



Role of emotional intelligence in conflict management in select public and private sector banks

Abstract:

The research explaining the effect of emotions in the workplace and conflict management is considerably increasing with time. However, there is a lack of comprehensive understanding of the role of emotional intelligence in conflict management in the banking sector specifically. This review aimed to explain the way emotions and emotional intelligence are significant in the field of workplace studies, and the way emotional intelligence and conflict management are related in context to the banking sector. It sheds the light on the dimensions of emotional intelligence and conflict management styles that were examined in a range of ways in prior studies. Emotional intelligence is related to one's capacity to explain their emotions and conflict management assists in reducing the conflict occurred and consequently providing a positive change in the behaviour. The review focused on the active role of emotional intelligence in managing conflicts in organizational settings and banks. The review further illustrates trends and gaps in this research field, and suggests some theoretical underpinnings, with recommendations for future research.

Keywords : *Emotions, Emotional Intelligence, Conflicts, Conflict Management, Organization, Banks*

1. Introduction

The term emotion as defined by Webster dictionary is the considered mental response for an experience with strong feelings for a particular thing and generally followed by physiological and behavioral changes in the body. Prior to scientific studies, emotions were examined from the perspective of philosophy. Expression furnishes a reliable signal to the environment around which specifies that the subject is in an emotional state and that this emotional state might lead to some reactions (Mordka, 2016). Emotions normally tend to make people behave in certain ways that conflict with estimated rationality and the response out of emotions can be also independent from logical assessment (Cabanac, 2002). Intelligence is described as an individual's capability to gain knowledge from experiences and to adjust to, shape, and select environments (Srivastava, 2019). As per Gardner theory, intelligence is not singular and there is no broad

interpretation of general intelligence but rather intelligence is multiple (Sternberg, 2012). Since the past decade, there has been the discovery of various multiple intelligences. As introduced by John Mayer & Peter Salovey in 1990, emotional intelligence is the combination of interpersonal intelligence which is the capacity to understand the intentions, motivations and desires of other people and to work effectively with them and intrapersonal intelligence which is the capacity to understand oneself and to use this information effectively in regulating one's life (Furnham, 2012).

Conflict is an endless offer of life and is defined as the disaccord between two groups or individuals in which one side feels cheated by means of their requirements, interests or issues (Thakore, 2013). Conflict happens every day and it is difficult to avoid as human interactions happen in a continuous way. There are different types of conflicts and every conflict is resolved in a distinct manner. Conflict management is done with an intention to limit and avoid violence among the involved parties. Conflict management is referred to the procedure by which argument is reduced and consequently provides a positive change in the behaviour. In terms of an approach, conflict management is a methodical process that deals with the sources, symptoms, dynamics, transformation, containment, settlement, and resolution (Erhunmwunse, 2015). The banking system is central to any country's economy being a service industry and has been categorized into public and private banks (Manikyam, 2014). Banking sector represents the organizations that have people as employees that coordinate and work in synchronization with each other for achieving the established aims and objectives. Conflict happens when opposition in the attitude and also in the behavior occurs between the banking managers and the employees and also among working groups. This means that people having distinct attitudes need to encounter conflicts in the professional environment. For effective conflict management, it is necessary that primarily the conflict is identified and managers need to get involved for resolving the same. Conflicts that occur in an organizational environment are difficult to be eliminated permanently, relatively they are needed to be managed for improving the learning methodology of the organization and its activities (Akhtar et al., 2020).

As emotional intelligence is associated with one's capacity to explain their emotions and become sensitive to those that are perceived from the environment and the group of people interacted with. It is identified that individuals operating with higher emotional intelligence have more successful working relationships with their peers and superiors. Globally, the banking sector is considered to be the most competitive segment (Manivannan, & Kathiravan, 2016). Among the most significant issues in organizations are the organizational conflicts which are the outcome of emotional intelligence of managers on the conflict management style of their employees (Shamoradi et al., 2014). It is recognized that there is a significant association between emotional intelligence and conflict management with findings showing that employees with higher emotional intelligence have the ability to manage the workplace conflict in a better way as emotional intelligence assists the employees with the proficiency to manage the interpersonal conflict in a more constructive way (Vashisht et al., 2018).

It is also observed that emotional intelligence of supervisors is significant in predicting the subordinates integrating styles of managing conflicts with the supervisors and integrating was significantly associated with intrinsic process motivation, and motivation was among the five domains of emotional intelligence (Abas et al., 2012). It is recognized from studies that besides the technical skills, the employees are required to enhance their emotional intelligence skills, that eventually will increase their work productivity. The skills will assist in developing interpersonal skills of the peers with management of emotional intelligence of the team members. For the organization to be successful, the organization needs to develop employee's emotional intelligence skills as it can assist the employee working more efficiently within the organization. This is based on the fact that emotions create an effect on everything that is done by people so emotions are required to be managed properly to prevent unfavourable impact on an employee or their performance (Al Kahtani, 2013). Therefore, this study provides a complete association of emotional intelligence and conflict management in the banking sector including select private and public banks.

2. Aims and Objectives

The present study aims at understanding the contributing role of emotional intelligence while managing conflicts existing within the select public and private sector banks. The specific objectives pertaining to the present study are listed below:

- To study the factors that influence the emotional intelligence of Workplace behaviour.
- To determine the impact of Emotional Intelligence on Workplace behavior of Employees.
- To evaluate the role of emotional intelligence in conflict management in the banking sector.
- To compare the Emotional Intelligence and workplace behavior of employees in private and public sector banks.
- To determine the impact of high Emotional Intelligence on organizational commitment.
- To study the measure taken by the banking sector for conflict management at the workplace among the employees.

Research Questions

The research questions concerning to the present study are as follows:

1. What are the factors that affect the emotional intelligence of Workplace behaviour in general?
2. What is the impact of Emotional Intelligence on Workplace behavior of Employees?
3. What is the contributing role of emotional intelligence in conflict management within the banking sector?
4. How Emotional Intelligence and workplace behavior of employees in private sector banks different from public sector banks?

5. What is the effect of high Emotional Intelligence on organizational commitment of employees?
6. What are the measures taken by the banking sector for conflict management at the workplace among the employees?

3. Literature Review

3.1 Role of Emotions in the Workplace

Gopinath (2011) explained that emotions is considered as a complex sentiment as it is always along with physiological arousal and observable behaviour. Emotions play a significant part at five levels and organization is among them. There has been an important association between emotional exhaustion, work attitude, job performance, and organizational citizenship behaviour.

According to Pervez (2010), any organization's employee is significantly impacted by their own behaviors within the workplace. The emotions and nature of the employee vitally affect their job performance, decision making skills, team spirit, and leadership with turnover. The research study was performed to examine the influence of emotions on the overall performance of the employee at job with assessment of relationship between anger, interest, and trust of the employee in the workplace with job performance. The study results demonstrated that emotions within the workplace are significant with respect to employees well being and job satisfaction.

Andries (2011) mentioned that studies within organizational psychology have revealed that positive emotions are related to various elements and aspects at the workplace and organization and constructive influences of positive emotions optimizes the work quality. While negative emotions when experienced by the employees demonstrates, work dissatisfaction, lower emotional engagement with the workplace which eventually leads to leaving the organization.

Hökkä et al. (2019) explains that with research in the domain of organisation and workplace, researchers have addressed emotions by an outlook from psychological and sociological aspects. In this domain, the approach to emotions has been through the conceptual ideas of emotional intelligence and emotional labour. Emotional labour is explained in the way employees are made to handle their emotional behaviour with respect to the content and variety of their emotions and the intensity and extent of their emotions. Therefore, emotional labour is applied to circumstances in which employees are required to show emotions that are different from the emotions that they really feel.

3.2 Emotional intelligence and its role, need and factors influencing workplace behaviour in employees

Kapur (2018) explains that emotional intelligence comprises a blend of proficiencies, that makes an individual conscious enough to understand and be guided by their own emotions. Individuals that have developed a high level of emotional intelligence are observed to be more successful at their workplace, and the core cause for this is that they have the ability to comprehend their emotions and the drivers behind their behavior and its traits. The concept of emotional intelligence within the workplace carries huge importance. For performing multiple tasks, works and work-related functions, in addition to adequate skills and competencies, emotional intelligence is an equal contributor in accomplishing goals. Various models that have been developed for defining emotional intelligence.

Ifelebuegu et al. (2019) explained that the Salovey and Mayer model of emotional intelligence includes three competencies namely appraisal and expression of emotions, use of emotions and regulation of emotions. Emotional intelligence is important as emotions have the capability to affect the way employees act, behave, react and respond to issues around them. Moreover, the limit to which the employees dispose of their emotions impact their commitment to every key success factor of the organization.

Lee (2018) explains that people working in public service related jobs need to apply a high level of emotional management due to their high level of interaction with the citizens. The emotional work involved in case of public service leads to more burnout and job dissatisfaction. Various studies have revealed that emotional intelligence has a significant role in estimating organizational performance. Individuals being emotionally intelligent encourage high self-esteem with positive moods that might reduce negative affective emotions and enhance job satisfaction. The study performed in this domain concentrated on public service employees and assessed the relationship among the dimensions of emotional intelligence and job satisfaction along with the dimensions of emotional intelligence and burnout as well. The job satisfaction in employees is the driver for higher organizational performance. The study results proposed that different dimensions of emotional intelligence affects the burnout and job satisfaction to diverse levels. Particularly, out of three emotional intelligence constructs, only emotion regulation was found to be associated with burnout, and emotional self-awareness was found to be associated with job satisfaction. The study outcomes provided information about the ways to increase job satisfaction and decrease burnout by training emotional intelligence capabilities.

3.3 Emotional intelligence in the banking sector

Anand et al. (2019) aimed at understanding the emotional intelligence among the employees working in the banking segment as with time, emotional intelligence is considered as the most crucial factor of success in professional as well as private life of working people. The study was performed to quantify the Emotional Intelligence of the people working in few banks of public and private sector and the results revealed that age has an impact on emotional intelligence and experience assists in developing emotional intelligence

among bank employees. The findings concluded that there is a significant association between the variables of emotional wisdom and work experience and motivation has the highest influence on the job experience.

Karthikeyan & Lalwani (2017) explained that the theory of emotional intelligence has the potential to predict the life and skills of people as well as organization's employees. The review of prior studies showed that bank managers that have high levels of emotional intelligence usually leads to high levels of job performance and job satisfaction at the workplace. Moreover, emotional Intelligence has a positive impact on the financial performance of commercial banks. It was also found that emotional intelligence as a characteristic has a contributing role in the life of bank employees as emotional intelligence affects the employees performance as well.

Jain et al. (2018) mentioned that in the banking sector as well as other organizations there is a huge demand for emotionally intelligent employees as these skills assist in understanding the requirements and demands of the customers with provision of better services. Moreover, in banks, the services provided to the customers are based on the customer's emotions which are recognized on the basis of the treatment of the staff members with the customers more than technical or functional quality of the services. The study performed to analyze the relationship between emotional intelligence & service quality in the banking sector explained that banks are required to understand the consumer needs, expected requirements and aspirations for maintaining a strong image in the consumer's mind. Banks are expected to establish a powerful client relationship management system for understanding clients' desires during interactions so that they can sell their services according to consumer requirements. It was found from the study results that employees under study of selected banks were emotionally intelligent and they utilized these skills to enhance their service quality and due to this customers were satisfied with the bank's service quality.

3.4 Conflict management and its importance in the banking sector

Islam & Rimi (2017) mentioned that in the present business scenario, employees within the banking segment faces a lot of challenges and hurdles in their routine tasks. These challenges occurring in the banking organization develop differences and have a huge impact on the employees in some or the other way. These differences lead to conflicts on a frequent basis and the bank managers are expected to understand the reason and occurrence of conflict frequently. The conflict management strategies adopted by employees are based on their different perspectives. The study was performed to analyze the conflict management methods in private commercial banks of Bangladesh and the findings showed that the economic challenges and political problems might occupy the main forum, but internal conflicts between employees also affects the organizational performance immensely. The study applied the Thomas-Kilmann conflict handling model and the results revealed that all the five techniques are practiced by the bank employees.

Wangari (2013) defined conflict management as the procedure that comprises execution of some strategies for eliminating the negative factors of conflict, increasing the positive factors of conflict and enhancing performance and effectiveness in an organization. Conflict management has a significance in the banking segment as banks face the challenge in terms of personal differences, different faith and culture, and

changing environment. The application of conflict management strategies are important in handling these challenges. Banks apply all the popular strategies of accommodating, compromising, competing, collaborating and avoiding.

3.5 Relationship between Emotional Intelligence and Conflict Management

Vashisht et al. (2018) explained that every kind of organization is susceptible to conflict and conflict management styles are applied as behavioral patterns by employees to manage the conflict. There are five styles of conflict management namely integrating, obliging, dominating, avoiding and compromising. The prior studies reviewed highlights that emotional intelligence is a significant predecessor for effective conflict management. On the basis of the concept of emotional intelligence developed by Salovey & Mayer (1990) it is recognized that emotionally intelligent people are considerate about their own emotions along with the others' emotions as well, adequately differentiate between them and utilizes this information for guiding one's thoughts and respective actions. Emotional intelligence assists people with the competency to manage interpersonal conflicts effectively and in a more constructive way. Moreover, emotional intelligence is related to superior conflict resolution skills and on the basis of the type of conflict, emotionally intelligent people adapt to different conflict resolutions styles.

Sharma & Sehrawat (2014) also explains that a person's emotional intelligence affects their way of managing interpersonal conflict. People having higher emotional intelligence have effective styles in resolving conflicts in comparison to ones with lower emotional intelligence. It is due to the fact that people having higher emotional intelligence have the preference to look for cooperative solutions when they face a conflict. Moreover, emotionally intelligent employees in an organization are equipped in managing negotiations and effectively managing conflicts with their organizational team members.

Abas et al. (2010) studied the emotional intelligence and conflict management styles among employees working at an University in Malaysia. The study results revealed that emotionally intelligent supervisors are capable of predicting subordinates integrating styles of conflict management with them. The more emotionally intelligent their supervisors were, the more they used the integrating styles.

3.6 Impact of Emotional Intelligence in Conflict Management in Banks

Mohebbi & Arab (2016) explained that the domain of emotional intelligence addresses the role of managers' emotions and feelings in management of work with others. Based on this, employees need to determine conflict characters, reasons of conflict creation, sources of cognition and normally apply conflict management strategies with acquisition of skills essential for constructively solving conflicts. They performed a study to explore the association between emotional intelligence and conflict management styles in employees working at the Bank of Sepah in Tehran. The findings revealed that there is a positive and vital relationship between two variables of emotional intelligence and compromise style in employees of Sepah Bank. Moreover employees with high emotional intelligence are more prone to utilize compromise-

based conflict management styles, as they are much adaptive in assessment and regulation of their own special emotions in comparison to employees with lower emotional intelligence.

Mohd & Yusof (2020) stated that banks involve lots of human interactions and conflicts tend to occur on a frequent basis therefore, positive association between emotional intelligence and conflict management styles leads to successful interaction and effective performance. Employees possessing lower levels of emotional intelligence tend to either take charge or steer away from the conflict as they are insensitive and incapable of managing conflicts. Moreover, while taking charge of the conflict management occurring in they attempt to dominate the conflict due to lower concern for others. The study was performed to recognize the linking between emotional intelligence and conflict management style among employees at a Bank Headquarters in Kuala Lumpur and the findings showed that there is a moderate impact of emotional intelligence overall conflict management system. On the basis of the dimensions of emotional intelligence and conflict management as variables, all dimensions of emotional intelligence have emerged to have a significant impact on the selection of integrating and compromising styles of conflict management among the bank employees. The study outcomes also confirmed that the staff with high emotional intelligence does not oblige, dominate or avoid the conflict as they have a higher understanding of emotions and they know the reason for acting in certain ways with a good sense of why they have certain feelings to satisfy their own concerns and ensure smooth discussion.

4. Findings and Discussion

The review of prior studies has revealed that there are many knowledge gaps related to emotional intelligence and conflict management in the banking industry. The study findings show that banks have been exercising conflict management strategies for resolving conflicts and emotional intelligences as a skill has supported the mechanism of resolution in a better way with better outcomes. It is noted that the banks do face the challenges of differences in opinion, attitudes, and behaviour that leads to different types of conflicts but there are no tools that can assist in measuring the emotional intelligence for banking service employees that adequately effect the conflict management system. Moreover, the studies have shown that emotional intelligence influences the conflict management system in organizations and people with higher emotional intelligence resolves the conflict effectively in comparison to people with lower emotional intelligence. The impact of emotional intelligence on workplace behaviour has been studied with reference to different elements of the workplace such as organizational commitment, job satisfaction, motivation to work but the level of impact varies as per the organizational settings. Hence, impact of emotional intelligence on conflict management might vary in public and private bank set-up which was not reflected in prior studies adequately. However, this is found that there is a positive impact of emotional intelligence on different elements of the workplace. The studies showed that the dimensions of emotional intelligence are supportive in applying different styles of conflict management and accordingly measures are taken by the banks for conflict management at the workplace among the employees.

There is a research gap in explaining the exact role of emotional intelligence on the conflict management within the banking set-up. Limited information is available through the prior studies related to banks, which explains clearly the impact of emotional intelligence on the conflict management in public and private banks specifically. The distinction in the impact of emotional intelligence and conflict management on public banks and that of private banks is difficult to demonstrate.

5. Conclusion and Recommendations

Overall it is concluded that there are factors that affect emotional intelligence of workplace behaviour. These factors include work types, human interactions, and attitudes with behaviours of superiors as well as team members. Also, the impact of emotional Intelligence is highly significant on the workplace behavior of employees. The ones with higher levels tend to have better workplace conduct in an organizational setting. These levels of emotional intelligence have a contributing role in conflict management in any organizational settings including the banking sector. However, it was difficult to compare the emotional intelligence and workplace behavior of employees in private and public sector banks due to limited information about the effect in case of private and public banks separately. The impact of high emotional intelligence in the bank employees has been determined to affect different aspects of organizational factors including organizational commitment and different conflict management styles were exercised by emotionally intelligent employees for resolving different types of conflicts.

To widen the knowledge on how emotionally intelligent employees manage conflict in public banks and private banks need robust studies (both quantitative and qualitative) elaborating the relationship between emotional intelligence skills and conflict management skills in two different settings of the bank. Based on the review findings it is suggested that the association between emotional intelligence and conflict management with respect to private and public banks is required to be explored empirically and multidimensionally. This kind of exploration should cover the physiological and behavioural data about emotions and different dimensions of emotional intelligence in conflict management as per the types of conflicts appearing in banks along with conflict management strategies helpful in public banks as well as private banks separately.

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