

Emotional Intelligence in Banks-An Empirical Study

Priti Verma, Nidhi Arora

Abstract: *Development of any country mainly depends upon the robust banking system. In 21st century, the technological advancements have brought a paradigm shift in the banking sector and all the banks have upgraded their technology and infrastructure. This, therefore, is no longer a distinguishing factor to provide a competitive edge to banks over their competitors. Banking sector, being service sector, cannot ignore the significance of personal people handling, interpersonal relations and communication with the customer. Today, customer retention is a big challenge. Despite dazzling infrastructure, rapid and convenience services to customer and speedy implementation of various projects; the customer retention requires skilling of employees in Emotional Intelligence as it along with its paraphernalia - emotional self-awareness, Self-regulation, controlled emotions, thoughtful thinking, empathy and Social skills, can provide further impetus to growth. The blending of technology and emotional intelligence, Intelligence Quotient and Emotional Quotient, in the Indian banking sector can lead to enhanced customer satisfaction and can facilitate the development of the banking industry as well as of the Indian economy. Hence, the paper, attempts to evaluate the connection between emotional intelligence in public sector and private sector banks.*

Index Terms: *Emotional intelligence (EQ), Globalization, Scio-Emotional, Cultural, Intelligence Quotient (IQ), Performance.*

I. INTRODUCTION

Over the span of the last two decades organizations have seen a vital move in the administrator's style. Occupations have ended up being more customer orientated and learning based with a need to work as a team. People management skills and Emotional intelligence are a key to success for this. The concept dates back to the period of Darwin, who prescribed that emotional verbalization was central to survival. Emotional intelligence is the ability to think about one's feelings and the feelings of others which can be helpful in understanding people better and manage things and situations accordingly. This learning, instead of blocking the road, can lead to faster achievement. Emotional intelligence includes a mix of abilities which empowers one to think about, to understand, and to be in charge of one's own feelings, to see and appreciate the feelings of others, and to use this information to develop one's success as well as the accomplishment of others. The specialists Salovey and Mayer initially used the term – "emotional intelligence" in 1990.

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They portrayed it as 'a sort of social intelligence that includes the ability to screen one's own as well as of others' assumptions and feelings.' This information can guide one's reasoning and activity. The researchers have deciphered emotional intelligence as a blend of social and intrapersonal intelligence.

Emotional Intelligence in Workplace: In the last few decades, science has discovered that feelings play a significant role in our life. Investigators have found that essentially more than IQ, emotional mindfulness (EQ) and effective and efficient handling of personal sentiments as well as of others' sentiments can decide the success and satisfaction of people in different situations. Individuals equipped with skills in understanding and analyzing emotional intelligence generally end up being increasingly productive in the professional world since they can grasp and manage their feelings and of others. Dr. Goleman[1] asserted that, the criteria for advancement at work are evolving. Today, the employees are being judged not only on the basis of their brilliance or academic record or skills but also on the basis of their additional skill- Emotional Intelligence skill, which enables them to handle successfully various situations.

Emotional Intelligence - Theory and Research Work: In the present day hectic and stressed life, with extended working hours and cut throat competition for growth or even for survival; Emotional Intelligence as a subject has drawn attention of the researchers. In this kind of environment when most of the people are either emotionally stressed or emotionally disturbed or are emotionally starving, the emotional intelligence coupled with other qualifications, can make a combination of socio-emotional and cultural issues in dealing with the feelings in the given conditions. The five zones of Goleman [2] deserve mentioning: Emotional self-awareness —knowing and understanding one's own feeling at any given time and considering its impact on others. Self-regulation — controlling one's emotions and thinking before acting impulsively. Motivation — utilizing emotional intelligence to reach the dream destination, derive pleasure from and during the learning process and persevere in adversity. Empathy —Understanding the emotions of others. Social skills — managing relationships, inspiring others and bringing desired responses from others.

Indian banking is the backbone of the country. Banking has helped in building up the essential areas of the economy and has translated the expectations and yearnings of a large number of individuals into the reality. After the Liberalization, Privatization and Globalization (LPG) strategy of 1991, the financial area of India has been changed from moderate moving division to a functioning, aggressive and gainful industry.

Emotional Intelligence in Banks-An Empirical Study

The development in the Indian Banking Industry has been more subjective than quantitative and it is required to grow further in coming years. The Indian Banking industry, which is administered by the Banking Regulation Act of India, 1949 can be comprehensively grouped into two noteworthy classifications, non-planned banks and booked banks. Booked banks involve Commercial banks and the Co-employable banks. As far as proprietorship, Commercial banks can be additionally assembled into nationalized banks, the State Bank of India and its gathering banks, Regional Rural banks and Private segment banks.

Development of any country mainly depends upon the robust banking system. Presently, banking sector is considered the backbone of Indian economy as no transaction in trade, commerce and industry can be done without finance. The technological advancements have brought a paradigm shift in the banking sector. In order to provide improved and satisfactory customer service and to give banks a competitive edge over competitors, the banking sector is upgrading their technology and infrastructure. Multifarious technology enabled services and facilities to customers have resulted in greater customer satisfaction; but banking sector, being service sector, cannot ignore the significance of personal people handling, interpersonal relations and communication with the customer. Today, customer retention is a big challenge and here, emotional intelligence plays a strategic role. Despite dazzling infrastructure, rapid and convenience services to customer and speedy implementation of various projects; the customer retention requires skilling of employees in Emotional Intelligence as it along with its paraphernalia - emotional self-awareness, Self-regulation, controlled emotions, thoughtful thinking, empathy and Social skills, can provide further impetus to growth. The blending of technology and emotional intelligence in the Indian banking sector can lead to enhanced customer satisfaction and can facilitate the development of the banking industry as well as of the Indian economy.

II. LITERATURE REVIEW

A couple of investigations have been made in the domain of emotional intelligence in banking industry in India and abroad. An undertaking is made to review the past investigations in the locales of emotional intelligence.

Rahim (2002) [3] researched the associations of the five components of emotional intelligence and recommended that mindfulness is firmly associated with self-guideline, compassion, and social capacities; self-guideline is vehemently associated with sympathy and social aptitudes; empathy and social aptitudes are unequivocally associated with inspiration; which consequently, is determinedly associated with basic thinking strategy and conversely associated with dealing methodology.

Paul (2004) [4] delineated emotional intelligence and its noteworthiness to the doctoral level college instructive modules.

Nikaloau (2005) [5] investigated the relationship of emotional intelligence (EI) traits, for instance, perception, control, use and cognizance of feelings, with physical and mental wellbeing.

Parvathy (2006) [6] delineated the way that an individual, both in his work as well as in personal life, takes up different mental occupations. These employments are set apart as undeniable mental self-view states.

Mayer (2008) [7] advanced the view that closed emotional intelligence (EI) refers to the ability to do correct thinking about feelings and the ability to use feelings and emotional learning to update thought. He discussed the reasons for the EI thought, described EI, and depicted the degree of the field today and for that he investigated three relevant strategies

Rathi (2008) [8] studied association between Emotional Intelligence (EI) and Occupational Self-Efficacy by analyzing 112 researchers of research affiliations, utilizing the emotional intelligence scale made by Hyde, Pethe and Dhar and word related self-viability scale made by Pethe, Chaudhari and Dhar. Correlation and replace investigation have revealed that emotional intelligence has a positive relationship with word related self-adequacy and is seen to be one of its significant indicators. It was inferred that individuals with higher emotional intelligence are logically compelling workers when appeared differently in relation to those with lower emotional intelligence.

Cavelzani, etal. (2009) [9] guided an examination to find out the upsides of the information and working of emotional intelligence inside the sphere of friendliness.

Lisa T.Fall, Stephinie Kelly & Patrick Macdonald (2013) [10].in their study considered emotional intelligence a pointer of intercultural correspondence qualm among school understudies. Results demonstrated that three of the emotional intelligence sub scales foresee intracultural correspondence misgiving: emotionally, genially, and balance.

U.W.M.R. Sampath Kumar (2013) [11] studied the nature and elements of emotional intelligence among the bosses in the financial business in Sri Lanka. A well-structured survey was conducted to measure the emotional intelligence. The result showed that a large portion of the boss were emotionally smart. The research made by Parikshit Joshi, SK Suman and Mudita Sharma (2015) [12]. Clearly revealed that there is a close relationship between EI and business satisfaction in scholastics. Among the four components of EI, Use of feeling (UOE), and Regulation of feelings (ROE), have the most astounding impact on occupation satisfaction (Mayor and Salvoy, 1997) [13].

The investigation made by Jennifer L. Voleberding, Timothy Baghurst & Theresa Brown (2015) [14]. was coordinated to choose the element of EI in school understudies while similarly looking at differentiations among four majors through a 33-thing emotional stock. The mean scores on the EI stock and nonattendance of differences transversely over requests suggest that wellbeing related academic activities should put more effort.

III. ANALYSIS

A. Hypothesis

H0: There is no a connection between emotional intelligence factors and segments of banks.



H1: There is connection between emotional intelligence factors and segment of banks.

B. Strategy

In the present research both realistic and accurate investigation is driven. Daniel Goleman Model of 5 Dimensions has been taken into consideration to know delegate wisdom towards the emotional intelligence in both open and private banks. In the present investigation four banks were browsed open and private territory.

C. Sampling

A case of 200 employees (having counter involvement in managing customers) are browsed open and private banks, utilizing the settlement inspecting technique.

D. Data gathering

Information has been assembled from both fundamental and discretionary sources. A composed survey was hovered to test respondents in order to assemble direct data. A five point Likert scale beginning from solidly contrast to insistently agree (1-5) is used. Daniel Goleman model of five estimations are picked explicitly, Self-mindfulness, Empathy, Self-inspiration, Emotional quality and managing relations to overview the emotional intelligence of the delegates of individuals when all is said in done and private banks. Discretionary wellsprings of information are moreover used and it incorporates dispersed and unpublished materials.

E. Statistical Tools

In the present investigation a few quantifiable techniques like Chi-Square dissemination, mean and Standard deviation tests and so on are used.

E. Interpretation

Here we are testing, regardless of whether mindfulness measurement is subject to open and private division banks or not. For this we use chi-square dissemination.

Invalid Hypothesis H0: Self-mindfulness isn't subject to the divisions of bank

Elective Hypothesis H1: Self-mindfulness is subject to divisions of bank.

F. Dimension of noteworthiness

We pick suitable dimension of centrality for example 5% here contrast the critical esteem and dimension of noteworthiness. From the table the huge esteem is 0.178 which is more noteworthy than dimension of noteworthiness 0.05. So we acknowledge the invalid theory. At the end of the day self - mindfulness isn't subject to division of banking segment

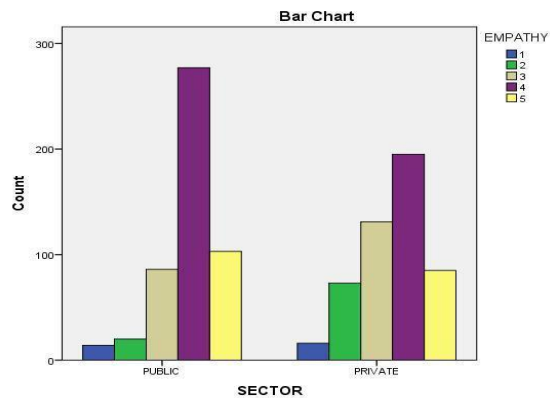


Fig 2. Empathy among public and private banks

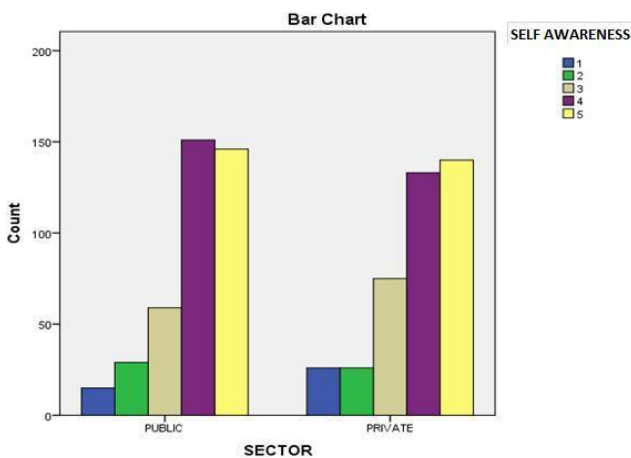


Fig 1. Self – awareness cross tabulation

Table: 1 Self-awareness among public and private banks

	Value	Df	Asymp.Sig.
			(2-sided)
Pearson Chi-Square	6.292	4	.178
Likelihood Ratio	6.334	4	.176
Linear-by-Linear	2.396	1	.122
Association			
N of Valid Cases	800		

Table 2: Empathy among public and private banks

	Value	Df	Asymp.Sig.
			(2-sided)
Pearson Chi-Square	55.639 ^a	4	.000
Likelihood Ratio	57.676	4	.000
Linear-by-Linear	32.070	1	.000
Association			
N of Valid Cases	1000		

G. Interpretation

Here we are testing whether Empathy measurement is reliant on division of banks or not. For this we use chi-square dissemination.

Invalid Hypothesis H0: Empathy isn't reliant on bank segment

Elective Hypothesis H1: Empathy is reliant on bank segment.

Dimension of essentialness: we pick suitable dimension of centrality for example 5%. Here contrast the noteworthy esteem and dimension of importance. From the table the noteworthy esteem is 0.000 which is not exactly dimension of centrality

0.05. So we dismiss the invalid theory. Consequently we acknowledge elective theory. So Empathy is reliant on banking division.



H. Findings

The analysis of two variables -self mindedness and empathy showed that while self - mindfulness isn't subject to division of banking segment; Empathy is reliant on banking division. Thus, different variables of emotional Intelligence are differently related to different banking segment. Thus, we reject the Main Null hypothesis that there is no a connection between emotional intelligence factors and segments of banks accept the Alternative hypothesis.

IV. CONCLUSION

It is already proved by researchers that employees equipped with emotional intelligence are more skilled to cope with life activities, solve issues, have productive thinking and can led to improved productivity. The present study reveals that different variables of emotional Intelligence are differently related to different banking segments. This is really a matter of concern for bank authorities as it affects the performance as well. The bank with employees skilled in emotional intelligence can have a competitive edge over their competitors. The banks, therefore, must arrange emotional intelligence training programs for their employees to achieve better results and maintain good customer rapport.

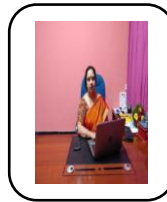
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AUTHORS PROFILE



Dr. Priti Verma is an M. A., Ph.D. – English Literature, from Kanpur University and MBA (Marketing) from Symbiosis. She has successfully completed various certificate courses from foreign universities Pennsylvania, Wharton, Amsterdam, Irvin and the University of Oregon. She has over 20 years of teaching and research experience. She has three published books and various national and international published research papers and case studies in reputed journals to her credit. She has participated in several national and International conferences and has won awards there. She has also conducted several trainings in communication and soft-skills area. Her area of specialization is General Management.



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