

A Study on Influence of Emotional Intelligence on Employee Satisfaction in Banking Industry

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ABSTRACT

This study aims to explore the relationship between emotional intelligence and employee satisfaction among executives working in service sectors in Banking. For the purpose of the study data has been collected using three instruments, from a sample of 120 managers, by using the emotional intelligence scale developed by Singh and Chadha, (2001) and job satisfaction scale developed by Harris (2000). Results indicate that there exists a significant linear relationship between emotional intelligence and employee satisfaction. This research therefore adds a new dimension to employee performance, leadership and emotional intelligence, since no similar study has been conducted in this regard.

Keywords: Emotional Intelligence, Employee Performance, Emotional Sensitivity.

INTRODUCTION:

Emotional intelligence plays an important role in our working lives. Not surprisingly, a central thoughtful phenomenon is to understand business leaders who can secure the emotional side of an organization will permeate strength and meaning into management structures, and bring them to meaningful life (Mayer and Caruso, 2002). However, it is only recently that management researchers have seriously considered the question in the context of the workplace. The interest of the research community in this search for efficiency is reflected in the attention it has given to employee satisfaction in recent years. Job satisfaction has been conceptualized as a complex construct to measure the global attitude of an employee towards his or her work. Researcher (Spector, 1997 and Agho, Muller and Price, 1993) observes that the employee can be either satisfied or dissatisfied with the job. A moderate and consistent relationship has generally been found across various samples between greater job satisfaction and the propensity to remain in the organization (Brayfield and Crockett, 1955; Herzberg, et. al., 1957; Porter and Steers, 1973; Vroom, 1964). According to Webster's Dictionary (1986), job satisfaction refers to how well a job provides fulfillment of a need or want, or how well it serves as a source or means of enjoyment. Sempene et al., (2002) presented a summary of job dimensions, i.e. work itself, pay, promotions, and recognition, working conditions, benefits, supervision and co-workers that have been established to contribute significantly to employees' job satisfaction. This is postulated to influence employees' opinion of "how interesting the work is, how routine, how well they are doing, and, in general, how much they enjoy doing it" (McCormick & Ilgen, 1985). The researches have shown employee satisfaction is related to the emotional intelligence (Dasborough, 2006 and Sunindijo, Hadikusumo, & Ogunlana, 2007). Luthans (2002) define emotional intelligence as the ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in self and others. Emotional intelligence comprised; Selfawareness deals with knowing our feelings at the moment and using them as a guide to our decision making, Self-management, includes handling our emotions so that they facilitate rather than interfere, Social awareness, considers sensing people feelings, the ability to take their perspective and lastly Social Skills focus on handling emotions in relationships well and reading carefully social situations, interacting in a smooth way (Watkin, 2000).

STATEMENT OF THE PROBLEM:

Moreover the preventions to career development are not known and the answers for these impediments are not known either. On the off chance that this issue proceeds and inspiration gets truly influenced, the execution of the employees is probably going to diminish and this could genuinely influence the accomplishment of the objectives and goals of the Managing an account associations. The focal point of this investigation, hence, was to survey whether there was Emotional Intelligent has its impact on worker inspiration, having a tendency to lose its performing employees work fulfillment and devotion.

OBJECTIVES OF THE STUDY:

The objective of the current study is to investigate the relationship between emotional intelligence and employee satisfaction among the employees working in a banking sector. Furthermore the present study aims to determine if the demographic factors are predictive of emotional intelligence or not.

REVIEW OF LITERATURE:

Emotional intelligence and job satisfaction Many scholars and researchers have recently started to focus on the role of emotions to determine the satisfaction level of employee at work. Emotional intelligence is an important predictor of job satisfaction (Daus & Ashkanasy, 2005; Rooy & Viswesvaran, 2004; Carmeli, 2003; Tram & Hara, 2006).

Employees confer order and consistency to their lives by means of their emotional intelligence (Goleman, 1995); employees with a high level of emotional intelligence experiences face fewer negative incidents in their lives and can successfully cope with the problems occurring in their working and living environments and thus enjoy a better health. Emotional Intelligence is been considered as a insignificant and miniature phenomenon in an organization, but it carries an ability to identify and manage feelings, both one's own and other people's to improve people and business performance and job satisfaction (Collins, 2000).

Hence, managers can boost employee satisfaction by considerate how emotions influence one's belief and behavior. Emotional intelligence is referred to as emotional literacy (Goleman, 1995). Individual with emotional intelligence are therefore able to relate to others with companion and empathy, have well developed social skills and use this emotional awareness to direct their acts and behaviors.

Emotional Intelligence appears to be a important dimension to understand and manage feelings and emotions. Literature has shown that job satisfaction is helpful in evaluating the emotional wellness and mental fitness of employees and those organizations can use the information to improve departmental policies and practices where dissatisfaction is expressed (Spector, 1997). Hendee (2002) expanded and incorporated emotional intelligence as a personal factor which, along with other personal factors such as gender, educational degree, demographic characteristics, etc., affects one's job satisfaction.

Researches on the emotional intelligence construct has recognized its relationship with leadership (Wolff, Pescosolido & Druskat, 2002), self-efficacy (Okech, 2004), mental health (Manhas, 2004), selfesteem (Chauhan, 2008) and aspiration (Wells, 2004). Mayer et al. (2000) in an attempt to clarify the plethora of definitions of emotional intelligence suggested that there are mixed and mental ability model of emotional intelligence. Mixed models comprised of social and emotional competencies, which include social skills and personality aspects (Goleman, 1995, 1998), whereas mental ability model scrutinize the interaction between emotion and cognition. Based on Goleman's (1995, 1998) mixed model, motivation forms a subset of emotional intelligence. Other emotional intelligence researchers reject this notion, arguing that they are related, yet separate constructs (Jordon et al, 2003; Mayer & Salovey, 1997).

Consequently, we contend that emotional intelligence will have both direct and indirect effects on employees' satisfaction. To address this issue, an empirical study was undertaken. To deal with this concern, an empirical study was conducted. This study observes how emotional intelligence skills are associated with employee satisfaction on a sample of managers working in both private and public banks. Emotional Intelligence was evaluated by a Scale developed by Chadha and Singh.

RESEARCH METHODOLOGY:

Research Design:

The research design refers to the overall strategy used by the researcher to pursue the research study to integrate the different components of the study in a coherent and logical way, thereby, ensuring effective exposure of the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. This study uses Descriptive research design. The descriptive research attempts to describe, explain and interpret conditions

of the present i.e. "what is". The purpose of a descriptive research is to examine a phenomenon that is occurring at a specific place(s) and time. A descriptive research is concerned with conditions, practices, structures, differences or relationships that exist, opinions held, processes that are going on or trends that are evident. The purpose of this research design is to give an accurate picture of some aspect of the organization, employee and work environment, in other words, descriptive designs describe phenomena establishing the association between factors. Though it is frequently used for conclusive, preliminary and exploratory studies, the hypothesis framed will be tentative and speculative.

Method of Data Collection:

Primary and Secondary data collection methods have been used in research study. Primary data is collected by researchers, especially to answer research question-for instance, when you observe certain production and managerial operations and measure their cost, or when mind writer surveys its complete care towards its employees to see what changes would improve job satisfaction. The primary data collection method consists of a structural closed ended and open ended questionnaire.

Secondary data is collected from journals, websites and magazines. As mentioned the objective of this research based on to prove or disprove the effect of career planning and development practices which is considered as one of the strategies to influence performance and productivity in the banking sectors in India.

Area of the Study:

The research study is performed in Thanjavur district of the Tamil Nadu state. The sample is restricted to employees of selected private sector banks.

Measurement Scale:

Nominal and Ordinal scaling has been used to find out the Socio demographic factors, on influence of emotional intelligence on employee satisfaction in banking industry, Emotional competency, Emotional maturity, Emotional sensitivity, Total EI, Employee Satisfaction such as, Strongly Disagree, Slightly Disagree, Disagree, Neither Agree nor Disagree, Slightly Agree, Agree and Strongly Agree.

Reliability and Validity of Data:

As the Cronbach's alpha of six parameters (influence of emotional intelligence on employee satisfaction in banking industry, Emotional competency, Emotional maturity, Emotional sensitivity, Total EI, Employee Satisfaction) reveal .700 and more than .700 as alpha. So, it is confirmed that the data are highly reliable and valid for analysis. The following table shows that, the Cronbach's alpha value for every dimension of influence of emotional intelligence on employee satisfaction in banking industry, Emotional competency, Emotional maturity, Emotional sensitivity, Total EI, Employee Satisfaction banks in Thanjavur district.

Data and Sample:

For the present study, 120 employees were chosen with the help of convenience sampling method from banking industry representing public and private sector banks in Tamil Nadu. The employees were selected from different public and private banks having a Tamil Nadu presence, across all the main states. For the purpose of the study, the bank managers were approached personally, with prior appointment, to brief them about the objectives and scope of the study. After explaining and answering queries, if any, the permission for data collection from their banks was sought.

ANALYSIS AND INTERPRETATION OF DATA:

Descriptive Statistics of the Variables of influence of emotional intelligence on employee satisfaction in banking industry

Variables	N	Minimum	Maximum	Mean	S.D.
Emotional competency	120	8	24	14.38	3.616
Emotional maturity	120	2.00	23.00	10.7750	4.01565
Emotional sensitivity	120	3.00	23.00	10.6417	3.98484
Total EI	120	19.00	64.00	35.8000	9.59482
Employee Satisfaction	120	3.00	19.00	10.5500	3.92760

Source: Output generated from SPSS 20

Table shows the mean, minimum, maximum, and standard deviation values of the different Dimensions of emotional intelligence used in the present study. The results show that emotional maturity and emotional sensitivity has a slightly same mean but the mean value of emotional competency is slightly more than others dimensions of emotional intelligence. The mean value of employee satisfaction is less as compare to emotional intelligence used in the study; it may be because of less number of items Used to measure employee satisfaction.

Correlations among the Emotional Intelligence Parameters of influence of emotional intelligence on employee satisfaction in banking industry

Variables	N	Minimum	Maximum	Mean	S.D.
Emotional competency	1				
Significance	0.00				
Emotional maturity	.827**	1			
Significance	0.00	0.00			
Emotional sensitivity	.429**	.331**	1		
Significance	0.00	0.00	0.00		
Total EI	.901**	.868**	.716**	1	
Significance	0.00	0.00	0.00	0.00	
Employee Satisfaction	.817**	.851**	.332**	.802**	1
Significance	0.00	0.00	0.00	0.00	0.00

Source: Output generated from SPSS 20

Correlation shows that there exists a significant relationship between the emotional intelligence and job satisfaction. Table 2 shows linear correlation between emotional intelligence and employee satisfaction score, which shows that there is a positive correlation among emotional intelligence and job satisfaction. The correlation coefficient varies from 0.331 to 0.868. Results shows that there is a positive correlation between all the dimensions of emotional intelligence (emotional competency, emotional maturity and emotional sensitivity) with each other and with emotional intelligence.

LIMITATIONS AND SCOPE FOR FUTURE RESEARCH:

Although the current research took a positive approach in reviewing previous literature of emotional intelligence and job satisfaction and the analysis of the relationship among these using advanced statistical tools, there are some limitations worth acknowledging. These include issues with the research sample size in relation to and with the actual population of managers in service sector of Northern India; the constraint may have direct impact on possible generalizations of the research outcomes and may, therefore, call for further research using a larger sample size. Since the results of this study are based on empirical data, it may be impossible to draw conclusion regarding causality. For example, employees who experience lower levels of emotional intelligence at workplace may perceive less satisfaction. Longitudinal research is needed to examine the causal direction of relationships. Moreover, studies in future should examine the difference in emotional intelligence across difference organizations. Also, as findings of this research are based only on quantitative research, qualitative research such as in-depth interviews could be attempted in future studies.

FINDINGS, SUGGESTIONS AND CONCLUSION:

Findings:

- The mean, minimum, maximum, and standard deviation values of the different Dimensions of emotional intelligence used in the present study. The results show that emotional maturity and emotional sensitivity has a slightly same mean but the mean value of emotional competency is slightly more than others dimensions of emotional intelligence. The mean value of employee satisfaction is less as compare to emotional intelligence used in the study; it may be because of less number of items Used to measure employee satisfaction.
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between all the dimensions of emotional intelligence (emotional competency, emotional maturity and emotional sensitivity) with each other and with emotional intelligence.

Suggestions:

Emotional Intelligence is an important dimension to increase the employee satisfaction. Hence, hiring employees with higher levels of emotional intelligence leads to financial gains, because emotional intelligence is very important for the success of the growing organization. Nowadays employees are being more aware about their power, autonomy, learning and making relationships through emotions. Hence, manager should recognize the use of emotional intelligence at the workplace as a facilitator to understand and deal with employees enhancing job satisfaction. Subsequently by managing and controlling the emotions we can build paths to go forward.

The training of EI is an important step to help the employees in managing their emotions, but it can be quite a difficult task because it is concerned about “being” and not “doing” what can include some changes in people beliefs and values. Hence, it can be concluded that organizations can depart training to the employees through the classic workshops and lectures, but above all personal involvement of the employees is very important to gain advantage from that workshop.

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