

# EMOTIONAL INTELLIGENCE AND JOB SATISFACTION: A STUDY OF COMMERCIAL BANK EMPLOYEES IN THE KATHMANDU VALLEY, NEPAL

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## ABSTRACT

*The main aim of this study is to find out the relationship between emotional intelligence and job satisfaction of employees working in the commercial banking sector. Furthermore, the study also tried to determine the relationship between different demographic factors of the employees and emotional intelligence and job satisfaction. The study identifies the how emotional intelligence impact on job satisfaction of employees. For the efficient completion of the research a sample of 394 employees were taken from Kathmandu valley. Convenience sampling method was used for the study. The independent study is completed using a blend of descriptive and inferential analysis. Quantitative method is used in the research where self-administered questionnaire were distributed to the employees of various commercial banks. In the present research study, I found that there is a positive and significant relationship between emotional intelligence and job satisfaction of employees working in commercial banking sector.*

**Keywords:** Emotional Intelligence, Job satisfaction, Minnesota satisfaction questionnaire (MSQ), Wong's emotional intelligence scale (WEIS)

## 1. Introduction

In today's workplace, Emotional Intelligence has become a highly important factor for success, influencing productivity, efficiency and team collaboration. Organizations are made up of people with feelings, beliefs, culture, and needs, and to relate with them satisfactorily and avoid conflict in the work place regularly, one has to be emotionally intelligent. Goleman (1995), has defined emotional intelligence as "the abilities such as being able to motivate oneself and persist in the face of frustrations; to control impulse and

delay gratification; to regulate one's moods and keep distress from swamping the ability to think; and to emphasize and to hope".

Feeling good lubricates mental efficiency, making people better at understanding an information and using decision rules in difficult judgments as well as more flexible in his or her thinking. Upbeat moods, research verifies make people view others or events in a more positive light (Isen, 1999). Emotional Intelligence is becoming one of the most important individual's competencies for any organizations and has been theoretically

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related to an organizational better performance and to individual variables like job satisfaction (Rowden, 2002).

Generally, when employees achieve job satisfaction, it will yield return in both quality and productivity. When employees enhance their performance, it will directly increase the success or the performance of the organization itself. Job satisfaction refers to an individual's general attitude towards his or her job. A person with high level of job satisfaction holds positive attitude towards the job whereas a person who is dissatisfied with his or her job holds negative attitude about the job (Robbins, 1998). Cherrington (1994) stated that, employees experiencing a high satisfaction level are able to contribute to an organizational commitment, job involvement and improve quality of life both on and off the job. On the other hand, job dissatisfaction culminates in high number of absenteeism, turnover, labor problems and a negative organizational climate.

Today, new findings show more attention to emotional intelligence on job functions. Human performance is defined as a result of the actions set to achieve a goal based on a specific standard. This may include actions or behavior of all non-observable mental processing like such as problem solving, decision-making, program planning, reasoning and other many more aspects. (Bailey and Robert, 2003). According to Gardner (2005), "Those employees having emotional competencies manage their negative emotions in the workplace and report fewer psychological problems with high levels of job satisfaction and organizational commitment". Various studies are done to find out the impact of emotional intelligence in job satisfaction in various fields in different countries having various national cultures. Studies have found positive relationship between Emotional Intelligence and job satisfaction.

In context of Nepal, there are very few studies related to emotional intelligence. Banking sector in Nepal is one of the popular and charming jobs in Nepal. This sector is doing well in the country. Many people are attracted towards it. But it is equally important that better performance is needed in this sector. According to the bank supervision report of Nepal Rastriya Bank (2012), there are issues of high staff turnover and lack of proper staff retention policy in the banking sectors in Nepal. This indicates that Nepalese banking sector has high staff turnover. One of the main reasons behind high staff turnover is job dissatisfaction. When there is low job satisfaction then it leads to high staff turnover. Research shows that, emotionally intelligent people are able to perform well in their job. Hence, the emotional intelligence in the employees is needed in the organization which ultimately results to better performance and higher productivity and better psychological health of an employees.

This study might be useful for the Nepalese banking sector and in a broader sense to the Nepalese organizations. The relationship between emotional intelligence and job satisfaction may be useful to the Nepalese organizations. The results of the study would give information regarding the emotional intelligence and job satisfaction among the employees working in commercial banks in Kathmandu valley. Findings of the study would provide guidelines for the future research works. Since the study about emotional intelligence and job satisfaction in Nepal is in primitive stage, the research might be helpful to understand the situation of emotional intelligence and employee performance in Nepalese commercial banking sectors.

## 2. Research Methodology

For the purpose of the study used both descriptive and inferential analysis. The hypothesis testing explains the relationship between emotional intelligence and job satisfaction. The study was conducted through a survey with structured questionnaire. A survey is conducted to find out the relationship between independent variables and dependent variable through questionnaire method.

Related secondary data is collected and analyzed from literature and previous research to verify the hypothesis. Self-administered questionnaire was distributed to the employees of various commercial banks. This study used statistical tests such as mean, standard deviation, Pearson correlation hypothesis testing, correlation analysis, non-parametric test like Kruskal-Wallis test, Mann Whitney test were used to interpret the result. It is commonly used by researchers and easily available in business settings. The reliability of scales was analyzed using Cronbach's alpha. The questionnaires were pilot-tested before final administration to respondents. The questionnaire was created using Likert scale (5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree).

The population for this research survey in research is from Kathmandu valley. The questionnaires were only distributed to those employees who works in different commercial banks of Kathmandu valley. Total population for the study is known so researcher calculates the minimum sample size using "Yamane formula".

First calculate the sample size for known population

$$S = \frac{N}{(1+Ne^2)}$$

Where,

$$e = 5\% (0.05)$$

N = Total known population

S = Sample size for known population

$$\text{Now, } S = \frac{27908}{(1 + 27908 \times 0.05 \times 0.05)}$$

Therefore, total sample size required for the study is 394.

A total of 394 questionnaires were set and 394 questionnaires were distributed to executive and non-executive employees of the Nepalese commercial banks located in Kathmandu valley for data analysis.

## 3. Research Model

The following model is employed to test different hypotheses that there is positive relationship between dependent i.e. job satisfaction and different independent variables. Independent variables are four dimensions of emotional intelligent; self-emotions appraisal, others-emotion appraisal, self-regulation of emotions and use of emotion to facilitate performance are used for the study.

More Specifically,

$$JS = \beta_0 + \beta_1 se + \beta_2 oth + \beta_3 sel + \beta_4 use + e$$

Where,

JS = Job Satisfaction

se = Self-emotions appraisal

oth = Others-emotion appraisal

sel = Self-regulation of emotion

use = Use of emotion to facilitate performance

### 3. HYPOTHESIS

- H1 :** There is a positive relationship with self-emotion appraisal and job satisfaction.
- H2 :** There is a positive relationship with others-emotion appraisal and job satisfaction.
- H3 :** There is a positive relationship with self-regulation of emotion and job satisfaction.
- H4 :** There is a positive relationship with use of emotion to facilitate performance and job satisfaction.

### 4. Presentation and Data Analysis

#### Respondent Profile

In this study, the respondents include employees working in commercial banks and 394 questionnaires were collected based on the gender, marital status, age, academic qualification, and job position. The respondent profile is briefly presented in the following Table 1.

**Table 1:** Profile of respondents of commercial banking employees in Kathmandu valley

Respondents Character	No. of responses	Percentage
<b>Gender</b>		
Female	109	48.23
Male	204	51.77
<b>Total</b>	<b>394</b>	<b>100</b>
<b>Marital Status</b>		
Unmarried	299	58.12
Married	165	41.87
<b>Total</b>	<b>394</b>	<b>394</b>
<b>Age</b>		
Below 25	14	3.55
25-35	182	46.19
36-45	108	27.41

46-55	79	20.05
Above 56	11	2.79
<b>Total</b>	<b>394</b>	<b>100</b>
<b>Academic Qualification</b>		
Ph.D.	9	2.28
Master	110	27.91
Bachelor	255	64.73
Intermediate (+2)	20	5.07
<b>Total</b>	<b>394</b>	<b>100</b>
<b>Job Position</b>		
Executive	76	19.28
Non-executive	318	80.71
<b>Total</b>	<b>385</b>	<b>100</b>

The above table shows the demographic analysis and interpretation of primary data collected through questionnaires. This helps to get insight into the demographic characteristics of the respondents under the study. The respondents' profile includes gender, marital status, educational qualification, age group and job position. Demographic characteristics play a vital role in understanding emotional intelligence and job satisfaction of employees. Out of the total respondent's 51 percent is male and under the age group, the majority of the respondents (46 percent) are of age group 25-35. On the basis of academic qualification, employees are categorized on the completion of PhD, masters, bachelor, intermediate. 64 percent of the respondent completed bachelor's degree. On the basis of job position, 80 percent of the respondent falls under non-executive and 19 percent executive level.

#### Descriptive Analysis of Respondents

This section provides the information regarding descriptive analysis of the data collected through the questionnaires during the research process. Descriptive analysis incorporates calculation of statistical measures such as mean, standard deviation including maximum and minimum values. Five Point Likert Scale

questions were asked to the respondents. Here emotional intelligence has been measured through its four dimensions and they are: self-emotions appraisal, others-emotion appraisal,

regulation of emotion and use of emotion to facilitate performance. Similarly, job satisfaction is also measured.

**Table 2:** Descriptive Statistics of Overall Emotional Intelligence

	N	Minimum	Maximum	Mean	Std. Deviation
Self-emotions Appraisal	394	2.67	5.00	4.058	.4600
Other-emotions Appraisal	394	1.67	5.00	3.789	.5820
Regulation of Emotions	394	1.33	5.00	3.825	.5676
Use of Emotion to Facilitate Performance	394	3.00	5.00	4.136	.5407
Valid N (list wise)	394				

In this table it shows that all the dimensions of emotional intelligence scored more than 3 mean values. So, it can infer that all four dimensions of emotional intelligence are present in the respondents. However, use of emotion to facilitate performance scored highest mean value 4.136. The second high scored dimension is self-emotion appraisal with mean value 4.058. The third scoring dimension is self-regulation of emotion which scored 3.825

and the least scoring emotional intelligence dimension is others-emotion appraisal with 3.789. Among the four dimension of emotional intelligence most scored dimension is use of emotion to facilitate performance and the least scored is others-emotion. Although others-emotion is relatively less compared to all other dimensions, this also has mean value above 3. This indicate that emotional intelligence is present in the commercial banking sector.

**Table 3:** Mean ranks of Emotional Intelligence and Job Satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
Overall Emotional Intelligence	394	3.00	4.75	3.9518	.39403
Overall Job Satisfaction	394	2.15	4.92	3.9238	.49802
Valid N (list wise)	394				

Table shows the overall emotional intelligence and overall job satisfaction in Nepalese commercial banking sector. Since the both the variables have mean score above 3 there are both emotional intelligence and job satisfaction present in the Nepalese commercial banking sector. The level of emotional intelligence

scored mean value 3.9518 which indicate that, there is presence of emotional intelligence in Nepalese commercial banking sector. Similarly, the level of job satisfaction scores mean values of 3.9238 this indicates that there is also job satisfaction present in Nepalese commercial banking sector. Standard deviation



of job satisfaction is found to be more than of emotional intelligence. There is more variation in the job satisfaction of the respondents.

**Demographic factors affecting emotional intelligence and job satisfaction**

There are different demographic affecting

emotional intelligence and job satisfaction. Mixed results are obtained in the relationship between demographic factors and emotional intelligence and job satisfaction. The demographic factors studies are gender, marital status, age group, and education level and job position of the respondents.

**Table 4:** Mann-Whitney Test of Gender and Emotional Intelligence

	Overall Emotional Intelligence
Mann-Whitney U	1106.500
Wilcoxon W	1967.500
Z	-1.803
Asymp. Sig. (2-tailed)	.071

Table shows the relationship between gender and emotional intelligence is insignificant at the significant level of 0.05 because the p-value greater than the significance level

alpha i.e.  $0.071 > 0.05$ . This implies that, the relationship between gender of the respondents and emotional intelligence is indifferent. It means, being male or a female it does not make any differences in emotional intelligence.

**Table 5:** Mann-Whitney Test of Marital Status and Emotional Intelligence

	Overall Emotional Intelligence
Mann-Whitney U	1427.500
Wilcoxon W	2702.500
Z	-.290
Asymp. Sig. (2-tailed)	0.722

Table shows the Mann-Whitney test between marital status of the respondents and the emotional intelligence. Since the p-value is greater than the significant level alpha i.e. 0.722

$> 0.05$ . This indicates that, the relationship between marital status of the respondents and emotional intelligence is indifference. It shows that being a married or unmarried does not make any difference in emotional intelligence.

**Table 6:** Kruskal-Wallis test of Age and Emotional Intelligence

	Overall Emotional Intelligence
Chi-square	10.811
Df	4
Asymp. Sig.	.028

Table shows the Kruskal-Wallis test between age of the respondents and overall emotional intelligence. From the study, it is clear that

the relationship between age and emotional intelligence is significant at the significance level of 0.05. Because the p-value is less than

the significance alpha i.e.  $0.028 < 0.05$ . This indicates that, there is difference in emotional

intelligence in different age groups. Emotional intelligence differs in various age groups.

**Table 7:** Kruskal-Wallis test of Education level and Emotional Intelligence

	Overall Emotional Intelligence
Chi-square	27.228
Df	3
Asymp. Sig.	.000

Table shows that the relationship between education level and emotional intelligence is significant at the significance level of 0.05 because the p-value is less than the significant

level alpha i.e.  $0.00 < 0.05$ . This implies that, there exists a significant relationship between education level and emotional intelligence.

**Table 8:** Mann-Whitney Test of Job Position and Emotional Intelligence

	Overall Emotional Intelligence
Mann-Whitney U	430.000
Wilcoxon W	2986.000
Z	-5.860
Asymp. Sig. (2-tailed)	.000

Table shows the Mann-Whitney test between job position of the respondents and emotional intelligence of the respondents. From the test, the relationship between job position

and emotional intelligence is significant at the significance level alpha i.e.  $0.00 < 0.05$ . This means that the relationship between jobs position of the respondents and emotional intelligence is significant.

**Table 9:** Mann-Whitney Test of Gender and Job Satisfaction

	Overall Job Satisfaction
Mann-Whitney U	1106.500
Wilcoxon W	1967.500
Z	-1.802
Asymp. Sig. (2-tailed)	.072

Table shows, relationship between gender and job satisfaction is insignificant at the significant level of 0.05 because the p-value is greater than the significance level alpha i.e.  $0.072 > 0.05$ . The relationship between

gender of the respondents and job satisfaction is indifference. It means that being a male or a female it does not make any difference in job satisfaction level.

**Table 10:** Mann-Whitney Test of Marital Status and Job Satisfaction

	<b>Overall Job Satisfaction</b>
Mann-Whitney U	1346.000
Wilcoxon W	2621.000
Z	-.786
Asymp. Sig. (2-tailed)	0.432

Table shows the Mann-Whitney Test between marital status of the respondents and job satisfaction. The relationship between marital status and job satisfaction is insignificant at the significance level  $0.432 > 0.05$ . It

means that the relationship between marital status of the respondent and job satisfaction is indifferent. It means being married or unmarried does not make any difference in a job satisfaction.

**Table 11:** Kruskal-Wallis test of Age and Job Satisfaction

	<b>Overall Job Satisfaction</b>
Chi-square	7.348
Df	4
Asymp. Sig.	0.119

Table shows the Kruskal-Wallis test between age of the respondents and job satisfaction. From the test the relationship between age and job satisfaction is insignificant at the

significance level of 0.05 because the p-value is greater than the significance level  $0.119 > 0.05$ . It means there is no age difference in job satisfaction.

**Table 12:** Kruskal-Wallis test of Educational level and Job Satisfaction

	<b>Overall Job Satisfaction</b>
Chi-square	14.322
Df	3
Asymp. Sig.	0.002

Table shows the Kruskal-Wallis test between educational level of the respondent and overall job satisfaction. The relationship between educational level and job satisfaction is

significant at the significance level of 0.05 because the p-value is less than the significance level  $0.002 < 0.05$ .

**Table 13:** Mann-Whitney Test of Job Position and Job Satisfaction

	<b>Overall Job Satisfaction</b>
Mann-Whitney U	315.000
Wilcoxon W	2871.000
Z	-6.587
Asymp. Sig. (2-tailed)	0.000



Table shows the Mann-Whitney test between job position of the respondents and job satisfaction level. The relationship between job position and job satisfaction is significant

at the significance level of 0.05 since p-value is less than the significance level alpha i.e.  $0.00 < 0.05$ . Job satisfaction differs in different job position.

**Table 14:** Pearson’s correlation analysis among Emotional Intelligence and Job Satisfaction

		<b>Job Satisfaction</b>
Self-emotion Appraisal	Pearson Correlation	.539
Others-emotion Appraisal	Pearson Correlation	.290
Self-regulation of emotions	Pearson Correlation	.556
Use of emotion to Facilitate Performance	Pearson Correlation	.425

In the table it shows that correlation coefficient value of 0.539, it can be said that there is positive relationship between self-emotion appraisal and job satisfaction. As self-emotion appraisal increases, job satisfaction will also increase. The correlation coefficient value 0.290 indicate that there is a positive relationship between others-emotion appraisal and job satisfaction. Similarly, correlation coefficient value of 0.556

indicates that there is positive relationship between self-regulation of emotions and job satisfaction. As self-regulation of emotion increases job satisfaction also increases. The correlation coefficient value of 0.425, it can be said that there is positive and significant relationship between use of emotions and job satisfaction.

**Table 15:** Hypotheses Acceptance Table

<b>S.N.</b>	<b>Hypothesis</b>	<b>P-Value</b>	<b>Remark</b>
H1	There is positive relationship between self-emotion appraisal and job satisfaction	0.000	Accepted
H2	There is positive relationship between others-emotion appraisal and job satisfaction	0.002	Accepted
H3	There is positive relationship between self-regulation of emotion and job satisfaction	0.000	Accepted
H4	There is positive relationship between use of emotion to facilitate performance and job satisfaction	0.000	Accepted

In the table it shows that, since the p-value of all the hypotheses (H1-H4) is less than 0.01 so it can be concluded that, there is a positive relationship between all the dimensions of emotional intelligence; self-emotion appraisal,

others-emotion appraisal, self-regulation of emotion and use of emotion to facilitate performance with job satisfaction.

## 5. Conclusion

The Study shows that there is relationship between emotional intelligence and job satisfaction. It can say that, an employee with high emotional intelligence has a high job satisfaction in comparison to less emotional intelligence person. The research is able to find out the present condition of emotional intelligence and job satisfaction in the Nepalese commercial banking sector. It is also known from the research that both emotional intelligence and job satisfaction are present in the commercial banking sector. All of the dimensions of emotional intelligence have a positive and significant relationship with job satisfaction. Among the dimensions of emotional intelligence, use of emotion to facilitate performance was found out highest. From the study, it is also found out that age, level of education and job position have significant relationship with emotional intelligence. Level of education and job position have significant relationship with job satisfaction. The demographic variables also have significance relationship with these two variables.

## 6. Recommendation

In the course of this research relationship between emotional intelligence and job satisfaction of employees working in Nepalese commercial banks, Firstly, while recruiting employees, an organization must consider emotional intelligence of the employees. Organization should not only focus on the applicant's knowledge and capacity but also the applicant's personal information must be considered especially regarding age, education and job position. Once the organization recruit the employees, they should set some strategies to keep them with organization for the betterment of the organization. This can be done by supporting the employees for their

further education or giving them opportunities for processing themselves.

Second, emotional intelligence can be increase in banking sector through different trainings, employee training programs can also be launched by the banks in order to develop the employees' potential and emotional intelligence which can lead to higher job satisfaction of the employees. The training can also provide for the development of emotional maturity, increasing knowledge, being reasonable and understand others, good decision making and increasing social skills.

Lastly, this research is entirely carried out in Kathmandu valley. The respondents may not be the representative of the whole population of banking sector of Nepal. Also the condition under which the questionnaires were filled up by the respondents were not controlled. Every respondent filled up the questionnaires in different settings. The external environment may influence the respondents.

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