

A Descriptive Study of Indian Private Sector Banks in Agra Region-With Special Reference to Impact of Emotional Intelligence on Service Quality

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ABSTRACT

The banking industry in India shouldn't only be hassle-free but it should be ready to meet the new challenges posed by the technology and the other external and internal factors. For the past three decades, India's banking industry has several outstanding achievements to its credit. The Banks are the most participants of the economic system in India. The Banking sector renders so many facilities and opportunities to their customers. In the Indian Banking scenario, a large expansion is taking place particularly in the private sector banks. Expansion is taking place in multiple moves; one is physical expansion; distribution, increased number of branches, automated teller machine (ATM), and network. But importantly, there is another expansion which is taking place is that the product in the service range of the private sector banks is becoming bigger, more complex and more relevant to the dynamic economy in which we are today. This study mainly focuses on the employees' behavioral competencies and its contributions to the bank's growth. This research paper is an attempt to find out emotional intelligence on service quality of private sector banks in India.

Keywords: Banking Sector, Emotional Intelligence, Service Quality.

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INTRODUCTION

There has been an incredible change in the idea of working after the progression began from the 1990's in the Indian Financial area. Principle reasons answerable for this change are privatization on the Indian economy, which finishes acquisitions, consolidations and key collusions. To contend in this serious climate, an adaptable labor force is needed regarding abilities and mental capacities. As far as enterprises, the necessity of clients with respect to support quality is evolving altogether, which acquires ceaseless changes in the capacities and abilities of the workers. The interest for sincerely shrewd representatives is expanding who can undoubtedly comprehend the clients' necessities and requests and give them better administrations. Besides, working hours are expanding by and large occupations thus expanding pressing factors and difficulties in representatives' work life. Presently current associations begin giving more significance to the representatives' internal abilities like character, character, and skill, which can be all the more exactly comprehended by the term named as 'Emotional Intelligence'. The term depends on how a representative can get a situation

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based on information and abilities, yet enthusiastic insight is needed to get oneself and the prerequisite of a client that might be named as administration quality. Passionate intelligence builds the ability to manage vulnerabilities present inside the workspace and request the association to perform better. At the point when a private comprehends the circuit of convictions, sentiments and response, at that point no one but he can support himself into a developed person. This encourages him to take care of distressing circumstances, understand his solidarity, and adapt to his shortcoming. (O. Serrat, 2009).

These days clients are turning out to be all the more requesting and their loyalties are diffused. They have various options in the present serious climate, the wallet portion of each association is lessening and the interest for customization of administrations is expanding which at last builds the help quality inside the association. With the coming of advancement in the Indian monetary area, offers ascend to the low exchanging expenses and client maintenance turn into a significant banking area in India. Prior planning of administrations is an intricate errand and it requires the blend of center and beneficial administrations, and now in the present serious climate the conveyance of administrations and the timetable of conveyance makes an offer regarding market division's, and subsequently administration quality assumes a critical part in today Indian private financial area. Besides, it's been indicated that a customer's impression of an organization is made because of their collaboration across various channels and a decent or positive shopper experience can build the organization's offer in the market area with a concurrent extension in recurrent business (R. Kumar, 2008)

On the opposite side, with the increment in fame of the customer experience, there has been a practically equivalent to ascend inside the focus on fulfilling a shopper's feelings, generally because of the evidential truth that enthusiastic knowledge improves purchaser's unwaveringness.

Client feelings are resolved considerably more by how the individuals from the staff treat customers than by the administrations' specialized or practical nature. We have moved into a planner stage where customary merchandise is moving into the fashioner region not through the expense or nature of the item but through the help or experience around them. A worker can decimate an extraordinary item in the event that he isn't genuinely Intelligent enough to comprehend the prerequisite and a commoditized item can be made incredible by a representative going past the obligation at hand in quest for conveying extraordinary client assistance, making the client experience more close to home, more certain and more essential with the utilization of enthusiastic knowledge. (Kwan,Wayen &T.J Hee, 1994).

Positive Impact of Emotional Intelligence at workplace

If an organization has to grow, the ability of emotional intelligence is to play a big role. The core skills required for having emotional intelligence that can mold your

business and give it a good height are the following: (D.Goleman, 1995)

- Emotional intelligence develops leaders. It transforms good leaders into great leaders.
- Emotional intelligence helps you in your career path. The most difficult skill to control your emotions and if one has that art, one can serve better.
- It improves team performance people who have high E.I. Skills are able to overcome complex situations, anxieties, worries and frustrations and solve the problems smartly.
- The Power of sheer understanding increases positivity and productivity. E.I. Skill increases it to have long-lasting relationship and time for unnecessary argumentation does not go waste.
- Emotional intelligence improves an individual's productivity and performance and thus the work can be done in time.
- E.I. makes people calm and clear in their minds and they have scope for creativity and innovations.
- Level of sincerity is needed to a great extent in customer service and that makes the customer satisfied. People with high EI skills do sincere care to their customers.
- E.I skills help you to be in driving time. It improves your position over your anxiety, fear and frustration that create stress in your work.

Negative Impact of eEmotional Intelligence

Emotions are the backbone of human psychology, which will be reflected in terms of human behavior in society. Negativity in human emotions will impact the working of an employee at every level and can lead to

- Aggression at the workplace
- Hindrances in a bright career
- Low efficiency in working
- Increased Expenses
- Fall in revenue of the business
- Increase in the level of stress
- Increase the expenses on health care
- Negative impact on organizational culture
- Low level of consumer satisfaction
- Negative impact on consumer loyalty

Need for Service Quality

Identification of customer service issues — there should be systematic identification and management of customer service issues relevant to an organization's operations;

- Feedback systems — effective feedback systems



for customers and employees should be developed and maintained;

- Continual improvement — systems should be developed to ensure that the level of customer service is relevant to, or exceeds, current customer expectations.

STATEMENT OF THE PROBLEM

Considering the behavioral patterns and outcomes for best customer service Emotional Intelligence can be recognized as the most significant variable. It is a challenge for every consumer service provider to effectively combine intrapersonal and interpersonal skills to increase the level of satisfaction among consumers, which will ultimately result in consumer loyalty and finally help maintain business's longevity.

OBJECTIVE OF THE STUDY

This research proposal's main objective is to find out the direct and indirect impact of emotional intelligence on service quality in the Indian private banking sector to increase customer loyalty and business longevity.

The other objectives of the study are as follows:

- To study the direct & indirect effect of emotional intelligence on customer satisfaction and customer loyalty for relationship quality.
- To study the relationship of emotional intelligence and business relation longevity through service quality.
- To find out whether emotional intelligence is a predictor of higher service quality in banking sector or not.

SAMPLING USED

The present research aims at describing the responses of the customers and banking executives of eleven private sector banks of the Moradabad Region on the basis of two close ended questionnaire.

Population: The researcher has chosen eleven private sector banks of Agra region, namely; Axis Bank, Federal Bank, HDFC Bank, ICICI Bank, IndusInd Bank, Kotak Mahindra Bank and YES Bank.

Sample Size: The researcher has interviewed 30 customers from each of the seven banks, so the customers' sample size is 210. The researcher also interviewed 100 employees in all of the seven private sector banks. The breakup of employees and customers is mentioned here in Table 1.1:

Area of the Study: The researcher had chosen Agra Region in the State of Uttar Pradesh

Type of data collected: The researcher has collected primary data through two close-ended questionnaires developed, one for the employees of the private sector banks and one for the customers of the private sector banks. The researcher also took the data from secondary sources.

Primary Data were collected using the questionnaire and personal contact approach. The respondents (customers and employees) were approached personally in order to seek fair and frank responses on the quality of service and emotional intelligence among employees in private sector banks. Secondary data have been collected from journals, magazines, books, internet, published reports, etc.

Sampling: The researcher has taken Convenience Sampling.

Scale: A five-point Likert Scale was used for both the questionnaire. The details are:

Questionnaire for Customers of private sector banks: A five-point Likert scale starting from highly dissatisfied to highly satisfied (1 – 5) was used for the study.

- 1 = Highly Dissatisfied
- 2 = Dissatisfied
- 3 = Neither Satisfied nor Dissatisfied
- 4 = Satisfied
- 5 = Highly Satisfied

Questionnaire for Employees of private sector banks: A five-point Likert scale starting from strongly disagree to strongly agree (1 – 5) was used for the study.

- 1 = Strongly Disagree,
- 2 = Somewhat Disagree,
- 3 = Neither Agree nor Disagree,
- 4 = Somewhat Agree,
- 5 = Strongly Agree

Statistical Tools used: For an analysis of the data, mean and standard deviation of responses collected have been calculated along with Regression Analysis.

Table 1.1: Number of Respondents

S. No.	Name of the Bank	No. of Employees	No. of Customers
1	Axis Bank	15	30
2	Federal Bank	10	30
3	HDFC Bank	15	30
4	ICICI Bank	30	30
5	IndusInd Bank	10	30
6	Kotak Mahindra Bank	10	30
7	YES Bank	10	30
Total		100	210

DATA ANALYSIS AND INTERPRETATION

Overall Perception of Customers on Five Dimensions of Service Quality

The combined result of various parameters of five dimensions of service quality are depicted in Table 1.2.

As per the Table 1.2 the, list of banks is arranged in ascending order of the results. HDFC Bank is in top of the list and Federal Bank is at the last of the list.

Overall Perception of Bank Employees on The Five Dimensions of Emotional Intelligence

The combined results of various parameters of five dimensions of emotional intelligence are depicted in Table 1.3.

As per Table 1.3, the list of banks is arranged in ascending order of the results. HDFC Bank is top of the list and Federal Bank is at the last of the list.

Regression Analysis

For testing the hypothesis empirically, emotional intelligence was taken as an independent variable and service quality was taken as a dependent

Table 1.2: Overall perception of service quality

<i>Dimensions</i>	<i>HDFC Bank</i>	<i>ICICI Bank</i>	<i>Axis Bank</i>	<i>Kotak Mahindra Bank</i>	<i>Yes Bank</i>	<i>IndusInd Bank</i>	<i>Federal Bank</i>	<i>Overall Average</i>
Tangibility	4.17	4.13	4.1	4.06	4	3.99	3.83	4.04
Assurance	4.2	4.19	4.18	4.15	4.05	4.03	3.93	4.104286
Empathy	4.1	4.08	4.07	4.03	3.98	3.94	4	4.028571
Reliability	4.11	4.12	4.1	4.07	4.02	3.99	3.83	4.034286
Responsiveness	4.22	4.18	4.16	4.12	4.07	4.1	4.09	4.134286
Overall Average	4.16	4.14	4.122	4.086	4.024	4.01	3.936	4.068286

Table 1.3: Overall perception of Emotional Intelligence

<i>Dimensions</i>	<i>HDFC Bank</i>	<i>ICICI Bank</i>	<i>Axis Bank</i>	<i>Kotak Mahindra Bank</i>	<i>Yes Bank</i>	<i>IndusInd Bank</i>	<i>Federal Bank</i>	<i>Overall Average</i>
Self Awareness	4.25	4.22	4.19	4.16	4.09	4.01	3.74	4.09428571
Managing Emotions	4.32	4.28	4.25	4.23	4.15	4.1	3.75	4.15428571
Self Motivation	4.18	4.16	4.17	4.18	4.08	4	3.88	4.09285714
Recognizing the Emotions of Others	4.22	4.18	4.17	4.15	4.05	3.95	3.68	4.05714286
Handling Relationship	4.3	4.26	4.24	4.22	4.13	4.1	3.8	4.15
Overall Average	4.254	4.22	4.204	4.188	4.1	4.032	3.77	4.10971429

Table 1.4: Linear Regression

<i>S. No.</i>	<i>Name of the Bank</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>F Statistics</i>	<i>P Value</i>
1	Axis Bank	.968	.937	.917	44.93	0.000
2	Federal Bank	.730	.533	.377	3.41	0.000
3	HDFC Bank	.940	.884	.846	22.91	0.000
4	ICICI Bank	.975	.950	.933	56.77	0.000
5	IndusInd Bank	.749	.561	.415	3.83	0.000
6	Kotak Mahindra Bank	.808	.653	.537	5.64	0.000
7	YES Bank	.686	.470	.293	2.66	0.000

As per table 1.4, the coefficient of correlation of Axis Bank, HDFC Bank, ICICI Bank is high its low for Yes Bank



variable. The hypothesis was tested through linear regression.

R-Value

R-value shows the correlation coefficient between the emotional intelligence of bank employees and service quality in the banking sector.

R Square

R square is the coefficient of determination. It explains the authentication of the research. The closer the value of R² to 1, greater is the authenticity of the research.

Adjusted R square Value

Adjusted R square Value indicates the adjustment in R² to reflect the reality.

F Statistics

An overall view indicates that the model fitted is fairly accurate.

P-Value

The p value in case of all the private banks is 0.000 < 0.05 showing that our hypothesis 'Higher Emotional intelligence is a predictor of higher service quality in banking sector' and 'Higher level of Emotional intelligence increases trust and service quality' have been accepted

Findings of the Study

Overall, the findings advise that the majority of respondents had a high EI, with the majority of

Table 1.5: One-Sample Test of Variables of Emotional Intelligence

Items	Test Value = 0			95% Confidence Interval of the Difference		
	T	Df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Remember to overcome Obstacles	90.096	10	.001	4.05545	3.9552	4.1557
Expect to Do Well	94.664	10	.000	4.04273	3.9476	4.1379
Adjusted to work	65.710	10	.002	4.03545	3.8986	4.1723
Identify problems and improve performance	64.542	10	.000	3.97909	3.8417	4.1165
Evaluate Performance	46.296	10	.001	3.99636	3.8040	4.1887
Reassess Capabilities	89.443	10	.000	4.13636	4.0333	4.2394
Work adjustment impacted job Performance	72.035	10	.003	4.07273	3.9468	4.1987
Emotions make work life worth living	77.306	10	.000	4.11818	3.9995	4.2369
Aware of Non Verbal Messages sent	151.514	10	.002	4.20909	4.1472	4.2710
Solving problems easy in positive Mood	61.602	10	.000	4.18091	4.0297	4.3321
Discussion With Cool Head with Union	40.891	10	.001	3.93545	3.7210	4.1499
View of New Possibilities with change in mood	60.011	10	.000	4.13000	3.9767	4.2833
Expect Good Things to happen in bank	53.382	10	.001	4.08818	3.9175	4.2588
Self motivation by imaging Good Outcomes	60.869	10	.000	3.98727	3.8413	4.1332
Come up with new ideas when in positive mood	94.134	10	.000	4.13273	4.0349	4.2305
Understand Non Verbal Messages Of Others	51.817	10	.000	4.01182	3.8393	4.1843
Recognizing emotions by facial expressions	77.484	10	.000	3.97909	3.8647	4.0935
Know the Feeling Of Others by looking at them	61.692	10	.001	3.95727	3.8143	4.1002
Compliment Others for doing well	79.228	10	.000	4.03909	3.9255	4.1527

Items	Test Value = 0			Mean Difference	95% Confidence Interval of the Difference	
	T	Df	Sig. (2-tailed)		Lower	Upper
Presentable to customers	68.995	10	.003	4.05182	3.9210	4.1827
Compatible With Colleagues	55.108	10	.000	4.08818	3.9229	4.2535
Apologize with others for doing some wrong	59.813	10	.001	4.10636	3.9534	4.2593
Take initiative To Talk	89.572	10	.000	4.18455	4.0805	4.2886
Advise To Colleagues to take bold steps	59.632	10	.000	4.10000	3.9468	4.2532
Compatible With Boss	124.081	10	.001	4.14182	4.0674	4.2162

As per table 1.5, the p-value of all the variables is less than .05, which proves that emotional intelligence dimensions contribute to the service quality of all selected banks.

The t-test is carried out for eighteen variables (questions) of all five dimensions of service quality. The details are mentioned herein Table 1.6:

Table 1.6: One-Sample Test of Variables of Service Quality

Items	Test Value = 0			Mean Difference	95% Confidence Interval of the Difference	
	T	Df	Sig. (2-tailed)		Lower	Upper
Satisfied with Premises	89.194	10	.000	4.04909	3.9479	4.1502
Satisfied with Technology	168.387	10	.000	4.03909	3.9856	4.0925
Satisfied with Dress	63.689	10	.001	3.93273	3.7951	4.0703
Satisfied with Brochure	83.410	10	.000	3.93000	3.8250	4.0350
Satisfied with Bank Statement	115.296	10	.000	4.05727	3.9789	4.1357
Satisfied with Services as promised	74.443	10	.001	4.00273	3.8829	4.1225
Satisfied with Customer Services	194.263	10	.000	4.30636	4.2570	4.3558
Satisfied with Time of Service	129.456	10	.002	4.03000	3.9606	4.0994
Satisfied with Maintenance of Account	83.399	10	.000	3.95909	3.8533	4.0649
Satisfied with Promptness	179.417	10	.000	4.01455	3.9647	4.0644
Satisfied with Willingness to Help	122.098	10	.000	4.00273	3.9297	4.0758
Satisfied with Sending Statement	83.496	10	.000	4.04909	3.9410	4.1571
Satisfied with Employees Behaviour	119.263	10	.001	3.94182	3.8682	4.0155
Satisfied with Instilling Confidence	158.346	10	.000	4.05727	4.0002	4.1144
Satisfied with Courteousness	120.026	10	.000	4.02455	3.9498	4.0993
Satisfied with Service by Heart	326.631	10	.000	4.06273	4.0350	4.0904
Satisfied with Product Service	327.435	10	.002	4.07273	4.0450	4.1004
Satisfied with Service Quality	96.263	10	.000	4.23000	4.1321	4.3279

As per table 1.6, the p-value in all the variables is less than 0.05 which proves that service quality dimensions create emotional intelligence of all selected banks.



respondents presenting strong personal and social competence self ratings.

The Table 1.3 shows bank employees' overall perception on the five dimensions of emotional intelligence: self-awareness, managing emotions, self-motivation, recognizing others' emotions, and handling the relationship.

It is clear from the Table 1.3 that the employees of HDFC Bank are highly emotionally intelligent as compared to other private sector banks. In this research, ICICI Bank employees came second on the test of emotional intelligence, Axis Bank third and Kotak Mahindra Bank came fourth position.

CONCLUSION

There may be implications of the research findings at different levels like banking companies, employees as well as other service sector organizations such as insurance, BPOs, logistics, hospitals, etc. which are supposed to provide good quality of services to their clients/customers. The current research observations may provide some basic inputs about the possible development of emotional intelligence among the professionals. The current research findings may also provide highly reliable guidelines to the employers/organizations for providing a cognizant environment to its professionals to give their best to the organization

and to other stakeholders and play more socially responsible roles.

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