It pays to have an eye for emotions: Emotion recognition ability indirectly predicts annual income

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Summary

This study integrates the emotion and social influence literatures to examine how emotion recognition ability (ERA) relates to annual income. In a sample of 142 employee–peer–supervisor triads from a broad range of jobs and organizations, we find that people’s level of ERA indirectly relates to how much they earn per year. The relationship between ERA and annual income is mediated sequentially through political skill and interpersonal facilitation. The results imply that emotional abilities allow people not only to process affect-laden information effectively but also to use this information to successfully navigate the social world of organizations in the pursuit of prosperity. Copyright © 2014 John Wiley & Sons, Ltd.

Keywords: emotion recognition ability; political skill; performance; income

People differ in how well they are able to detect, extract, and decipher emotional information from facial and vocal expressions (Ekman & Friesen, 1975; Elfenbein, Marsh, & Ambady, 2002; Nowicki & Duke, 1992; Rosenthal, Hall, DiMatteo, Rogers, & Archer, 1979). This emotion recognition ability (ERA) is a basic element in a wider set of abilities termed together as emotional intelligence (EI)—the ability to “recognize the meanings of emotions and their relationships, and to reason and problem-solve on the basis of them” (Mayer, Caruso, & Salovey, 1999, p. 267). ERA matters for building and maintaining social relationships, and for some aspects of work performance (e.g., Nowicki & Duke, 1994; Rosenthal et al., 1979; for a review, see Elfenbein, Foo, White, Tan, & Aik, 2007). But is ERA so fundamental an ability that it could even affect how much people earn? If so, what is it that links people’s basic ability to recognize emotions in others with their annual income?

In an endeavor to establish the relationship between ERA and annual income, and to map out the mechanisms underlying this relationship, we advance the further integration of the two previously separate literatures, the emotion and the social influence literatures. Specifically, we suggest that the consideration of a set of interpersonal skills well known in the social influence literature as political skill helps unlock the black box of the ERA–performance relationship. Political skill is defined as “the ability to effectively understand others at work and to use such knowledge to influence others to act in ways that enhance one’s personal and/or organizational objectives” (Ferris, Treadway, 2005, p. 127). Here, we suggest that ERA serves as a fundamental ability that allows people to effectively develop and apply political skill in order to perform at higher levels at work and to enhance their income. Thus, we extend ERA research by examining how employees’ ERA, through their political skill, affects a specific aspect of how well they perform on their job (i.e., interpersonal facilitation) and, in turn, their annual income.

This study puts forth a model of workplace success that bears upon and integrates emotional abilities and social influence research. To preview our theoretical model, we suggest that people with higher levels of ERA receive a
higher annual income because these people tend to have better political skills that allow them to operate more smoothly on an interpersonal level. Technically speaking, we propose a multiple mediation model depicted in Figure 1 in which political skill and an important aspect of job performance (i.e., interpersonal facilitation) sequentially serve as mediators between ERA and annual income. Our research builds upon previous conceptual work that noted the potential linkages between emotional abilities, political skill, and performance (e.g., Ferris et al., 2002; Liu et al., 2006), and responds to recent calls for research on the intermediate linkages between ERA and performance (Elfenbein et al., 2007).

**Linking Emotion Recognition Ability and Annual Income through Political Skill and Job Performance**

Emotion recognition ability has been examined both as a specific emotional ability (e.g., Elfenbein & Ambady, 2002; Noller & Feeney, 1994; Nowicki & Duke, 1994; Rosenthal et al., 1979; Sabatelli, Buck, & Dreyer, 1983) and as a component of the broader construct of EI. EI encompasses a set of interrelated skills, namely: (i) perceiving emotion—the ability to identify emotions in faces, pictures, music, etc.; (ii) facilitating thought with emotions—the ability to use emotional information in one’s thinking; (3) understanding emotion—the ability to comprehend emotional information; and (4) managing emotion—the ability to manage emotions for personal and interpersonal growth (Mayer, Salovey, Caruso, & Sitarenios, 2003). It is suggested that these four abilities are hierarchically related with each other in such a way that the ability to perceive emotion serves as the foundation for the other three emotional abilities, which also build on one another (Joseph & Newman, 2010; Mayer & Salovey, 1997; Mayer et al., 2003). Thus, perceiving emotion, or ERA, is the most basic and fundamental element of EI (Elfenbein et al., 2007; Mayer & Salovey, 1997; Mayer, Salovey, Caruso, & Sitarenios, 2001). ERA is also the most reliably validated component of emotional intelligence (Elfenbein & Ambady, 2002; see Elfenbein et al., 2002, for a review). Large-scale psychometric studies have provided consistent evidence for its reliability (e.g., Ciarrochi, Chan, & Caputi, 2000; Davies, Stankov, & Roberts, 1998).

Many have pointed to the association between ERA and empathy (e.g., Goleman, 1998; George, 2000; Salovey & Mayer, 1990; Taylor & Bagby, 2000). In social–psychological research, empathy has been examined either as an emotional state (i.e., an other-oriented emotional response elicited by and congruent with the perceived welfare of someone in need—e.g., Batson, Duncan, Ackerman, Buckley, & Birch, 1981) or as a personality trait (i.e., individual differences that describe the degree to which an individual notices and are concerned about the needs or concerns of others—e.g., Eisenberg & Miller, 1987). The concept of ERA, in contrast, focuses primarily on individual abilities. Recent studies tend to find relatively low correlation (i.e., \(r\) in the .20s) between ERA and empathy (e.g., Ciarrochi et al., 2000; Jordan, Ashkanasy, Härtel, & Hooper, 2002; Mayer et al., 1999). A low to moderate correlation between empathy and various measures of overall EI (\(20 \leq r \leq 43\)) has also been reported (e.g., Brackett, Rivers, Shiffman, Lerner, & Salovey, 2006; Ciarrochi et al., 2000). Thus, empathy and ERA appear to be quite different constructs. We follow the consensus in the recent EI literature that empathy goes beyond the conceptual confinement of EI (e.g., Jordan et al., 2002; Mayer & Salovey, 1997; Mayer et al., 1999), and treat ERA as a separate construct from empathy.

![The Theoretical Model](image-url)

**Figure 1.** The theoretical model
Research on ERA as a specific emotional ability has a long history. Over decades, research has demonstrated that ERA is related to important interpersonal and performance outcomes (Elfenbein et al., 2007). For example, it has been found that ERA is related to interpersonal sensitivity (e.g., Sabatelli et al., 1983), positive interpersonal interactions (e.g., Noller & Feeney, 1994), and social adjustment (e.g., Carton, Kessler, & Pape, 1999; Nowicki & Duke, 1994; Rosenthal et al., 1979). Across organizational and occupational contexts, ERA has been found to be positively related to job performance. For example, with multiple samples, Rosenthal et al. (1979) found positive relationships between ERA and peer-evaluated effectiveness among clinicians. More recently, Byron, Terranova, and Nowicki (2007) found ERA to be positively related to annual salary increase and monthly sales performance among sales managers. Furthermore, Elfenbein and Ambady (2002) reported an overall positive correlation between ERA and performance evaluations by peers and supervisors of public service employees. Elfenbein et al. (2007) also found that negotiators with high ERA not only cooperated more effectively to create value for their partners but also competed more effectively to capture a greater proportion of the value for themselves. In their meta-analysis of 18 studies, Elfenbein et al. (2007) reported an overall correlation of .20 ($p < .01$) between ERA and workplace success and effectiveness. Despite the richness of research on ERA and performance outcomes, the question of how ERA facilitates these outcomes has remained largely unanswered.

In the realm of EI research, the significance levels of the correlations between ERA and performance outcomes are not typically reported because of the focus on overall EI, with a few notable exceptions. Among these studies, where the information is available, we have found low to moderate correlations between ERA and job performance (ranging from .17 to .43) (e.g., Carmeli & Josman, 2006; Day & Carroll, 2004; Kerr, Garvin, Heaton, & Boyle, 2006; Rosete & Ciarrochi, 2005; Wong & Law, 2002). In their meta-analysis and cascading model of EI, Joseph and Newman (2010) reported a non-significant bivariate correlation of .10 between ERA and job performance; indirect effects of ERA on job performance were not tested.

To date, research that intends to explain the relationship between ERA and job performance focuses primarily on the advantage that EI gives to people in understanding and regulating the social–emotional needs of oneself and others (e.g., Côté & Miners, 2006; Law, Wong, & Song, 2004; Rode et al., 2007). In the current study, we integrate this research with a social influence perspective of the interpersonal dynamics at work to explain the advantage ERA brings to individuals when it comes to performance ratings and career outcomes.

The social influence perspective of organizations

Organizations represent social systems in which members must both compete with each other for limited resources and cooperate in order to facilitate access to these resources and get things done (Burns, 1962). Effectiveness and success in organizations involves proactively balancing the power relationships between oneself and others (Emerson, 1962), and successfully navigating the social environment at work (Mintzberg, 1983; Pfeffer, 1981), including building strong social networks infused with rapport and trust (Ferris et al., 2005; Seibert, Kraimer, & Liden, 2001). The social influence perspective suggests that influence, politics, networking, and interpersonal competencies are intricately interwoven to affect performance and success in organizations (e.g., Mintzberg, 1983; Pfeffer, 1981, 2010; Ferris et al., 2005; Ferris & Hochwarter, 2011).

The significance of building connections at work has become even stronger with recent changes in the competitive dynamics of global markets that promote a more social, interactive work environment (Cascio, 1995; Daft & Lewin, 1993). Today, “jobs” are no longer viewed as a static set of tasks, duties, and responsibilities, but rather as fluid, changeable roles (Edwards, 2008). This fluidity makes it increasingly important to effectively manage one’s interdependency with others at work, and to understand the social context of the work environment and proactively adapt to it. Such ability to be socially adaptive has been uniquely captured by the recently developed interpersonal skill concept, political skill, which encompasses a set of interrelated skills.

Politically skilled individuals are described as being socially perceptive, having a keen understanding of interpersonal dynamics, and well adapted to their social environment (Ferris et al., 2005). More specifically, politically skilled
individuals are thought to be particularly strong in four areas of social life. First, these individuals are socially and self-aware and possess the capacity to form accurate perceptions of their own and others’ behaviors (“social astuteness”). Second, those high in political skill have the ability to diagnose situations in ways that permit them to select the most appropriate behaviors to exhibit in order to elicit the desired responses in that situation (“interpersonal influence”). Third, political skill involves the ability to build and maintain strong social networks (“networking ability”), and, fourth, to instill rapport, trust, and goodwill into these social networks by constructing a genuine and trustworthy image of oneself (“apparent sincerity”) (Ferris, Treadway, Broer, & Munyon, 2012; Ferris, Treadway et al., 2005; Ferris et al., 2007).

In this study, we focus on political skill and suggest that ERA represents a fundamental ability that serves as the basis for the development and utilization of these skills. Research on emotional abilities and political skill has developed largely in separate literature streams, and few attempts have been made to integrate the two bodies of work. To the contrary, the interrelationships among these social effectiveness constructs have mainly been studied to establish their discriminant validity or in competition with each other in terms of the predictability of performance-related outcomes (e.g., Ferris, Treadway et al., 2005; Semadar, Robins, & Ferris, 2006). In this study, based on previous conceptual work by Ferris et al. (2002) and Liu et al. (2006), we overcome this divide by suggesting that ERA and political skill are intricately connected with each other.

We suggest that ERA serves as a basic ability that facilitates political skill. In the workplace where both cooperation with others and competition for individual success are salient goals, individuals are likely to devote available resources (including abilities) toward achieving these goals, in line with the fundamental motives of getting along and getting ahead (McClelland, 1975, 1985; Winter, 1973). It is thus reasonable to expect that individuals will use ERA to develop the necessary political skills and that once these skills become available, employees will draw on them to enhance their chances to gain and exercise social influence (cf., Kilduff, Chiaburu, & Menges, 2010). We follow the logic that emotional abilities, along with general mental abilities and personality traits, are distal antecedents of performance that exert their effect indirectly through affecting more proximate antecedents of performance (McCloy, Campbell, & Cudeck, 1994). Among those proximate antecedents, we suggest, is political skill, a construct that has been demonstrated to directly affect job performance (Blickle et al., 2011).

**Emotion recognition ability and political skill**

Prior research found a positive link between ERA and interpersonal sensitivity (Rosenthal et al., 1979). We suggest that besides enabling individuals to be aware of and genuinely interested in fulfilling others’ desires and needs, ERA allows individuals to develop and apply political skill, enabling them to be strategic and effective in social interactions at work in the process of managing their interdependency with others.

Emotion recognition ability enables people to accurately perceive and interpret emotional cues. According to the emotion-as-information perspective (Forgas, 1995; Van Kleef, 2009), emotional expression serves as information to indicate an individual’s inner feelings, thoughts, attitudes, and intended action. Awareness of the emotional cues of others and the ability to accurately detect and interpret these cues provide individuals with a larger, and more accurate, base of social information that helps individuals to effectively identify and understand others’ unstated needs and intentions. This enables them to use the emotional information acquired to better make sense of interpersonal dynamics and craft their actions and interpersonal styles accordingly so that their actions address the utmost needs and concerns of others in sensible ways. Such actions are more likely to be well received and to be perceived as based on true understandings of the situation and sincere concerns of others.

Further, emotions are intricately related to the micro-political power structures of social relationships (Gordon, 1990). Emotions are often used as subtle cues to convey one’s social standing and the particular role or standpoint one assumes in social situations (Gordon, 1990). Indeed, prior research on the social functions of emotions suggests that emotional expression is a way for individuals to claim social status and to “mark” one’s place in the pecking order of organizations (Clark, 1990). For example, the expression of anger often indicates power and status, whereas guilt and sadness reveal a lack of such qualities (Tiedens, 2001). Accurately detecting these emotions helps
individuals better understand the status dynamics in social settings and identify powerful versus less powerful players, enabling individuals to position themselves well in social networks and develop strong network ties.

Therefore, individuals with high levels of ERA, compared with others, should be better equipped to apply political skill. They should be better able to attend to and extract the meaning of the emotional signals in others’ behaviors. They should thus be better able to adapt and choose their words, actions, and interpersonal styles in ways that allow them to appear sincere and exert influence, thus effectively building and maintaining connections with others. Over time, high ERA individuals should develop a sense of self-efficacy in navigating social situations, motivating them to engage in more social interactions and put their skills to use. This allows people to further practice and improve political skill (Ferris, Davidson, & Perrewé, 2005), and also provides opportunities for peers to witness political skill in action. As a result, peers are likely to recognize these qualities, thus enabling individuals to establish a reputation as attentive and sincere colleagues able to exert influence through network connections. Therefore, we hypothesize that there should be a positive relationship between an individual’s ERA and their political skill, as assessed by peers.

Hypothesis 1: Individuals’ ability to recognize emotions in others is positively related to peer-ratings of individuals’ political skill.

Emotion recognition ability and performance

A basic tenet of emotional intelligence research is that as a form of intelligence, it may enhance individual job performance. This proposition has been supported by many studies (e.g., Boyatzis, Good, & Massa, 2012; Côté & Miners, 2006; Lam & Kirby, 2002; Lopes, Grewal, Kadis, Gall, & Salovey, 2006; Mestre, Guil, Lopes, Salovey, & Gil-Olarte, 2006), and, more recently, in a comprehensive review (Côté, 2014) and in meta-analyses conducted by Joseph and Newman (2010) and O’Boyle, Humphrey, Pollack, Hawver, and Story (2011). With regard to ERA in particular, such evidence has also been gathered for decades across organizational and occupational contexts (as reviewed earlier in this paper) and has recently been collated in a meta-analysis by Elfenbein et al. (2007) that confirms the association between ERA and job performance. Building on this evidence, we contribute a more fine-grained and systematic understanding of how ERA facilitates job performance and increases income.

Job performance is a broad construct that has in recent years been divided into job-related versus interpersonal-related facets (Wildman, Bedwell, Salas, & Smith-Jentsch, 2011). Relating to the job task itself are task performance (i.e., task proficiency) and job dedication (i.e., demonstrating effort and maintaining personal discipline), and relating to the interpersonal aspect is interpersonal facilitation (i.e., cooperative, considerate, and helpful acts that assist coworkers’ performance) (Ferris, Witt, & Hochwarter, 2001; Van Scotter & Motowidlo, 1996). Here, we concentrate on interpersonal facilitation and how it may relate to ERA.

We suggest that ERA will affect interpersonal facilitation. This is because ERA likely serves as the foundation of interpersonal sensitivity (Rosenthal et al., 1979). People low in ERA are less likely and will less effectively respond to others’ unstated needs for assistance and support because of their lack of awareness of nonverbal cues. In contrast, people with high ERA are more likely to be sensitive to others’ needs, resulting in more cooperative, considerate, and helpful acts (i.e., interpersonal facilitation). In addition, because ERA underpins people’s ability to manage their own and others’ emotions (Joseph & Newman, 2010; Salovey & Mayer, 1990), ERA puts individuals at a vantage point in affect-laden situations, when there is a need to generate certain emotions (e.g., enthusiasm) in others, manage potential interpersonal conflict, or maintain interpersonal harmony and goodwill. Byron (2007) found that managers with high ERA are rated by subordinates as being more supportive, indicating higher interpersonal facilitation.

We further suggest that the positive link between ERA and interpersonal facilitation can at least be partially explained by political skill (Ferris & Hochwarter, 2011). Individuals high in political skill tend to be well connected with important others, and are able to build the kind of interpersonal rapport and trust needed to be positively perceived by their supervisors. Indeed, prior research suggests that people are better in interpersonal facilitation to the extent that they are politically skilled (Blickle et al., 2011).
Therefore, people high in ERA, because of their keen awareness of nonverbal cues, are more likely to develop and apply their political skill to respond to others’ unstated intentions and needs, effectively gather resources from their social networks to address the need for help accordingly, and meanwhile offer this help to others in genuine and pleasant ways perceived as constructive and nonthreatening. In contrast, people with low ERA are less likely to be responsive to these needs, demonstrate lower political skill, and, subsequently, engage in fewer helpful, facilitative actions. Thus, we propose the following:

**Hypothesis 2**: Peer-ratings of individuals’ political skill are positively related to supervisor ratings of individuals’ interpersonal facilitation.

**Hypothesis 3**: Peer-ratings of individuals’ political skill mediate the positive relationship between individuals’ emotion recognition ability and supervisor ratings of individuals’ interpersonal facilitation.

**Emotion recognition ability and annual income**

Emotion recognition ability, through political skills and interpersonal facilitation, should contribute to annual income levels because individuals with these qualities should be able to better make sense of the verbal and nonverbal cues in their work environment and thus better discern and prioritize opportunities that are likely to be rewarding in terms of tangible and intangible career outcomes. Indeed, individuals possessing emotional competencies are likely to draw upon these competencies to get ahead at work (Kilduff et al., 2010). For example, perceiving a manager’s enthusiasm for a certain project may prompt an employee with high ERA (and thus good political skill and considerable willingness to help) to take advantage of the opportunity to work on the project, the success of which is likely to enhance the employee’s favorable reputation and visibility in the organization. Such strategic moves, enabled by accurate perceptions of others’ emotions, politically skilled behavior, and interpersonal ease, will enhance an individual’s career progression and success over time, according to the career tournament theory (Turner, 1960) and social network theory (Burt, 1982). Consistent with these assumptions, a few studies have reported a positive relationship between political skill and income (e.g., Blickle et al., 2012). It is also essential for individuals to be perceived by their supervisor as cooperative, considerate, and helpful (i.e., high on interpersonal facilitation) in order to obtain well-paid positions and to advance in organizations to positions with higher salary (cf., Bouty, 2000). Although we are not aware of any empirical study directly linking ERA with income, Byron et al. (2007) found that salespeople who scored high on ERA earned higher annual salary raises and had better monthly sales performance (i.e., number of cars sold), which both translate to higher overall annual income over time.

**Hypothesis 4**: Peer-ratings of individuals’ political skill and supervisor ratings of individuals’ interpersonal facilitation sequentially mediate the positive relationship between individuals’ emotion recognition ability and individuals’ objective career success measured as annual income.

**Method**

**Participants and procedure**

The study was conducted in a large industrial region in the western part of Germany. Three hundred and twenty-two employees from a broad range of jobs were personally contacted by 150 students in a psychology class. Potential
participants were asked if they liked to participate in an online study on emotional abilities and if they were prepared to ask their supervisor and a peer to provide a job-related assessment of them. They were informed that confidentiality was preserved by using randomly generated codes.

All participants received three emails. The first email included a link to an online test of ERA, a personal login code, and an invitation to forward the second email to their supervisor and the third email to a peer. By the use of randomly generated codes, we were able to link employees’ assessments with supervisors’ and peers’ ratings. In addition to doing the ERA test, employees reported their yearly income. Peers rated target employees’ political skill, and supervisors rated target employees’ job performance.

The responses were checked in two ways. First, respondents to the second and third emails were asked to report their relationship with the assessed person. The choices were subordinate, peer, supervisor, or other. We dropped all cases where the respondents were not in the prescribed roles. Second, we looked at the Internet Protocol (IP) addresses of the dyads. Responses were removed from the sample unless targets and raters had different IP addresses.

Of the 321 targets, 228 (71 percent) visited the online test. Of those, 179 (79 percent) completed the ERA test. A total of 168 (52 percent) supervisory ratings and 172 (54 percent) peer ratings were obtained. The final sample included 142 employee–peer–supervisor triads. The sample consisted of 40 percent males. The mean age of participants was 38 years, with a mean work experience of 16 years, and an average work time of 35.7 hours per week. Mean hierarchical position of the employees within their organizations was 45.5 percent (0 percent = bottom level, 100 percent = top level).

**Measures**

Emotion recognition accuracy was assessed with the Diagnostic Analysis of Nonverbal Accuracy 2 (DANVA2; Nowicki & Carton, 1993; Baum & Nowicki, 1998). The DANVA2 test has been comprehensively validated by Nowicki and Duke (1994, 2001) and has been widely used (cf., Elfenbein & Ambady, 2002; Nowicki, 2012). The measure contains 48 facial and vocal emotional expressions that participants are asked to identify based on photos of faces and audiotapes, respectively. The emotions of anger, fear, happiness, and sadness are represented each by six faces and six audiotapes of voices. To familiarize participants with the DANVA2, a training phase precedes the test phase (Momm, Blickle, & Liu, 2010, 2013). This training includes a trial-run of the adult version of the DANVA2 without feedback and a test-run of the children version of the DANVA2 during which participants received feedback on whether they identified the expressed emotion by the children correctly. After this familiarization phase, the adult version of the DANVA2 is administered to obtain the participants’ emotion recognition scores. The DANVA2 score is keyed to represent the degree to which participants’ responses recognized the correct emotions. The overall accuracy scale ranges between 0 and 100 percent, with a higher score indicating higher emotion recognition abilities. Cronbach’s alpha was .73.

**Political skill**

Political skill was measured with the 18-item Political Skill Inventory (PSI; Ferris, Treadway et al., 2005). We used a validated German translation of the PSI (Blickle et al., 2011; Lvina et al., 2012. Sample items are for social astuteness: “S/he always seems to instinctively know the right things to say or do to influence others.”; interpersonal influence: “S/he is good at getting people to like him/her.”; networking ability: “S/he spends a lot of time and effort at work networking with others”; and apparent sincerity: “People believe s/he is sincere in what s/he says and does”). Peers rated the target individuals on a seven-point Likert-type scale (1 = strongly disagree to 7 = strongly agree). Cronbach’s alpha of the composite score was .90.
Interpersonal facilitation ratings
We used a validated German translation (Blickle et al., 2011) of the five-item interpersonal facilitation rating measure developed by Ferris et al. (2001). The rating anchors ranged from “a great deal better than other persons in a comparable position” to “much worse than other persons in a comparable position,” with “better than,” “as good as,” and “worse than” as intermediate anchors. Sample items are as follows: “This person listens carefully and responds thoughtfully in exchanging work information.” Supervisors rated the target individuals on a five-point scale ranging from “much worse than other persons in a comparable position” to “a great deal better than other persons in a comparable position.” Cronbach’s alpha for this measure was .82.

Annual income
We asked individuals to report their yearly gross income based on their vocational work. Mean income was 34 314 Euro (SD = 26 710 Euro).

Control variables
We controlled individuals’ age, gender, work experience, and weekly working hours because they are closely associated with income (Ng, Eby, Sorensen, & Feldman, 2005). For the same reasons, we controlled for hierarchical position (0 percent = bottom level, 100 percent = top level), educational level (1 to 6, corresponding to the number of years in education: the lowest level was 9 years of school, and the highest level was doctoral degree), as reported by the individuals. Additionally, we also included the Environmental-Structure Test (Umwelt-Struktur-Test; Bergmann & Eder, 1992) as a measure of Holland’s (1997) six occupational environment characteristics (R-I-A-S-E-C) as control variables to account for the broad range of jobs that people in our sample held. The importance of 12 occupational environment features (two per characteristic) were assessed (5 = very important; 1 = not important) by the target participants. The characteristics had Cronbach’s alphas of: Realistic: .57, Investigative: .64, Artistic: .86, Social: .68, Enterprising: .49, and Conventional: .41. The reliabilities of these occupational characteristics are in the expected range because each occupational environment is measured by only two items (Blickle et al., 2009). Three of these characteristics were substantially correlated with annual income (Table 1).

Statistical analyses
The hypotheses were tested with a structural equation model using Mplus 7.1 (Muthén & Muthén, 1998–2012). We created two indicators for ERA, political skill, and interpersonal facilitation: one indicator based on all odd-numbered items and the other based on all even-numbered items. This allowed us to avoid the risk of inflated goodness-of-fit statistics that arises as a result a large number of variables in the structural equation model (Herzog, Boomsma, & Reinecke, 2007; Moshagen, 2012). Additionally, we built latent constructs for income and all control variables. Therefore, we set the variance of the single indicators to 1.00 and the error variance to 0.00. To test our hypothesized mediation effects, we computed bias-corrected bootstrap confidence intervals for all mediated effects with 5000 bootstrap samples (Cheung & Lau, 2008). Preacher, Zyphur, and Zhang (2010, p. 217, footnote 11) pointed out that mediation hypotheses are usually directed hypotheses and therefore to be tested on a one-tailed alpha level of $\alpha = .05$ (corresponding to a 90 percent confidence interval). Our mediation hypotheses would thus be confirmed if the 90 percent bias-corrected bootstrap confidence intervals ($BC-CI$) of the computed estimates did not include zero.

Becker (2005) cautioned that control variables may hamper the analyses by unnecessarily soaking up degrees of freedom and may bias the findings related to the hypothesized variables. We therefore first analyzed the structural equation model without control variables; then, in the next step, we included all control variables and related each to the DANVA and income variable (following recommendations by Bono & McNamara, 2011).
Table 1. Means, standard deviations, reliabilities, and correlations of variables.

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<tr>
<td>6. Educational level</td>
<td>3.70</td>
<td>1.10</td>
<td>.09</td>
<td>.18</td>
<td>.03</td>
<td>.13</td>
<td>-.07</td>
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<td>-.07</td>
<td>-.13</td>
<td>-.13</td>
<td>.64</td>
<td>.86</td>
<td>.86</td>
<td>.86</td>
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<td>.86</td>
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<tr>
<td>7. Realistic occupations</td>
<td>1.50</td>
<td>1.08</td>
<td>-.18</td>
<td>-.18</td>
<td>.03</td>
<td>-.13</td>
<td>.00</td>
<td>-.15</td>
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<td>8. Investigative occupations</td>
<td>3.01</td>
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<td>.08</td>
<td>.13</td>
<td>.15</td>
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<td>.15</td>
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<td>9. Artistic occupations</td>
<td>1.31</td>
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<td>.16</td>
<td>-.18</td>
<td>-.07</td>
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<td>.01</td>
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<td>11. Enterprising occupations</td>
<td>2.44</td>
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<td>.01</td>
<td>.22</td>
<td>.23</td>
<td>.18</td>
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<td>13. Emotion recognition ability</td>
<td>77.23</td>
<td>10.37</td>
<td>-.04</td>
<td>-.19</td>
<td>-.17</td>
<td>-.11</td>
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<td>.10</td>
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<td>-.09</td>
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<tr>
<td>14. Political skill (rated by peers)</td>
<td>4.95</td>
<td>0.75</td>
<td>-.01</td>
<td>-.05</td>
<td>.04</td>
<td>-.01</td>
<td>.05</td>
<td>.17</td>
<td>-.10</td>
<td>.04</td>
<td>.08</td>
<td>.04</td>
<td>.06</td>
<td>.06</td>
<td>.06</td>
<td>.06</td>
<td>.06</td>
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<tr>
<td>15. Interpersonal facilitation (rated by supervisors)</td>
<td>3.92</td>
<td>0.63</td>
<td>-.14</td>
<td>-.08</td>
<td>.07</td>
<td>-.02</td>
<td>-.01</td>
<td>.04</td>
<td>-.11</td>
<td>.11</td>
<td>.08</td>
<td>.08</td>
<td>.07</td>
<td>.07</td>
<td>.07</td>
<td>.07</td>
<td>.07</td>
</tr>
<tr>
<td>16. Annual income (measured in Euro)</td>
<td>34 314</td>
<td>26 710</td>
<td>-.30</td>
<td>.40</td>
<td>.32</td>
<td>.36</td>
<td>.38</td>
<td>.36</td>
<td>-.08</td>
<td>.31</td>
<td>-.21</td>
<td>.04</td>
<td>.27</td>
<td>.13</td>
<td>.05</td>
<td>.17</td>
<td>.14</td>
</tr>
</tbody>
</table>

Note: N = 142. Cronbach’s alphas in the diagonal.

*Gender is coded 0 = male, 1 = female.

*p < .05; **p < .01.
Results

Descriptive statistics are provided in Table 1. The correlations in Table 1 show that ERA test scores are associated with individuals’ political skill (r = .40, p < .01) and interpersonal facilitation (r = .30, p < .01). The zero-order correlation of ERA and annual income is r = .05 (ns). Furthermore, individuals’ political skill relates positively with interpersonal facilitation (r = .41, p < .01) and annual income (r = .17, p < .05). In terms of model fit, the structural equation model (Figure 2) without control variables attained an acceptable overall goodness-of-fit (Kline, 2010: Chi²(12) = 17.331, p = .14, RMSEA = 0.056, SRMR = 0.046, CFI = 0.986), and all estimates were significant and positive, as expected. Next, we entered the control variables; this slightly changed the positive overall model fit (Chi²(42) = 87.343, p = .11, RMSEA = 0.039, SRMR = 0.047, CFI = 0.983). Because taking into account the control variables did not significantly affect our results, we only report the results of our hypotheses for the model with control variables.

Hypothesis 1 suggested that ERA relates positively to peer-rated political skill. The path coefficient was β = .45 (p < .01, R² = .20); thus, this hypothesis was supported. Hypothesis 2 stated that peer-rated political skill relates positively to supervisor-rated interpersonal facilitation. This was supported (β = .50, p < .01, R² = .25). Hypothesis 3 stated that peer-rated political skill mediates the relationship between ERA and supervisor-rated interpersonal facilitation. The indirect effect was significant (estimate = 0.226; SE = 0.060; 90 percent BC-CI [0.099; 0.354]). Therefore, this hypothesis was supported. In an additional analysis, we modeled the path from ERA to interpersonal facilitation. The results showed that this path was not significant, revealing a full mediation.

Next, we tested whether ERA was linked to annual income as an objective indicator of career success (Hypothesis 4) through the sequential mediation of peer-rated political skill and supervisor-rated interpersonal facilitation. The path coefficient of interpersonal facilitation on income was β = .16 (p < .05; R² = .47 with all control variables), and the indirect effect was significant (estimate = 0.036; SE = 0.019; 90 percent BC-CI [0.004; 0.068]), supporting Hypothesis 4.

Discussion

In this study, we investigated whether and how the ability to recognize others’ emotions (ERA) translates into favorable work-related outcomes—particularly, annual income. Integrating social influence and emotional intelligence

Structural Equation Model

![Figure 2. Structural equation model](image-url)
research, we disentangled the relationships between ERA, political skill, job performance, and annual income. We hypothesized that people with high levels of ERA have better political skills that directly facilitate interpersonal interaction and indirectly (through interpersonal facilitation) allow them to receive higher annual incomes than people with low levels of ERA. In a sample of German employees with diverse occupations and jobs, and even when controlling for the effects of age, gender, educational level, work experience, hierarchical position, weekly working hours, and occupational characteristics, we found support for our theoretical model that ERA is linked to annual income through political skill and interpersonal facilitation.

Theoretical implications

The theory and findings contribute in several ways to the emotion and the social influence literatures. First, our results give further support to the central proposition in the emotional intelligence literature that emotion-related abilities enhance human performance at work. We focused specifically on ERA, which is the best established dimension of emotional intelligence (Mayer, Roberts, & Barsade, 2008), and we found that this very basic ability has effects on the interpersonal facilitation facet of job performance and, most notably, even on annual income, an objective indicator of career success. The better people are at recognizing emotions, the better they handle the politics in organizations and the interpersonal aspects of work life, and thus the more they earn in their jobs.

Our focus on one particular emotional ability (i.e., ERA) is consistent with the specific ability approach to EI (Mayer et al., 2008). Research that has taken a specific ability approach focuses on specific components of EI, such as emotional awareness (e.g., Lane, Quinland, Schwartz, Walker, & Zeitlin, 1990) or emotional appraisal and labeling (e.g., Innes-Ker & Niedenthal, 2002). Focusing on specific components of EI is important to gain an in-depth understanding of the functions of each emotional ability. It also appears beneficial at this point in time, given that some recent empirical research has questioned the validity of Mayer and Salovey’s four-branch model of EI (e.g., Gignac, 2005; Palmer, Gignac, Manocha, & Stough, 2005; Rossen, Kranzler, & Algina, 2008).

Second, we found that political skill functioned as an intermediate mechanism to explain the performance-enhancing effect of ERA. Prior research based on the notion that emotional intelligence is one form of intelligence—and as such a distal predictor of performance—suggested that emotional intelligence enhances job performance because of individuals’ enhanced ability to handle affective-laden information at work. Our research support such notions by showing that being emotionally intelligent with regard to ERA (i.e., the first “branch” of the Mayer-Salovey model, 1997, of emotional intelligence) helps enhance job performance. However, our research also additionally revealed that such performance-enhancing function of ERA appears to take place through individuals’ ability to effectively apply political skill. Such proximate skill is used by individuals high in emotional intelligence with regard to ERA to facilitate their performance and career outcomes by influencing others socially. This is important because it reinforces the idea that organizations function as political arenas in which individuals use their emotional and social competencies not only directly to deliver better performance per se but also indirectly to manage their social environment at work, gain power and popularity, and achieve their personal goals—thus increasing their chances of being seen as high performers and advancing in their careers (cf., Kilduff et al., 2010).

Third, our study sheds light on the interrelationships among various social effectiveness constructs. Both the emotion and social influence literature have attracted a remarkable amount of scholarly interest in recent years, and two social effectiveness constructs, emotional intelligence and political skill, have been at the center of attention. Emotional intelligence and political skill share some conceptual overlap (Ferris et al., 2002; Liu et al., 2006). Both are social competency variables, both entail the ability to skillfully navigate one’s social environment and similarly, and both have been found to play significant roles in performance and career outcomes (e.g., Côté & Miners, 2006; Harris, Kacmar, Zivnuska, & Shaw, 2007; Perrewé et al., 2004; Treadway, Ferris, Duke, Adams, & Thatcher, 2007). But their interconnection has remained neglected. The present findings show that ERA is a distal, basic ability that facilitates the application of political skill as a proximate capability to advance job performance and career success.
Practical implications

Because of the performance-enhancing potential of emotional intelligence, practitioners have been interested in using it for selection and training purposes from the very beginning of the popularization of the construct. The results of our study suggest that this interest is legitimate, at least with respect to ERA. For managers and employees who aspire to perform well and have successful careers, our study suggests that cultivating abilities and skills such as ERA and political skill is beneficial. In organizations, individuals come together, become dependent upon each other, and co-experience the consequences of each other’s behaviors. An organization’s success critically depends on the ability of its members to coordinate and cooperate well with each other. Interpersonal skills enable the development of a more congenial social environment created by individuals’ enhanced abilities to process nonverbal cues, to understand each other’s inner states, and to behave according to socially negotiated norms and mutual expectations. Individuals equipped with such skills are therefore more likely to be well received by others, gain power and influence, and get ahead. The findings of the present study extend the previous meta-analytic findings of Higgins, Judge, and Ferris (2003) on the use of social influence tactics at work.

A note of caution is in order regarding the potential “dark side” of ERA and political skill for organizations (cf., Kilduff et al., 2010). Because individuals have the freedom to use their emotional and political skills to benefit either themselves or their organizations (or both), it is necessary for organizations to set boundaries in terms of organizational structures, practices, and procedures, so a climate emerges that encourages and rewards the ethical use of such talents and skills, but prevents and punishes other uses. If employees perceive that the workplace is just and equitable, it is less likely that they will use their skills to the advantage themselves at the expense of others or of the organization they are meant to serve.

Limitations and future research directions

Our study was conducted with a sample consisting of people in diverse jobs and different organizations. Therefore, the findings are not confined to a specific setting but rather generalize across jobs and organizations. Indeed, recent research shows that the heterogeneity of this type of sample increases the external validity of results (Demerouti & Rispens, in press; Wheeler, Shanine, Leon, & Whitman, in press). Still, some jobs and organizations may require more political skills than others—for example, jobs with few objective performance indicators and organizations emphasizing social interaction. Therefore, in these jobs and organizations, compared with others, people should benefit to a larger extent from ERA. In our study, we therefore included six occupational environment characteristics as control variables. Still, a closer look at the types of jobs people do and the organizations they are part of would be desirable in future research.

One question that remains to be answered is whether the indirect effect of ERA on annual income through political skill and interpersonal facilitation has incremental validity over potential effects of general mental ability and personality traits on annual income (Joseph & Newman, 2010; O’Boyle et al., 2011). To assess whether the ERA—an annual income link remains significant after considering the effects of general mental ability and conscientiousness, we collected additional data at three consecutive measurement time points. First, we asked 190 employees to provide ratings of conscientiousness (measure by the scale by Borkenau & Ostendorf, 1993), annual income (in Euro), and control variables (i.e., age, gender, work experience, and educational level). Three days later, these employees were tested for their ERA (with the same test used in the study reported earlier). Again 3 days later, employees were tested for their general mental ability with the Wonderlic cognitive ability test (Wonderlic, Inc, 1996). The results show that ERA correlated significantly with general mental ability ($r = .21$, $p < .01$) and income ($r = .16$, $p < .05$). In addition, hierarchical regression analysis showed that after controlling for age, gender, work experience, and educational level, ERA had a significant effect on annual income ($\beta = .20$, $p < .01$). Notably, these results remained unchanged once conscientiousness and general mental ability were entered as additional control variables (Conscientiousness: $\beta = .02$, ns; general mental ability: $\beta = .02$, ns). Thus, these results suggest that ERA has an effect.
on annual income above and beyond general mental ability and conscientiousness. Although future research is needed to replicate the model depicted in Figure 1 in its entirety, controlling for the effect of general mental ability and other relevant personality variables, the results of our additional data collection (further information, sample characteristics, and analyses are available upon request from the first author) provide confidence in the robustness of the findings reported in this paper.

Rather than using anger, guilt, and sadness as examples of emotions linked to power and status (or the lack, thereof), a fruitful direction for future research is to examine how the recognition of the more fine-grained emotions of contempt, pity (from those who have high power and status toward those with low power/status), envy, admiration (from those who have low power and status toward those with high power/status) (Cuddy, Fiske, & Glick, 2007) associate with perceived political skill, interpersonal facilitation, and income.

Another fruitful direction for future research is to examine how ERA relates to other components of EI and how these set of skills function as a collective to influence the social and political dynamics in organizations. Prior research has focused either on specific abilities of EI, as was the case in this study, or the overall EI (Côté, 2014). However, little research has dwelled on the complex relationships among these abilities, whether their effects on outcomes are additive, conditional, or in a hierarchical fashion. In their cascading model of EI and job performance, Joseph and Newman (2010) suggested that emotion understanding and emotion regulation may serve sequentially as mediators in the relationship between emotion recognition and performance. Such possibilities, along with others, such as that some emotional abilities independently influence outcomes, need further empirical testing.

More broadly, this research raises questions about how people use their emotional abilities in the double challenge of getting along and getting ahead at work. Our research reveals that ERA allows people to act more politically skilled in the social environment of organizations and thus to yield benefits for themselves in the form of better job performance ratings from supervisors and higher income. We conclude that individuals benefit from emotional abilities and political skill—but will organizations benefit as well? It remains an open question whether and when people apply their emotional abilities and political skill in the pursuit of self-interests rather than organizational interests. Further work is necessary to identify the boundary conditions that ensure that people engage their emotional abilities and political skill not only for their own progress but also for the benefit of others and the organization as a whole.

**Conclusion**

This study shows that those with an eye for emotions get better paid. It also sheds light on the intermediary mechanism explaining why ERA is linked to income. We found that people employ emotional abilities in the pursuit of interpersonal influence, social astuteness, apparent sincerity, and networking. It is in part through these political skills, we discovered, that emotionally perceptive people gain benefits at work. If our study has one overriding message, it is that seeing what others feel and using this information to navigate through the social world of organizations help make people successful at work.

**Author biographies**

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DOI: 10.1002/job


