

Emotional Intelligence and its outcomes: A Hypothetical Review of bank employees

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Abstract

Employers have recognized that besides a high degree of skills, ability, knowledge, experience, and education, the work efficiency of an employee is closely related to his Emotional Intelligence. The way a person feels strongly affects the way he behaves in an organization which in turn will affect his own performance and also the performance of others around him. Emotional intelligence plays a critical role in the banking sector as there is a high component of human contact with the customers. If the managers recognize their own emotions they are able to manage their employees more effectively and also become sensitive towards others emotions. This present paper tries to carry out a conceptual study to examine the emotional intelligence outcomes (performance, stress and managerial effectiveness) of employees in Indian banking sector. After reviewing the literature it has been analyzed that Emotional intelligence is positively correlated with improving employee's performance & managerial effectiveness and also helps in moderating stress among employees in banking sector.

Keywords: Performance, Stress, Managerial Effectiveness, Emotional Intelligence.

Introduction

Indian economy is moving towards high-tech: high-touch, service based stage of development, which presents new challenges for Human Resource Management. Competencies like managing one's emotions, handling conflicts, teamwork, leadership, motivation, interpersonal sensitivity, skills at negotiation and personal or internal qualities like empathy, initiative, adaptability, confidence and optimism are much more crucial than academic competence, technical expertise and professional education which constitute relatively only a small part of the picture. This transformation represents a shift from traditional intelligence or cognitive intelligence measured by Intelligence Quotient (IQ) to emotional Intelligence measured by Emotional Quotient (EQ) (Kavita,2010) .

1.1 Emotional intelligence

Emotional intelligence (E.I.) refers to the ability to recognize and regulate emotions in ourselves and others (Goleman, 2001). Over the years amendments have been made in the definition of EI concepts and as per revised definition Emotional intelligence has been defined as the ability to perceive emotions, integrate emotions to facilitate thought, understand emotions, and to regulate emotions to promote personal growth (Mayer & Salovey, 1997).

1.2 Indian Banking Sector

Among Asian countries, Indian economy occupies an extremely important position as a mixed economy having share in varied sectors like textile's sector, the sports goods industry, the agriculture sector, the services sector and other industries. In service sector, Indian banking sector has the largest share and is growing very fast. After the Liberalization Privatization Globalization (LPG) policy of 1991, the banking sector of India has been transformed from an indolent and slow moving sector to an active, competitive and productive industry. Although the banking sector is on the growth trajectory and providing vast opportunities of employment, however, emotional intelligence of employees and the psychological problems i.e. stress, strain, anxiety, have not been looked upon (Pahuja & Sahi, 2012).

2. Review of literature

1. Taboli (2013) unfolded that emotional intelligence has a positive relationship with organizational commitment as well as job satisfaction and job satisfaction has contributed maximum to explain organizational commitment.
2. Pahuja Anurag and Sachi Anu (2012) examined the response of 100 bank employees both from public and private sector banks using factor analysis, T-test, likert scale rating, mean and standard deviation, etc. The study states that employees were completely aware but as far as the level of emotional intelligence is concerned they are not emotionally stable. It was really a matter of concern for bank authorities as it affects their performance as well. It was suggested that self management, self assessment and empathy are major emotional intelligence traits required by employees in order to become emotionally stable.
3. Singh Kavita(2010) conducted a study of relationship between emotional intelligence of executives in Indian business organizations with respect to their personal competencies . The results concluded that emotional intelligence is significantly related with personal competencies of employees and variables like: people success, system success, or self success.
4. Saddam Hussain Rahim(2010) in his research in emotional intelligence and stress: an analytical study of Pakistan bank “examined that the highest killers is not AIDS or cancer but psychological problems and found emotional competencies to prevent stress among bank employees.
5. Janakiran and Kumar (2009) investigated on understanding emotional intelligence of managers and supervisors and it slink to their performance level on the job. Response of 125 managers and supervisors working in automobile retail, Belgaum (Karnataka) were considered. T-test was applied to understand the comparison between managers and supervisors and their level of performance on the job. Correlation was derived between emotional intelligence and performance level of managers and supervisors. The study concluded that managers and supervisors are not able to manage their emotional intelligence, which has direct impact on their job. It was suggested that

organization could become profitable by identifying and focusing on developing emotional intelligence level among the employees.

6. Sahdat Madiha, Sjjad Syed Imarn, Farooq MuhammodUmar and Rehman ur Kashif (2008) analyzed the impact of emotional intelligence on job satisfaction and productivity of employees. Based on conceptual study results revealed that emotional intelligence is positively co-related with job satisfaction and productivity of employees,. Hence employees who are able to control their emotions are more efficient, productive and satisfied from their jobs.
7. Naeem, Saif and khalil (2008) examined the relationship between emotional intelligence and service quality considering the response of the officers of the leading banks in Pakistan (Standard Chartered and Bank of Punjab) using SPSS software. Results revealed that emotional intelligence is a strong predictor of service quality in case of foreign banking (Standard Chartered Bank) in Pakistan.
8. Rathi (2008) studied relationship between Emotional Intelligence (EI) and Occupational Self- Efficacy by examining 112 scientists of research organizations, using the emotional intelligence scale developed by Hyde, Pethe and Dhar and occupational self-efficacy scale developed by Pethe, Chaudhari and Dhar Correlation and regression analysis have revealed that emotional intelligence has a positive relationship with occupational self-efficacy and is found to be one of its significant predictors. The study implies that people with higher emotional intelligence are more effective employees as compared to those with lower emotional intelligence.
9. Jayan (2006) stated the role of predictive variance of emotional competences, personality variables and job attitudes in job performance using emotional competency inventory, Type A personality pattern, job attitudes scale. Results concluded out of 27 variables considered 7 variables (adaptability, organizational awareness, goals directed without proper planning, developing others, trustworthiness, job satisfaction and influence) predict about 34% of the variation in performance of managers.
10. Orme & Longhorn(2003).stated that the emotional intelligence interventions is partly a response to the problems that businesses face today .There is a need to develop the highest standards of leadership skills, the challenges of the high team turnover, ever increasing demands of customers for high quality goods and services, rapidly changing

business environment, economic demands or escalating cost. What companies need is people who have both technical knowledge and social and emotional abilities which will enable them to delight the customers. Emotional intelligence can contribute to developing those skills and abilities that are linked with this aspirations

3. Need and Objective of the Study

3.1 Objectives

1. To study the level of Emotional intelligence on Job Performance and handling Job Stress among the bank employees.
2. To identify the effect of Emotional intelligence in enhancing Managerial Effectiveness.

3.2 Hypothesis Development

H1: Emotional intelligence has a significant relationship with job performance among bank employees.

H2: Emotional intelligence is significantly related to handling job stress of bank employees.

H3: There is a positive relationship between Emotional intelligence and managerial effectiveness among bank managers.

Hypothesis

H1: There is a significant positive relationship between emotional intelligence and job performance among bank employees.

- Many researchers agree that job attitude has a positive impact on performance (Mishram and Gupta 1994, Manikanda 2002, Wright 1993, Hossain 2000)
- Patnik , Satpathy and Pradhan (2011) examined the relationship between emotional

intelligence and performance of executives at middle and top level management working in corporative banks and Gramyabank in Odisha . Results concluded that performance appraisal process of bank needs evaluation and high EI is necessary for better performance in banking sector.

- Relationship between higher level management and lower level employee is very important, for both purposes employee's jobs satisfaction and organization productivity. Association competences which contain important social skill set, including testing and to influence others and others attractive responses. Successful relationship between high administration helps in increasing employee's performance and organization productivity (Spenser LM Jr & SM Spenser.1993).
- The thought of "(EI)" firstly appeared in minds of (Mayer J, M Dipaslo & P. Saloney , 1990). They gave their first definition of (EI) as "Social intelligence is part of your and others emotions and feelings, including the capability to monitor, to differentiate one of them and to use this information to guide thinking and actions Researchers examined that the associations among (EI) and job satisfaction has returned admiring findings on emotional intelligence and performance effects, a small number of studies suggested that (EI) and employees job performance have a positive relationship (Tans, L, 2003).
- In a study by Sy et al (2006), participants were 187 food service workers and their 62 managers at nine divergent locations of the same restaurant franchise. The results of this study also support previous research (e.g. Wong & Law 2002, Law et al. 2004) indicating that employees with higher EI have higher job performance. The study suggests that employees with high EI are more adept at using their emotions to facilitate job performance.

H2: Emotional intelligence is significantly related to handling job stress of bank employees.

- Job stress is the condition in which job related factors Affect employees to the extent that their psychological state deviates from normal functioning (Richardson and Rothstein , 2008)

- Panda and Moharana (2013) studied the relationship between emotional intelligence and perceived stress among senior and junior bank employees in the state capital of Odisha, using emotional intelligence test (EIT), perceived stress scale and applying statistical tool T-test as well as correlation analysis. Findings reflect that there is significant difference of emotional intelligence between senior and junior bank employees. Another finding was that female bank employees do not differ significantly from male bank employees on emotional intelligence and perceived stress.
- M. Christiana and Manalakshmi (2012) conducted a study on employees from 20 banks (8 banks from public sector and 12 from private sector) to see the affect of emotional intelligence on the relationship between job stress and job performance. Results indicated that emotional intelligence had a positive impact on job performance and also played a dominant role in moderating this relationship.
- Puri (2011) considered 400 managers of middle level managerial position from service and manufacturing sector of Delhi, NCR, Haryana and Punjab using standardized scale for measuring emotional intelligence, organizational stress and job performance. The results revealed that emotional intelligence can be used as potential moderating variable in a stress process and improving the performance of business executives.
- Literature also suggested that employee's desire to agreement with those managers and directors who acquire powerful communication ability for association with workers. For the past many years Stress is considered to be an important topic for research and significant impact on both for employers and employees established but now job satisfaction also an important factor both are interlink with each other (Catwright, S 2000).

H3: There is a positive relationship between Emotional intelligence and managerial effectiveness among bank managers.

- Most researches have focused on the affect of emotional intelligence on management, leadership, skills. Managers with high level of emotional intelligence tends to display high level of job satisfaction, job performance and transformation leadership as well as low level of intention to leave their job (Mandell and Pherwani, 2003; Slaski and

Cartwright, 2002)

- Mohan A Chandra and Prasad BVS (2012) examined the role of emotional intelligence in corporate world among the managers and suggested some measures to manage emotional intelligence effectively. Sample consisted of 305 managers from various public and private industries of Chennai city. Results revealed that emotional intelligence has increasingly gained popularity in organizational development, developing people, job profiling, recruitment, customer relation and customer services, etc.
- With the opening up of the Indian economy through liberalization, privatization, globalization and natural thrust towards information technology the tasks of Indian business executives has become more demanding. The challenges get multiplied when the Indian executives have to work in diversified work cultures. The workforce diversity has not only offered the emotional stability to the executives but has also come on the way of leadership behavior and effectiveness (Punia, 2004).
- The study reveals that Emotional Intelligence as a whole seems to be a significant predictor of Managerial Effectiveness. Except Achieving the Results, all other factors of Managerial Effectiveness are predicted by Emotional Intelligence. This helps to conclude that high level of Emotional Intelligence could lead to high Managerial Effectiveness. This conclusion of the present study is supported by a few earlier studies (e.g., Daftuar et al 2000 and Shipper et al, 2003).
- Studies have indicated positive relationship between emotional intelligence and managerial success. For instance, Daftuar et al (2000) investigated the relationship between EQ and sixteen dimensions of managerial effectiveness using EQ Map of Cooper & Sawaf (1997). They found the self- awareness of managers to be positively correlated with 9 dimensions; resilience with 12 dimensions, interpersonal connection with 12 dimensions, integrity with 12 dimensions and intuition with 14 dimensions of managerial effectiveness.
- Shipper et al (2003) explored the relationship between EI and managerial effectiveness using a cross-cultural sample of 3,785 managers of a multinational firm located in U.S, UK, and Malaysia. They found that empathy, self-awareness, and self- regulation are

highly related to managerial effectiveness.

Conclusion

After reviewing the literature it has been analyzed that Emotional intelligence is positively correlated with improving employee's performance & managerial effectiveness and also helps in moderating stress among employees in banking sector. The results further revealed that emotionally stable employees are doing wonder in their job ,showing better and consistent performance ,are more satisfied and committed with their job. It can also be summed up that emotional intelligence at a good moderator of job stress i.e employees with higher degree of EI are able to handle stress as compared to the employees with lower degree of EI. Managers with positive EI are highly effective and facilitate their emotions to improve their job performance. One also reaches to the conclusion that unlike IQ, EQ can be enhanced and improved by using various techniques and training.

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