such as wages, human relations, the physical environment should be included.

**Table 8. Regression Analysis Model 3**

| Model |                        | Non- Standardized Coefficients |                          | Standardized Coefficients | t     | Sig.  |
|-------|------------------------|--------------------------------|--------------------------|---------------------------|-------|-------|
|       |                        | B                              | Standard Error           | Beta                      |       |       |
| 3     | (Constant)             | 2,009                          | 0,264                    |                           | 7,603 | 0     |
|       | Emotional Intelligence | 0,572                          | 0,057                    | 0,537                     | 9,959 | 0,000 |
|       | Innovative Culture     | 0,157                          | 0,054                    | 0,157                     | 2,907 | 0,004 |
|       | R <sup>2</sup>         | 0,408                          | Corrected R <sup>2</sup> | 0,404                     |       |       |

Dependent Variable: Employee Performance

In order that the findings arising under the study could be interpreted literally and correctly, some additional analysis has been considered appropriate. An additional regression analysis has been performed in order to be able to explore the effect of shading that may arise. Previously, all variables with their all sub-factors included in the regression analysis have taken its place in the new analysis as single top factor in the study. In other words, emotional intelligence and innovative corporate culture have replaced in the study without dividing into sub-factors. The results show that both factors affect the employee performance directly and positively, unless they are divided into sub-titles. The explanation ratio of two independent variables for employee performance that is dependent variable has been stated as 40.8%. According to previous table, the cause of the rate reduction is to have become more meaningful for employees, when sub-factors of emotional intelligence and innovative corporate culture have been individually examined in detail. If we go deeper in the analysis, the results are more successful. If a superficial analysis is performed, the determination coefficient decreases. Even if the innovative corporate culture has an impact on employee performance with beta coefficient 0,157 in this analysis, the main important impact comes from emotional intelligence with beta coefficient 0,537. In companies where the emotional intelligence is given importance, employees are aware of this situation, empathy and mutual relations are intensive and familiar, employee performance is affected directly and positively. This finding has been proven in both correlation and multiple regression models.

#### 4. Conclusion

In this study, which it has been examined that the emotional intelligence and innovative corporate culture have had an impact on employee performance, the results are quite significant for managers and academics. Emotional intelligence level, which managers in organizations had, affects directly the employee performance, because a manager, who has a sense of empathy, and can assess the behavior of employees analytically, minimizes the problems within the organization. A manager mediates the establishment of more communication and cooperation between employees, and the creation of the spirit of teamwork. Employees work without exposing stress and pressure in the companies where conflict is low; mild climate is felt. Thus, their performances increase as well as their business performances gain momentum. If managers understand the feelings of employees, tell the employees that the emotions are a management strategy, not an error element in the organization, do not give a deficit even the moments of crisis, they improve the working quality of employees, and also allow them to progress in the areas of their professional expertise. In the same way, if employees realize their feeling as they gain more experience, and also if they are able to think differently, it will have a positive impact on the success of their working lives. Their abilities to comply with the organization's policies and procedures, to be able to perform the new tasks given, to be able to get in touch with the other people working correctly are parallel with their own emotional intelligence. Within the scope of the study scale, it has been understood that only factors, which employees think positively and about people, and fully make decisions with their own feelings, have been ineffective on employee performance. In other words, employees do not base on only emotions other than rational logic. Emotions are only a support strategy used for organization; especially they allow to be made an optimal decision in the moment of crisis.

In innovative corporate culture, other independent variable, only one of two sub-factors (innovation orientation factor) has a positive impact on employee performance. As is known, Giving importance to innovation by organizations is a must, not an option in today's conditions. Nevertheless, in the non-institutionalized organizations, especially in the family business, it seems to be a resistance to innovation. The main reason for this resistance is the sense of fear feeling for unknown things. If employees can not predict what they do in the new organizational structure, and if there are fear of losing their power, the risk of system change that they are familiar, it will cause that the sense of unease is more sharply felt in organizational climate. Using too much technological knowledge in the production and services has a high cost factor for many companies, because it is required to high engineering techniques. However, when the competition becomes a part of it and the innovation becomes a must in order to survive in the market, new resources are provided and the necessary processes are improved to ensure the required change. New products and services should provide higher returns than other competitors and they should not be imitated. Findings emerging in conclusion of the study have shown that new product of a company mainly has provided higher returns compared to the old ones. In other words, the traditional manufacturing approach has been replaced by modern marketing approach. Products and services that are high-qualified, can not be imitated, include advanced technology and can become accessible for everyone directly have impact on not only companies, but also staff's working performance in these organizations by increasing the motivation of employees.

Some companies assign their managers from their own employees. This situation has some advantages such as being closely acquainted with manager's organizational culture, climate, financial and human structure of organization, besides having some disadvantages. After completing a certain year of working, due to the company's career planning, it may create negative situation for the company, if employees are only promoted according to only their technical knowledge, the year when they work and the experience that they have without considering the emotional intelligence levels and qualifications of employees. Managers with low emotional intelligence are

insufficient in creating awareness and emotions about involving in the organizational culture for employees. Therefore, employees should be subjected not only the scales of technical knowledge and skills, but also various personality inventory scales and emotional intelligence evaluation of managers in promotion within the organization.

The most important limitation of this study is that the mass of sample identified has been insufficient on a global scale. In the future, it is advised that academics, who will study in this area, should reach a wider sample group. In addition, it has been found that a part of the employees who filled in the questionnaire have been suspicious of the questions and answered a few questions with concern. The most important weakness of questionnaires methods in the social sciences is that the researches change something by mistake while trying to measure it. To eliminate this error from the beginning, scales and questionnaire should be prepared in a systematic way.

**H1: Emotional intelligence has a direct and positive impact on employee performance.**

When emotional intelligence factor that has been examined by the first 14 questions of the questionnaire is evaluated with employee performance that has been examined by 25 to 36 questions, it has been concluded that the emotional intelligence has had a significant impact on employee performance according to factor analysis, correlation analysis and regression analysis. Thus, Hypothesis H.1 has been accepted. As expected, managers with high emotional intelligence have had a direct and positive impact on employees in companies. The result has been in the expected direction with the hypothesis.

**H2. Innovative corporate culture has a direct and positive impact on employee performance.**

When innovative corporate culture factor that has been examined by the 15-24 questions of the questionnaire is evaluated with employee performance that has been examined by 25- 36 questions, it has been concluded that the innovative corporate culture has had a significant impact on employee performance according to factor analysis, correlation analysis and regression analysis. Thus, Hypothesis H.2 has been accepted. As expected, innovative corporate culture has had a direct and positive impact on employee performance in companies. The result has been in the expected direction with the hypothesis.

When two independent variables are only considered as top factor, it has an impact on the employee performance. Therefore, two main hypotheses were supported. However, when detailed analysis is performed with the sub-factors, it seems that two independent variables are partially supported.

According to many studies, it has been seen that the emotional intelligence is a competency that could be learned and developed unlike the cognitive intelligence. Some studies may be performed within the organization for the development of the emotional intelligence. Training programs, social events may be arranged within the organization. In addition, awareness can be revealed related to the level of emotional intelligence by getting training from personal development consulting firms offering services related to this area. From the perspective of managers, the company must apply to new strategic trends and must seamlessly make them appropriate for the organization in order to adapt to global and technological developments. At this stage, the most important task that falls to the managers is to weaken the resistance against to changes and innovations within the organization. To achieve this, the emotional intelligence of managers should be used as a tool. The shareholders being aware that (owners of capital) are looking for people, who could lead the employees in the organization for the procurement of professional manager, could empathize with them and could offer an objective which they could devote their lives. These people are professional employees who are with high emotional intelligence and could use this intelligence in an optimal way. Today, as well as being knowledge workers, emotions are evaluated as an art that can be used effectively in the management science. Here, for the organization, gaining employees, who will be able to perform this art must be the most basic goal of all businesses.

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