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Impact of Emotional Intelligence on Employee Performance in commercial banks in Butwal Sub Metropolitan City, Nepal

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Abstract

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Purpose: This paper aims to investigate and explore the relationship between emotional intelligence and employee performance within the context of commercial banks.

Methods: This research was conducted by using descriptive and causal comparative research design. Data collection was executed through purposive sampling method, distributing 300 questionnaires from which 80.33% responses were obtained from employees of commercial banks. The study utilized an adopted questionnaire through seven-point Likert scale, complemented by a comprehensive array of statistical measures, including Mean, Standard Deviation, independent t test, parametric, non-parametric and Correlation for robust data analysis.

Results: The result reveals that empathy has significant impact on employee performance as well as relationship management also have significant impact on employee performance. It is also found that the female employees has better opinion towards emotional intelligence in comparison to male employees.

Conclusion: This study concludes that managers can enhance employee performance through emotional intelligence by prioritizing employee appreciation, enforcing positive relationships between supervisors and team members, and providing relevant training to meet workforce expectations.

Keywords: Emotional intelligence, employee performance, work quality, teamwork and collaboration

I. Introduction

In the fast-paced and fiercely competitive banking industry, senior executives face unprecedented challenges that complicate decision-making processes (Christino, 2021). Through making well-informed and forward-looking choices, organizations can adeptly navigate intricate challenges, seize opportunities, and attain sustainable growth in today's dynamic business environment. They play a pivotal role in setting policies and strategic goals, crucial for navigating complexities and achieving sustainable growth (Christino, 2021). Leaders with strong emotional intelligence (EI) demonstrate self-awareness, which aids

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in navigating complex business environments (Saini, 2023). Integrating EI into leadership enhances interpersonal relationships, communication, and decision-making (Hunt, 2023), particularly in problem-solving and conflict resolution. In 1985, Wayne Payne introduced the term Emotional Intelligence (EI) in his doctoral thesis, *A Study on Emotion*. Since then, various models have emerged to define EI. Salovey and Mayer (1990) initially described EI as the ability to recognize, differentiate, and manage one's own emotions and those of others, using this awareness to guide thoughts and behaviors. They later refined their definition, stating that EI involves accurately perceiving, evaluating, and expressing emotions, leveraging emotions to support thinking, understanding emotional knowledge, and regulating emotions for personal and intellectual development (Mayer & Salovey, 1997).

The most widely recognized concept of EI was popularized by Daniel Goleman in his book *Emotional Intelligence* (1995). He described EI as the ability to self-motivate, persist through challenges, control impulses, manage emotions, and empathize with others. Later, Goleman (1998) introduced the concept of *emotional competence*, a learned skill rooted in EI that enhances workplace performance. He further distinguished between EI and emotional competence, emphasizing their unique roles in professional success.

Self-awareness refers to the capacity to identify and comprehend one's emotions, thoughts, and behaviors, as well as their effects on others. It allows individuals to align their actions with their values and objectives. Antonopoulou (2023) emphasizes that self-awareness entails reflecting on and recognizing emotional states, which are essential for both personal and professional development. Self-regulation is the capacity to effectively manage and control one's emotions, impulses, and behaviors, allowing individuals to respond to challenges and maintain emotional stability.

Kafetsios and Zampetakis (2023) highlight that self-regulation plays a vital role in staying composed during high-stress situations, fostering emotional balance, and supporting well-informed decision-making. Relationship management is a strategy employed by organizations to foster ongoing, positive connections with customers. The aim is to turn one-time interactions into repeat business by comprehending customer needs and ensuring their satisfaction (Affinity, 2023).

Motivation is the desire to alter behaviors, thoughts, emotions, self-concept, environment, and relationships. It acts as a driving force that compels individuals to take actions aimed at fulfilling their needs and achieving their goals (Baumeister, 2016). Empathy, has grown in significance for effective leadership, as leaders who demonstrate empathy are more inclined to embrace diversity and cultural differences with an appropriate level of openness (Choi, 2013). Such leaders assist others in growing and shining rather than prioritizing their own success. They are adept at establishing and preserving relationships, have outstanding communication skills, and can handle conflict. Compared to their peers, highly emotionally intelligent CEOs are more on time, take more initiative at work, work hard, and do better. The main problem is about how people makes decisions. Some think it's best to be like machines, focusing only on facts and logic without emotions. Others believe emotions are important for making good decisions. This argument shows a bigger debate happening today: one side prefers using data and logic for decisions, while the other side thinks emotions are crucial for making choices that work well.

Employee performance refers to the degree to which an individual successfully and efficiently carries out their assigned duties and responsibilities (Darvishmotevali & Ali, 2020). Productive and efficient employees can help companies increase output and quality of products or services produced, increase customer and employee satisfaction (Nadya & Rahmah, 2022), and build a positive reputation for the company. Improving employee performance is a major challenge for organizations in various sectors (Pinzone, 2019). Good employee performance can help companies achieve organizational goals more effectively, while poor employee performance can cause losses for the company (Sitopu, 2021). Ineffective employee performance can lead to customer loss, reduced productivity, and increased operational expenses.

Companies need to optimize the potential of their employees to generate added value and achieve organizational goals (Yong, 2020). There are several definitions of job satisfaction because it is an ill-defined notion. It is possible to suppose that job satisfaction is a measure of how happy an employee is with his work. Nonetheless, according to Odom and et al. (1990), job satisfaction is the sum of an employee's good or negative feelings about his work in connection to his intrinsic, extrinsic, and overall perspective. In this context this research focuses (i) to assess the differences among gender and age groups of respondents with regard to self-awareness, self-regulation, empathy, motivation, and relationship management on employee performance, (ii) to determine the relationship between self-awareness, self-regulation, empathy, motivation and relationship management and employee performance and (iii) to examine the effect of self-awareness, self-regulation, empathy, motivation and relationship management on employee performance.

II. Reviews

Theoretical Review

The evolving workplace prioritizes emotional intelligence (EI) alongside technical skills and cognitive abilities, recognizing its pivotal role in employee effectiveness. Changes in cultural norms and societal values have led to increased awareness of individual variations in emotional intelligence. This heightened focus on EI underscores the growing significance of understanding and managing emotions in modern society.

Daniel Goleman introduced his Theory of Emotional Intelligence in 1995 through a book that outlined his research findings. According to Goleman, individuals high in emotional intelligence are better equipped to handle workplace challenges, collaborate with colleagues, and adapt to changing environments (Goleman, 1998). Goleman (2001) provided a comprehensive definition of emotional intelligence, describing it as the capacity to recognize and regulate one's own emotions, as well as to use them as motivation. He also highlighted that emotional intelligence encompasses the skill of comprehending and effectively handling others' emotions in order to excel in tasks. Studies suggest a robust association between emotional intelligence and various performance indicators like job satisfaction, leadership efficacy, and overall productivity (Jordan et al., 2002; Carmeli et al., 2009). For example, employees with elevated EI levels often demonstrate superior communication, conflict resolution, and stress management skills (Goleman, 1998). Workers possessing high emotional intelligence excel in stress management and cultivating positive relationships with coworkers and supervisors, resulting in enhanced job satisfaction and well-being (Carmeli et al., 2009). This, in turn, fosters greater engagement and commitment to organizational objectives.

Reuven Bar-On's Mixed Model of Emotional Intelligence, introduced in 1997, includes 15 interconnected emotional and social competencies, offering a comprehensive view of EI with a focus on skills like self-understanding, communication, empathy, adaptability, stress management, and positivity. This model emphasizes how these skills contribute to enhanced workplace performance and teamwork. Bar-On's model asserts that emotional intelligence encompasses a blend of intrapersonal and interpersonal competencies, stress management skills, and adaptability attributes (Bar-On, 2006). This framework underscores the significance of self-awareness, self-regulation, empathy, and effective interpersonal relationships in nurturing emotional proficiency. Studies by Cherniss and Adler (2000) and Goleman (1998) have underscored how individuals with elevated emotional intelligence exhibit enhanced leadership efficacy, improved communication abilities, and increased adaptability in demanding work settings. Employees with robust emotional intelligence tend to report higher levels of job satisfaction and overall well-being (Miao et al., 2017). Their adeptness in stress management, emotional regulation, and relationship-building contributes to a positive workplace environment and greater alignment with organizational objectives.

In the Job Characteristics Model, introduced by Hackman and Oldham in 1976, identifies five key job dimensions, that enhance employee satisfaction and motivation. Jobs incorporating

these aspects are typically more motivating and engaging for employees. Consequently, the Job Characteristics Model provides valuable guidance for organizations aiming to create work environments that foster employee motivation, satisfaction, and ultimately, enhanced performance. a meta-analysis conducted by Wang et al. (2020), it was found that greater emotional intelligence is linked to reduced job-related stress and increased emotional resilience, which in turn leads to improved performance results. Garcia and colleagues (2021) found that individuals with strong emotional intelligence effectively use feedback to enhance their performance, facilitating an ongoing process of learning and development. This research highlights how high emotional intelligence enables employees to capitalize on feedback, contributing to continuous improvement in their performance.

Empirical Review

Sapkota (2023) examined the relationship between EI and job performance among employees of commercial banks in Dhangadhi, Nepal. The findings indicated that the ability to recognize and manage one's own emotions, as well as those of others, significantly contributes to enhanced employee performance.

Additionally, Dhungana and Kautish (2020) conducted a comparative study on selected public and private banks in Nepal, exploring the impact of EI on job performance and organizational commitment. Their research concluded that managers' abilities to understand and manage emotions positively influence both employee performance and commitment to the organization.

Priya and Chandrasekhar (2019) conducted research exploring the significant but understudied relationship between Emotional Intelligence (EI) and job performance among software professionals. Recognizing the pivotal role of EI in workplace success, their study employed a descriptive correlational design to analyze data collected from 362 software professionals in Kerala. The findings revealed a significant positive correlation between EI and job performance, emphasizing the crucial role of EI in enhancing the performance of these professionals.

Furthermore, a comprehensive meta-analysis by Dogru (2022) investigated the broader impact of EI, demonstrating significant positive associations between EI and various employee outcomes, including organizational commitment, citizenship behavior, job satisfaction, and performance, while also highlighting its role in mitigating job stress.

Welikala (2015) focusing on banking employees in the Central Province, found that all dimensions of EI, including self-awareness, self-management, social awareness, and relationship management, significantly and positively impact job performance. Kearney et al. (2017) investigated the intricate interplay between front-line and back-office employees, specifically focusing on how their behaviors collectively impact customer-related organizational performance.

The hypothesizes of the study are:

H1; There is a significant effect of empathy on employee performance.

H2; There is a significant effect of motivation on employee performance.

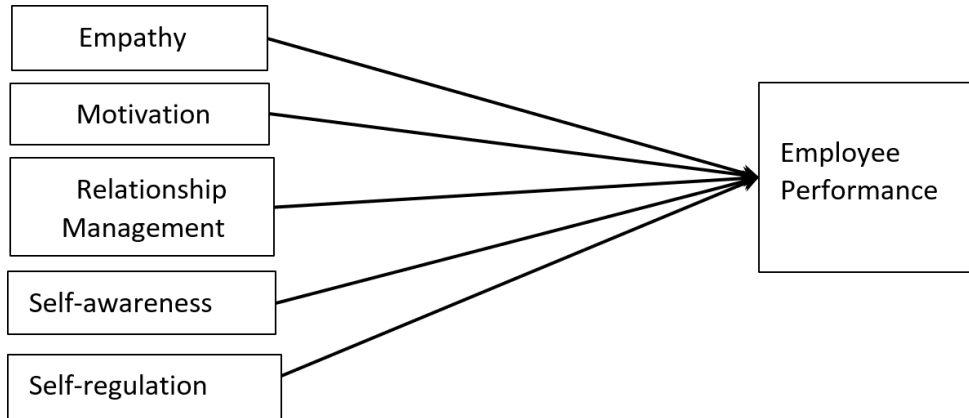
H3; There is a significant effect of relationship management on employee performance.

H4; There is a significant effect of self-awareness on employee performance.

H5; There is a significant effect of self-regulation on employee performance.

On the basis of discussion of above literature this study formulates the research framework as;

Figure 1

Research Framework

Note. Adopted from Lam and Huy (2023)

III. Methodology

Research design

This study uses both descriptive and causal-comparative designs to understand relationships between variables and how one variable affects another. This includes ex-post factor research, where researchers analyze past independent variables to explore potential relationships with dependent variables. Common statistical methods used in causal-comparative research include Spearman Rank Order Coefficient, Phi Correlation Coefficient, t-test, Chi-square, and Analysis of Variance. These research designs create a comprehensive framework for the study.

Population and sample size

The research area of the study is Butwal. There are altogether 20 commercial banks in Butwal sub-metropolitan city. The total employees in these 20 commercial banks were 600 based on field survey, 2022. Therefore the population of the study is 600. The sample size for the study has been determined based on Cochran's formula which is as mentioned below:

$$n = N / (1 + Ne_2)$$

Where,

, $P=0.5$, $Q=0.5$, $d=5\%$, $=5\%$, $t=1.96$ and $N= 600$

Where, $N=$ Total employee of the organization (600), $d=$ permissible error ($5\%=0.05$)

$P=$ Proportion of satisfaction or dissatisfaction (0.5, from normal area of table)

$t=$ (1.96, from Normal area of table)

The calculated sample size is 241

Nature and Sources of data

For this research, a questionnaire was used with three sections covering demographics, emotional intelligence, and employee performance, consisting of 32 items rated on a

seven-point Likert scale (ranging from 1 – Strongly Disagree to 7 – Strongly Agree). The questionnaire was developed based on Nine Layer Pyramid Model Questionnaire for Emotional Intelligence, Papoutsis (2021). The study focused on emotional intelligence as the independent variable and employee performance as the dependent variable, with five constructs (self-awareness, self-regulation, empathy, motivation, and relationship management) explored as independent variables and three constructs (job skills and knowledge, work quality and efficiency, communication and collaboration) considered as dependent variables. Out of 300 questionnaires distributed, 240 were returned, resulting in a response rate of 80.33%. Quantitative data were collected directly from participants for the study.

Statistical Tool

The research study utilized SPSS version 20 and Smart PLS software for data analysis. Descriptive statistics, such as calculating the mean and standard deviation, were used to analyze employee responses. Additionally, a reliability assessment was conducted to evaluate the consistency of the research instrument. A Normality test, specifically the Kolmogorov-Smirnov (K-S) test, was employed to confirm the normal distribution of the data. After confirming normality, both parametric and non-parametric inferential statistical tests were applied. Correlation analysis was used to quantify relationships between variables. Furthermore, regression analysis was employed to measure the effect of independent variables on dependent variables. The units of analysis were employees of commercial banks.

Sampling Technique

The study employed purposive sampling method because purposive sampling offers a strategic advantage when researching banking employees due to their specialized knowledge and experience. Purposive sampling allows researchers to strategically select banking employees with relevant expertise (e.g., financial products, customer service, loan processing), enabling efficient collection of rich, targeted data. This approach is particularly valuable for qualitative studies exploring employee perspectives and experiences within the banking sector.

IV. Results and Discussion

The data collected were analyzed using various tools from Smart PLS and SPSS -20 version and the outcomes are detailed in this section.

Table 1

Measurement Items Assessment

Variables	Items	Loading	VIF	Mean	SD
Employee performance	CC1	0.833	3.106	5.458	1.417
	CC2	0.909	3.176	5.529	1.44
	CC3	0.894	1.240	5.525	1.607
Empathy	E1	0.806	2.025	5.471	1.516
	E2	0.813	2.065	5.946	1.418
	E3	0.717	1.653	5.192	1.635
	E4	0.919	4.238	5.933	1.453
	E5	0.860	3.344	6.246	1.352

Employee performance	JKS1	0.844	2.910	5.617	1.439
	JKS2	0.709	1.915	4.833	1.675
	JKS3	0.894	1.240	5.525	1.607
Motivation	M1	0.822	2.387	5.188	1.478
	M2	0.862	2.974	5.229	1.501
	M3	0.763	1.738	5.946	1.418
	M4	0.754	2.073	4.796	1.764
	M5	0.798	1.839	5.796	1.482
Relationship management	RM1	0.881	2.473	4.612	1.762
	RM2	0.921	3.097	4.654	1.73
	RM3	0.891	2.214	5.263	1.656
Self-awareness	SA1	0.907	3.333	4.746	1.886
	SA2	0.898	3.731	4.308	1.959
	SA3	0.840	2.307	4.346	2.068
	SA4	0.794	2.169	3.871	1.963
	SA5	0.913	4.147	4.225	1.964
Self-regulation	SR1	0.819	2.792	4.467	1.958
	SR2	0.807	2.738	4.925	1.842
	SR3	0.909	3.759	4.242	1.873
	SR4	0.874	3.146	4.225	1.97
	SR5	0.805	1.796	3.254	1.886
Employee performance	WQF1	0.854	3.476	5.704	1.393
	WQF2	0.818	3.047	5.192	1.692
	WQF3	0.763	2.352	5.146	1.853

Table 1 displays the metrics and validity associated with the outer model, detailing standardized outer loadings, Variance Inflation Factor (VIF), mean, and Standard Deviation (SD) of the outer model. The assessment employs thirty-two scale items distributed across eight latent variables. All items exhibit outer loading values surpassing the threshold of 0.70, signifying their significant contributions to measuring respective variables (Sarstedt et al., 2017). Likewise, VIF values for all items remain below 5, indicating an absence of multicollinearity among the scale items (Hair et al., 2019), affirming no issues with multicollinearity. Mean

and standard deviation (SD) outcomes for all measurement items fall within an acceptable range on a 7-point Likert scale. Consequently, these measurement items meet the criteria for reliability and validity in subsequent evaluations.

Table 2

Construct Reliability and Validity Assessment

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Empathy	0.881	0.890	0.914	0.682
Employee performance	0.946	0.950	0.955	0.701
Motivation	0.860	0.866	0.899	0.641
Relationship management	0.880	0.885	0.926	0.807
Self-awareness	0.921	0.936	0.940	0.760
Self-regulation	0.901	0.938	0.925	0.712

Table 2 presents the internal reliability and validity assessments of the constructs utilized in this study. The Cronbach's Alpha values for all constructs surpass the standard threshold of 0.705 (Bland & Altman, 1997), indicating strong internal consistency and validating the effectiveness of the measurement scale for each construct. Additionally, both Composite Reliability (CR) rho_a and CR rho_c values exceed 0.70, signifying construct reliability and validity (Saari et al., 2021; Hair et al., 2022). The Average Variance Extracted (AVE) values are also above the 0.50 threshold, confirming the established convergent validity of all constructs (Hair et al., 2022). Therefore, the outcomes detailed in the table meet all quality criteria measures.

Table 3

One-Sample Kolmogorov Smirnov test

	self-awareness	Motivation	Empathy	Self-regulation	Relationships management	Job knowledge and skills	work quality and efficiency	Communication & collaboration
Kolmogorov-Smirnov Z	3.137	1.503	1.731	1.410	1.495	2.965	3.008	2.808
Asymp. Sig. (2-tailed)	.000	.022	.005	.038	.023	.000	.000	.000

As depicted in Table 3, the Z values for self-awareness, job skill and knowledge, work quality and efficiency, and communication & collaboration do not fall within the range of -1.96 to +1.96. This suggests that these variables do not adhere to a normal distribution. Conversely, motivation, empathy, self-regulation, and relationship management exhibit Z values within the range of -1.96 to +1.96, indicating a normal distribution. Parametric tests are suitable for normally distributed data, while non-parametric tests are more appropriate for data that is not normally distributed.

Table 4*Independent Sample t-Test*

	Gender	N	Mean	T-Value	P-Value
Motivations	Male	90	4.8067	1.545	.124
	female	149	5.0685		
Empathy	Male	90	4.3133	0.732	.465
	female	149	4.3946		
Self - regulation	Male	90	4.9356	1.636	.146
	female	149	5.2819		
Relationships management	Male	90	4.0963	1.425	.155
	female	149	3.7740		

From Table 4 , it is observed that the p-value of motivation, empathy, self-regulation, and relationship management are 0.124, 0.465, 0.146, and 0.155 respectively which exceeds 5 percent and the respective T values of the variables are smaller than +1.96. Therefore, it can be concluded that the alternative hypothesis is rejected at the 5 percent level of significance. This indicates that the opinions of respondents across different gender are similar regarding emotional intelligence. The mean values for different gender of employees also support this observation, showing similar opinions towards emotional intelligence. In this context, both male and female employees exhibit a same perception regarding emotional intelligence.

Table 5*One Way ANNOVA for Among Age Group*

Variables	Age	N	Mean	F- value	P- value
Motivations	below 30	122	4.9820	1.117	0.343
	30 to 40	101	4.8772		
	41 to 50	8	5.4000		
	50 above	10	5.5200		
	Total	241	4.9743		
Empathy	below 30	122	4.3492	0.872	0.456
	30 to 40	101	4.3386		
	41 to 50	8	4.6000		
	50 above	10	4.7200		
	Total	241	4.3685		

	below 30	122	5.1180		
	30 to 40	101	5.1089		
Self-regulation	41 to 50	8	5.5500	0.700	0.553
	50 above	10	5.6000		
	Total	241	5.1485		
	below 30	122	4.0027		
	30 to 40	101	3.9241		
Relationships management	41 to 50	8	3.1250	1.893	0.131
	50 above	10	2.9000		
	Total	241	3.8949		

From Table 5, the p-values for Motivations, Empathy, Self-regulation, and Relationships management exceed 5%, leading to rejection of the alternative hypothesis at a 5% significance level. Employee opinions across age groups align on these factors, possibly due to similar psychological perceptions. Mean values suggest employees aged 50 and above hold more favorable views, likely reflecting their maturity and experience in understanding employee performance.

Table 6

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Variable	Gender	N	Mean Rank	F-	test	
					Value	P- value
Job knowledge and skills	male	90	106.05	2.448	0.14	
	female	149	128.43			
	Total	239				
work quality and efficiency	male	90	111.20	1.545	0.122	
	female	149	125.32			
	Total	239				
Self-awareness	male	90	108.34	2.034	0.420	
	female	149	127.04			
	Total	239				
Communication & collaboration	male	90	110.88	1.599	0.110	
	female	149	125.51			
	Total	239				

Since the P value from the table 6 for Job knowledge and skills, work quality and efficiency, self-awareness and Communication & collaboration is greater than 0.05 so it can be said that there is no significant differences among male and female respondents with regard to Job knowledge and skills, work quality and efficiency, self-awareness and Communication & collaboration. From the mean value as shown in the above table 8, it is found that the female employees has better opinion towards emotional intelligence in comparison to male employees as the mean rank of female customer is greater than that of male. This may be the reason that female employees are more paying attention in emotional intelligence than the male employees.

Table 7*Krushkal-Wallis Test for Age Group*

Variable	Age group of respondent	N	Mean Rank	Chi square value	P-Value
Job knowledge and skills	below 30	122	121.93	0.69	.995
	30 to 40	101	119.84		
	41 to 50	8	118.81		
	50 above	10	123.20		
	Total	241			
work quality and efficiency	below 30	122	127.70	3.937	.268
	30 to 40	101	112.58		
	41 to 50	8	143.31		
	50 above	10	106.35		
	Total	241			
Self-awareness	below 30	122	124.99	2.536	.469
	30 to 40	101	113.39		
	41 to 50	8	137.38		
	50 above	10	136.10		
	Total	241			
Communication & collaboration	below 30	122	124.13	1.830	.608
	30 to 40	101	115.71		
	41 to 50	8	114.00		
	50 above	10	141.80		
	Total	241			

From Table 7, the P value of Job knowledge and skills, work quality and efficiency, self-awareness and Communication & collaboration are 0.995, 0.268, 0.469 and 0.608 respectively which are greater than 0.05, which indicate that there is no significant difference among across all age groups of employees with regards to Job knowledge and skills, work quality and efficiency, self-awareness and Communication & collaboration. Based on the mean rank shown in the above table, it is found that respondents who are 41-50 years of age have a better opinion about Job knowledge and skills, work quality and efficiency, self-awareness and Communication & collaboration compared to others. This may be because respondents with a higher age have worked for several numbers of years and have gained good experience and are more emotionally attached and connected towards their organization enhancing their performance.

Table 8*Correlation Analysis*

	Self-awareness	Motivation	Empathy	Self-regulation	Relationships management	Job knowledge and skills	work quality and efficiency	Communication & collaboration
Self-awareness	1	.739**	.229**	.776**	.409**	.757**	.679**	.771**
Motivation		1	.464**	.763**	.722**	.668**	.647**	.623**
Empathy			1	.308**	.396**	.232**	.311**	.215**
Self-regulation				1	.581**	.759**	.646**	.713**
Relationship management					1	.430**	.357**	.370**
Job knowledge and skills						1	.764**	.751**
work quality and efficiency							1	.883**
Communication & collaboration								1

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation table shows relationships between different variables related to emotional intelligence (EI) and job performance. Self-awareness is strongly positively correlated with motivation, self-regulation, job knowledge and skills, and communication & collaboration, while it has weaker positive correlations with empathy, relationship management, and work quality and efficiency. Motivation is strongly correlated with self-regulation and relationship management, and moderately correlated with other variables. Empathy shows weak but significant positive correlations with all variables. Self-regulation is strongly correlated with job knowledge & skills and communication & collaboration, and moderately correlated with relationship management and work quality and efficiency. Relationship management has weak positive correlations with job knowledge & skills, work quality & efficiency, and communication & collaboration. Job knowledge and skills are strongly correlated with work quality & efficiency and communication & collaboration. Finally, work quality and efficiency have the highest correlation with communication & collaboration ($r = 0.883$, $p < 0.01$). These correlations provide insights into how different aspects of EI relate to each other and impact job performance within organizations.

Structural Model Assessment

Figure 2

Path Diagram

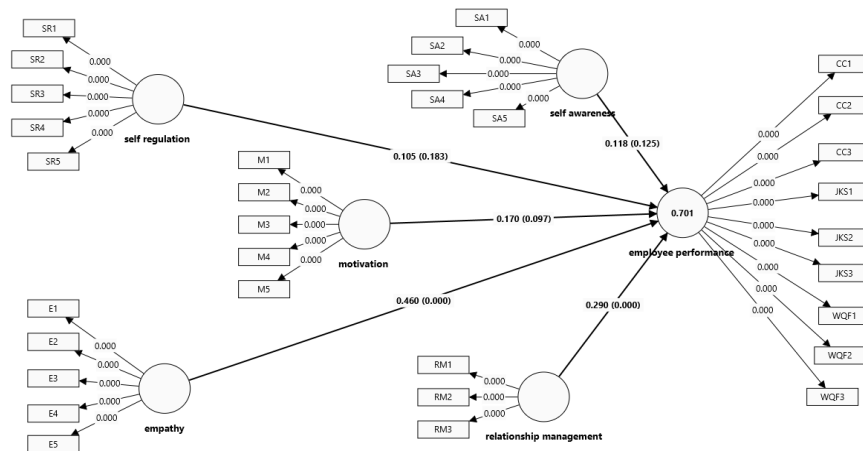


Table 11

Hypothesis Testing (Direct Effect)

Hypothesis	β	Mean	(STDEV)	T statistics	P values	Decision
H ₁ : Empathy -> Employee performance	0.46	0.458	0.096	4.794	0.000	accepted
H ₂ : Motivation -> Employee performance	0.17	0.172	0.103	1.659	0.097	rejected
H ₃ : Relationship management -> Employee performance	0.29	0.291	0.062	4.64	0.125	accepted
H ₄ : Self-awareness -> Employee performance	0.11	0.118	0.077	1.534	0.000	rejected
H ₅ : Self-regulation -> Employee performance	0.10	0.106	0.079	1.33	0.183	rejected

Figure 2 and Table 11 show the bootstrapping results under 5000 sub samples and decisions on hypotheses. Hypotheses H₁, and H₃ are accepted at a 0.05 significance level. Hypothesis H₂, H₄ and H₅ are rejected at a significance level of 0.05. Hence, an Empathy ($\beta=0.46$; $p<0.05$) and relationship management ($\beta=0.29$; $p<0.05$) significantly and positively impacts employee performance. Similarly, motivation ($\beta=0.17$; $p<0.05$), self-awareness ($\beta=0.11$; $p<0.05$), and self-regulation ($\beta=0.10$; $p<0.05$) has a positive and insignificant impact employee performance.

Discussion

Understanding emotional intelligence (EI) is crucial key for employee performance. The study shows that more experienced individuals have better motivation, empathy, self-regulation, and relationship management. Also, the study shows that empathy and relationship management significantly boost job performance, suggesting that improving these skills enhances effectiveness at work. Although motivation, self-awareness, and self-regulation

also contribute positively, their impact is less significant. Therefore, minor improvements in empathy greatly enhance performance, and effective relationship management improves teamwork and collaboration. Research by Clarke et al. (2021) underscores the critical role of empathy in driving employee success within the demanding environment of commercial banking. Empathetic employees demonstrate enhanced problem-solving and conflict resolution abilities, essential for navigating the complexities of the banking industry. Furthermore, empathetic leadership fosters a positive work environment, leading to increased employee engagement and job satisfaction (Batool, 2023).

Empathetic leaders cultivate stronger teams, boosting motivation and productivity while fostering a sense of loyalty within the organization. In the customer-centric banking sector, empathy is paramount. Employees who can empathize with customer concerns and expectations build trust and strong rapport, leading to increased customer retention and fostering business growth (Nair et al., 2022). The study assessed model fit using the standardized root mean square residual (SRMR), which yielded a value of 0.077, below the accepted threshold of 0.08. Additionally, the investigation of exogenous variables' significance employed effect size (f^2) analysis, as outlined by Cohen (1988). Endogenous latent variables with R^2 values of 0.75, 0.50, or 0.25 were classified as substantial, moderate, or weak, respectively. The f^2 values indicated that motivation, self-awareness, and self-regulation have small effects on employee performance, while empathy and relationship management demonstrate a moderate effect size on employee performance (Cohen, 1988). Likewise, the R-square value of employee performance is 0.701, which indicates moderate predictive power. Therefore, it indicates that 70.01% of variation in employee performance is explained emotional intelligence. Further, the adjusted R-square value of employee performance is 0.695, which indicates moderate predictive power (Hair et al., 2013).

Beyond empathy, effective relationship management significantly contributes to employee performance in the service industry, including banking (Sivapragasam & Raya, 2018). Strong relationship management skills enable employees to navigate conflicts effectively, maintain positive relationships with colleagues and clients, and enhance teamwork. A meta-analysis conducted by Miao et al. (2017) further solidifies the positive correlation between relationship management and job performance across various industries. This correlation is particularly pronounced in roles with high levels of interpersonal interaction, which are prevalent within the banking sector.

V. Conclusion and Implication

The study concluded that among all independent variables, empathy and relationship management exhibit high beta coefficients. Therefore, it is inferred that if an organization focuses on these factors, there is a high probability that the employee performance can be enhanced. Likewise, it is found that there is differences in the opinion of male and female respondents towards performances. Therefore, it's also found that female employees are more emotionally decked, understanding the state of others emotions. Also, the study indicates that experience enhances better relationship management which covers fostering collaborative work environment Thus, it is concluded that organization need to consider the preferences of both male and female employees to develop conducive environment in workplace

This paper proposes managerial approaches to strengthen employees' emotional intelligence (EI) within organizations. Implementing an EI training program can assist employees in recognizing and regulating emotions while enhancing social interactions. Hosting workshops and seminars can increase awareness of EI's importance in the workplace. Consistent emotion regulation training can further boost productivity. The research emphasizes the need for longitudinal studies to evaluate EI's lasting effects on employee performance, job satisfaction, and overall organizational success. Furthermore, integrating AI with EI tools may enhance employee efficiency and well-being. Additional studies should examine EI's role in high-pressure sectors such as healthcare, education, and hospitality to compare its impact. Exploring AI-powered learning solutions for EI training and assessing cultural and

generational variations can help develop customized training programs. These findings can support organizations in fostering a more emotionally intelligent and adaptable workforce.

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