



A Study on the Impact of Organizational Climate on Emotional Intelligence of Employees in Public and Private Sector Banks- Special Reference with Thiruvananthapuram District

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Abstract. In latest years, the personal banks in India have passed through several transformations in each widespread (ATM, software program networking, bodily growth in branches, etc.) and non-substantial areas (product and services). All variations will work viably considering the crucial essential wellspring of the association, the human asset. The good-sized transformations can be executed via employees with common knowledge. But the non-substantial transformation wishes expert labours for its effective performance, these ability sets cannot be in basic terms bought from experience. Subsequently Emotional Intelligence winds up one of the key factors to develop required set of abilities in workers. Because of the rapidly altering situation in Service industry, the banking zone must furnish itself with the knowledgeable and proficient body of workers to maintain in uncommon undertakings and market competitions. Applied aptitudes and specialized abilities can be developed and assessed efficaciously in personnel thru the corporation's knowledge and guidance. But the behavioural compatibility which is an essential employee fantastic in carrier region cannot be cultivated in personnel thru everyday education and evaluation procedures. These can be done via specialized behavioural coaching for employees, one such coaching that is extra important in the modern-day situation is Emotional Intelligence. This exploration facilities for most phase round the emotional competence of workers and its importance and importance on different behavioural expertise such as organizational climate of a firm. This examinations core goal is to exhibit that people with great EI are greater nice than employees with low emotional intelligence. This learns about no longer solely tries to assess the benefit of emotional Genius on employee by myself however also its contribution to the betterment of organizational climate and Emotional Intelligence.

Keywords: Emotional Intelligence, organizational climate, Private sector and public sector banks

1. Introduction

In India, the pvt.and PSB have undergone numerous transformations in both substantial (ATM, software networking, physical expansion in branches, etc.) and non-substantial areas (product and services) during the present years. All alterations will work viably considering the essential fundamental wellspring of a company, the human asset. The substantial transformations can be made through workers with average knowledge. But the non-substantial transformation needs skilled labours for its effective performance, these skill sets cannot be merely obtained from experience. Subsequently Emotional Intelligence winds up a key element to develop required set of abilities in workers. Because of the quickly changing condition in Service industry, the banking sector should furnish itself with the skilled and talented workforce to maintain in unusual undertakings and market competitions. Applied aptitudes and specialized abilities can be developed and assessed effectively in employees through the organization's knowledge and guidance. But the behavioural compatibility which is a vital employee quality in service sector cannot be cultivated in employees through normal training and evaluation procedures. These can be achieved through specialized behavioural training for employees, one such training that is more significant in the current scenario is Emotional Intelligence. This exploration centres for most part around the emotional competence of employees and its significance and importance on other behavioural competencies such as organizational climate in an organization. This study not only tries to evaluate the advantage of emotional intelligence on employee alone but also its contribution to the betterment of organizational climate. In a high-quality OC, people are motivated, satisfied and have excessive expectations, and are committed towards their corporation and its mission. OC is about how employees become aware of their work environment and how the latter makes them feel. A desirable OC has a fine effect on monetary outcomes such as income growth, earnings and return on sales of the company. Since OC has such an necessary role in organizational success and effectiveness, it is important that we explore the elements that have an impact on it, with the goal of figuring out those that can create added value for managerial decision maker. Momeni explains that the emotional behaviour and style of a leader influences the OC. Goleman postulated that the EI of the chief is a massive issue in developing a wonderful OC. Therefore, it is vital to discover the consequence of emotional intelligence on leadership style and OC. The thinking of EI is becoming very vital and popular, specifically in today's corporate world. EI is about how humans realize, express, and handle one's and other's emotions. Moreover, too many research hyperlink EI to leadership effectiveness, with differences suggested amongst age-groups of respondents. This lookup paper examines whether management fashion mediates the relationship between EI and OC. It appears at whether OC in turn leads to better monetary outcomes for the organization due to the better performance of its employees. In this context, the demographic variables of age and gender are used in this find

out about due to their pronounced meaningfulness in different studies as along with leadership variants. In a fantastic OC, individuals are motivated, satisfied, have high expectations, and are committed toward their enterprise and its mission. OC is just about how employees realize their work environment and how the end makes them feel. A desirable OC has a tremendous impact on financial results such as income growth, profits and return on income of the enterprise. Since OC has such an important role in organizational success and effectiveness, it is important that we explore the elements that influence it, with the goal of identifying these that can create added fee for managerial decision maker. Momeni (2009) reviews that it is often the leader's emotional behaviour and fashion that impacts the OC. In 2002, Goleman postulated that the emotional nation of the leader is a significant component in developing a nice OC. Therefore, it is important to study the effect of emotional intelligence (EI) on management style and company climate (OC). The concept of EI is going into very essential and common, mainly in the present corporate world (Majdalani&Maamari, 2016; Goleman, 1995). EI is about how humans understand, specific and manage their own and other people's feelings (Cherniss, 2004). Moreover, many studies link EI to management effectiveness (Boyatzis&Ratti, 2009; Kerr, Garvin, Heaton, & Boyle, 2006; Goleman, 2004), with differences said among age-groups of respondents.

2. Statement of the Problem

As of now the significance of emotional intelligence is rising rapidly with regards to the service-sector. While more subjective products are rendered by the banking industry, organizational climate assumes an essential part in the achievement of an organization. An emotionally intelligent employee can be able to handle customer needs more easily and work spontaneously based on their requirements. Since behavioral competencies of employees are the key calibre to build trust among customers proper Emotional Intelligence training can help them to perform better. The point of this exploration is to recognize the importance of Emotional Intelligence on behavioral components of employees in private sector Banks. The important behavioral components considered in this study are organizational climate. This research centre was to assess the connection between the above variable and their significance in the organizational framework of the Private and Public-banking-sector.

3. Scope of the Study

This research covers the Private and Public Banking sector in Thiruvananthapuram district. This investigation divulges the emotional intelligence of employees and its effect on organizational climate. With the assistance of this research, a worker can streamline behaviours which oversee high emotional intelligence and can build better organizational climate. Banks can also use the results of this research to restructure their recruitment and training programs to build high emotional intelligence which helps to create better performance and productivity among employees. objectives of the study: To analyse the relation between Emotional Intelligence and demographic variables (of age, gender, position, marital status, education, experience, and state). To study whether the differences in the demographic variables (of age, gender, position, marital status, education, experience, and state) affect Organizational Climate. To study the relationship between Emotional Intelligence and Organizational Climate.

4. Literature Review

Gail Kinman and Louise Grant (2011), in their study entitled "Exploring Stress Resilience in Trainee Social Workers: The Role of Emotional and Social Competencies" have found a significant negative relationship between resilience and psychological distress. Resilience fully mediated the negative association between EI and psychological distress, highlighting the significance of inter and intra. 46. M. Muthukumar and K. Guru (2016) examined the organizational climate (OC) and its dimensions in 41 branches in Chennai of KarurVysya Banks. OC covered 7 dimensions like work atmosphere, teamwork, management effectiveness, dedication, competency, rewards, and recognition. Data collected was analyzed using chi square test. The major findings revealed that employees were widely satisfied with the training provided, had clarity about organizational goals and objectives, employees expect monetary reward. Organizational climate covered seven dimensions like teamwork, work environment, management effectiveness, competency, commitment, rewards, and recognition. Dirk Lindebaum& Peter J. Jordan (2012) argue that context and nature of tasks are neglected issues in studies of EI and performance at work. The construction industry provides a unique context to test this proposition. Findings suggest that project managers' levels of EI are linked to most relational performance dimensions. However, project manager EI was not associated with cognitive task related performance dimensions. Therefore, they argue that, while contributing to some aspects of project manager performance, the benefits of EI in this present context should not be overstated. Rather, it should be only one of a set of competencies that are required by successful construction project managers. RajashiGhosh, Brad Shuck, Joseph Petrosko, (2012) explored the relation between emotional intelligence (EI), team learning and team psychological safety, using a context sensitive approach. HaghightTalab&HaghightMonfared (2012) examined the relationship between emotional intelligence and organizational leadership in the National Iranian Oil Company and found a significant positive relationship between emotional intelligence and organizational leadership. Khalili (2011) examined the relationship between emotional intelligence and organizational commitment in small and medium enterprise in Iran. He indicated that a significant relationship exists between the dimensions of emotional intelligence and organizational commitment. Adeoye&Torubelli (2011) investigated the relationship between emotional intelligence and human resources

management programs in state organizations and found that two factors of emotional intelligence and human resource management programs have positive impacts on commitment of employees. Mo'meni (2009) analyzed the relationship between emotional intelligence and dimensions of organizational climate and showed that emotional intelligence has an effect on organizational climate. Milhoan (2007) examined the relationship between organizational climate and EI of faculty members of university and showed that there is a negative relationship between emotional intelligence and organizational climate.

5. Research Design

This research is Descriptive in nature. In this research, employee Emotional Intelligence is the independent variable and its influence on the dependent variable Organizational Climate is analyzed and valuable results are computed.

6. Data Collection

Both Primary and Secondary sources are used for data collection. The Primary Sources of data are collected through Questionnaire. The Secondary Sources of Information are from Annual Reports from the lead bank, Business Manuals, flyers, editorials, Internet resources, books, magazines, guides, and Journals.

7. Respondents

Respondents of this proposed research study are the Employees from Private and Public sector banks in Thiruvananthapuram district.

8. Sampling Design

The focused sector of this study is Private and public sector Banks. Area of research is Thiruvananthapuram District. Stratified Random Sampling is utilized to collect data. Based on the sampling technique two stratum are created in view of Market Capitalization of the bank and employee strength. Three Banks were selected based on the stratum such as HDFC Bank, ICICI Bank and AXIS Bank from private sector and six banks selected from public sector based on the capitalization of the bank and employee strength these banks are SBI, IOB, and Bank of India, in which, private sector banks come under one stratum and Public sector banks comes under the other stratum.

9. Sampling Techniques

Convenience and purposive sampling techniques are used in this research. Convenience is a certain type of non-profitability sampling technique that depend on data collection from target population who are easily available to take part in the research study.

10. Population and Sample Size

The total population of Private sector employees in Thiruvananthapuram district is 3129 employees and the total population of public sector employees is 22454. The aggregate population of employees in the chosen public and private sector banks is 25583. The Krejcie and Morgan table was used to calculate the sample size for this study. The suggested sample size is 379. As the thumb rule is larger the sample size greater the accuracy, even though the minimum statistically accepted sample size should be 379; A total of 500 questionnaires were sent across the branches with a request to get these occupied from the employees who are working in direct contact with the clients. The questionnaires were sent through head office via mail to the employees as well some branches were covered personally by the candidate. Some banks were extremely helpful and distributed the questionnaires to their respective employees while for other regular reminders and personal meetings were made to assure the respondents that the data provided will be used only for academic research. Out of 500 questionnaires distributed, 437 filled in questionnaires were received; out of which 400 were complete (250 public sector; 150 private sector), remaining 37 were abandoned on account of incomplete information. Thus, with the explicit support of bank authorities, data was collected appropriately from employees working in the chosen banks. So, the researcher has taken 400 as a sample for research study which is greater than the minimum statistically accepted sample size.

11. Collection of Data

The primary data are collected by conducting interviews with the selected employees in the selected companies by using structured questionnaire. The schedule consisted of 52 sub variables (items) under the six main variables pertaining to the different aspects of EI and OC of Banking sector in Thiruvananthapuram district. The respondents were interviewed taking into consideration their time and convenience. Much time was spent in awaiting the employees to be interviewed, though specific time had been fixed for their interviews in advance.

12. Tools for Data Analysis

The primary data collected are statistically processed, classified, and tabulated by using suitable methods. Tables, figures, and statistical results are obtained with the assistance of the computer software package called SPSS (statistical package for social sciences). Statistical tools used includes: correlation analysis Chi-Square analysis of association

13. Research Gap

So far now, there has been not much study connecting the organizational determinants - Emotional intelligence (EI) and Organizational Climate (OC). Therefore, exists an enormous research gap in this part and therefore the researcher attempts to cover that by understanding the relationship between employees and Emotional Intelligence (EI), Organizational Climate (OC).

14. Data Analysis

Ho: There is no significant relationship between employee’s EI and Demographic variables of the employees.
 H1: There is significant relationship between employee’s EI and Demographic variables of the employees.

TABLE.1 Chi-Square Analysis of Demographic Variables and Ei

| Hypothesis | Chi-value | P-value | Alpha value | Inference |
|--------------------------------|-----------|---------|-------------|-----------|
| Gender and EI | 60.751 | 0.059 | 0.05 | Reject |
| Age * EI | 142.065 | .000 | 0.05 | Accept |
| Educational qualification * EI | 139.54 | 0.377 | 0.05 | Reject |
| Experience *EI | 145.024 | .262 | 0.05 | Reject |
| Monthly salary * EI | 107.378 | 0.102 | 0.05 | Reject |
| Marital status * EI | 42.659 | 0.572 | 0.05 | Reject |
| Cadre * EI | 43.064 | 0.554 | 0.05 | Reject |

Inference: The Table 1 shows that the computed Chi Square test values expose that the p-value is 0.000 which is lesser than the assumed significance level 0.05. Hence, we accept the null hypothesis and there is a significant relationship between EI and age of employees. The Chi square test (Table 1) shows that the computed p-value is higher than the assumed significance level 0.05. Hence it can be concluded that the null hypothesis is rejected, and alternate hypothesis is accepted. There is a strong relationship between EI of Employees and gender of the employees, educational qualification, experience, salary marital status and cadre of employees’ banks. Ho: There is no significant relationship between employee’s perception about OC and Demographic variables of the employees H1: There is significant relationship between OC and Demographic variables of the employees The Table 2 shows that the computed Chi Square test values expose that the p-value is 0.035 which is lesser than the assumed significance level 0.05. Hence, we accept the null hypothesis and there is a significant relationship between OC and age of employees.

TABLE. 2 Chi-Square Analyses of Demographic Variables and Oc

| Hypothesis | Chi-value | P-value | Alpha value | Inference |
|--------------------------------|-----------|---------|-------------|-----------|
| Gender and OC | 286.687 | 0.671 | 0.05 | Reject |
| Age * OC | 660.27 | 0.035 | 0.05 | Accept |
| Educational qualification * OC | 958.506 | 0.063 | 0.05 | Reject |
| Experience OC | 963.304 | 0.053 | 0.05 | Reject |
| Monthly salary OC | 647.084 | 0.072 | 0.05 | Reject |
| Marital status OC | 300.323 | 0.451 | 0.05 | Reject |
| Cadre * OC | 300.172 | 0.39 | 0.05 | Reject |

Inference: The Chi square test (Table 2) shows that the computed p-value is higher than the assumed significance level 0.05. Hence it can be concluded that the null hypothesis is rejected, and alternate hypothesis is accepted. There is a strong relationship between OC of Employees and gender of the employees, educational qualification, experience, salary marital status and cadre of employees' banks. Ho : There is no association between Emotional intelligence and Factors of Organisational climate. H1 : There is association between Emotional intelligence and Factors of Organisational climate.

TABLE 3. Correlation matrix

| Hypothesis | Correlation | P-value | Alpha value | result |
|-----------------------------------|-------------|---------|-------------|------------|
| Interpersonal relationship and EI | 0.581** | 0,000 | ,05 | Ho: Reject |
| Work environment and EI | 0.734** | 0.000 | ,05 | Ho: Reject |
| Reward and Recognition and EI | 0.589** | 0.000 | ,05 | Ho: Reject |
| Teamwork& Confrontation and EI | 0.609** | 0.000 | ,05 | Ho: Reject |
| Participative management and EI | 0.529** | 0.000 | ,05 | Ho: Reject |
| motivation and EI | 0.606** | 0.000 | ,05 | Ho: Reject |
| Training and development and EI | 0.577** | 0.000 | ,05 | Ho: Reject |
| Grievance handling and EI | 0.534** | 0.000 | ,05 | Ho: Reject |
| Job satisfaction and EI | 0.522** | 0.000 | ,05 | Ho: Reject |
| Employee performance and EI | 0.428** | 0.000 | ,05 | Ho: Reject |

Analysis: The computed correlation (Table 2) coefficient value between EI and factors of organizational climate. P-value of all factors are less than Alpha value therefore EI and organizational climate are positively correlated. Since the value is positive and nearer to +1, it infers that increase in Organizational climate will create strong EI of the employees

15. Result From Correlation Analysis

The correlation analysis reveals that there is significant relationship between employee's emotional intelligence and organization climate, interpersonal Relationship, work environment, Reward and Recognition, Participative Management, Communication Innovations in banking sector, involvement. Employee Performance, Training and development Job satisfaction and commitment and welfare concern. Result from Chi-Square Test: There is a significant relationship between Emotional Intelligence and age of employees. There is a strong relationship between Emotional Intelligence of Employees and gender of the respondents, education, work experience, income, status of marriage and cadre of employees' banks. Suggestions: It seems that managers of Private and public sector banks can provide a better environment to use employee's new ideas and to encourage them to present and test their creative ideas with a slight improvement in the organizational climate and change these enterprises to completely entrepreneur organizations. This action is better to be applied by using staff's new ideas, encouraging them to plan more such comments and giving them adequate opportunities to test and operate freely these ideas. Organizational climate and employee's creativity are very important records in entrepreneurial attitude. Therefore the managers must notice the relationship between the organizational climate and employee's creativity in order to improve the entrepreneurial orientation in Banks and create a better organizational climate, appropriate for Appearance of employee's creativity. In order to increase emotional intelligence we suggest that the employees to be trained to gain the necessary qualifications for emotionally intelligent. Adequate recreational and time passing facilities along with attractive retirement benefits should be provided to develop a sense of care, pride and belongingness among the bank employees which may have a positive impact on the estimation of better organizational climate.

16. Conclusion

The findings of this research show that organizational climate has a direct and positive impact on employer's Emotional intelligence. Also organizational climate is known to be an important factor in motivating and enhancing the employee's creativity and creativity of staff is in turn as an important motivator for emotional intelligence in banking sector. In other words, increasing the organisational climate will lead to improvement in emotional intelligence. Finally with respect to the results of the research, we can say that the organizational climate have positive effect on EI in Banking sector. Since the OC of Banks has a direct impact on EI, therefore Proper organisational climate should create have high emotional intelligence

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