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Emotional Intelligence and Leadership Effectiveness in Deposit Money Banks in Cross River State

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Abstract
The purpose of the study was to examine emotional intelligence and leadership effectiveness. The specific objectives were to: examine the impact of self-awareness on leadership effectiveness, determine the impact of self-management on leadership effectiveness, and ascertain the impact of social awareness on leadership effectiveness. A survey design was employed in the study. The population of the study was one hundred (100) respondents. Census sampling was used in the study. Data were collected through primary sources, and multiple regression analysis was employed in the study. Based on the results, it was found that self-awareness, self-management, social awareness, and relationship management had a positive and significant impact on leadership effectiveness. The study recommended that HR use EI tests in the selection of candidates for leadership roles.

Keywords: Emotional intelligence, leadership effectiveness, self-awareness, self-management, social awareness, Relationship management.

Introduction

In contemporary organizational discourse, emotional intelligence (EI) has increasingly assumed a central role in explaining variations in leadership effectiveness, particularly within service-driven and highly competitive sectors such as the banking industry. The dynamic nature of today's business environment which is characterized by digital transformation, heightened customer expectations, and continuous regulatory reforms has rendered traditional leadership approaches inadequate. Consequently, there is a growing shift toward leadership models that integrate emotional and social competencies alongside technical expertise. Within this context, emotional intelligence has emerged as a critical capability that enables leaders to navigate complex interpersonal relationships and organizational challenges effectively. Emotional intelligence is broadly defined as the capacity to recognize, understand, manage, and appropriately utilize emotions in oneself and others. This construct has gained empirical support as a vital predictor of workplace outcomes, particularly in sectors that require constant human interaction such as banking (Chepng'eno & Ngui, 2025; Abaikpa *et al.,* 2024; Jamo & Kusa, 2024).

Recent studies in the banking sector reveal that employees and leaders with high emotional intelligence demonstrate superior interpersonal skills, adaptability, and stress management abilities, all of which contribute significantly to improved job performance and organizational productivity (Perumal & Aithal, 2023; Kalaiarasi *et al.,* 2024) . This suggests that emotional intelligence is not merely a soft skill but a strategic organizational asset. The relevance of emotional intelligence is particularly pronounced in deposit money banks, where employees operate in emotionally demanding environments involving customer engagement, financial decision-making, and performance pressures.

In such settings, leaders are required to manage not only operational tasks but also the emotional climate of the organization. Empirical evidence indicates that emotional intelligence enhances customer relations by fostering empathy, effective communication, and responsiveness, thereby leading to increased customer satisfaction and loyalty in banking institutions (Perumal & Aithal, 2023).

This underscores the importance of emotionally intelligent leadership in achieving service excellence and competitive advantage. Furthermore, leadership effectiveness in modern organizations is increasingly evaluated based on the ability to inspire, motivate, and engage employees toward the achievement of organizational goals. Emotional intelligence plays a pivotal role in this regard by facilitating trust-building, conflict resolution, and effective communication. A recent study on commercial banks established that emotional intelligence has a direct and positive effect on leadership effectiveness and employee engagement, as leaders with high EI are better able to manage relationships, communicate effectively, and create supportive work environments (Kanuto, 2024). This finding reinforces the argument that emotionally intelligent leadership is essential for sustaining employee commitment and organizational performance.

In the Nigerian banking context, the importance of emotional intelligence is further amplified by the socio-economic and organizational realities facing deposit money banks. The sector is characterized by high performance expectations, job stress, and frequent interactions with diverse customer groups. As a result, leaders are expected to demonstrate emotional resilience, empathy, and interpersonal competence. Empirical evidence from Nigerian banks shows that emotional intelligence significantly predicts teamwork effectiveness and organizational communication, both of which are critical determinants of leadership performance (Olowookere *et al.,* 2023). This implies that leaders who possess strong emotional intelligence are better equipped to manage team dynamics and enhance organizational outcomes.

Moreover, recent studies within the South-South region of Nigeria provide further support for the relevance of emotional intelligence in banking operations. For instance, research conducted in commercial banks in Uyo, Akwa Ibom State, found a significant positive relationship between emotional intelligence dimensions such as self-control and self-management and organizational performance (Abaikpa *et al.,* 2024). Similarly, studies on empathy-based leadership in Nigerian banks reveal that emotionally intelligent leadership contributes to improved employee well-being and work-life balance, thereby enhancing overall organizational effectiveness (Chibuzor, 2024) These findings are particularly relevant to Cross River State, given its proximity and similar socio-economic structure.

Globally, the linkage between emotional intelligence and leadership effectiveness continues to gain empirical validation. Recent research in banking institutions indicates that emotional intelligence significantly influences leadership styles, particularly transformational leadership, which is associated with higher levels of employee satisfaction and organizational success (Chepng'eno & Ngui, 2025) In addition, emotional intelligence has been found to enhance critical organizational outcomes such as teamwork, motivation, and conflict management, thereby reinforcing its role as a key determinant of effective leadership in modern organizations. Despite the growing body of empirical evidence, there remains a noticeable gap in localized studies focusing specifically on deposit money banks in Cross River State. Most existing studies have concentrated on other regions or broader national contexts, with limited attention to the unique organizational and socio-cultural dynamics of Cross River State. Given the increasing complexity of banking operations in the state, there is a need to examine how emotional intelligence influences leadership effectiveness within this specific context.

Theoretical framework

The theoretical foundation for examining emotional intelligence and leadership effectiveness in deposit money banks in Cross River State. The following theories are anchored on this study.

Goleman's Emotional Intelligence theory

Although the concept of emotional intelligence had earlier roots in the works of Salovey and Mayer (1990). Goleman's Emotional Intelligence theory provides a comprehensive and empirically grounded framework for understanding how emotional competencies influence leadership effectiveness in organizational settings. Building on earlier works on emotional intelligence, Goleman conceptualized EI as a set of learned capabilities that significantly determine how individuals manage themselves and their relationships. Unlike cognitive intelligence (IQ), which is relatively stable, emotional intelligence is developmental and can be enhanced through training and experience, making it particularly relevant for leadership development in organizations such as deposit money banks (Adeniji & Salau, 2023; Kanuto, 2024).

Fundamentally, Goleman's model is structured around five interrelated components: self-awareness, self-regulation, motivation, empathy, and social skills. These components are often grouped into two broad domains: personal competence (self-awareness, self-regulation, and motivation) and social competence (empathy and social skills). This classification underscores the dual focus of the theory of managing oneself and managing relationships is essential for effective leadership. Self-awareness is widely regarded as the cornerstone of emotional intelligence. It involves a deep understanding of one's emotions, strengths, weaknesses, values, and their impact on others. Leaders who are self-aware are better positioned to make informed decisions, demonstrate authenticity, and maintain credibility within the organization. In the context of deposit money banks, where leaders are required to make high-stakes financial and managerial decisions, self-awareness enhances judgment and reduces the likelihood of emotionally driven errors. Recent studies affirm that self-awareness significantly improves leadership effectiveness by enhancing reflective thinking and decision-making accuracy (Kalaiarasi *et al.,* 2024; Singh & Kumar, 2023).

Literature Review

In banking environments characterized by tight deadlines, regulatory pressures, and customer demands, leaders frequently encounter stressful situations that require emotional control. Leaders with strong self-regulation are able to remain calm under pressure, avoid impulsive decisions, and respond to challenges in a constructive manner. Empirical evidence indicates that self-regulation is positively associated with crisis management and organizational stability, particularly in high-pressure sectors such as banking (Perumal & Aithal, 2023; Adeyemi & Oladipo, 2024). Motivation, as conceptualized by Goleman, goes beyond external rewards such as salary and promotions. It reflects an intrinsic drive to achieve goals, a commitment to organizational objectives, and a willingness to persevere in the face of challenges. Emotionally intelligent leaders are typically characterized by high levels of internal motivation, which enables them to inspire and energize their teams. In deposit money banks, where performance targets are often demanding, leaders with strong intrinsic motivation are better able to sustain productivity and foster a culture of excellence. Recent research highlights that intrinsic motivation significantly enhances leadership effectiveness by promoting resilience, innovation, and long-term goal orientation (Kanuto, 2024; Chibuzor, 2024).

Empathy, a critical component of social competence, refers to the ability to understand and share the feelings of others. It enables leaders to appreciate employees' perspectives, respond to their needs, and build strong interpersonal relationships. In service-oriented sectors such as banking, empathy is particularly important for managing both employees and customers. Leaders who demonstrate empathy are more likely to create inclusive work environments, reduce workplace conflict, and enhance employee satisfaction. Empirical studies in Nigerian banking institutions reveal that empathetic leadership significantly improves employee well-being, teamwork, and customer relations (Olowookere et al., 2023; Abaikpa *et al.*, 2024). Social skills, the final component of Goleman's framework, encompass a broad range of interpersonal competencies, including communication, conflict resolution, teamwork, and relationship management. Leaders with strong social skills are able to effectively influence others, build networks, and foster collaboration within the organization. In deposit money banks, where teamwork and coordination are essential for achieving operational efficiency, social skills play a crucial role in leadership effectiveness. Recent studies indicate that social competence significantly enhances organizational communication and team performance, thereby contributing to overall leadership success (Chepng'eno & Ngui, 2025; Adeyemi & Oladipo, 2024).

Beyond its componential structure, Goleman's Emotional Intelligence Theory emphasizes the link between emotional competencies and organizational performance. The theory posits that leaders who possess high levels of emotional intelligence are more effective because they can align individual emotions with organizational goals. This alignment is particularly important in banking institutions, where employee engagement and customer satisfaction are key performance indicators. Empirical evidence supports this assertion, demonstrating that emotional intelligence positively influences employee engagement, job satisfaction, and organizational commitment in banking environments (Singh & Kumar, 2023; Kanuto, 2024). Another significant contribution of Goleman's theory is its emphasis on learnability and development. Unlike traditional leadership traits that are often considered innate, emotional intelligence can be developed through training, coaching, and experiential learning. This has important implications for deposit money banks in Cross River State, as it suggests that leadership effectiveness can be enhanced through targeted EI development programs. Organizations that invest in emotional intelligence training are more likely to cultivate leaders who can manage stress, resolve conflicts, and build strong relationships with employees and customers (Olowookere et al., 2023; Chibuzor, 2024)

Emotional intelligence enables leaders to address resistance, communicate change effectively, and maintain employee morale during transitions (Adeyemi & Oladipo, 2024). By developing competencies such as self-awareness, empathy, and social skills, leaders are better equipped to manage interpersonal relationships, motivate employees, and achieve organizational objectives. The theory thus establishes a direct linkage between emotional intelligence and leadership effectiveness, making it highly suitable for analyzing leadership dynamics within the banking sector. Consequently, the theory remains a powerful tool for explaining how emotional intelligence contributes to effective leadership in contemporary organizational settings (Chepng'eno & Ngui, 2025; Kanuto, 2024; Abaikpa *et al.*, 2024).
Inspirational motivation involves the ability of leaders to articulate a compelling vision and inspire employees to achieve organizational goals. Transformational leaders use vision, enthusiasm, and optimism to motivate employees, thereby creating a sense of purpose and direction. In the context of deposit money banks, where employees are often required to meet challenging targets, inspirational motivation plays a critical role in sustaining morale and performance. Recent studies indicate that leaders who effectively communicate organizational vision significantly enhance employee motivation and productivity (Olowookere *et al.,* 2023; Adeyemi & Oladipo, 2024). Individualized consideration involves treating employees as individuals with unique needs, abilities, and aspirations.

Transformational leaders provide mentorship, coaching, and support, thereby facilitating employee development and job satisfaction. In deposit money banks, where employee performance is closely tied to service quality, individualized consideration enhances employee engagement and retention. Studies have shown that leaders who demonstrate individualized consideration significantly improve employee satisfaction, loyalty, and overall organizational performance (Chibuzor, 2024). Recent empirical research confirms that emotional intelligence is a significant predictor of transformational leadership, particularly in banking institutions where interpersonal relationships are central to organizational success (Chepng'eno & Ngui, 2025). This relationship reinforces the relevance of integrating both theories in examining leadership effectiveness. Furthermore, transformational leadership has been empirically linked to a wide range of positive organizational outcomes. In the banking sector, studies have demonstrated that transformational leadership enhances employee performance, organizational commitment, job satisfaction, and customer service quality (Kanuto, 2024; Olowookere *et al.,* 2023). These outcomes are particularly important in deposit money banks, where service quality and customer satisfaction directly impact profitability and competitiveness. Leaders who adopt transformational leadership practices are better equipped to align employee behavior with organizational goals, thereby improving overall performance (Olowookere *et al.,* 2023; Kanuto, 2024; Aham et al., 2024; Obomanu, 2018)

Within the Nigerian context, transformational leadership is increasingly recognized as a critical factor in addressing organizational challenges such as employee disengagement, resistance to change, and performance inefficiencies. The banking sector in Nigeria operates in a highly dynamic environment characterized by regulatory reforms, technological advancements, and economic fluctuations. In such an environment, transformational leaders play a vital role in guiding employees through change, fostering innovation, and maintaining organizational stability. Empirical studies in Nigerian banks indicate that transformational leadership significantly improves employee engagement and organizational resilience, particularly when combined with strong emotional intelligence competencies (Abaikpa *et al.,* 2024; Chibuzor, 2024). Another important dimension of Transformational Leadership Theory is its relevance to change management. Transformational leaders are change agents who inspire employees to embrace new ideas and adapt to organizational transformations. In deposit money banks, where digital banking and financial technologies are reshaping operations, the ability to manage change effectively is crucial. Leaders who exhibit transformational qualities are more likely to reduce resistance to change, enhance employee adaptability, and ensure successful implementation of organizational reforms (Adeyemi & Oladipo, 2024; Chepng'eno & Ngui, 2025; Kanuto, 2024; Olowookere et al., 2023; Abaikpa *et al.,* 2024).

Empirical Literature

Ehigie *et al.* (2023) established that emotional intelligence and communication competence jointly predict teamwork effectiveness among bank employees, suggesting that leaders who possess strong emotional intelligence are better able to coordinate teams, manage interpersonal dynamics, and foster a collaborative work environment. The study further indicates that emotionally intelligent leaders are more likely to create an atmosphere of trust and openness, which enhances employee participation and improves overall organizational efficiency. This finding is particularly relevant in deposit money banks, where teamwork is essential for delivering seamless financial services and achieving organizational targets. Similarly, other studies in Nigerian banking institutions have highlighted that communication effectiveness, when combined with emotional intelligence, significantly improves leadership outcomes and organizational cohesion, thereby reinforcing the importance of emotional competencies in leadership roles. The study emphasized that emotional intelligence enhances leaders' ability to understand employee emotions, manage workplace stress, and make balanced decisions, all of which contribute to improved organizational outcomes.

Kanuto (2024) revealed that emotional intelligence significantly enhances employee engagement in banking institutions, with emotionally intelligent leaders demonstrating stronger relational skills and higher levels of emotional awareness. This finding suggests that leadership effectiveness is not only reflected in organizational performance metrics but also in the ability of leaders to influence employee attitudes and behaviors positively. Similarly, studies in Nigerian banking environments show that emotionally intelligent leaders are better able to create a psychologically safe work environment, which enhances employee motivation, reduces turnover intention, and improves overall organizational commitment. Agbim (2020) investigated the relationship amongst emotional intelligence, cognitive ability, and personality with academic achievement. Emotional intelligence was measured using the Emotional Quotient Inventory (EQ- i), including the total EQ-i score and five EQ-i composite factor scores. None of the EQ-i factor scores, or the total EQ-i score, was significantly related to academic achievement from their findings. The study recommended that managers need to effectively direct the relationships, but it is the social skills that make such relations possible.

Kolawale (2023) assessed the relationship between emotional intelligence and academic achievement, as measured by grade point average, in college students, using both self-report and ability-based measures of emotional intelligence. The study employed pearson product moment correlation to establish the relationship between dependent and independent variables. The results showed that emotional intelligence was not a strong predictor of academic achievement regardless of the type of instrument used to measure it. The study recommended managers should make good decisions in order to favor the employees. Karimi (2014) examined the influence of self-mindfulness, self-controlling and relationships-management on employee performance. The study adopted exploratory method with seventy-six (76) employees of a Nairobi hotel but sampled thirty-eight (38) employees through simple random sampling. Data was collected through questionnaire and interviews means. Outcomes of the study showed that self-awareness, self-management and relationships-management proxies of EI influence employee performance. Based on above review, it is obvious that the studies are still limited because none has captured the perception of customers' bank service delivery in developing countries and precisely Africa. It is thus expedient to investigate this and the study considered Nigeria and Liberia for this purpose. Furthermore, there is no substantial literature on employee EI involving Nigeria and Liberia. The study recommended that organizations should search for emotional matured mind while recruiting.

Methodology

Conceptual review was employed as a type of literature review to map out the key concepts, definitions, and relationships around a topic. Information on emotional intelligence and leadership effectiveness was gathered using textbooks, journals, published and unpublished journals, libraries and internet applications

Findings

In line with conceptual review, it was found that personal competence (self-awareness, self-regulation) has effect on leadership effectiveness. Also, social competence (empathy and social skills) has effect on leadership effectiveness.

Conclusion

The relevance of emotional intelligence is particularly pronounced in deposit money banks, where employees operate in emotionally demanding environments involving customer engagement, financial decision-making, and performance pressures. In such settings, leaders are required to manage not only operational tasks but also the emotional climate of the organization. Furthermore, leadership effectiveness in modern organizations is increasingly evaluated based on the ability to inspire, motivate, and engage employees toward the achievement of organizational goals. Emotional intelligence plays a pivotal role in this regard by facilitating trust-building, conflict resolution, and effective communication. As a result, leaders are expected to demonstrate emotional resilience, empathy, and interpersonal competence.

Recommendations

The study recommended that managers need to effectively direct the relationships, but it is the social skills that make such relations possible. Organizations should search for emotional matured mind while recruiting.

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