

2012

# The Impact of Emotional Intelligence in the Banking Sector

Georgoudes, Michael

Business Administration Program, School of Economics Sciences and Business, Neapolis  
University Paphos

---

<http://hdl.handle.net/11728/7376>

*Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository*



**The Impact of Emotional Intelligence in  
the Banking Sector**

By

MICHAEL GEORGOUDES

Master In Business Administration

Neapolis University Pafos

Pafos, Cyprus

2012

# **The Impact of Emotional Intelligence in the Banking Sector**

**Name: Michalis Georgoudes**

## Table of Contents

	Acknowledgements	II
	List of Tables	III
	List of Figures	IV
	Abstract	V
<b>CHAPTER</b>		
<b>1</b>		
1.	Introduction	7
1.1.	Literature review	9
<b>CHAPTER</b>		
<b>2</b>		
2.1.	Models of emotional intelligence and measurement instruments	10
2.1.1.	Ability model	10
2.1.2.	Mixed model	14
2.2.	Emotional intelligence and banking sector	18
2.2.1.	Nature of banking services	18
2.2.2.	Emotional intelligence and service orientation	20
2.3.	Managers and emotional intelligence	21
2.3.1.	Effect of resource allocation on emotions	24
2.3.2.	Effect of control mechanism emotions	24
2.3.3.	Effect of decision making on emotions	25
2.3.4.	Effect of emotions on managerial performance	26
2.4.	Emotional intelligence and leadership	27
2.5.	Stress among employees of banking sector and emotional intelligence	29
2.6.	Training and development	31
<b>CHAPTER</b>	<b>METHODOLOGY</b>	
<b>3</b>		
3.1.	Scope of the study	33
3.1.1.	Objectives	33
3.2.	Data base and methodology	33
3.2.1.	Limitations	34
3.3.	Statistical tools and techniques	34
3.3.1.	Importance-Performance matrix	41
3.3.2.	GAP Analysis	43
<b>CHAPTER</b>	<b>Discussion</b>	<b>45</b>
<b>4</b>		
<b>CHAPTER</b>	<b>Conclusions and recommendations</b>	<b>46</b>
<b>5</b>		
References		48
Appendix A	Questionnaire for participants of the survey	53
Appendix B	Figures and Tables	61



### ACKNOWLEDGEMENTS

This master thesis would not have been possible without the help and support of my tutor and supervisor, Prof. Vassiliki Delitheou. I also have to mention the good advice which has been invaluable on both an academic and a personal level, and for I am extremely grateful.

I express my profound appreciation to my wife Claire for her encouragement, understanding, and patience even during hard times of this study. Finally I want to dedicate my master thesis to my 1 year old daughter Vivie for all the time spending away from her.

## **ABSTRACT**

Emotional Intelligence (EI) is arguably one of the most passionately debated constructs in the field of social sciences. Yet to date, there has been a very little consensus on what it is, what it measures and its unique contribution to the prediction of meaningful outcomes.

The banking industry plays the role as a financial supplier to enterprises in the entire economy. Therefore, when ever changes occur in political or economic environment the industry is bound to get affected to some extent. Especially nowadays were the economic recession effects are making everyone's life more difficult it would withstand much higher risk on business operation than in any other industries.

This paper focuses on the impact of Emotional Intelligence in banking sector. Emotional intelligence is very crucial across all service sectors, particularly banks. Banks compete in the market place with undifferentiated products and the quality of service encounter is the fact that gives it a distinct marketing edge, resulting in better financial performance, competitive advantage, customer satisfaction, market share and most significant customer loyalty in a small (or close) society like Cyprus with various cultural particularities. Our approach is to identify the level of emotional intelligence among branch mangers' of a commercial bank in Cyprus examining possible gaps between managers performance and employees priority on several emotional intelligence competencies. The rather new concept of Emotional Intelligence encloses many of the key competencies that is required for a favorable service encounter but also can be a key for excellence in leadership and management. The concept of managers emotional intelligence is a critical aspect to an organization that is often overlooked as it is difficult to determine on a firms performance. Worldwide more and more companies have come to the realization of how critical it is and have invested resources to ensure that they have managers at workplaces, who are emotionally intelligent.

**Keywords:** emotional intelligence, self-awareness, empathy, leadership, importance-performance matrix, radar chart