

Moderating effect of emotional intelligence on technology strategy and firm's financial performance

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Abstract

Organisations need a culture which values technology as an ideal competitive weapon, understand the dynamics of the procedure of technological innovation, monitor the forecast technological changes and develop and adopt effective methodologies to determine the impact of new technologies on the business. Organisations should facilitate the implementation of new technologies, prepare, train, and hire the appropriate workforce to implement the newest technology. Organisations should also develop an organisational structure allowing effective and efficient implementation of changes in technology. Therefore, it is necessary to understand, communicate and assimilate technology strategy with business strategies in order to increase the financial performance of a business organisation. The literature also supports that successful organizations should adopt emotionally intelligent strategies to reach competitive advantage and sustainable growth. The main objective of the study is to investigate how technology strategy coupled with emotional intelligence, affects the overall financial performance of an organisation, and to investigate whether emotional intelligence moderates the direct relationship between technology strategy and financial performance of the firm. Accordingly, authors propose a conceptual model, which demonstrates the moderating role of emotional intelligence in the relationship between technology strategy and financial performance of the firm. Based on the extensive literature review, this study develops three hypotheses to support the arguments, where hypothesis 1 proposes that technology strategy positively influences financial performance of the firm, hypothesis 2 proposes that emotional intelligence positively influences financial performance of the firm, and hypothesis 3 proposes that emotional intelligence moderates the relationship between technology strategy and financial performance of the firm. The paper provides valuable insights for the crucial role of emotional intelligence together with technology strategy, in order to stimulate beneficial effects towards an organisation's financial performance. In other words, emotions drive people, and people drive performance. In an era of unique business challenges, skills matter like never before. As a result, emotional intelligence has become the breakthrough factor for leaders committed to achieve sustainable success. Emotional competence is the single most significant personal quality that each one should improve, and access to experience a breakthrough. The suggested model can be empirically tested and validated in a future research in order to prove the moderating role of emotional intelligence between technology strategy and financial performance of a firm.