



THE IMPACT OF EMOTIONAL INTELLIGENCE ON SERVICE QUALITY IN INDIAN PRIVATE BANKS: WITH SPECIAL REFERENCE TO MORADABAD CITY

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Abstract: *In the current Scenario where the business has become more complex, more emphasis is given on Emotional Intelligence than ever before. Organisations needs Emotionally Intelligent as well as emotionally balanced employees who can easily achieved there expected targets. The (EI) of an employee affect his behavior which ultimately affects his achievements and his performance in the organisations. This paper is an attempt to study emotional intelligence and its impact on service quality of the employees in four Indian private banks of Moradabad city.*

Keywords: *Emotional Intelligence (EI), Service Quality, Indian Private Banks*

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INTRODUCTION

Since the publication of the best selling book Emotional Intelligence by Daniel Goleman (1995), the topic of emotional intelligence has witnessed unparalleled interest. Many Elementary schools, universities have implemented courses on developing one's emotional intelligence in numerous settings. People are being judged by not just how smart they are but also by how well they handle each other and themselves. The essential premise of EI is that our each and every action is systematically controlled by emotions. In order to be successful, requires effective awareness, control and management of one's own emotions and those of other people.

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 . In service sector banking sector keeps the largest share and specially Indian private banking sector is growing very fast. After the liberalization policies of 1991, the banking sector of India has been transformed from an indolent and slow moving industry into a 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. The empirical study reveals that overloading and extreme burden of work, strictly time pressure for completion of tasks, more than 12 hours of work duration, long travel, fear of job termination, contract etc. are very common problems among banking sector. Due to this, the bank employees suffer from extremely high level of stress.

In India, the numerous reforms' programs are just limited to improve the financial performance, invention for new products, improve the building infrastructure, promotion of modern practices etc., but we have yet to start any reform program, which is relevant to employees' psychological problems. Banking sector is backbone of any economy, so this study focused on the new yet equally important concept of emotional intelligence among bank employees.



PRIVATE SECTOR BANKS

All those banks where greater parts of stake or equity are held by the private shareholders and not by government are called as the private sector banks. They are the major players in the banking sector as well as in expansion of the business activities in India. The present private sector banks equipped with all kinds of new innovations, monetary tools and techniques to handle the complexities are a result of the evolutionary process of a century and more. They have a highly developed organisational structure, culture and are professionally managed. Thus they have grown faster and stronger since past few years. In India private banks are available in plenty and known for offering expeditious service to their customers. Thanks to globalization that prompted many foreign banks to expend their business throughout world and India became the most preferred destination. Today you can find lots of foreign bank that are engaged to serve the customers in the best possible manner and made its stand strong by offering 24 x 7 hour service.

At present, Private Banks in India includes leading banks like ICICI Banks, ING Vysya Bank, Jammu & Kashmir Bank, YES Bank, Nainital Bank, Axis Bank, etc. Undoubtedly, being tech-savvy and full of expertise, private banks have played a major role in the development of Indian banking industry.

There are numerous factors which are responsible for high quality services which can be divided into "human" and "technical" factors. Technical factors include: effectiveness, reliability, scalability, maintainability, Grade of Service, etc. Human factors include: availability of service, stability of service delays, user information. There are always a number of factors behind the quality generating human effort. Emotional Intelligence is one of the most important human factors which is responsible for high service quality. Emotional intelligence is defined as a person's self-awareness, self-confidence, self-control, commitment, integrity and a person's ability to communicate, influence, initiate changes and accept changes. It is all managing the human emotions. In banking sector, high quality services are always emphasized.

When it comes to improving organizational effectiveness, management scholars and practitioners are beginning to emphasize the importance of a manager's emotional intelligence. It becomes very important that Indian banks in India should focus on high



quality services. Service Quality is conforming to customer requirements and expectations. Customer satisfaction results when expectations are met.

SERVQUAL

Underpinning our understanding of service quality is an array of factors or determinants. A large number of researchers have provided lists of quality determinants, but the best known determinants emanate from Parasuraman and colleagues from the USA, who found five dimensions of service quality, namely: reliability, tangibles, responsiveness, assurance and empathy and used these as the basis for their service quality measurement instrument.

The result was the development of the SERVQUAL instrument, based on the gap model. The main idea in this model is that service quality is a function of the difference scores or gaps between expectations and perceptions. One of an important advantage of the SERVQUAL instrument is that it has been proven valid and reliable across a large range of service contexts

OBJECTIVE OF THE STUDY

The main objective of this research paper is to find out the impact of emotional intelligence on service quality in Indian private banks with special reference to Moradabad City.

RESEARCH METHODOLOGY

Area of the Study: The researcher has chosen Moradabad city in the State of Uttar Pradesh for the purpose of the study.

Type of data collected: The researcher has collected primary data through close ended questionnaire developed for the employees of the private sector banks .

Primary Data were collected using the questionnaire and personal contact approach. The respondents (Employees) were approached personally in order to seek fair and frank responses on quality of service and emotional intelligence among employees in private sector banks.

Quantitative data was collected using survey questionnaires designed in the form of closed questions. To measure emotional intelligence among employees of private sector banks five dimensions are developed namely- Self Awareness, Managing Emotions, Self Motivation, Recognizing the Emotions of Others and Handling Relationship.

Sample Size: 65 Respondents(30 ICICI/15 HDFC/10 Yes Bank /10 NAINITAL BANK Bank)

Sampling: The researcher has taken Convenience Sampling.



Statistical Tools used: For analysis of the data mean and average of responses collected have been calculated.

Scale: A five point Likert Scale used for the questionnaire. The details are:

Questionnaire for Employees of private sector banks: A five point Likert scale starting from strongly disagree to strongly agree (1 – 5) was used for the study.

1= Strongly Disagree,

2= Somewhat Disagree,

3= Neither Agree nor Disagree,

4= Somewhat Agree,

5= Strongly Agree

Questionnaire: The questionnaire was developed to measure the emotional intelligence of the employees of four private sector banks on five point likert scale. Five dimensions were selected to assess the emotional intelligence of the employees of the private sector banks i.e. Self Awareness, Managing Emotions, Self Motivation, Recognizing the Emotions of Others and Handling Relationship.

PERCEPTION OF EMOTIONAL INTELLIGENCE OF EMPLOYEES OF FOUR PRIVATE SECTOR BANKS

To measure emotional intelligence among employees of private sector banks five dimensions are developed namely,

- Self Awareness,
- Managing Emotions,
- Self Motivation,
- Recognizing the Emotions of Others and
- Handling Relationship.

The mean score of perceptions by employees of private sector banks regarding the five dimensions of emotional intelligence are highlighted in the following tables (Table 1). The data is arranged in the increasing order among the four banks

(A) PERCEPTION OF BANK EMPLOYEES ON SELF AWARENESS

Table 1 describes the perception of employees of four private sector banks on the dimension of Self Awareness.



Mean Score Of Self Awareness

Table 1

| Parameters | HDFC Bank | ICICI Bank | YES Bank | NAINITAL BANK |
|---|-----------|------------|----------|---------------|
| When faced obstacles in bank, remember times when faced similar obstacles and overcame them. | 4.27 | 4.17 | 4.00 | 4.10 |
| Expect to do well on most of the activities in bank | 4.07 | 4.17 | 4.18 | 4.08 |
| Feeling of adjustment to work in general | 4.33 | 4.23 | 4.12 | 4.12 |
| When ignored for a promotion by the management in spite of eligibility, moreover, one of the juniors has been promoted, Identify problems and improve performance | 4.20 | 4.20 | 4.08 | 3.80 |
| Evaluation of own job performance | 4.53 | 4.20 | 4.12 | 3.90 |
| As a sales person approaching prospective clients to purchase banking products. A dozen people in a row slam the door on the face. Try to re-assess own capabilities and come out with new strategies | 4.13 | 4.30 | 4.28 | 4.00 |
| Think that work adjustment has impacted the job performance | 4.20 | 4.27 | 4.32 | 4.10 |
| Average | 4.25 | 4.22 | 4.16 | 4.01 |

The comparison between average of mean scores of different private sector bank employees is highest in the case of HDFC Bank (4.25) and lowest in the case of NAINITAL Bank (4.01). This shows that the employees of HDFC Bank are more self-Aware in comparison with the employees of other banks

(B) PERCEPTION OF BANK EMPLOYEES ON MANAGING EMOTIONS

Table 2 describes the perception of employees of four private sector banks on the dimension of Managing Emotions

Mean Score for Managing Emotions

Table 2

| Parameters | HDFC Bank | ICICI Bank | YES Bank | NAINITAL BANK |
|---|-----------|------------|----------|---------------|
| Emotions are one of the things that make working life worth living in the bank. | 4.40 | 4.23 | 4.30 | 4.10 |
| Aware of the non verbal messages send to colleagues and customers. | 4.20 | 4.23 | 4.20 | 4.30 |
| When in a positive mood, solving problems of work life is easy | 4.53 | 4.33 | 4.15 | 4.00 |



| | | | | |
|---|------|------|------|------|
| Continue with the discussion with a cool head when as the Branch Manager of one of the branch of the bank, while taking a meeting with the union, one of the union leaders level serious allegations of corruption and favoritism against me. | 4.13 | 4.33 | 4.25 | 4.00 |
| Average | 4.32 | 4.28 | 4.23 | 4.10 |

The comparison between average of mean scores of different private sector bank employees is highest in the case of HDFC Bank (4.32) and lowest in the case of Nainital Bank (4.10). This shows that the employees of HDFC Bank are more expert in managing emotions in comparison with the employees of other banks

(C) PERCEPTION OF BANK EMPLOYEES ON SELF MOTIVATION

Table 3 describes the perception of employees of four private sector banks on the dimension of Self Motivation

Mean Score for Self-Motivation

Table 3

| Parameters | HDFC Bank | ICICI Bank | YES Bank | NAINITAL BANK |
|--|-----------|------------|----------|---------------|
| When mood changes, see new possibilities in the banking activities. | 4.20 | 4.10 | 4.18 | 3.70 |
| Expect good things to happen in the bank | 4.07 | 4.23 | 4.17 | 4.20 |
| Self motivation by imagining a good outcome to tasks taken in the bank | 4.13 | 4.20 | 4.23 | 3.80 |
| When in a positive mood, able to come up with new ideas of work. | 4.33 | 4.10 | 4.30 | 4.20 |
| Average | 4.18 | 4.16 | 4.00 | 4.00 |

The comparison between average of mean scores of different private sector bank employees is highest in the case of HDFC Bank (4.18) and lowest in the case of Nainital Bank (4.00). This shows that the employees of HDFC Bank are better self-motivated in comparison with the employees of other banks



(D) PERCEPTION OF BANK EMPLOYEES ON RECOGNIZING THE EMOTIONS OF OTHERS

Table 4 describes the perception of employees of four private sector banks on the dimension of Recognizing the Emotions of Others.

Mean Score For Recognizing Emotions

Table 4

| Parameters | HDFC Bank | ICICI Bank | YES Bank | NAINITAL BANK |
|--|-----------|------------|----------|---------------|
| Find it easy to understand the non verbal messages of colleagues and customers | 4.53 | 4.30 | 4.00 | 3.70 |
| Recognize the emotions customers are experiencing by looking at their facial expressions | 4.07 | 4.10 | 4.20 | 4.10 |
| Know what colleagues and customers are feeling just by looking at them. | 4.13 | 4.17 | 4.00 | 3.90 |
| Compliment colleagues when they have done something well. | 4.13 | 4.17 | 4.40 | 4.10 |
| Average | 4.22 | 4.18 | 4.15 | 3.95 |

The comparison between average of mean scores of different private sector bank employees is highest in the case of HDFC Bank (4.22) and lowest in the case of Nainital Bank (3.95). This shows that the employees of HDFC Bank are fast in recognizing emotions in comparison with the employees of other banks.

(E) PERCEPTION OF BANK EMPLOYEES ON HANDLING RELATIONSHIP

Table 5 describes the perception of employees of four private sector banks on the dimension of Handling Relationship.

Mean Score for Relationship Handling

Table 5

| Parameters | HDFC Bank | ICICI Bank | YES Bank | NAINITAL BANK |
|--|-----------|------------|----------|---------------|
| Present myself in a way that makes a good impression on customers | 4.40 | 4.17 | 4.10 | 4.10 |
| Feel about getting along well and compatible with the colleagues. | 4.47 | 4.30 | 4.30 | 4.00 |
| Apologize to colleague when engaged in an argument with colleague in the course of which end up personally attacking him/her without any | 4.40 | 4.27 | 4.40 | 4.30 |



| | | | | |
|--|------|------|------|------|
| intention to tarnish the image of my colleague | | | | |
| Take initiative and start talking to the colleague when at work place due to some misunderstanding he/she stops talking to me. | 4.33 | 4.37 | 4.00 | 4.00 |
| Advise the freshly recruited professional graduate colleague to be bold, face the challenge and overcome the problem when he/she joins the organization as a management trainee and complains to me that her superiors and subordinates were not taking him/her seriously. | 4.20 | 4.30 | 4.50 | 4.10 |
| Feel about getting along well and compatible with the boss | 4.00 | 4.13 | 4.00 | 4.10 |
| Average | 4.30 | 4.26 | 4.22 | 4.10 |

The comparison between average of mean scores of different private sector bank employees is highest in the case of HDFC Bank (4.30) and lowest in the case of Nainital Bank (4.10). This shows that the employees of HDFC Bank easily handle the relationship with others in comparison with the employees of other banks

OVERALL PERCEPTION OF BANK EMPLOYEES ON THE FIVE DIMENSIONS OF EMOTIONAL INTELLIGENCE

The combined results of various parameters of five dimensions of emotional intelligence are depicted in Table 6.

Mean Score Of Self Awareness

Table 6

| Dimensions | HDFC Bank | ICICI Bank | YES Bank | NAINITAL BANK | Over all averages |
|------------------------------------|-----------|------------|----------|---------------|-------------------|
| Self Awareness | 4.25 | 4.22 | 4.16 | 4.01 | 4.16 |
| Managing Emotions | 4.32 | 4.28 | 4.23 | 4.10 | 4.23 |
| Self Motivation | 4.18 | 4.16 | 4.18 | 4.00 | 4.13 |
| Recognizing the Emotions of Others | 4.22 | 4.18 | 4.15 | 3.95 | 4.12 |
| Handling Relationship | 4.30 | 4.26 | 4.22 | 4.10 | 4.22 |
| Overall Average | 4.25 | 4.22 | 4.19 | 4.03 | 4.17 |

Overall, the findings suggest that the majority of participants had high EI, with the majority of participants presenting strong personal and social competence self ratings.

The above table shows the overall perception of bank employees on the five dimensions of emotional intelligence namely; self awareness, managing emotions, self motivation,



recognizing the emotions of others and handling relationship. The employees of all four private sector banks score high on managing emotions(4.23) and handling relationship (mean score 4.22). The next dimension is self motivation which has a mean average score of 4.13. Next is the self awareness which has a mean score of 4.16 and last is the dimension of recognizing the emotions of others which has a mean score of 4.12. We find an overall average of 4.17 on a five point scale which depicts a good emotional intelligence on the part of employees of private sector banks.

It is clear from the above table that the employees of HDFC Bank are highly emotionally intelligent (mean score 4.25) as compared to other private sector banks. Not only this the bank also leads the average score of the banks that shows that HDFC leads on EI which is important to retain customers and maintain business longevity.

CONCLUSION

- Studies show that people with high Emotional Intelligence are the best performers and have high levels of interpersonal skills and thus are more satisfied at their work place. Emotionally balanced employees are, adaptable, empathetic, self-aware, transparent, self-confident, optimistic, inspirational leaders and good at managing disagreements and stress. Individual with high EI are good problem solvers and decision makers. These people can skillfully prioritize their task and quickly realize their goals.
- There is need for high management in banking sector to design and include Emotional Intelligence into training program that has helped employees to cooperate better and be more motivated, by increasing their innovativeness etc. These program should also take into account the demographic factors of the employees.
- When any organization puts more efforts towards the institutionalizing the factors which affect the EI most as a beam of light then the quality service (5 parameters) would derive as a constituent spectral colours which will further increase the profits and productivity of banks. But this process of implementing the Emotional intelligence in the organization is not one step and one go process. It is a form of organizational change this should be operationalize at a snail's pace.



EXPECTED CONTRIBUTION

The proposed research study examines the impact of EI on service quality which could provide new dimension to enhance customer service performance in the Indian private banking sector. This research explores the impact of different dimensions of emotional intelligence on service quality in Indian private banking sector. This study further can be extended for public sector banks and other financial intuitions.

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