

Emotional Intelligence in Banking Sector – An Integrative Literature Review

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Abstract: Emotion is fundamental to service industry. As service sector, bank employees form and maintain relationships within emotionally charged environments where emotion is central to the service delivery. Emotions influence professional relationships, impact service delivery and affect bank employees at an intrapersonal level. This review was guided by the following questions: What is the state of knowledge development related to emotional intelligence and banking industry? What does the literature reveal about the nature and direction of inquiry related to emotional intelligence and banking industry? What are the knowledge gaps that can be identified in relation to emotional intelligence and banking industry? Following a brief background of EI theories, this paper presents an integrative review of the literature related to Emotional Intelligence and banking industry published in peer-reviewed journals between 2000 and 2017. Thorough screening to determine current literature and empirical research evidence done on banking sector focussing specifically on emotional intelligence and finally closes with careful consideration of criticisms related to EI in banking sector.

Keywords: Emotional Intelligence, banking sector, literature review,

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I. INTRODUCTION

For long, it has been believed that success at a work place depends on the level of intelligence or Intelligence Quotient (IQ) which is being reflected as our exam marks, academic degrees, achievements etc. In other words, it is our intellectual credentials in doing well in school, college, obtaining high scores in IQ test are considered as intelligence in the academic fraternity. But how bright are you in handling life’s difficult moments? Here you need a different level of intelligence, which is termed as emotional intelligence(Singh, 2015)

The term emotional intelligence (EI) refers to the ability to identify, use, understand and manage emotions and emotional information. Emotional intelligence plays a major role in the present day environment especially in regard to how it affects today’s workforce. Businesses are essentially people oriented. So anything that impacts the effectiveness of people’s minds also impacts the businesses they run or work for. Every business organization comprises of people with different strengths, personalities and emotions, which can greatly affect the way they work. In fact, many experts now believe that a person’s emotional intelligence quotient (EQ) may be more important than their intelligence quotient (IQ) and is certainly a better predictor of success, quality of relationships, and overall happiness.

A brief History of Emotional Intelligence:

Emotional intelligence is a relatively new subject of study, though its roots go back to the time of Darwin who said that emotional expression was essential for survival

Year	Author	Theory
1930’s	Edward Thorndike	As the ability to get along with other people
1940’s	David Wechsler	Suggested that “Affective components of intelligence may be essential to get along with other people”
1950’s	Abraham Maslow	Describes how people can build emotional strength
1975	Howard Gardner	Published “The Shattered Mind” which introduced the concept of multiple intelligences
1985	Wayne Payne	Describes as “A study of emotion: developing emotional intelligence; self – integration; relating to fear, pain and desire(theory, structure of reality, problem solving, contraction/expansion, turning in/coming out/letting go)”
1987	Keith Beasley	Developed one of the first measure using the term “emotional Quotient”
1990	Peter Salovey and John	Originally used the term Emotional Intelligence in writing. Defined Emotional

	Mayer	Intelligence as “A form of intelligence that involves the ability to monitor one’s own and others feelings and emotions to discriminate among them and to use the information to guide one;s thinking and actions(Mayer, 1997)
1995	Daniel Goleman	In his book titled “Emotional Intelligence” outlined four main emotional constructs being self-awareness, self-management, social awareness and relationship management
1997	Bar-on	He focused on an array of emotional and social abilities, including the ability to be aware of, understand, and express oneself, the ability to be aware of, understand, and relate to others, the ability to deal with strong emotions, and the ability to adapt to change and solve problems of a social or personal nature(Bar-on, 1997)

Table: 1 History of Emotional Intelligence (Source:(Virkus, 2017))

What is Emotional Intelligence?

(Goleman, Working with emotional intelligence, 1998)describes as the capacity/ability for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and our relationship. His model consists of five dimensions of EI and twenty-five emotional competencies and is presented in detail.

Component	Definition	Hallmarks
Self –Awareness	The ability to recognize and understand your moods, emotions and drives, as well as their effect on others	<ul style="list-style-type: none"> • self Confidence • realistic self-assessment • self-depreciating sense of humor
Self-Regulation	The ability to control or redirect disruptive impulses and moods	<ul style="list-style-type: none"> • trustworthiness and integrity • comfort with ambiguity • openness to change
Motivation	A passion to work for reasons that go beyond money or status	<ul style="list-style-type: none"> • strong drive to achieve • optimism, even in the face of failure • organizational commitment
Empathy	The ability to understand the emotional make up of other people Skill ij treating people according to their emotional reactions	<ul style="list-style-type: none"> • expertise in building and retaining talent • cross-cultural sensitivity • service to clients and customers
Social Skill	Proficiency in managing relationships and building networks An ability to find common ground and build rapport	<ul style="list-style-type: none"> • Effectiveness in leading change • Persuasiveness • Expertise in building and leading teams

Table: 2 Components of Emotional IntelligenceSource:(Goleman, What makes a leader?, 1998)

Method:

Data Sources:

Step One was a broad scope of the literature using internet databases and these search terms: emotional intelligence in banking industry, emotional intelligence AND banking, emotional intelligence AND research. The scope was limited to journal articles published in English and available freely to view and download.

Inclusion:

Articles were screened with an overall goal of finding a group of articles that focussed specifically on emotional intelligence in banking industry. Editorial, opinion, theoretical and qualitative and quantitative studies were included in this review.

Exclusion:

Articles were excluded if the articles did not focus on banking industry and emotional intelligence, and articles focussing on other service industry, manufacturing sectors etc...

Data Analysis:

Authors concur that there is no such gold standard for completing integrative review data analysis (Whittemore R. , 2005). The goal of this data analysis was to determine the state of knowledge related to emotional intelligence in banking industry. To accomplish this goal, we sought to determine patterns, directions, similarities and differences among the articles. As per the framework developed by (Whittemore R. , 2005) as reference retained articles were read three times to determine the quality of the writing and to reduce and compare data within the articles.

Emotional Intelligence in Banking Industry :Literature Review:

(Hummayoun Naeem., 2008)in his study to explore emotional intelligence level and service quality level in foreign and local banks revealed that EI skills is high in case of a foreign bank. EI is strongly related to dimensions of service quality indicating that employees with high EI enhances service quality.

(Troy Heffernan., 2008)evaluated the impact of emotional intelligence and trust on bank performance using internet survey. Study revealed that trust was found to be made up of three components: dependability; knowledge and expectations. There were significant correlations between both trust and EI, when compared to the financial performance of a relationship manager.

(Saddam Hussain Rahim., 2010)in his study on Emotional intelligence and organisational performance among banking sector in Pakistan found that female employees are more emotionally intelligent than their male counterpart. Also the study revealed that when the level of education increases the emotional intelligent level increases as well.

(Ming-Ten Tsai., 2011)in his study to analyse the impacts among EI and leadership style, self-efficacy and organisational commitment of bank employees in Taiwan revealed that supervisor’s leadership style can boost employee self-efficacy. The study found that a leader with high emotional intelligence should make better use of leading skills to be able to boost employee self-efficacy. The study also found that self-efficacy has a significant positive influence on organizational commitment.

(Mina Beigi, 2011)studied on effects of emotional intelligence training program on service quality of bank branches through selection of employees from public sector banks and make them undertake a tailored eight session EI training program. The results were that EI dimension “Relationship Management “is found to be enhanced by EI training and also the result shown that overall service quality is improved.

(Nair, Impact of Emotional Intelligence on Organisational climate and organisational citizenship behaviour in private Sector banks, 2012)dissertation reveals that emotional intelligence is a major behavioural competency which must be given a prominence if the mission and vision of the organisation are to be achieved. Emotional intelligence is the individual group level input which affects organisational climate. The organisational climate in turn affects organisational citizenship behaviour and all these three variable have a positive impact on each other.

(Anurag Pahuja., 2012)conducted a study to reveal the perception and factors affecting emotional intelligence among selected bank employees. The study revealed that employees are aware of the EI concept. There is significant difference between male and female on various EI traits. Females scored better on overall emotional intelligence than males. The employees are not emotionally stablewhich really concerns as it affects their performance. The study highlighted that employees consider self-management, self-awareness and empathy as the major emotional intelligence traits required by everyone.

(Thavaraj.M.M, 2012)studied the emotional intelligence among managers of the commercial banks of Madurai city. The study revealed that five determinants of emotional intelligence being self -awareness, self -regulation, self –motivation, social awareness and social-skills, self –motivation plays a major role. And on the summative view on various factors involved in measuring the level of EI, urban branches are higher than the rural branches.

(Kamal Ghandari., 2012)explored the effect of emotional labor on emotional exhaustion in Iran banking services. Results shown that emotional intelligence plays a moderating role in the relationship between emotional labor, Organizational commitment and emotional exhaustion.

(Dr.S.Radha., 2013)conducted a study on Customer orientation as mediator between Emotional Intelligence and Service performance in Banks. Study revealed that Emotional Intelligence is an important factor influencing service quality. Furtehr more there is a strong evidence that emotional intelligence predicts service performance which is an antecedent of customer retention

(Dimitrios Belias, 2013)investigated occupational stress and emotional intelligence among bank employees in Greece. Study revealed that occupational stress is likely be affected by emotional intelligence and by several demographic characteristics. Gender seems to affect the employee’s emotional intelligence. Also occupational stress and stress management are likely to be predicted by the employee’s levels of optimism and the ability to manage and use emotions positively.

(Kappagoda, 2013)in his study to find the emotional intelligence of the mangers in the banking sector in Srilanka found that the level of EI has changed according to the gender,age,educational level and working experience of the respondents.

(R.Veerappan, 2013)on their study on Emotional Intelligence among bank employees in Vellore district found that emotional intelligence will help an employee experience better work-life balance.

(Spyros Papaathanasiou, 2014)did a study on emotional intelligence and job satisfaction among greek banking sector. Study concluded that there is a positive relationship between aspects of EI and Job satisfaction they get from their work. The gender, age, marital status and job position in the bank affect the levels of emotional intelligence of employees. In addition EI seems to exert influence on the everyday life of employees and modulate the levels of professional satisfaction.

(Vibhor Jain., 2014)on his attempt to find the impact of emotional intelligence on service quality in Indian private banks found that people with high emotional intelligence perform well and are more satisfied at their workplace. Emotionally balanced employees are adaptable, empathetic, self-aware, transparent, self-

confident, optimistic, and good at managing disagreements and stress. Also the study found that Individual with High EI are good problem solvers and decision makers and can skilfully prioritize their task and quickly realize their goals.

(Atuma Okpara., 2014)studied the impact of workplace emotional intelligence and return on investment in the Nigerian banking industry. Study revealed that is strong relationship between workplace emotional intelligence and return on investment. Findings indicated that by increasing the manager’s abilities of self-control, trustworthiness, conscientiousness, adaptability, achievement drive and initiative so also will the return on investment increases.

(Siati, 2014)on her study on Emotional Intelligence and Job satisfaction in Greek banking Sector found that there is a positive relationship between aspects of emotional intelligence and employee satisfaction. Emotional intelligence differs between the two genders. Also the job position held by the employees in the bank sector seems to affect the levels of emotional intelligence.

(Okon Effiong Ekpenyong., 2015)on their study on emotional Intelligence and employee performance among Nigerian bank industry concluded that there is significant relationship between emotional intelligence and employees performance. Also the study revealed that emotional intelligence can be developed and improved at any stage of life through a systematic and consistent approach.

(Mahal, 2015)studied the influence of emotional intelligence on employee satisfaction. Study revealed that there is a significant relationship between emotional intelligence and employee satisfaction. The study also suggested that emotional intelligence enables an employee to control desire and direct stressful moods well. Emotionally controlled and managed behaviour helps the employee to remain hopeful in times of setbacks and develops empathy and social skills.

(Praveena.S, 2015)did a study to find the Emotional intelligence on Job performance of Bank Managers in Sri Lanka. Study revealed that higher levels of emotional intelligence of bank managers lead to higher levels of job performance as well as job satisfaction at the workplace. It also revealed that emotional intelligence can be recognized as one of the most critical skills that managers should possess in present day organizations.

(Danquah, 2015)in her study to evaluate the effect of emotional intelligence on the financial performance of commercial banks in Ghana revealed that Emotional Intelligence significantly influences financial performance among commercial banks. The study also found that relationships translate into the prediction of relationship marketing, service quality, customer satisfaction and financial performance.

(V.Swarnalatha., 2016)on her study on emotional intelligence among bank employees found that EI plays a major role in bank employees life and all the employees are having high emotional intelligence. Also there is no difference between emotional intelligence and age of employee

(N.N.Ugoani, 2017)did a study on Emotional Intelligence and Successful change Management in the Nigerian Banking Industry. Results show that emotional intelligence encompasses competencies required for successful change management.

(Sr.Margaret Chepng'eno., 2017)studied the relationship between emotional intelligence and leadership styles in Banking Institutions in Kenya. Results show that there is positive relationship between EI and Transactional leadership. The study provided evidence that individuals with high levels of EI are more likely to adopt Transactional leadership style. Such individuals are able to clearly specify performance standards to monitor performance and to reward achievement of goals. Furthermore leaders who abscond their responsibility, avoid making decisions and who are passive in their leadership are associated with low levels of Emotional Intelligence.

Knowledge gaps and directions for Inquiry:

There are many knowledge gaps related to emotional intelligence and banking industry. Some important questions that need to be considered are: Which is the best method to measure emotional intelligence for banking service employees? How should levels of emotional intelligence in banking industry identified and determined? How does the emotional intelligence of individual employee impact team and groups? How are bank employees taught to deal with emotion in practice?

Limitations:

This integrative literature review provides an overview and critique of the field of knowledge in banking industry related to emotional intelligence. This review is limited by the key phrases used for searching, the databases accessed, the frame and method of searching literature, availability of literature online and time constraints.

II. Conclusion

The purpose of this integrative literature review is to report on the state of knowledge in banking industry related to emotional intelligence. The theory of emotional intelligence promises to predict life and skills

of individuals/employees. The components of EI theory believes that understanding, analysing and managing emotions in themselves and others, lies the key to an improved quality of life. However materialising the theory is an important task which validates their claim. The first challenge is to design an instrument which will evaluate and assess emotional skills of an employee. Another challenge is that there are too many definitions and approaches which is important, many a time it leads to confusion among researchers as to which definition or approach to be taken. To judge or criticise emotional intelligence in banking industry definitely needs rethinking.

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