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EMOTIONAL INTELLIGENCE AND MANAGERIAL EFFECTIVENESS IN BANKING SECTOR

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ABSTRACT

Emotional Intelligence (EI) has been a buzzword in the corporate world for the last few decades, especially in service sector. The Indian banking sector is no exception and requires bank managers to execute tasks that have become more challenging than ever before. This can be seen from the crisis caused after demonetisation in 2016 when bank employees had to work overtime under stressful conditions due to short supply of currency notes and also face rage from their clients or general public. Additionally, drastic changes are taking place recently like restructuring of banks through mergers such as merging five State Bank of India associate banks with SBI as per data retrieved from Reserve Bank of India website.

In this context, emotional intelligence plays an important role for bank managers who need to handle various situations efficiently while dealing with customers or colleagues at workplace without getting overwhelmed by emotions like anger or frustration which may lead them towards making wrong decisions.

KEYWORDS: Emotional, Intelligence, Managerial effectiveness, Banking, Public, Private

INTRODUCTION

Emotional intelligence helps individuals understand their own feelings better so they can make rational decisions based on facts rather than emotion even if they are facing difficult situations at work environment where there could be conflicts between parties involved due to varying interests and goals leading towards differences among them. Moreover, it also assists them develop interpersonal skills necessary for effective communication within teams which eventually leads towards success since team members would feel motivated knowing that their voices are heard during decision-making process thus creating positive working atmosphere.

The importance of emotional intelligence in professional and personal life cannot be overstated. Emotional Intelligence Quotient (EIQ) is a measure of one's ability to recognize their own emotions, as well as the emotions of others, and use them effectively in various situations. It involves being able to accurately identify both positive and negative feelings within oneself and responding appropriately with respect for those around you. This can include managing stress levels, reacting calmly under pressure or conflict resolution strategies such as active listening or compromise negotiation skills.

In the workplace especially, having strong EIQ can be invaluable when it comes to leadership roles where difficult decisions need to be made quickly while still taking into account how employees may feel about them; team building activities which require empathy; communication between colleagues on different levels; problem solving tasks that require creative thinking without getting too emotionally invested in a solution; etc.. A good leader needs not only technical knowledge but also interpersonal skills which are often based upon strong emotional intelligence abilities like self-awareness & understanding your own reactions before speaking/acting out during times of high emotion - something that is essential for any successful business environment today.

REVIEW OF LITERATURE

Organization is an emotional place (Anand et al., 2019), places where feelings and emotions are managed are excellent organizations. Khokar & Tulika (2009) studied emotions get in the way of effective performance. Given emerging in the role emotions play in the way individuals appraise and respond to potentially threatening events or situations, attention is turning to the concept of emotional intelligence as moderating variable in the stress process (Thiripurasundari and Kishnammal, 2016 ; Slaski and Cartwright, 2003).

Transformational leaders' are said as those managers/executives who create a vision, transform this vision into mission, build promising approach and attitude among subordinates towards the vision and create a challenging environment within the workplace. On the other hand, 'transactional leaders' are considered as typical managers who wish to and maintain the conventional state of ordering, commanding and power (Saddiqui et al., 2018).

EI as "an array of non-cognitive capabilities, competencies and skills that influence one's ability to succeed in coping with environmental demands and pressures". EIQ test, while the recruitment process in the bank helps in identifying the right candidates for the managerial post in the bank. EI skills in the employee improve constructive thinking and enable the existing employee enhance their problem solving skill (Nagar, 2017).

Ansari and Kumar (2022) stated that emotional intelligence was shown to be linked to several aspects of transformative leadership, suggesting that it might be an essential component of effective leadership. There are a variety of connections between transformational leadership styles and emotional intelligence capacity. Leaders with a higher level of emotional intelligence are expected to be more effective and competitive.

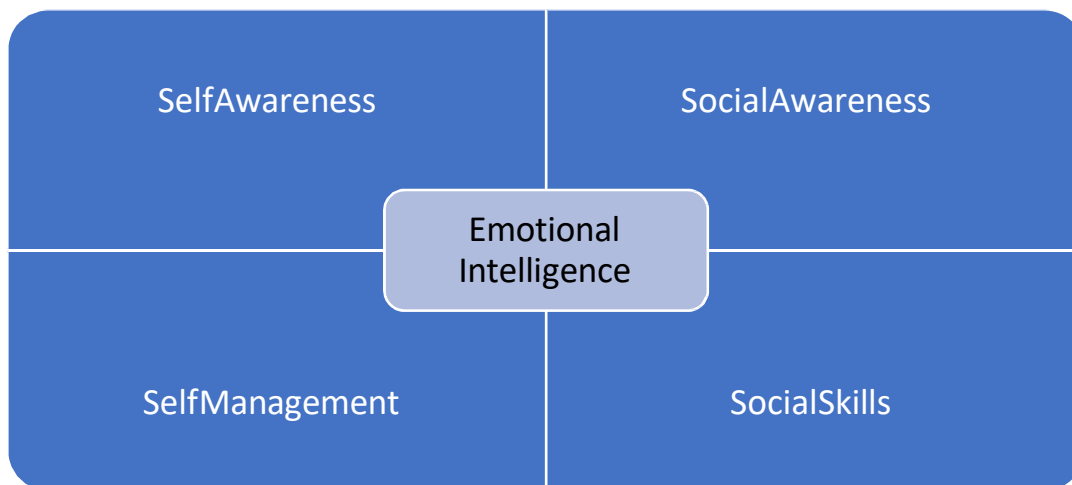
OBJECTIVE OF THE STUDY

To study the relationship between emotional intelligence and managerial effectiveness in banking sector

RESEARCH METHODOLOGY

Present study is exploratory study in nature, based on secondary data involves analyzing and interpretation of data. The purpose of the study is to gain insight into a topic and identify potential research questions. Secondary data obtained from variety of sources, such as government agencies, journals, conference proceedings, book, newspaper and magazines.

DIMENSIONS OF EMOTIONAL INTELLIGENCE



Self-awareness: Self-awareness is your ability to perceive and understand the things that make you who you are as an individual, including your personality, actions, values, beliefs, emotions, and thoughts. Essentially, it is a psychological state in which the self becomes the focus of attention.

Social awareness: The ability to take the perspective of and empathize with others, including those from diverse backgrounds and cultures. The ability to understand social and ethical norms for behavior and to recognize family, school, and community resources and supports.

Self-management: Self-management, which is also referred to as “self-control” or “self-regulation,” is the ability to regulate one's emotions, thoughts, and behaviors effectively in different situations.

Social Skills: Social skills are the skills we use every day to interact and communicate with others.

They include verbal and non-verbal communication, such as speech, gesture, facial expression and body language.

CONCLUSION

Today, the importance of emotional intelligence is being increasingly acknowledged. This has led to a surge in research studies focusing on emotions and their effects on various aspects of life. One such study looks at the emotional intelligence level and differences between employees working in public and private sector banks. The findings suggest that individuals who possess higher levels of emotional intelligence are more likely to display positive effects when it comes to managerial effectiveness compared with those who have lower levels or none at all.

The components of emotional intelligence can also play an important role when it comes to determining managerial effectiveness as well as overall health outcomes for individuals involved in emotionally demanding roles within organizations. For instance, those with higher levels of awareness about their own emotions are better able to accurately assess how they feel, know when it's appropriate or not appropriate to express these feelings, and effectively regulate their mood states.

which leads them towards healthier lives than people without this knowledge would be able experience otherwise.

In conclusion, while further research needs to be done to understand exactly how emotion plays a role in individual performance both inside and outside an organization setting; there is no doubt that having a good understanding of one's own emotions can help promote better decision-making abilities along with improved relationships among colleagues resulting from increased empathy - two skills highly valued by employers today regardless if you work for the public or private sectors alike.

Emotional intelligence is an important factor in determining managerial effectiveness. It has been shown that emotional intelligence increases with age and experience, meaning that the longer a person works in a particular position or industry, the more emotionally intelligent they become. This means that older and more experienced employees are likely to have higher levels of emotional intelligence than their younger counterparts who may be less experienced or lack knowledge about how to effectively manage people.

In order to bridge this gap between seniority and EI, training programs can be implemented for new employees which will help them develop their own skills regarding understanding emotions as well as managing others' emotions in order to maximize efficiency within teams. Studies have found positive correlations between overall emotional intelligence and managerial effectiveness; managers who possess greater leadership attributes through high levels of EI tend to instill enthusiasm among their subordinates by fostering empathy towards each other's feelings while also motivating them with excitement for any given task at hand.

Overall, research findings on the importance of emotional intelligence suggest its potential role in both selection processes as well as training programs for current managers so they can better understand how best to utilize it within team environments where interpersonal relationships play an essential part when it comes down to achieving success together collectively rather than separately from one another. By doing so this could lead not only to improved productivity but also to increased job satisfaction amongst individuals working under such leaders due to respect being paid towards individual feelings while still ensuring work objectives are met accordingly without compromising morale amongst staff members involved.

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