Emotional Intelligence and Job Performance: Evidence from Albania Context

Dorjana FEIMI* and Fioralba VELA

University Ismail Qemali of Vlore, Vlore, Albania; dorjana.feimi@univlora.edu.al; fioralba.vela@univlora.edu.al

* Corresponding author: dorjana.feimi@univlora.edu.al

Abstract: This paper reviews the correlation between emotional intelligence and job performance in 171 bank employees, in the city of Vlore, Albania. The correlation between emotional intelligence on employees' job performance was studied concentrating on four dimensions of emotional intelligence: self-awareness, self-management, self-motivation and social awareness. The questionnaire technique was used as one of the most frequent methods for data collection in empirical research. The data obtained from the questionnaires to investigate the conceptual model and the proposed hypotheses were empirically tested using the multiple linear regression model. The study was conducted between the June and December 2022. From the regression analysis, the emotional intelligence predicts employees' job performance. The analysis found that self-awareness and self-motivation factors have a positive impact on employee performance. The study shows that employees with high emotional intelligence have a positive impact on job performance. This study may contribute significantly by providing insight for banking sector in Albania. This sector should conduct trainings to increase the competences of employees, to understand the feelings and viewpoints of others, to show an active interest in their concerns, to recognize and fulfill the needs of customers, for the development of others and cultivating opportunities through diversity.

Keywords: emotional intelligence; job performance; banking sector; Albania

JEL Classification: M10; M14

1. Introduction

Emotional Intelligence and work performance have been and will continue to be discussed in different cultures. In Albania, there is still no study showing the connection between these two factors.

Emotional Intelligence is defined as a person's ability to perceive emotion in self and others, the intelligent use of emotions in the way individual improve behaviors and thoughts to achieve his/her goals (Goleman, 1998). People who know their own emotions and are good at reading the emotions of others can be more effective at their jobs. Emotional intelligence is very important in all service sectors, especially in banks, as they compete with undifferentiated products. Banking institutions are realizing that Emotional Intelligence is becoming more and more important as an element in increasing performance and in creating and maintaining healthy relationships in the workplace or outside of it. A bank's competitive advantage is achieved through quality services, improving its performance while simultaneously achieving market share, customer satisfaction, and loyalty, especially

in developing countries, such as Albania. The quality of the service can be affected as a result of the behavior of the employees, therefore high emotional intelligence is important in these financial institutions (Akhtar et al., 2017). Employees who know their own emotions and are good at reading the emotions of others can lead to better job performance.

Many studies have shown a positive relationship between emotional intelligence and the performance of employees in the service sector (Nel & De Villiers, 2004; Dhani & Sharma, 2018; Kumari & Priya, 2017).

The purpose of this paper is to see, through research and analysis, what impact emotional intelligence has in job performance in the banking sector. Normally, after defining the goal, the way we will achieve it is also important. The main objectives are to identify the main factors of emotional intelligence that affects the performance of employees' bank and to analyze the impact of emotional intelligence on the bank's performance efficiency.

2. Research Methodology

The methodology used is in function of the goal set in this study. The research is based on the literature review by many authors in the field of management. Most of the research articles and books are found in electronic libraries of scientific articles. Relying on a broad review of organizational behavior literature, the study builds the conceptual model and hypotheses. The questionnaire technique was used as one of the most frequent methods for data collection in empirical research. The data obtained from the questionnaires to investigate the conceptual model and the proposed hypotheses were empirically tested using the multiple linear regression model.

The survey was taken by 171 employees out of almost 240 employees in the banks of the city of Vlore. The study was conducted between the June and December 2022. The Statistical Package for Social Sciences (SPSS) was used to analyze the collected data.

The questionnaire was adapted from the researchers (Goleman, 2002; Bradberry & Greave, 2009; Pearce & Porter, 1986), which was used as an instrument for data collection. The measure emotional intelligence was evaluated by a scale developed by Goleman et al., (2002) and used by Bradberry and Greave (2009). This measure contains four items (self-awareness, self-management, self-motivation and social awareness) that were rated on a five-point scale (ranging from 1 strongly disagree, to 5 strongly agree), but a bit modified and adapted to this research. The emotional intelligence questionnaire consisted of 17 items and the job performance questionnaire consisted of 19 items. Job performance was assessed by a scale developed by Pearce and Porter (1986). This measure contains five items (general performance, ability to understand others, completion of tasks on time, quality of performance, and achievement of work goals) that were rated on a five-point scale (ranging from 1 strongly disagree, to 5 strongly agree). The data obtained from the questionnaires to investigate the proposed hypothesis are empirically tested using multiple linear regression.

3. Literature Review and Hypothesis

Empirical evidence shows that emotional intelligence has a significant positive relationship with employees' job performance (Nel & De Villiers, 2004; Dhani & Sharma,

2018; Kumari & Priya, 2017). Accordingly, this research studies the direct effect of emotional intelligence on job performance in the banking sector in the city of Vlore.

Before moving on to the discussion of the relationship between EI and employee job performance, we will define what emotional intelligence and job performance are. According to Emmerling and Goleman (2003) there are many definitions of EI, all aiming to understand the abilities and traits to recognize one's own emotions and those of others. Goleman (1998) says that emotional intelligence is about the ability to understand feelings, how to motivate ourselves to accomplish our tasks and be sensitive and able to handle relationships with others in the most effective way.

Job performance includes all work-related activities that help achieve organizational objectives (LePine et al., 2016). Work performance plays a very important role in the organization. It affects many personnel decisions such as promotion and employee retention, employee satisfaction and motivation. Goleman (2005) asserted that emotional intelligence increases employee performance and effectiveness.

Emotional intelligence is an important factor for improving employee performance, employee satisfaction, involvement and organizational commitment of employees (Danquah, 2014). Job performance should be positively related to employees' emotional intelligence because employees with high emotional intelligence are better able to assess and regulate their emotions leading to a higher sense of confidence and control, resulting in increased motivation to take proactive actions that lead to high performance (Wong & Law, 2002; Law et al., 2004). These reasons lead to our first hypothesis:

H1: Emotional intelligence is positive correlate with job performance in banking sector in Albania.

Goleman divides emotional intelligence into five components: self-awareness, self-regulation, self-motivation, empathy and social skill. "*Self-awareness is the extent to which individuals are aware of their own internal states (emotions, knowledge, physiological reactions) and their relation with others*" (Lawrence et al., 2018). Employees with a strong sense of self-esteem and skills improve employee performance (Noel, 2016). Self-awareness of emotional intelligence have a greater impact on employee' job performance (Mafuzah & Juraifa, 2016). Based on these arguments we present the following hypothesis:

H1a: Higher levels of self-awareness will affect in higher level job performance in the banking sector in Albania.

According to Goleman (1998), people with high self-management manage well their impulsive feelings and emotions, to remain calm in unhealthy situations, positive even in difficult moments, think clearly and are focused under the effect of pressure. This means that employees who manage their emotions tend to create better relationships with colleagues and this competence positively affects their performance. Jeyan (2006) concluded that self-control is higher in top and middle performers than low performers. Based on these arguments we present the following hypothesis:

H1b: Higher levels of self-management will affect in higher level job performance in the banking sector in Albania.

Goleman (1995) defined that emotional self-motivation involves the ability of controlling the emotional tendencies that facilitate in other to reach one's goals. Self-motivation also refers to the abilities to set goals and also to remain focused and positive by any setbacks that may occur during setting goals. According to Wolmarans and Martins (2016) self-motivation of emotional intelligence have a positive relation with job performance. Based on these arguments we present the following hypothesis:

H1a: Higher levels of self-motivation will affect in higher level job performance in the banking sector in Albania.

Social awareness is the employee's ability to understand the feelings and viewpoints of others, to show an active interest in their concerns, to recognize and fulfill the needs of customers. It is also the ability that the employee has for the development of others and the use of diversity. The study conducted by Noel (2016) showed that improving employees' social awareness leads to higher performance, improved collaboration between employees and ability to seek advice about their jobs. These arguments support the following hypothesis:

H1d: Social awareness will have a significant effect on job performance in the banking sector in Albania.

4. Data Analysis

This section reflects the statistical analysis which leads us towards the realization of the main goal of this study. The general demographic data of the respondents is treated, continuing with the analysis with the statistical model which serves to test the impact of emotional intelligence on job performance in the banking sector, city of Vlore.

4.1. General Demographic Data of Respondents

The findings of the general demographic information of the respondents were analyzed and divided into five categories which are: gender, age, educational level, marital status, and years of employment.

The gender analysis (Table 1) showed that 81.7% were female employees and 18.3% were male. From this analysis we can say that we are dealing with a gender imbalance in the respondents. The age analysis showed that the largest age category includes those aged 29-39, representing 46.5% of the total sample. The second group of respondents (32.4%) is between the ages of 18 and 28. While 40-50 years represents 19.7% and over 50 represents 1.4%. From this we can say that the employment of young people in banks is increasing.

Married respondents make up 70.4% of the total sample. The number of respondents who are single constitutes 28.2% of the total number of respondents. In analyzing the educational level, most of the respondents (78.9%) have a master's degree and respondents with a bachelor's degree are 18.3%. Regarding the years of employment of the employees in these companies, it results that: 35.2% of the employees were employed in less than 0-4 years, and 29.5% were employed for 5 to 14 years. While 15-20 years are 15.5% and over 20 years 19.7%.

Table 1. Demographic data (N = 171)

Categories	Distribution	Frequency	Percent
Gender	Female	140	81.7
	Male	31	18.3
Age	18-28 year	55	32.4
	29-39 year	80	46.5
	40-50 year	34	19.7
	Over 50 year	2	1.4
Level of education	Middle school	5	2.8
	Bachelor degree	31	18.3
	Master's degree	135	78.9
Civil status	married	120	70.4
	single	48	28.2
	divorced	3	1.4
Years of work in the organization	0-4 year	60	35.2
	5-14 year	50	29.5
	14-19 year	27	15.5
	over 20 years	34	19.7

4.2. Factor and Reliability Analysis for Emotional Intelligence Variables

The measure emotional intelligence was evaluated by a scale developed by Goleman et.al., (2002) and used by Bradberry and Greave (2009). This measure contains four items (self-awareness, self-management, self-motivation and social awareness) that were rated on a five-point scale (ranging from 1 strongly disagree, to 5 strongly. agree), but a bit modified and adapted to this research. To assess the reliability of the questionnaire, the Cronbach's Alpha coefficient was used, which resulted within the allowed values > 0.7.

In addition to the reliability coefficient, factorial analysis is also included in the analysis and explains the connection of the questionnaire units with the conceptual structure of the work that is required to be carried out. From the table generated through the SPSS data processing program, it can be seen that the Cronbach's Alpha coefficient for the emotional intelligence variables is 0.753, and the number of measurement units is 17, namely 4 units of self-awareness, self-management and self-motivation, and 5 units for social awareness (Table 2).

Table 2. Cronbach's Alpha coefficient results for emotional intelligence variables

IE factors	Nr	Cronbach's Alpha	Evaluation questions
Emotional Intelligence	171	0.753.	17
Self-awareness	171	745	4
Self-management	171	.845	4
Self-motivation	171	.782	4
Social awareness	171	.840	5

4.3. Factorial and Reliability Analysis for the Job Performance Variable

Job performance was assessed by a scale developed by Pearce and Porter (1986). This measure contains five items (general performance, ability to understand others, completion of tasks on time, quality of performance, and achievement of work goals) that were rated on a five-point scale (ranging from 1 strongly disagree, to 5 strongly. agree), but a bit modified and adapted to this research. Cronbach's alpha for this scale was 0.919, KMO .811 and the Bartlett Sphericity test .000 (Table 3), acceptable for continuing the analysis.

Table 3. Cronbach's Alpha, KMO and Bartlett's Test for job performance

Cronbach's Alpha		.919
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
Bartlett's Test of Sphericity	Approx. Chi-Square	736.725
	Df	120
	Sig.	.000

4.4. Multiple Linear Regression Analysis

In order to determine which of the emotional intelligence factors influence job performance, we performed a multiple regression analysis, where in this case we have job performance as a dependent variable and self-awareness, self-management, self-motivation and social awareness as an independent variable. Before we develop the regression model, which explains the relationship between the variables taken in the study, we see that there is a significant relationship between them for the 0.05 error level.

As Table 4 shows, the correlation between the independent variables "self-awareness", "self-management", "self-motivation", "social awareness" and the dependent variable "job performance" is respectively .533*, .286*, .567*, .477*.

Table 4. The correlation between the independent variables[1] and the dependent variable "job performance"

		Job Performance
Emotional Intelligence	Pearson Correlation	.523**
	Sig. (2-tailed)	.000
	N	171
Self-awareness	Pearson Correlation	.533**
	Sig. (2-tailed)	.000
	N	171
Self-management	Pearson Correlation	.286*
	Sig. (2-tailed)	.016
	N	171
Self-motivation	Pearson Correlation	.567**
	Sig. (2-tailed)	.000
	N	171
Social awareness	Pearson Correlation	.477*
	Sig. (2-tailed)	.000
	N	171

[1] "Emotional Intelligence", "self-awareness", "self-management", self-motivation", "social awareness"

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

* Correlation is significant at the 0.05 level (2-tailed).

We note that the relationship between the independent and dependent variables is positive. This shows the positive impact that emotional intelligence factors have on job performance. To assess whether the multiple regression model is valid or not, ANOVA analysis was undertaken. It is noted that the model raised is valid and the variables taken in the study explain 49.7% (adjusted $R^2 = 0.497$) of the influence on the dependent variable job performance (Table 5). The constructed regression model is valid. In our model, the value $F = 16.296$ was significant at the 0.05 control level (because $p = 0.000$ is less than 0.05).

Table 5. ANOVA analysis for emotional intelligence variables and the impact on the variable "job performance"

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,440.419	5	610.105	16.292	.000b
	Residual	2,471.524	165	37.447		
	Total	4,911.944	170			

a. Dependent Variable: job performance

b. Predictors: (Constant), self-awareness, self-management, self-motivation, empathy

In Table 6 of regression coefficients, we see that the factors "self-awareness" and "self-motivation" have acceptable p-values ($p < 0.05$).

Table 6. Coefficients of emotional intelligence variables and the impact on the variable "job performance"

		Coefficients					
		Unstandardized Coefficients		Standardized Coefficients			
Model		B	Std. Error	Beta	t	Sig.	
1	(Constant)	10.730	7.474		1.436	.156	
	Emotional Intelligence	1.124	.248	.401	2.298	.000	
	Self-awareness	1.147	.302	.406	3.797	.000	
	Self-management	-.491	.301	-.179	-1.633	.107	
	Self-motivation	1.194	.278	.428	4.298	.000	
	Social awareness	.514	.299	.187	1.721	.090	

a. Dependent Variable: job performance

The relationship between the independent and dependent variables is given by the regression equation:

"Job performance" = 10.730 + 0.428 "self-motivation" + 0.406 "self-awareness" + + 0.401 "emotional intelligence" (1)

This means that hypotheses H1b and H1d are not accepted and hypotheses H1, H1a and H1c are accepted. This means that self-management and empathy do not have a significant positive effect on the job performance in the banking sector. The factors "self-awareness" and "self-motivation" have a significant positive effect on job performance in the banking sector. Self-motivation factor has more impact on job performance than self-awareness because the Beta coefficient is larger (.406) for self-motivation (Table 5).

5. Conclusions

From the multiple linear regression analysis, the results showed a positive effect of emotional intelligence on the success of employees at work. The study shows that there is a positive relationship between self-awareness and self-motivation and the performance of employees at work. From the study, the factor self-awareness of emotional intelligence is the best predictor of employees' job performance. The same conclusion has been reached by Butler et al. (2013) or Mafuzah and Juraifa (2016), It has been proven that individuals with a high level of self-awareness can take personal responsibility for their work, which positively affects work performance.

The results of the study are consistent with the findings of Wolmarans and Martins (2016), self-motivation of emotional intelligence have a positive relation with job performance. Employees' job performance is not related to social awareness and self-management as it showed a slightly weak relationship. This result is in contradiction with the findings of Mohamad and Jais (2016). Therefore, banks should pay more attention to increasing their employees' emotional intelligence skills to increase employee performance and achieve organizational goals.

6. Recommendations of the Study

Banks of the city of Vlore should conduct trainings to increase the competences of employees, to understand the feelings and viewpoints of others, to show an active interest in their concerns, to recognize and fulfill the needs of customers, for the development of others and cultivating opportunities through diversity.

Successful integration of self-awareness, self-management, social awareness, and self-motivation with job performance at work can lead to greater organizational achievement, success, productivity, employee improvement, well-being, and a healthy work environment.

7. Limits of the Study

There were several limitations in this study that limit the interpretation and application of the study findings. The aim of this study to explore the role of emotional intelligence in the performance of employees in the banking industry in the city of Vlore means that the findings are specific to this industry and cannot be generalized. Future research should be directed to the banking sector as well as other industries to gain more insight into the relationship between emotional intelligence and job performance.

Conflict of interest: none.

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