

# Impact of Emotional Intelligence on Performance of Employees in Service Industry

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## Abstract

Customer satisfaction is the ultimate goal of any service industry and banking is one such industry whose main objective is to retain its customers. In spite of a number of research studies being conducted in the field of consumer behaviour, the research involving customer retention especially in the service industry is still evolving. The study explores the link between the factors of EI influencing an employees' service performance and its impact on retaining the customers. The result proves that the service performance of the employees and their capability to retain the customer is dependent on the following emotional intelligence dimensions namely; social awareness, self-regulation and self-awareness. However, the results also state that as social awareness increases the service performance declines while the capability to retain the customer declines as self-regulation increases. Emotional intelligence is becoming increasingly popular within management, industrial thinkers, organizational psychologists and HR personnel as a measure for identifying potentially successful candidates, their promotions, training & development needs of the employees. Banking sector should not be untouched in this respect, as a result the researcher opted to research on an empirical study of emotional intelligence with special reference to the employees of Syndicate Bank.

Data (N=125) for this paper's data collected through websites that participants were middle level managers and employees of the Syndicate Bank on this paper explores how emotional intelligence influenced by performance of bank employees or other public sector by their Emotional Intelligence. I am working in Syndicate Bank as an Assistant Manager so my complete research based on Syndicate Bank.

**Keywords:** Emotional Intelligence, Performance, Service Industry

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## 1. Introduction

In today's scenario organization either public or private sector have to succeed in an effective way. Emotional intelligence has raised an increasing interest in banking industries development, and the temporary nature of projects relates emotions to project management. Emotional intelligence is the ability of a person to solve personal, business and social problems. It is a potential to feel, recognize, remember, learn, and understand emotions. In the present business scenario, where our youth are complaining of unemployment, severe competition and lower salaries as compare to higher rate of inflation, on the other hand business world is complaining of unmatched & poor skills, education and knowledge not at par with the fast changing technology and on the top lack of patience in our youth which is due to lack of self-awareness which is the most important aspect of emotional

intelligence. To develop employee's emotional intelligence skills to work effectively in the organization, in turn will lead to organizations success.

The issue of survey that bank employees in present having high scale on stress, due which they are not creative, less motivated in their careers and with organization also. This stress requires mental, emotional, and physical strength, because it is necessary to conduct the study on the impact of emotional intelligence on employee performance in the banking service industries.

## 2. Review of Literature

Although psychologists have been studying the different facets of Emotional Intelligence in organisations for years, the concept as it is presently understood is relatively new.

According to Aristotle, “Those who possess the rare skill to be angry with the right person, to the right degree, at the right time, for the right purpose, and in the right way are at an advantage in any domain of life”

Today, in a globalization world, the emotional intelligence starts to get the attention from the public and seen as an important aspect in the organizational environment. Working environment or good performance in an organization is closely related to emotional intelligence that there is in the employee self. Emotional intelligence is effective factor for creating a positive and fruitful working condition. Because the job nature of banking employees is very tedious as it involves direct customer interaction at all levels, so it is not only good for bank employees, but also facilitate us to deal with people with a satisfactory and constructive way when a problem take place.

According to Daniel Goleman, an American psychologist who helped to popularize EI, there are five main elements of emotional intelligence:

- Self-awareness.
- Self-regulation.
- Motivation.
- Empathy.
- Social skills.

In my research, the four factors of emotional intelligence are proposed by theory of emotional intelligence which is Self-Emotion Appraisal (SEA), Others-Emotion Appraisal (OEA), Use of Emotions (UOE), and Regulation of Emotion (ROE) as independent variables. The dependent variable is employee performances. These factors are underlined by theory of Mayer and Salovey. Then, these factors are used to investigate the relationship between emotional intelligence and employees performances, someone who has a high level of emotional intelligence is a person who have power and observation skills to manage their own actions, and focused to achieve their goal in life, by which they easily manage their disturbed feelings and build friendship with others. Conversely, a person who has a low level of emotional intelligence is a person acting accordance to their feeling, without thinking about consequences, are not clear about their goal in life, less skills to manage negative feelings, and also has less skills to build friendship with other people.

### 3. The Importance of Emotional Intelligence on Performance of Employees

Emotional intelligence is best factor to improve self-management. EI not only support health but personal life has also been

affected. Emotional intelligence shows the efficiency of recognition and establish their own emotions, understanding emotions of others, and maintaining good personal relationships with others. Emotional intelligence is the internal quality and it can be enhanced for achieve a close relationship with the any one specially with customer. EI loaded employees have a flexible way of presenting our self and most important soft spoken with proper manner to express the goal.

The researchers have highlighted the importance of emotional intelligence and the role EI plays in the success of employees at the workplace and in life in general. In additions, it is an important factor in determine someone success or failure in a career and personal live. Then, the various researchers stressed that someone without emotional intelligence will accept many negative impact in their live. This is because low level of emotional intelligence can cause someone does not have the ability to control the emotions. Emotional intelligence can be concluded as a tool to manage ourselves and others. And this tool is needed by employee in facing the challenging working conditions. Thus, emotional intelligence can be said is very important to the employee to achieve their goals.

## 4. The Methodology and Model

The target employees in this paper include one branch of Syndicate Bank. The data collection for the research based on both primary and secondary sources. The sample size was calculated and the number of the employee to be assessed and interview was 125 employee’s managers and supervisors. The manager and employee performance was collected for the year 2014. The score range on the scale of 1 to 5, where in 1 indicates low and 5 indicates high. Employees and managers are rated on their scale level of performance.

At work place, performance of the employees depends on working with group of people with different ideas, suggestions, and opinions.

## 5. Measures

The Syndicate Bank employee’s performance appraisal was collected for the year that is November 2014. The score range on the scale of 1 to 5, where in 1 indicates low and 5 indicates high. Employee’s performance level rated on this scale. The employee’s performance was rated by self then calculate.

The data calculated by using descriptive statistics. Descriptive statistics find out the level of managers and supervisor and applied level of emotional intelligence among managers and supervisors.

## 6. Analysis of Data Collected through Questionnaires

The performance level of managers and supervisors is describe in the Table 1 and 2, which assessed on the scale of 1 to 5, and where in 1 is equal to low and 5 is equal to high.

## 7. Discussions

As per the feedback from questionnaire process, it is understand that the actual position of performance of the managers and supervisors in the service industry. As it is apparent that in Service Industry Customer is King, it means we have to make actions of services perfect and effective.

Both managers and supervisors not showing upto mark performance in the service industries (Syndicate Bank Various Branches) (Table 3). The service industries has to adopted mandatory working condition to update technical and soft skills to develop individual performance. If the managers level of emotional intelligence in key areas is strong it will symbol of team-building, flexibility and adaptability. Every organization has to arrange a training program time to time for develop skills to face challenges. Major part of EI are service orientation, customer relationship, self regularization which are key factor for public sector, then we expect higher performance from them. The Human Resource Management at the time of

recruitment must adapt administering emotional intelligence test for selection of right person for the job Applications of the emotional intelligence of team leaders may also be of interest to understand the development of effective team in the organization. The implementation of emotional intelligence on developing interpersonal skills among the employees and management. Higher Management understand the employees Balance Work Life through emotional intelligence then it can be a better place for work.

## 8. Limitations

The aim of the research paper study was to explore how middle level manager and management professionals perceive the emotional dimension of services at public place and the application of emotions in their working styles when managing tasks. Therefore, the research is directed to evaluate only managers' perceptions and experiences within the given phenomena and does not consider. The research paper is conducted by me (Tanu Goel) working in Syndicate Bank as Asst Manager and deal in different department specially with pensioners and relies only on my perceptions about the topic and the gathered data, because pensioners are required more personal attention and with the other work we have to be emotionally strong to understand them and able to clear their queries with their satisfaction. We in any organisation there is problem of system failure then

**Table 1.** Managers average level of performance

	N	Mean	Std. Deviation
Average Performance score for the year	63	2.137	0.5142
Valid N (list wise)	63	-	-

Source: Field survey

**Table 2.** Supervisor average level of performance

	N	Mean	Std. Deviation
Average performance score for the year	62	2.653	0.3849
Valid N (list wise)	62	-	-

Source: Field survey

**Table 3.** Overall performance of the managers and supervisors

	Designation of the Employee	N	Mean	Std. Deviation	Std. Error Mean
Average score for the year	Manager	63	2.137	0.5142	0.0523
	Supervisor	62	2.653	0.3849	0.0615
	Total	125	2.395	0.44955	0.29225

Source: Field survey

only our behaviour or emotions towards the customer plays an outstanding role because when you explain the things with emotions and show your sympathy with them definitely they do understand the situations, while if you are silent due to system failure and not interact with customer he/she will irritate and start shouting and disturb whole work place. Finally, the findings of the papers can be generalized only to likewise industry and organization of the same size specially at public sector.

## 9. Implications and Conclusion

This research paper concludes the research study and its results. It also reflects to limitations of the paper and provide recommendations and suggestions on emotional intelligence for future research. Emotional intelligence, as an important area in service industry specially in banking organization. It influence the

managers and employee's behaviour at public sector organization, EI gives the strength to take quick decision making power and the abilities to handle the work place situations. There is also research required on internal and external aspects at work place which may impact on the employee behaviour and organisation growth. Performance of employees in service industry research may also be carried out to see the best environment at work place and a healthy relationship and EI between managers, employees and the king of service industry i.e Customer. On the other hand, further studies with respect to impact of emotional intelligence at work place or service industry for betterment of customer service also. In my research paper and with the opinion of middle manager and my colleague I find that an emotional intelligence is the quality through which performance of employees enhance the growth of organisation. The proper utilization of EI in organisation will lead to higher and ongoing result.

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## Appendix-1

### Emotional Intelligence Self Analysis Questionnaire for all Categories

(In preview of the working environment in Syndicate Bank branches, this questionnaire is developed by the researchers with the help of my Supervisor):

For each statement, please rate yourself on the following scale:

1 = Not at all	Not at all	To a little extent	To some extent	To a great extent	To a very great extent
2 = To a little extent					
3 = To some extent					
4 = To a great extent					
5 = To a very great extent					

1. I am able to recognize my emotions  
1 2 3 4 5
2. I do not lose control in worst situations  
1 2 3 4 5
3. I am aware the effect of my behaviour  
1 2 3 4 5
4. I am confident to express my emotions in a perfect way  
1 2 3 4 5
5. I am aware of situations that cause me to think negatively  
1 2 3 4 5

**TOTAL SCORE: Self Awareness** \_\_\_\_\_

6. I act decisively with a tough decision  
1 2 3 4 5
7. I can perform consistently during under pressure  
1 2 3 4 5
8. I am able to press my case in the face of conflict  
1 2 3 4 5
9. I accept my life with challenges and criticism  
1 2 3 4 5
10. I regulate my personal and professional life balance in order  
1 2 3 4 5

**TOTAL SCORE: Emotional Resilience** \_\_\_\_\_

11. I have a optimistic outlook on life  
1 2 3 4 5
12. I am able to balance my short and long term goals in life  
1 2 3 4 5
13. I am able to pursue my goals in the face of rejection  
1 2 3 4 5

**TOTAL SCORE: Motivation** \_\_\_\_\_

14. Before making a decision I listen to the views of others  
1 2 3 4 5
15. I am concious when others are upset  
1 2 3 4 5
16. I am able to put myself in others' shoes  
1 2 3 4 5
17. I tried to making a decision with concern of seniors and colleagues  
1 2 3 4 5

**TOTAL SCORE: Inter-Personal Sensitivity** \_\_\_\_\_

18. I listen to the perspective of others before taking any action  
1 2 3 4 5
19. I do not have difficulty persuading others to change their arguement  
1 2 3 4 5
20. I have positive attitude in my views on direction and goals  
1 2 3 4 5

**TOTAL SCORE: Influence** \_\_\_\_\_

21. I make decisions quickly as per situation  
1 2 3 4 5
22. I can make decisions without delay  
1 2 3 4 5
23. I am mentally ready to act upon my inner judgement  
1 2 3 4 5
24. I am more happy to make decisions  
1 2 3 4 5
25. I manaSEge risk with comfort  
1 2 3 4 5

**TOTAL SCORE: Intuitiveness** \_\_\_\_\_