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# **Addis Ababa University School of Commerce**

## **Department of Business leadership**

# **The impact of leader's emotional Intelligence on employee's well-being in Ethiopian banking Industry**

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October 2024

**ADDIS ABABA UNIVERSITY**

**SCHOOL OF COMMERCE**

**DEPARTMENT OF BUSINESS LEADERSHIP**

The impact of leader's emotional Intelligence on employee's  
well-being (in the case of Ethiopian banking industry)

A final research paper submitted Addis Ababa University School of  
commerce for the partial fulfillment of the requirements of the degree of  
Master of Arts in Business Leadership

**BY: Hilina Tesfaye**

Advisor: Dr. Mahir Jibril

## DECLARATION

I, Hilina Tesfaye, declare that this study entitled “**The impact of leader’s emotional Intelligence on employee’s well-being (in the case of Ethiopian banking industry)**” is my original work. I have carried out the present study independently & any other contributors or sources used for the study have been duly acknowledged and cited. Moreover, this study has not been submitted for any Degree program in this or any other institution.

Declared by:

Hilina Tesfaye

Signature: \_\_\_\_\_

**ADDIS ABABA UNIVERSITY SCHOOL OF  
COMMERCE**

**DEPARTMENT OF BUSINESS LEADERSHIP**

**The impact of leader’s emotional Intelligence on the  
well-being of employees (in the case of Ethiopian banking  
industry)**

**APPROVAL OF BOARD OF EXAMINERS**

This is to certify that the thesis conducted by Hilina Tesfaye Temesgen entitled “**The impact of leader’s emotional Intelligence on employee’s well-being (in the case of Ethiopian banking industry)**”, submitted in partial fulfillment of the requirement for the degree of Master of Arts in Business Leadership, meets the accepted quality and standard.

**APPROVED BY BOARD OF EXAMINERS**

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_____ Internal Examiner	_____ Signature	_____ Date
_____ External Examiner	_____ Signature	_____ Date

## **Acknowledgement**

First and foremost, I would like to express my gratitude to my God Jehovah. He has given me strength and patience through all the challenging moments of completing this study. I am very grateful for his unconditional love even when I am at fault.

I would like to thank my advisor, Dr. Mahir Jibril for his supervision and valuable feedback. I would also like to extend my gratitude to all those who participated in the questionnaire & those who have generously gone out of their way to help me like Dr. Temesgen Dagne.

Last but not least, I would like to thank my entire family & friends especially Beyene, Fasika , Fitih , Israel , Liyat & Simon . None of this would be possible without your help!

## **Dedication**

To **Wro Dirshayenesh Beyene** who I am fortunate to call Mom, your unwavering belief in my potential, even when I doubted myself has fueled my passion for learning. Your sacrifices, your love for knowledge, and your enduring spirit have shaped me into the person I am today. Mom, thank you for everything you are and everything you have done!

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## **Abbreviations**

EI-Emotional intelligence

WB- Well being

IQ-Intelligence Quotient

F-Female

M-Male

SPSS-Statistical package for social sciences

## **Abstract**

*This research examine the connection between leader's emotional intelligence with employees well-being in the case of the Ethiopian banking industry, in addition to this objective it also specify which emotional intelligence component have stronger influence on employees well-being. Data was collected through a survey administered to 202 employees from fifteen banks in the Ethiopian banking industry. Purposive sampling was used to select participants who were deemed most suitable for the study. A quantitative research design was employed, and the data was analyzed using descriptive statistics, correlation analysis, and regression analysis.*

*Results showed a positive connection between leader's emotional intelligence and employee well-being exists, suggesting leaders with higher emotional intelligence create greater well-being for subordinates working below them. All emotional intelligence components specifically self-awareness, social awareness, motivation & self-management positively correlated with well-being, and all emotional intelligence components significantly predicted it. These findings highlight the importance of developing leadership programs that enhance emotional intelligence within Ethiopian banks to promote employee well-being.*

**Keywords:** *Leader, Emotional intelligence, Employee well-being*

# Chapter one

## 1. Introduction

This initial chapter lays the groundwork for the entire study. It begins by establishing the context and presenting the central problem. This sets the course for the research questions that will be addressed.

Next, the chapter outlines the specific objectives the study target to achieve, then it concludes by assessing the significance of findings within the broader research context, acknowledging limitations encountered during the investigation.

Finally, the chapter concludes with a roadmap, providing an overview of how the remaining chapters are organized and how they contribute to the overall research effort.

### 1.1. Study background

**Emotional Intelligence** :While emotional intelligence has been a popular tool for identifying strong leaders and developing leadership skills for decades, there's a lack of substantial research exploring its real-world impact. This research intend to bridge this gap by investigating how leader emotional intelligence influences employee well-being within the Ethiopian banking industry.

Edward Thorndike pioneered the study of emotional intelligence in modern times specifically 1920 he researched dimensions of emotional intelligence as a form of “social intelligence” . According to him social intelligence is the ability to perceive one’s own and other’s behaviours and motives in order to successfully make use of that information in social situations. While various researchers have contributed to the understanding of emotional intelligence, Daniel Goleman is widely recognized for his detailed exploration of the concept and its importance,. Goleman (1995) popularized the idea that success in life does not depend solely on a high IQ score being "emotionally intelligent" is equally important and he also emphasized that emotional competencies are learned abilities and are not static and are most important at the highest levels of responsibility in an organization.

**Employee well-being** :is a multifaceted construct encompassing psychological, physical, and job-related factors (Danna & Griffin, 1999; De Jong et al., 2016).. Hence A focus on employee well-being demonstrates a commitment to staff happiness and job satisfaction, potentially leading to a more positive and engaged workforce.

This study therefore centers on the relationship and extent to which employee well-being, the dependent variable, is impacted by leader emotional intelligence, the independent variable. This investigation holds significant importance for several reasons.

Firstly, within the Ethiopian banking industry, high workload and job insecurity are significant contributors to employee turnover. This not only represents a financial burden for banks owing to the costs associated with recruiting and developing new staff results in the loss of valuable employees and experienced professionals. Plus the employees who experience a sense of well-being at work tend to demonstrate higher levels of productivity and effectiveness ultimately contributing to the organization's success.

Secondly, compromised employee well-being can lead to health issues, further impacting the workforce and society as a whole. A healthy and content workforce translates into a more productive and efficient banking sector, ultimately benefiting the Ethiopian economy & society.

## 1.2. Statement of the Problem

The banking sector plays a pivotal role in one country's economic development. In the specific case of our country where the government is prioritizing economic growth and financial inclusion, a strong banking sector is crucial for achieving these goals. By facilitating access to finance, promoting savings, and fostering a stable financial system, banks can be a powerful driver of Ethiopia's economic transformation. The Ethiopian banking sector's rapid growth intensifies competition. The intense competition highlights the crucial role of emotional intelligence in effective leadership. Leaders with high ability to manage emotion can effectively manage this pressure, fostering a positive work environment – a key element for many banks aiming to be a "top employer." Ultimately, a productive and efficient workforce translates to a competitive edge for the bank, further propelling Ethiopia's economic transformation.

Goleman (2019) emphasizes the critical importance of emotional intelligence (EI) in leadership and organizational success. He posits that EI is more critical than IQ for financial performance and that it is indispensable for effective leadership, surpassing the value of traditional measures like training and intellect.

While research extensively links emotional intelligence (EI) to employee performance, satisfaction, and leadership, its effect on employee well-being, particularly within Ethiopia's banking sector, remains understudied. Moreover, existing research has not fully explored how leaders' emotional intelligence (EI), rather than employees' EI, affects employee well-being. Additionally, specific EI skills that foster employee well-being have not been fully identified. This study aims to address these knowledge gaps by examining the relationship between leader emotional intelligence and employee well-being in Ethiopia's banking sector. By examining these factors, the study will not only explore how leader EI impacts employees but also highlight the importance of employee's sentiment towards their jobs. Ultimately, employee well-being and satisfaction are crucial determinants of an organization's long-term success. This research, therefore, seeks to contribute valuable insights regarding the variables relation & long term result within the banking industry.

### **1.3. Research Questions**

This research contributes to the limited body of literature examining the influence of leader's emotional intelligence on employee's well-being. The research will examine the impact of leader's emotional intelligence on the well-being of bank employees and will address the below listed questions.

- To what extent does leaders' emotional intelligence influence employee well-being in the Ethiopian banking industry?
- How does leaders' emotional intelligence affect the well-being of employees in Ethiopian banks?
- Are there specific aspects of emotional intelligence (e.g., self-awareness, social awareness, etc.) that have a stronger influence on employee well-being?

### **1.4. Research objective**

#### **1.4.1. General Objectives**

This research aims to examine how leaders' emotional intelligence influences employee's well-being in Ethiopian banks. Findings will inform strategies to enhance employee satisfaction and position banks as top employers in the industry.

#### **1.4.2. Specific Objectives**

- To measure the influence of leaders' self-awareness on employee's well-being in Ethiopian banks.
- To examine how leaders' social awareness impacts employee well-being.
- To determine if leaders' relationship management skills are associated with employee well-being.
- To investigate whether leaders' self-motivation contributes to a better well-being for employees.
- To explore whether leaders' emotional regulation abilities influence employee stress levels in Ethiopian banks.
- To indirectly assess leadership effectiveness in the industry and develop a comprehensive leadership development strategy.

## **1.5. Significance of the Study**

### **➤ Addressing a Critical Challenge in the Ethiopian Banking Industry:**

Hence, as a result of the rapid growth in the Ethiopian banking industry, competition among the competitors has become high that it can subject leaders into stress. This can negatively affect employee health and well being, which in turn affects productivity and the success of an organization. This is precisely the problem that the objective of this study, “The Role of Leaders Emotional Intelligence on Employees’ Well-being: A case study in Ethiopian Banking Industry,” seeking to tackle by examining how emotional intelligence can result in a healthier and more productive work dynamic.

### **➤ Enhancing Employee well-being:**

By exploring the relationship between leaders' emotional intelligence and well-being of employees, this study aims to offer insights into creating a more positive workplace. Leaders who possess higher emotional intelligence are better able to handle stress, cultivate trust, and foster an upholding environment, which ultimately benefits employee well-being. This can result in increased employee involvement, lower turnover rates, and improved organizational outcomes.

### **➤ Expanding the Knowledge Base on Emotional Intelligence and Employee Well-being:**

This study expands understanding of emotional intelligence's impact on leadership. Specifically, it sheds light on how emotional intelligence can positively impact the dependent variables well-being in employees within the unique context of the Ethiopian banking industry. This knowledge can be valuable for future research and inform the development of leadership training programs that focus on emotional intelligence skills.

### **➤ Potential for Broader Societal Impact:**

Ethiopia's banking sector is a cornerstone of its economic growth. By promoting the well-being of employees within the banking industry, this research can contribute to a more productive and resilient workforce. This, in turn, can positively impact the overall economic stability and growth of Ethiopia.

## 1.6. Study scope

This research investigated the impact of leaders emotional intelligence on well-being of employees. Due to time and resource constraints, the study focused on bank staff in Addis Ababa chosen through stratified sampling from the total number of banks in the industry some were selected then from employees of those banks staffs who were willing & fit were chosen through purposive sampling. This method ensured a representative sample of employees whose demographics were relevant to evaluating leadership. While geographically limited, the sample aimed to capture the perspectives of a broader population.

To explore the possible connections among leader emotional intelligence, and employee well-being, a correlational research design was adopted. Data for this study was gathered in a cross-sectional manner, meaning it was collected at a single time point.

## 1.7. Study Limitations

The research acknowledges several constraints that require consideration when interpreting the findings.

*Firstly*, the study employed a purposive sampling approach, focusing on bank staff in Addis Ababa who were willing to participate. While this method allowed for gathering in-depth insights from a specific group of employees, it is a non-probability sampling technique. This limits the generalizability of the results to the entire Ethiopian banking industry. The sample may be skewed towards employees with certain characteristics, such as those more comfortable participating in surveys, potentially underrepresenting other viewpoints within the broader employee population.

*Secondly*, the study's geographical scope is confined to Addis Ababa. This restricts the applicability of the findings to other locations within Ethiopia. Work cultures and employee demographics can vary significantly across regions, potentially impacting the results. For instance, well being challenges or employee experiences with leadership might differ in other parts of the country.

*Finally*, time constraints played a role in limiting the scope of the research. Due to these constraints, the data collection was conducted within a specific timeframe, which may have limited the depth and breadth of the information gathered.

## **1.8. Organization of The Study**

The research paper is structured in accordance with master's thesis guidelines. Chapter one introduces the research, outlining its background, problem statement, research question, objectives, limitations, and scope. Chapter two delves into the theoretical and empirical foundations of leaders emotional intelligence, well-being, culminating in the development of a conceptual framework and selection of measurement tools. Chapter three elucidates the study design, methodology, target population, sampling methods, and data collection and analysis procedures. Chapter four shows and discusses the research findings, employing descriptive, correlational, and multiple regression statistical analyses. The final chapter synthesizes key findings, offers implications for future research, acknowledges study limitations, provides recommendations for industry practices, and delivers a comprehensive conclusion.

## **1.9. Definition of Key Terms**

**Emotional intelligence** - The capacity to recognize and understand one's own emotions and the emotions of others, and to use this knowledge to guide behavior.

**Employee well-being** - individual's overall physical, mental, and emotional health, contentment, and satisfaction within their work environment.

**Leader** ; an individual who is involved in influencing others to achieve shared goals.

# Chapter Two

## Literature Review

### 2. Introduction

This section evaluates the existing research on the key concepts of this study: emotional intelligence, & employee well-being. Through a comprehensive assessment of prior research, the chapter will explore the perspectives of various scholars on these constructs and the subject matter as a whole. This exploration will encompass established models and theories that illuminate both the unique characteristics and the shared aspects of these variables. Furthermore, the chapter will critically examine the theoretical integration of these concepts, aiming to build a robust foundation for understanding their interconnectedness.

#### 2.1. Theoretical Review

This subsection focuses on the theory of emotional intelligence . It will explore various models used to define this construct, highlighting the key differences in their approaches. Additionally, the subsection will summarize the different methods used to quantify emotional intelligence, providing an overview of the tools available to assess this important capability.

##### 2.1.1. The concept of Emotional Intelligence

Goleman (1995) posits that emotions and intelligence are not mutually exclusive but rather work in tandem. Mandler (1984) suggests that intense emotional situations can actually enhance cognitive processes by prioritizing thought processes. Mayer and Salovey (1993) further emphasize the interconnectedness of emotions and logical thinking, asserting that emotions can serve as bridges rather than barriers to rational thought.

King (1999) succinctly captures the essence of emotional intelligence, stating, "Emotion and intellect combine to form emotional intelligence" (p. 17). While moods may not directly influence intelligence, they can significantly impact one's thinking processes (King, 1999). Individuals who possess a deep understanding of their own emotions, can accurately interpret the emotions of others, and can leverage this emotional awareness to guide their thoughts and actions are more likely to demonstrate higher levels of intelligence (King, 1999).

The relationship between emotional intelligence and workplace performance has been a focal point of research in organizational productivity and effectiveness. A substantial body of research has centered on the role of emotional intelligence in leadership. Effective leadership is contingent upon a leader's ability to navigate and resolve challenges that arise within groups or organizations (Mumford, Zaccaro, Harding, Jacob & Fleishman, 2000).

Emotionally intelligent individuals possess a suite of skills, including flexibility, conflict management, persuasion, and social reasoning, that become increasingly vital as they ascend the leadership hierarchy (Mandell and Pherwani, 2003). Dulewicz and Higgs (2003) contend that emotional intelligence is more critical than intellect and other managerial competencies for career advancement. In fact, emotional intelligence is increasingly recognized as a key predictor of stellar performance at higher organizational levels, surpassing the importance of cognitive or technical abilities (Goleman et al., 2002).

These studies collectively support the association between effective leadership and emotional intelligence, as well as the theory that higher leadership positions often correlate with higher levels of emotional intelligence. Moreover, specific emotional intelligence competencies, such as motivation, interpersonal sensitivity, intuitiveness, conscientiousness, and integrity, are particularly crucial for directors of organizations, as they play a pivotal role in shaping the company's vision, mission, and values (Dulewicz and Higgs, 2003, p. 206).

In the realm of leadership, emotional intelligence takes precedence over IQ and technical skills. As Goleman (2019) emphasizes, "A person can have the best training in the world, an incisive, analytical mind, & an endless supply of smart ideas, but without emotional intelligence, they still won't make a great leader"

## 2.2. Models of Emotional Intelligence

Within the domain of organizational research, scholars have endeavored to clarify what made emotional intelligence (EI) through the application of several established conceptual models. Three models have emerged as particularly influential: the ability model, mixed models, and trait models. Each of these models offers a distinct perspective on the nature of EI, and a closer examination of these frameworks is undertaken in the next sections.

### 2.2.1. Ability Model

The ability perspective considers, EI as a group of abilities that are distinct from the traditional dimensions of intelligence and that facilitate the perception, expression, assimilation, understanding, and regulating emotions, so as to promote emotional and intellectual growth (Mayer and Salovey, 1997b). Mayer and Salovey (1997b) expanded their 1990 definition of EI by creating a four-branch model of EI comprising of:

- **Perceiving Emotions:** The ability to accurately identify and express emotions in oneself and others. This includes recognizing facial expressions, body language, and vocal tones to understand the emotional states of oneself and others. It also involves being able to express one's own emotions in a clear and appropriate manner.
- **Using Emotions to Facilitate Thought:** The capacity to harness emotions to enhance cognitive processes and problem-solving. This involves being able to use emotions to guide decision-making, improve creativity, and enhance memory. For example, positive emotions can foster creativity and problem-solving, while negative emotions can alert individuals to potential threats or challenges.
- **Understanding Emotions:** The ability to comprehend the meanings and implications of emotions, including their relationships and transitions. This involves understanding how emotions can influence thoughts, behaviors, and relationships. It also involves being able to recognize and understand the complex interplay between emotions and to predict how emotions might evolve over time.
- **Managing Emotions:** The skill of regulating one's own emotions and those of others to achieve specific goals. This involves being able to control one's own emotional responses, manage stress effectively, and help others to regulate their emotions. It also involves being able to use emotions to motivate oneself and others and to build and maintain positive relationships.

These four branches of emotional intelligence and abilities related to them are presented in Table 1.

Branch	Ability
<b>Branch 1</b> Perceiving, appraising and expressing emotions	<ul style="list-style-type: none"> <li>• Perceive and express own feelings and emotions</li> <li>• Perceive and express emotions in other people.</li> <li>• Accurate expression of emotions and communication of needs associated with feelings.</li> <li>• Discriminate among different emotional expressions</li> </ul>
<b>Branch 2</b> Using emotions to facilitate thought	Emotion direct attention and prioritize thinking. <ul style="list-style-type: none"> <li>• Moods alter one’s perception and may result in the understanding of different point of view.</li> <li>• Emotional states encourage problem-solving approaches.</li> </ul>
<b>Branch 3</b> Understanding and reasoning with emotions	<ul style="list-style-type: none"> <li>• Label emotions and recognize relationships among different emotions and their meanings</li> <li>• Understand the meanings of emotions and the information they convey regarding relationships</li> <li>• Interpret complex feelings and understand combinations of different feelings (e.g., experiencing joy and fear simultaneously)</li> <li>• Understand transitions among emotions</li> </ul>
<b>Branch 4</b> Managing / regulating emotions	Openness to pleasant and unpleasant feelings <ul style="list-style-type: none"> <li>• Reflectively engage or detach from emotions depending on whether they can be used for intellectual or emotional growth</li> <li>• Manage emotions in oneself and others by moderating negative</li> </ul>

**Table 1: Mayer & Salovey’s (1997) Ability-Based Model of Emotional Intelligence**

## 2.2.2. Mixed Model

Mixed models of emotional intelligence, as proposed by Mayer et al. (2000c), integrate cognitive abilities and personality traits. Unlike ability-based models, Goleman's 1995 model emphasizes five core aspects of emotional intelligence: self-awareness, self-management, social awareness, relationship management, and motivation..

Daniel Goleman's "The Emotionally Intelligent Leader" outlines a mixed model approach to emotional intelligence, incorporating both inherent qualities and acquired abilities.

***Self-Awareness:*** Effective leaders have a profound understanding of their own emotions, strengths, weaknesses, and motivations. This self-awareness allows them to recognize how their feelings influence their behavior, decision-making, and interactions with others. Self-aware leaders are able to identify and manage their emotional responses, preventing impulsive behavior and negative emotional states from hindering their performance. They align their actions with their values, leading to greater job satisfaction, increased motivation, and a more authentic leadership style.

***Self-Regulation:*** Successful leaders are able to effectively manage their emotions, preventing impulsive behavior and negative emotional states from hindering their performance. They can regulate their moods and channel their emotions in productive ways, fostering a calm and controlled demeanor. Self-regulation allows leaders to respond to challenges with composure and make thoughtful decisions, even under pressure. It also enables them to build trust with their team members by demonstrating emotional maturity and reliability.

***Motivation:*** Effective leaders are intrinsically motivated to achieve excellence. They are driven by a deep desire to succeed, not solely for external rewards but for the satisfaction of accomplishment itself. This internal motivation inspires and energizes those around them, creating a positive and productive work environment. Leaders who are motivated by a passion for their work are more likely to be resilient, persistent, and committed to their goals.

***Empathy:*** Empathy is a crucial leadership trait, enabling leaders to understand and consider the perspectives and feelings of others. By actively listening and seeking to understand different viewpoints, empathetic leaders can create a supportive and inclusive work environment. They are

able to build strong relationships with their team members, foster trust, and motivate others to their best potential. Empathetic leaders are also more likely to make informed decisions that consider the impact on their team members and the broader organization.

***Social Skills:*** Effective leaders possess strong interpersonal skills, allowing them to build relationships, influence others, and foster cooperation. They are adept at communicating effectively, finding common ground, and building trust with their team members. These social skills are essential for leading and motivating others to achieve shared goals. Socially skilled leaders are able to inspire and motivate their teams, resolve conflicts effectively, and create a positive and collaborative work environment.

The five components of emotional intelligence at work;

	<b>Definition Hallmarks</b>	<b>Hallmarks</b>
<b>Self-awareness</b>	The ability to recognize and understand your moods, emotions, and drives, as well as their effect on others	Self-confidence Realistic self-assessment Self-deprecating sense of humor
<b>Self-regulation</b>	The ability to control or redirect disruptive impulses and moods  The propensity to suspend judgment—to think before acting	Trust worthiness and integrity Comfort with ambiguity Openness to change
<b>Motivation</b>	A passion to work for reasons that go beyond money or status  A propensity to pursue goals with energy and persistence	Strong drive to achieve  Optimism, even in the face of failure  Organizational commitment
<b>Empathy</b>	The ability to understand the emotional makeup of other people  Skill in treating people according to their emotional reactions	Expertise in building and retaining talent  Cross-cultural sensitivity Service to clients and customers
<b>Social skill</b>	Proficiency in managing relationships and building networks  An ability to find common ground and build rapport	Effectiveness in leading change  Persuasiveness  Expertise in building and leading teams

**Table 2. Goleman, D. (2002) of Emotional Intelligence mixed model approach**

### **2.2.3. The Trait Models of Emotional Intelligence**

Trait emotional intelligence (trait EI) refers to a constellation of emotional self-perceptions located at the lower levels of personality hierarchies and integrates the affective aspects of personality (Petrides, Pita, & Kokkinaki, 2007).

In contrast to models that focus on measurable skills, the trait-based model of EI emphasizes self-reported emotional perceptions and personality traits. Assessed through questionnaires, this model views EI as a collection of stable characteristics, like self-awareness and social skills, that influence how individuals manage emotions and navigate challenges. These characteristics translate into capabilities that help them cope effectively with environmental pressures.

Traits	Description
Adaptability	flexible and willing to adapt to new conditions
Assertiveness	forthright, frank, and willing to stand up for their rights
Emotion expression	capable of communicating their feelings to others
Emotion management (others)	capable of influencing other people's feelings
Emotional perception (self and others)	Clear about their own and other people's feelings
Emotion regulation	capable of controlling their emotions
Impulsiveness (low)	Reflective and less likely to give in to their urges
Relationships	capable of maintaining fulfilling personal relationships
Self-esteem	successful and self-confident
Self-motivation	driven and unlikely to give up in the face of adversity
Social awareness	accomplished networkers with superior social skills
Stress management	capable of withstanding pressure and regulating stress
Trait empathy	capable of taking someone else's perspective
Trait happiness	Cheerful and satisfied with their lives
Trait optimism	confident and likely to "look on the bright side" of life

***Table 3: The Domain of Trait Emotional Intelligence***

## 2.3. Emotional Intelligence Measurements

While emotional intelligence gained significant attention following Goleman's work in 1995, its measurement has become a point of argument. Despite widespread interest across various mediums – scientific articles, news outlets, textbooks, and academic reviews – there is still no clear consensus yet on the issue of on how to measure EI effectively.

Two key approaches guide how we measure emotional intelligence (EI): the mixed-model and ability-based models.

**I. Ability-Based Model (Mayer & Salovey):** this model of emotional intelligence focus on the specific skills and abilities that contribute to emotional intelligence. These measures provide a reliable assessment of an individual's capacity to understand and effectively manage emotions. Unlike self-report measures, ability-based assessments do not require participants to rate their own emotional abilities. Instead, participants are presented with emotion-related problems that have definitive correct or incorrect answers.

- **The Mayor Salovey and Caruso Emotional Intelligence Test;** Unlike self-reported measures where individuals rate their own emotional skills, the MSCEIT focuses on directly measuring a person's ability to reason with emotional information & leverage it to improve their thinking (Parker et al., 2009). The MSCEIT has its roots in the Multi Factor Emotional Intelligence Scale (MEIS), a 4-branch, 402-item ability measure developed by Mayer and Salovey (1999). Through further refinements with David Caruso, Mayer and Salovey arrived at their refined model of emotional intelligence, embodied in the new 4-branch ability measure known as the MSCEIT (Mayer et al., 2002). The MSCEIT focuses on EI as a genuine intelligence, while self-reported measures rely on self-perception & it uses a unique measurement method where individuals solve emotional problems, rather than simply rating their own abilities. Consequently, the MSCEIT shows weak to moderate correlations with self-reported measures, as shown in studies by Livingstone and Day (2005).

**II. Mixed Model:** takes a more comprehensive approach, the model acknowledges that EI is a blend of both learned skills & inherent personality traits. These models typically encompass a wider range of competencies than the ability-based model. Here are examples of mixed models;

- **Goleman's Model:** This model focuses on five key emotional intelligence competencies (Goleman, D. (1995). Namely self-awareness, self-regulation, motivation, social awareness & relationship management.
- **Bar on Model :** This model identifies 15 core competencies that contribute to emotional intelligence, grouped into five key areas stress management, adaptability, general mood, interpersonal (self-awareness, self-regulation & motivation ) & Interpersonal (empathy & relation skills ). Bar-On, R. (2000).
- **Emotional Competency Inventory:** stands out as an assessment tool designed specifically for workplace settings and aligns with some key criteria established by HR professionals (Sala, 2002). Developed through a collaboration between The Hay Group, Daniel Goleman, and Richard Boyatzis, the ECI boasts efficient completion times (around 15 minutes) and demonstrates strong workplace face validity in evaluating competencies crucial for teamwork, collaboration, and organizational awareness (Sala, 2002). It even provides insights into current employee performance and outcomes. While individual reports lack targeted and individual-specific EI development options, a key advantage of the ECI lies in its use of demonstrably observable behaviors for item construction. Additionally, the inventory offers a valuable multi-rater format for a more comprehensive assessment. The ECI started as an ability-based EI measure but has become a **mixed model**, now including aspects of both learned skills and inherent traits.

**III. The Trait Emotional Intelligence:** A conceptualization of emotional intelligence that focuses on self-perceived emotional abilities and dispositions. This perspective views EI as a constellation of personality traits that influence how individuals understand, process, and regulate emotions in themselves and others. (Petrides, K. V., & Furnham, A. (2001). This model focuses on how people see themselves emotionally (self-perceptions) and their natural tendencies towards emotions (emotional dispositions). Assessing this primarily relies on individuals reporting on themselves (self-report) or on the observations of others (observer ratings). Here are some examples;

- **The Emotional Quotient Inventory (EQ-I)**; Measuring a broad range of emotional & social competencies that reflect personality traits, such as self-regard, interpersonal relationships, and stress management. EQ-i provides a snapshot of an individual's emotional intelligence based on self-reported traits and tendencies.
- **The Trait Emotional Intelligence Questionnaire (TEIQue)**; is grounded in trait emotional intelligence (trait EI) theory, which views emotional intelligence as a fundamental personality trait (Petrides, Pita, & Kokkinaki, 2007). This theory positions EI at the base of the personality pyramid, suggesting it forms a core aspect of individual differences.
- **Wong and Law Emotional Intelligence Scale**; by Wong and Law (2002) focuses on efficiently measuring emotional intelligence in workplaces. Inspired by the ability-based model of Mayer and Salovey (1990), the WLEIS defines emotional intelligence as a set of skills for understanding one's own emotions, expressing them effectively, perceiving emotions in others, and managing emotions for personal and professional growth. Research suggests the WLEIS is a reliable and valid tool, aligning with other established measures like the EQ-i.

**360-degree feedback**: This approach incorporates feedback from various sources, including direct reports, peers, and superiors. These individuals would likely be familiar with the manager's day-to-day interactions and can provide insights on their emotional intelligence skills. The feedback instrument would be specifically designed to assess competencies related to emotional intelligence, like managing conflict, motivating others, or demonstrating empathy.

This research used the last two scales & ways of emotional intelligence measurements (self-rating & observer rating ) each having 16 questions with 5-point scale. Both were used in order to gain valuable insights into the leader's emotional intelligence and any potential gaps between their self-perception and how they're seen by others.

## 2.4. Employee Well-being

Although there is no universally agreed-upon definition of employee well-being, certain core themes consistently appear in the literature. Danna and Griffin (1999) define well-being as encompassing physical, psychological, and emotional health, along with job satisfaction, commitment, and pay satisfaction. Employees are one of the most valuable resources of an organization. Investing in employee training and well-being can significantly enhance their value and contributions.

### 2.4.1. Components of Employee Well-being

Employee well-being can be viewed through a multi-component lens. Some of the most frequently cited components include:

- **Physical Well-being:** Seaward (2006) defines it as optimal functioning of the body's system function . This refers to the employee's overall physical health and includes factors like nutrition, sleep, exercise, and the nonexistence of illness or injury (The National Institutes of Health. (2023))
- **Psychological Well-being:** "Is a state of mental health characterized by an person's ability to achieve their full potential, cope effectively with life's challenges, feel a sense of purpose and meaning in life, and form positive relationships with others" Ryff, C. D. (1989).
- **Social Well-being:** refers to the quality of an employee's relations with his or her colleagues, supervisors, & the company as a whole. It encompasses feelings of connection, belonging, trust, and positive social interaction within the workplace. Schaufeli, W. B., & Bakker, A. B. (2004).

Numerous factors can influence employee well-being, both positively and negatively. Here are some key areas:

- **Work Environment:** Factors like workload, control over work tasks, work-life balance policies, and workplace culture significantly impact employee well-being .Rothstein, B. H., & Sullivan, C. E. (2005) Research suggests that achieving work-life balance offers numerous benefits for both individuals and organizations. Studies have shown that a healthy work-life balance is positively correlated with employee well-being, job satisfaction, & reduced stress levels (Jackson & Fransman, 2018). Additionally, organizations that prioritize work life balance initiatives are likely to experience increased employee retention, improved productivity, and a

more attractive employer brand (Fontinha et al., 2019).

- **Organizational Support:** Supportive leadership, positive social interactions with colleagues, and access to wellness resources create a positive environment for well-being .
- **Individual Factors:** An employee's personality, coping mechanisms, resilience, and access to personal support systems contribute to their overall well-being.

## **2.5. Leadership**

Here we will explore to define how leadership is affected by emotional intelligence since many researches done recently EI highly impacts the performance of a leader.

### **2.5.1 Leadership Defined**

Leadership involves influencing others to achieve shared goals. While traditionally focused on direct team management, leadership's impact extends broadly within an organization. Leaders shape organizational culture and direction.

For this study, we adopt Antonakis' (1997) definition of leadership as "a goal-influencing process between leaders and followers, or groups of followers, within organizational contexts."

### **2.5.2 What makes a leader?**

(D.Goleman, 2011) “Every businessperson knows a story about a highly intelligent, highly skilled executive who was promoted into a leadership position only to fail at the job. And they also know a story about someone with solid – but not extraordinary – intellectual abilities and technical skills who was promoted into a similar position and then soared. Such anecdotes support the widespread belief that identifying individuals with the “right stuff” to be leaders is more art than science. After all, the personal styles of superb leaders vary: Some leaders are subdued and analytical; others shout their manifestos from the mountaintops. And just as important, different situations call for different types of leadership. Most mergers need a sensitive negotiator at the helm, whereas many turnarounds require a more forceful authority. I have found, however, that the most effective leaders are alike in one crucial way: they all have a high degree of what has come to be known as emotional intelligence. It’s not that IQ and technical skills are irrelevant. They do matter, but mainly as “threshold capabilities”; that is, they are the entry-level requirements for executive positions.”

While leadership philosophies and styles may vary amongst successful leaders, a shared characteristic often lies in their emotional intelligence (EI). Leaders' emotional states and actions have a strong impact on the overall emotional atmosphere and behaviors within their teams. Emotionally intelligent leaders foster positive work environments that cultivate a sense of community. Research suggests that leaders with high EI are particularly adept at building an atmosphere conducive to progress and employee growth. This positive work environment likely contributes to employee well-being and overall organizational success.

## **2.6. Empirical Review**

This review examines existing research to understand how leader EI influences these outcomes in the Ethiopian banking industry. The review viewed both global & local studies done regarding this topic.

### **i. Global studies**

***Emotional intelligence & Well-Being:*** EI refers to an individual's ability to understand, use, & manage their own emotions, as well as perceive, understand, & influence the emotions of others (Salovey & Mayer, 1990). Studies suggest a positive correlation between leader EI and employee well-being, including:

- **Reduced Stress and Anxiety:** Leader's with high Emotional intelligence can foster a supportive work environment, leading to lower stress levels for their employees (Goleman, 1998).
- **Increased Job Satisfaction:** Employees working under emotionally intelligent leaders report higher levels of job satisfaction (Van der Linden et al., 2016).
- **Improved Mental Health:** High leader EI may contribute to better mental health outcomes for employees (Schutte et al., 2002).

Sivanthinathan & Vasudavan (2023). On their research "The influence of emotional intelligence on employee well-being, creativity and employee engagement during a crisis" they tried to examine the relationship between Emotional Intelligence and three dependent variables, which were Employee Well-Being, Creativity and Employee Engagement. In this quantitative study, the target population was members of project teams. This was a cross-sectional study, and data were collected using a survey strategy. The primary data was collected by using self-administered questionnaires. The

findings revealed that EI had a strong impact on all three predictors, namely employee well-being, creativity, and engagement.

## **ii. Studies done in Ethiopia**

While research specifically examining the relationship between leader's EI, & well-being in the banking sector is scarce, here are some existing studies that offered valuable insights ;

Hutba (2021) in his study the Role of Emotional Intelligence to Business Leadership Effectiveness (The Case of Ethio telecom) this research tried to achieve the objective of the study using descriptive and explanatory research design & a quantitative research approach was implemented. The Wong and Law emotional intelligence model was used to investigate the emotional intelligence of managers and their subordinates in ethio telecom besides the LPI measurement is used to investigate the leadership effectiveness of managers in Ethio telecom as measured by their direct subordinates. The findings of the study showed emotional self-reported measures by managers of Ethio telecom were found to be insignificant with leadership effectiveness of the managers as rated by their staffs and the ratings of the Correlation Coefficient also shows very weak correlation. On the other hand, there is a significant positive relationship between the emotional intelligence with leadership effectiveness as measured by immediate subordinates of the managers in ethio telecom, it can be concluded that in Ethio telecom, leaders with higher emotional intelligence could possibly predict effective leadership (Bass & Avolio, 2004; Gardner et al., 2010). According to the regression analysis, emotional intelligence explains 16.3 % of the variance in leadership effectiveness. Hence this research can be a base to say that leadership effectiveness is measured by leaders level of EI.

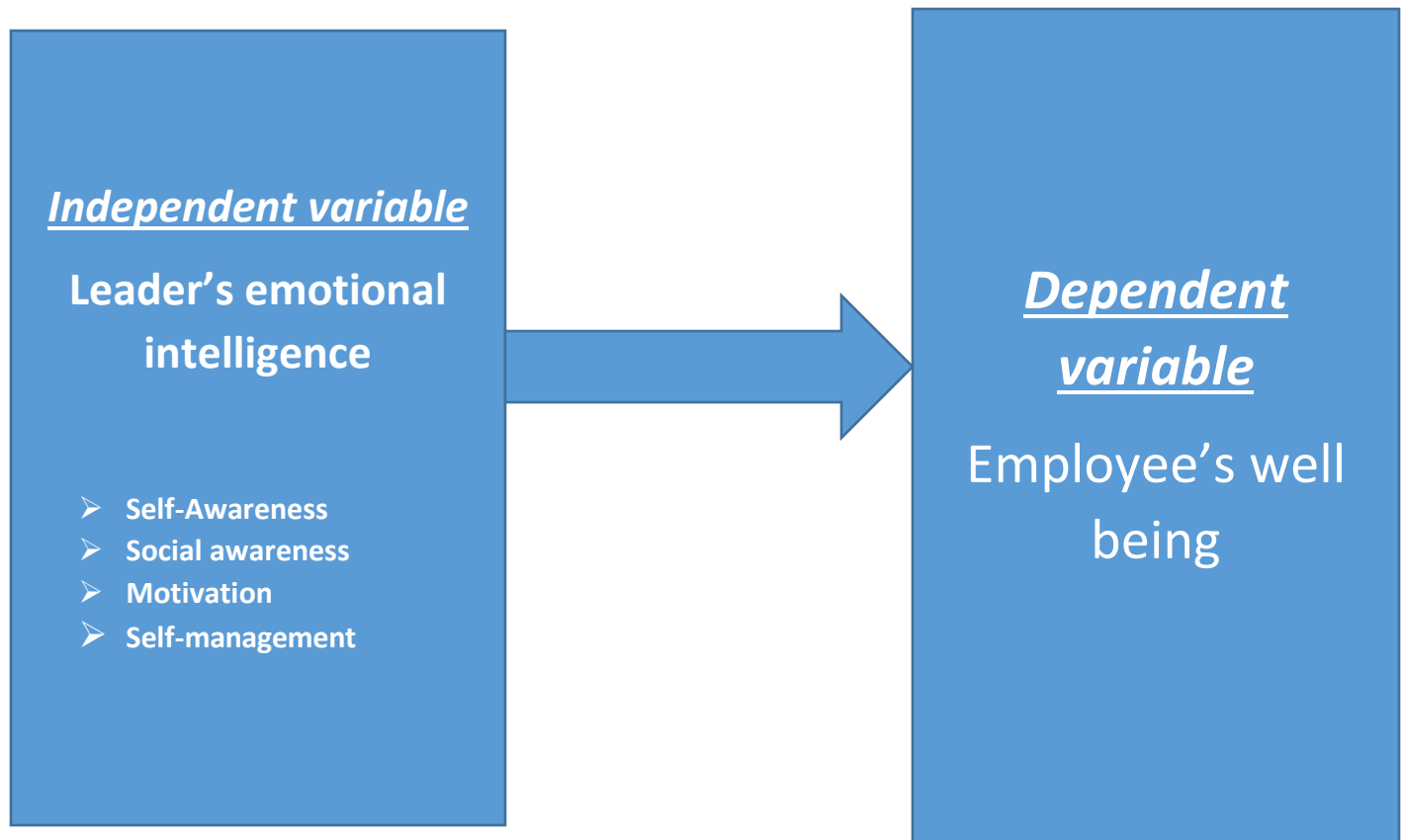
Tilahun (2022) in his research the effect of Emotional Intelligence on Job Satisfaction: Case of Commercial banks in Ethiopia The study was correlative, descriptive, and explanatory in nature, and survey research was employed to obtain data from participants. Mean, standard deviation, Pearson's product-moment correlation, and multiple linear regression were used as statistical techniques. The findings revealed a moderately favorable relationship between emotional intelligence and job satisfaction. Furthermore, there was a somewhat favorable connection between all components of emotional intelligence and work satisfaction, which was also positive. Furthermore, five characteristics of emotional intelligence were shown to be important predictors of job satisfaction:

managing relationships, emotional stability, self development, integrity, and altruistic conduct. As a result, it is critical to focus on techniques that enhance emotional intelligence among commercial bank branch managers.

**Gaps in Knowledge & Future Research Directions:**

- Limited empirical research exists on the specific impact of leader EI on well-being employee's, most researches available focus on the employee's emotional intelligence rather than the management or leader.
- Investigating the other moderating roles like organizational culture & employees personality on the impact of leader's EI and employee effectiveness would also be valuable.

## 2.7. Conceptual Framework



# Chapter Three

## 3. Research Methodologies

The following part dives into the core techniques of this research project like the research design, the variables under investigation, the selection process and number of participants, the methods used to collect data, the chosen approach for data analysis, and specify the steps taken to enhance the study's credibility (reliability & validity of the findings).

### 3.1. Research Design

As outlined previously, this research paper examines the influence of leader's emotional intelligence on employee well-being within Ethiopia's banking sector. Leaders' emotional intelligence is taken as the independent variable, while employee well-being are the dependent variables.

This research uses a correlational design to examine the connections between the variables of interest. A one-time data collection was conducted using a cross-sectional research design, providing a current picture of the Ethiopian banking industry. The study employs a case study structure, focusing specifically on this sector. To ensure representativeness, a sample of fifteen banks, which represents 47% of the total banks in Ethiopia, will be chosen for data collection. Primarily, a quantitative approach will be employed for data analysis. However, to enhance comprehension, the research may also include secondary data sources.

### 3.2. Research Approach

The study used a quantitative research design, the methodology allows for the use of statistical techniques to identify relationships between variables and draw data-driven conclusions.

To gather the necessary data, the study employed four distinct standardized questionnaires. These questionnaires played a vital role in measuring both the independent & dependent variables of the study.

### **3.3. Research variable description**

This study focus on three key variables. Leader's emotional intelligence is the independent variable is in the bankng industry & the dependent variables are employee's well-being. While a comprehensive assessment of the variables is provided in chapter two, a concise summary will be included here for clarity.

#### **3.3.1. Emotional Intelligence**

While emotional intelligence dimensions have been covered in previous chapters, a brief summary will be provided here for clarity. This study utilizes the Wong and Law measurement scale to measure emotional intelligence (independent variable) and its effect on employee well-being (the dependent variable). In today's world, emotional intelligence competencies, alongside traditional IQ, are increasingly recognized as core organizational competencies, particularly for leadership positions. Several studies, including Goleman's (2013) work emphasize the significance of emotional intelligence for leaders. While numerous studies explore the connection between emotional intelligence and overall business success, this researches specific interest lies in understanding how it impacts employee's well-being which is a key component of business effectiveness.

This study primarily assessed Emotional Intelligence (EI) using the Wong & Law Emotional Intelligence Scale (WLEIS). The WLEIS is a well-regarded tool designed to evaluate various EI dimensions. This scale consists of approximately 21 items rated on a 4-point scale, capturing key aspects like self-awareness of emotions, understanding others' emotions, and utilizing emotions for problem-solving. In addition to the WLEIS, observer ratings were employed to specifically evaluate leader's emotional intelligence within Ethiopia's banking sector.

#### **3.3.2. Well-being**

Employee well-being is a complex concept with no single definition. However, it generally refers to an employee's physical, psychological, and emotional health, along with their satisfaction & happiness at work. This includes factors like job satisfaction, work commitment, and feeling valued by colleagues and superiors (Danna & Griffin, 1999).

Employee well-being is multifaceted and can be broken down into key components. Physical well-being refers to the overall health of the body, influenced by factors like nutrition, sleep, and exercise (Seaward, 2006; The National Institutes of Health, 2023). Psychological well-being focuses on an individual's ability to cope with challenges, find meaning in life, and maintain positive relationships (Ryff, 1989). Social well-being centers on the quality of an employee's connections with colleagues, supervisors, and the organization as a whole (Schaufeli & Bakker, 2004).

Numerous factors can influence employee well-being, both positively and negatively. The work environment, including workload, control over tasks, work-life balance policies, and overall culture, plays a significant role (Rothstein & Sullivan, 2005). Supportive leadership, positive social interactions, and access to wellness resources within the organization also contribute to employee well-being. Finally, individual factors like personality, coping mechanisms, resilience, and personal support systems also influence how employees experience well-being.

The research utilized a well-being scale developed by Peter and Keith (2014) to measure the well-being of employees. This scale consisted of 15 items that were used to assess the prevailing state of employee well-being. Participants were requested to rate their well-being based on the items included in the scale, providing valuable insights into how employees perceive their overall well-being within the workplace.

### **3.4. Study area & target population description**

This research focused on Ethiopia's banking industry however due to time constraint only fifteen banks from thirty one currently existing banks are considered plus there is a geographical constraint because only bank staff's in Addis Ababa are considered.

Exploring the effects of leader's emotional intelligence on employee well-being, a quantitative research approach was adopted, incorporating both primary and secondary data sources.

- **Primary Data:** the study collected quantitative data through three standardized questionnaires. These questionnaires measured characteristics of both leader's emotional intelligence (independent variable) and employee well-being (dependent variable).

- **Secondary Data:** In recognition of recent research in this area, the study also considered relevant secondary data sources to gain a broader understanding of leader emotional intelligence. Correlation analysis was conducted on the primary data & identify potential relationships between leader emotional intelligence and employee well-being .

### 3.5. Sample size & Sampling Technique

**i. Sample Size:** refers to the number of individuals or observations included. These participants are selected from a larger group, the target population, with the aim of statistically representing the whole population. Two hundred two employees from fifteen banks operating in Addis Ababa participated. These participants were drawn from both head office and branch locations to ensure a representative sample of the banking workforce in the city.

**ii. Sampling Techniques:** Due to limitations in participant willingness & time constraints, purposive sampling technique (part of a non-probability sampling technique ) was used to select participants who best fit the study's objectives & this made the participants best in representing the target population. Hence the researcher focused on bankers in Addis Ababa who were willing & able to participate in the research.

### 3.6. Data collection

**Data Type & resource:** This study utilized a two-pronged approach to data collection, employing both primary and secondary data sources.

- **Primary data:** This research employed questionnaires specifically designed for this research to gather information directly from the target population. To accommodate participants who lacked online access, the questionnaires were distributed in paper format & the questionnaires addressed key components of the research variables.
- **Secondary data:** Alongside the primary data collection, the study used relevant secondary data sources to enrich the understanding of the research topic. These sources included academic publications (books, research papers), online sources like ResearchGate, official bank websites, and other related scholarly literature.

Due to time constraints inherent to the study, purposive sampling technique was employed to choose respondents. This approach leverages the researcher's judgment to identify individuals who best represent the target population (banking industry employees) and possess the relevant characteristics for the study

To ensure informed participation, both oral and written consent were obtained from participants. An online questionnaire format was chosen for efficiency, but also had a hard copy for the ones who prefer that. Question specifically designed to differentiate between management and employee roles. Confidentiality of participants was prioritized throughout the data collection process.

***Questionnaire Structure:*** The questionnaire employed in this research included four distinct parts:

- i. Participant Demographics:*** The beginning of the questionnaire collected general info about the respondents, including their background details, like age, sex, bank name, work experience & position.
- ii. Manager Emotional Intelligence Assessment:*** The second section focused on evaluating the emotional intelligence of leaders both by self & observer reported surveys. It employed a Likert scale, a common tool for measuring levels of agreement or endorsement. The specific scale employed in this research was the Wong & Law Emotional Intelligence model.
- iii. Employee Well-being:*** The third section aimed to assess the well-being of employees. This likely utilized self-reported surveys, a method where participants directly report on their own experiences and feelings. The specific questions used in this section would be designed to capture various aspects of employee well-being.

### **3.7.Data analysis model**

In order to assess the potential influence of leader's emotional intelligence on employee well-being, quantitative methods were used to analyze numerical data collected for this study, with SPSS software employed for statistical analysis. This approach focused on analyzing numerical data to identify relationships between variables.

Specifically, the research utilized correlational statistics to assess the strength and direction of any potential associations between leader emotional intelligence (as measured by observer ratings from direct reports) and employee well-being and work-life balance (gathered through self-reported surveys). Additionally, multiple regression techniques were used to explore the combined effect of leader emotional intelligence & potentially other relevant factors on well-being of employees.

The rationale behind choosing quantitative methods lies in their ability to explain and predict the extent to which changes in one variable, such as leader emotional intelligence, can influence variations in another variable, such as employee well-being.

A quantitative methodology was adopted for this research, prioritizing numerical data. This methodology offers several advantages, particularly for audiences within the business domain who value empirical evidence. Quantitative data enables researchers to identify and quantify connections between variables, providing statistically verifiable results that can inform business decisions.

Descriptive statistics like mean and standard deviation were used to analyze the data's central tendency and variability. Additionally, frequency and percentile analysis were used to explore the prevalence of specific responses within the data set.

To discover the potential effect of leader emotional intelligence (EI) on employee well-being within the banking industry, the study utilized correlational statistics. This statistical approach helped assess the magnitude and nature of any associations among these variables.

### **3.7.1. Instruments for Data Collection & Analysis**

To understand the research participants' background, the questionnaire collected demographic data. This data included factors such as gender, age, educational attainment, and current job title (managerial, supervisory, or mid-level employee). Additionally, participants' years of experience in the banking industry were recorded to assess their potential influence on the study's findings.

#### ***Emotional intelligence measurement (The Wong & Law emotional Scale)***

This research primarily relies on original data (primary data) to analyze emotional intelligence (EI) in leaders. The Wong and Law scale, a standardized measurement tool, is employed to assess the self & observer ratings of EI. This scale utilizes a five-point Likert-type questionnaire, where respondents rate their agreement with each statement. Developed given the ability model of Salovey and Mayer's theory with some additional elements, the Wong and Law scale offers several

advantages for this study. With only 16 items, it minimizes participant time commitment while still enabling a comprehensive evaluation of EI.

#### ***Self-reported surveys (measuring employees well being )***

To assess employee perceptions of safety and well-being in the banking industry, the study employed self-reported surveys. This common approach involves anonymous questionnaires where participants answer questions about various aspects of their well-being, such as job satisfaction and fatigue. The well-being survey utilized a 15-item, 5-point Likert scale format. Questions addressed employee feelings towards work, job satisfaction, and fatigue.

#### ***Document review***

To observe the link among a leaders' EI with employee's well-being, this research reviewed various sources. These sources included document reviews of earlier research papers, internet resources, and books.

### *Statistical analysis*

Data analysis was conducted using IBM SPSS Statistics version 29.0.2.0. To meet the objective of the study, how leader's emotional intelligence (EI) impacts employee's well-being we dove deep into the data. We first summarized everything with descriptive statistics, then checked the reliability of our measurement tools. Next, we explored the connections between variables using correlation coefficients. To see if leader EI predicts well-being, we used multiple regression analysis. Finally, we ensured our methods were valid by verifying assumptions like linearity and normality of the figures. This multi-faceted analysis offers a comprehensive understanding of how emotional intelligence leader's impacts employee's wellbeing and worklife balance.

### **3.8. Validity & Reliability Analysis**

Reliability : This refers to the accuracy the measurements used, in this case where the measures of leaders EI and employees well being consistantly what they plan to measure. It will be assessed by using Cronbach's alpha. This measure is the most popular approach to the estimation of internal consistency & reliability. It is considered to range between .00 and 1.0 . according to Andy (2006) the values in this study were greater than 0.7 and had very good reliability for the questioners. For this research the result of cronbach alpha were good ranged from .904 to .911 for leaders emotional intelligence and from .858 to .875 for employees well being items.

Validity: This refers to whether measures used actually assess what they say they do, validity concerns whether leader EI measure truly captures a leader's emotional intelligence and whether measures of well-being accurately reflect these concepts. To avoid errors this research adapted instruments from previously done research.

	Cronbach's Alpha if Item Deleted
SA1	.910
SA2	.909
SA3	.908
SA4	.909
SOA1	.909
SOA2	.904
SOA3	.911
SOA4	.906
MO1	.907
MO2	.907
MO3	.907
MO4	.905
SM1	.907
SM2	.909
SM3	.909
SM4	.907

Table 4: Reliability statics for emotional items

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.913	.913	16

	Cronbach's Alpha if Item Deleted
WBJS1	.866
WBJS2	.865
WBJS3	.866
WBJS4	.865
WBJS5	.860
WBJS6	.862
WBJS7	.865
WBJS8	.863
WBJS9	.858
WBJS10	.869
WBJF1	.861
WBJF2	.865
WBJF3	.864
WBJF4	.875
WBJF5	.871

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.873	.874	15

Table 5: Reliability statics well being

The questionnaires used to measure leaders' emotional intelligence and employee well-being both exhibit strong reliability. The leader emotional intelligence questionnaire has a Cronbach's alpha of 0.913, indicating excellent internal consistency, while the employee well-being questionnaire has a Cronbach's alpha of 0.873, suggesting high internal consistency. These results suggest that both scales are reliable and can be used with confidence to measure their respective constructs.

### **3.9. Ethical research principles**

This research followed three core ethical principles: which are described in detail below . These principles are fundamental to ethical research and guide investigators throughout the research process.

- i. **Respect for Participats:** participants were provided with a complete clarification of the study's purpose prior to their involvement.
- ii. **Autonomy:** those involved had a right to choose whether they want to participate or withdraw from the investigation at any point.
- iii. **Confidentiality:** anonymity and privacy of participants were maintained throughout the research process. Information acquired from participants will be kept private and only results will be shared upon request by the participants.

Lastly, throughout the research process, the researcher prioritized maintaining objectivity and integrity.

# Chapter Four

## 4. Data analysis and findings presentation

This study investigates how leaders' emotional intelligence in employee well-being within the Ethiopian banking industry, also which emotional intelligence component has stronger impact on employee's well being.

Workplace Leaders Emotional Intelligence Scale (WLEIS) is employed to quantify managers' emotional intelligence. Additionally, well-being of employees will be measured using instruments validated in previous research on these variables.

A study involving 202 banking industry employees investigated their perspectives. Among the participants, 46 were managers, while the remaining included experts, staff, and supervisors. This chapter dives into analyzing and interpreting the data collected from this group.

The analysis primarily relied on quantitative tools, with additional relevant data sources consulted to strengthen the study. Specifically, researcher used software called SPSS Statistics (version 29.0.2.0) to analyze the demographics of the participants and assess the data's to answer the research questions. The data was summarized using descriptive statistics & employed inferential statistics to check the hypotheses they formulated and explore how various independent factors (independent variables) influenced the outcome of interest (variables that are dependent ).

### 4.1. Questionnaire response rate

To minimize costs and maximize efficiency, both Google Forms & hard copy questionnaire was distributed 280 questionnaires to employees within the banking industry. The response rate was 72.1 % since about 202 were collected which is good.

Among the 202 collected responses, 46 were managers at different posts in the industry & the remaining 156 responses were from subordinates within the banking industry. Importantly, this research did not emphasize job titles. Instead, it focused on each individual's perception of their immediate supervisor and how that relationship impacted overall job satisfaction, well-being, &

within the industry. It's crucial to recognize that the relatively low initial response rate might be attributed to the novelty of online data collection methods for some participants. Additionally, time constraints likely played a role in securing cooperation and commitment.

## 4.2. Descriptive Analysis

Before delving into the analysis of the core research variables (employee well-being and the independent variable emotional intelligence), the research first calculated descriptive statistics for both. Additionally, the research analyzed demographic information about the respondents to gain general insights into the sample and make initial observations about the data collected.

### 4.2.1. Respondents demographic Information

Gender	Category	Frequency	Percent	Cumulative
				Percent
Gender	Male	148	73.3%	73.3%
	Female	54	26.7%	100%
	<b>Total</b>	<b>202</b>	<b>100</b>	
Age	18-24	15	7.4%	7.4%
	25-35	99	49%	56.4%
	36-45	81	40.1%	96.5%
	Above 45	7	3.5%	100%
	<b>Total</b>	<b>202</b>	<b>100</b>	
Educational Level	Diploma	1	0.5%	0.5%
	First Degree	113	55.9%	56.4%
	Masters & above	88	43.6%	100%
	<b>Total</b>	<b>202</b>	<b>100</b>	
Work Position	Manager	46	22.8%	22.8%
	Expert	27	13.4%	36.2%
	Supervisor	18	8.9%	45.1%
	Staff	111	54.9%	100%
	<b>Total</b>	<b>202</b>	<b>100</b>	
Work Experience in the industry	Less than 1 year	6	3%	3%
	1-3 Years	52	25.7%	28.7%
	4-6 Years	43	21.3%	50%
	Above 7 years	101	50%	100%
	<b>Total</b>	<b>202</b>	<b>100</b>	

Table 6: Demographic profile of respondents

Source: survey result, (2024)

To gain insight into potential trends within the study population, the researcher started the survey by collecting relevant demographic data about the participants. This information centered

around personal attributes and prior history( background ). The findings connected with these demographics are summarized and discussed in the following tables and sections.

### 4.2.1.1 Respondent’s Gender

The data reveals a gender imbalance among respondents, with 148 males and 54 females participating. Notably, only 8 females were part of the management group. This suggests that while the industry might be seeing an increase in female participation, leadership positions continue to be dominated by males. It's important to acknowledge that this gender gap could be specific to the chosen location and timeframe of the study, and may not reflect the entire banking industry.

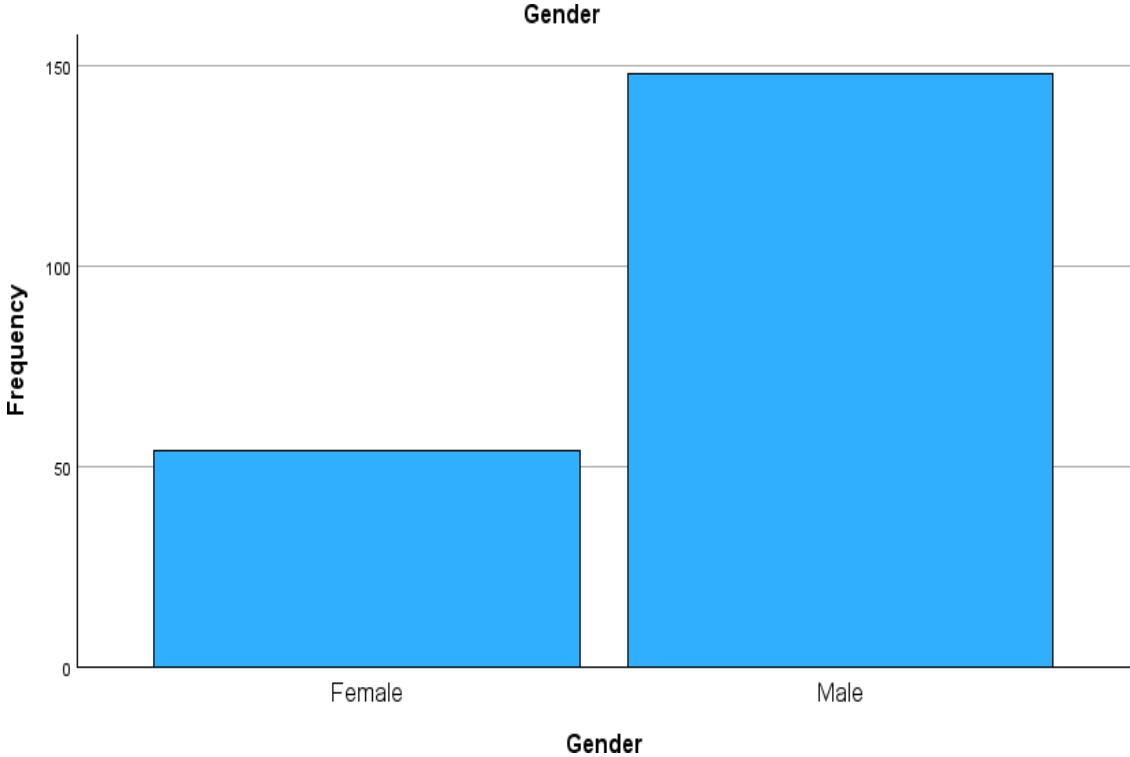


Figure 2: Respondent’s Gender

Source: survey result, (2024)

### 4.2.1.2. Respondent's Age

An analysis of respondent's age distribution reveals that nearly half (49%) of the participants are inbetween the age group 25 and 35. The second group taking the highest share (40.1%) falls within the 36-45 age range. Fewer respondents (7.4%) are aged 18-24, and a small portion (3.5%) is above 45 .This data suggests that the industry workforce is primarily composed of employees in their mid-twenties to mid-forties.

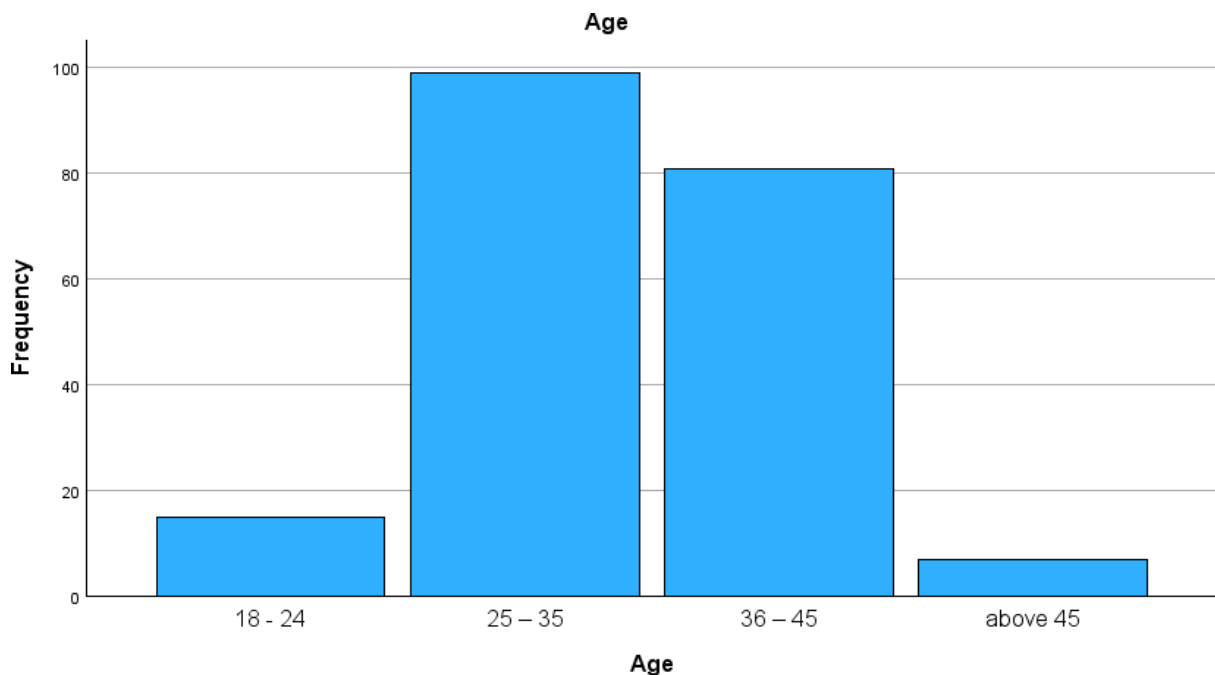


Figure 3: Respondents Age

Source: survey result, (2024)

### 4.2.1.3. Respondent's Educational Background

Figure 4 highlights the educational background of the respondents. A majority (113, representing 55.9%) hold a first degree, followed by those with a master's or above (88, or 19.7%). Only one respondent (0.5%) possessed a diploma. This data indicates a well-educated workforce within the study's sample. We can understand that the industry encourages higher education & their might even be an industry standard or regional requirement to this educational attainment.

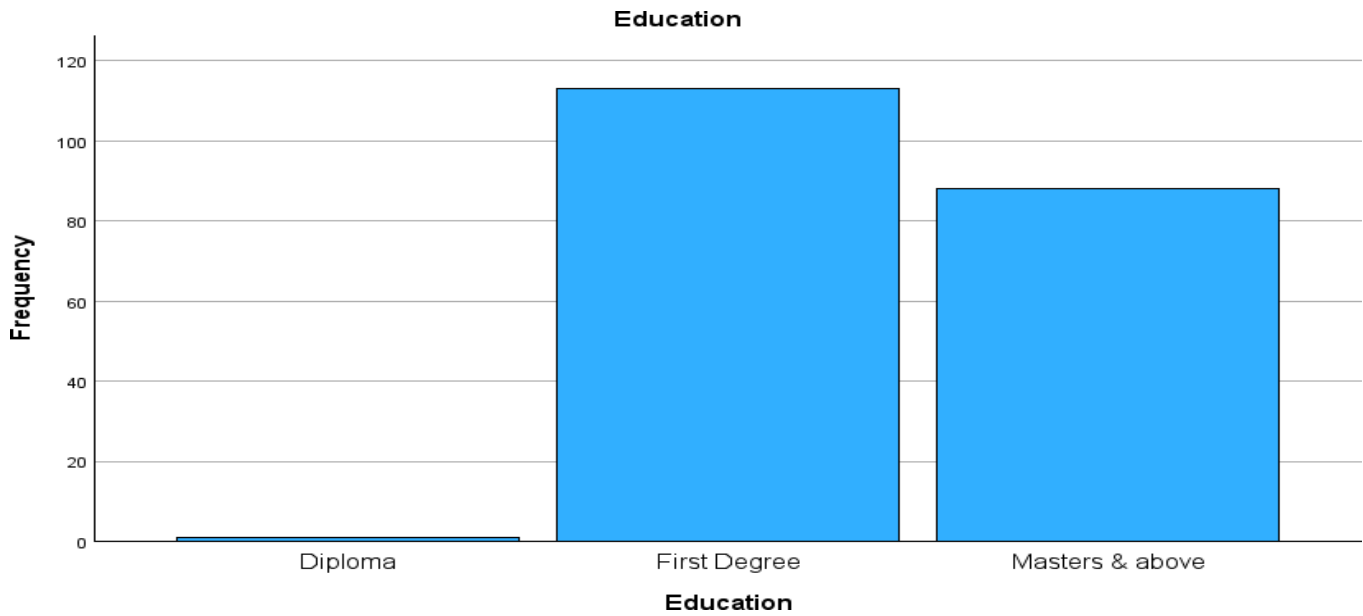


Figure 4: Respondents Educational background

Source: survey result, (2024)

#### 4.2.1.4. Respondent's working positions

The survey included a diverse range of banking professionals: 46 managers (22.8%), followed by clerical staff (54.9%), experts (13.4%), and supervisors (8.9%). Interestingly, 18 of the female respondents held leadership positions as managers or supervisors.

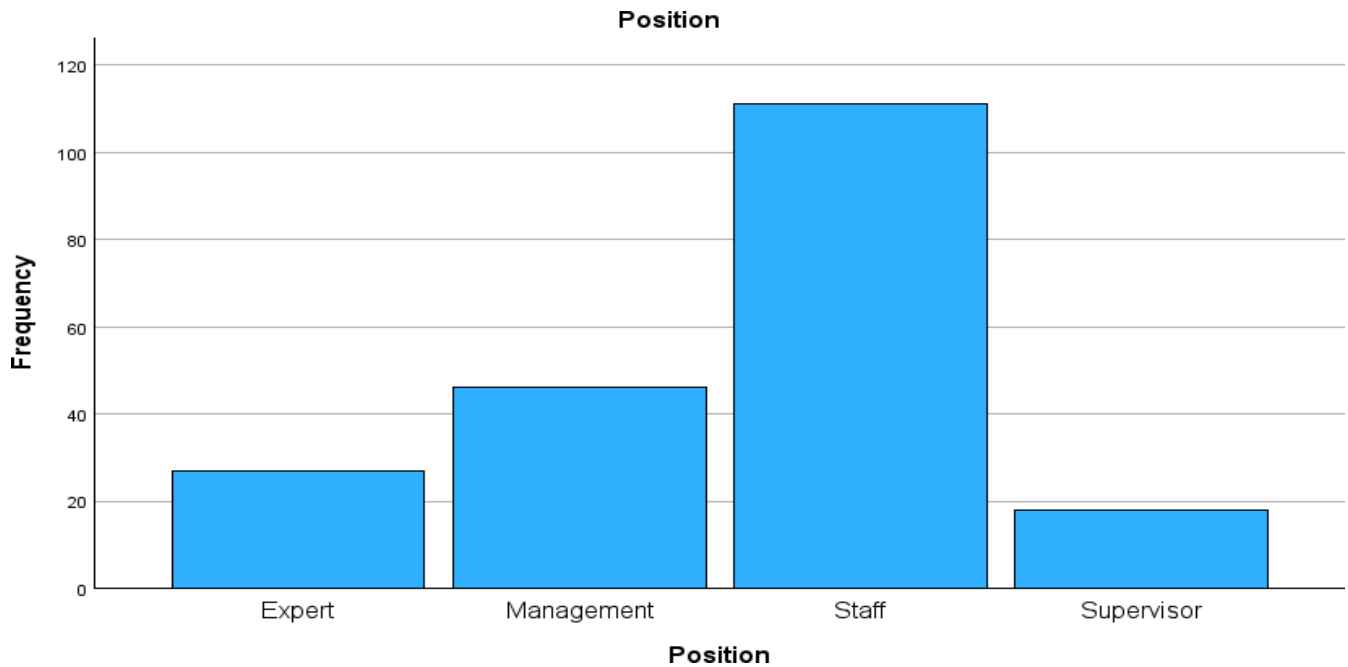


Figure 5: Respondents working position

Source: survey result, (2024)

### 4.2.1.5. Respondent's work experience

The survey prioritized experienced employees, with a majority (101 respondents, or 50%) having over 7 years of experience in the banking industry. The remaining respondents were divided into three groups: 43 (21.3%) with 4-6 years of experience, 52 (25.7%) with 1-3 years of experience, and very few people has below one year experince. This pattern indicates a focus on understanding perspectives from seasoned professionals within the sector.

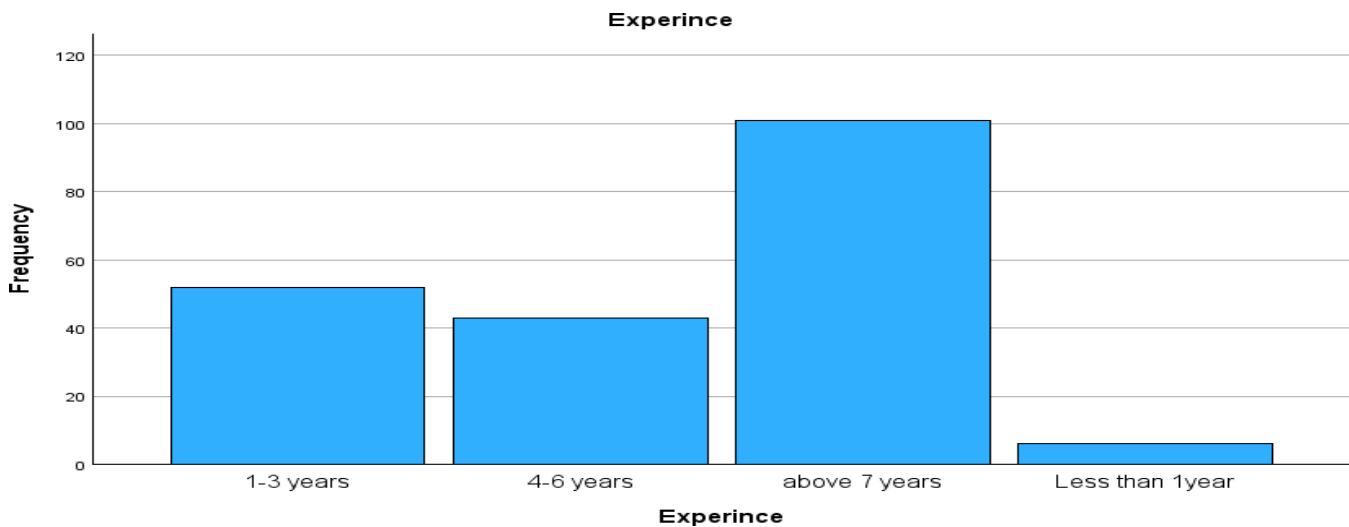


Figure 6: Years of experience in the industry

Source: survey result, (2024)

### 4.3. Descriptive statistics of likert scale typed questionnaires

A statistical analysis of the independent & dependent variables, including calculations of mean & standard deviation, was conducted to understand the data's core properties. These statistics provide insight into the level of agreement with statements concerning employee well-being within the industry. The mean represents the average response score for each statement, with higher values indicating stronger agreement. Standard deviation, on the other hand, measures the variation in responses. Lower values suggest a higher degree of consistency in responses, while higher values indicate a wider spread of opinions. Respondents' opinions were assessed using a five-point Likert scale ranging from "strongly disagree" to "strongly agree."

### 4.3.1. Leaders emotional intelligence

		N	Mean	Std. Dev.
<b>Self-Awareness</b>				
1	I have a good sense of why I feel certain feelings most of the time	26	4.08	0.56
2	I have a good understanding of my own emotions.	26	4.27	0.452
3	I really understand what I feel	26	4.19	0.491
4	I always know whether I am happy or not	26	4.12	0.711
<b>Overall Mean &amp; Std. Dev.</b>			<b>4.165</b>	<b>0.5535</b>
<b>Social awareness</b>				
1	I always know my friends' emotions from their behavior	26	3.62	0.941
2	I am a good observer of others' emotions	26	3.77	0.815
3	I am sensitive to the feelings and emotions of others	26	3.81	0.694
4	I have a good understanding of the emotions of people around me.	26	3.96	0.599
<b>Overall Mean &amp; Std. Dev.</b>			<b>3.79</b>	<b>0.7663</b>
<b>Motivation</b>				
1	I always set goals for myself and then try my best to achieve them.	26	3.96	0.916
2	I always tell myself I am a competent person	26	4.31	0.736
3	I am a self-motivating person	26	4.27	0.533
4	I would always encourage myself to try my best	26	4.23	0.652
<b>Overall Mean &amp; Std. Dev.</b>			<b>4.19</b>	<b>0.71</b>
<b>Self-management</b>				
1	I am able to control my temper so that I can handle Difficulties rationally.	26	3.96	0.824
2	I am quite capable of controlling my own emotions.	26	3.96	0.599
3	I can always calm down quickly when I am very Angry.	26	3.85	0.925
4	I have good control of my emotions	26	3.96	0.662
<b>Overall Mean &amp; Std. Dev.</b>			<b>3.93</b>	<b>0.7525</b>

Table 7: Descriptive statistics of leader's emotional intelligence by management staff self-rating.

Table 8: **Descriptive statistics of leader’s emotional intelligence by all staff observer rating of their close leader.**

		N	Mean	Std. Dev.
<b>Self-Awareness</b>				
1	Has a good sense of why he/she has certain feelings most of the time	202	3.51	0.877
2	Has good understanding of his/her own emotions	202	3.61	0.897
3	Really understands what he/she feels	202	3.55	0.869
4	Always knows whether or not he/she is happy	202	3.48	0.842
			<b>3.54</b>	<b>0.871</b>
<b>Social awareness</b>				
1	Always knows his/her friends’ emotions from their behavior	202	3.41	0.922
2	Is a good observer of others ‘emotions	202	3.58	0.917
3	Is sensitive to the feelings and emotions of others	202	3.57	0.991
4	Has good understanding of the emotions of people around him/her	202	3.67	0.938
			<b>3.56</b>	<b>0.942</b>
<b>Motivation</b>				
1	Always sets goals for himself/herself and then tries his/her best to achieve them	202	3.57	1.045
2	Always tells himself/herself he/she is a competent person	202	3.65	0.961
3	Is a self-motivated person	202	3.79	0.992
4	He/she would always encourage himself/herself to try his/her best	202	3.73	0.909
<b>Overall Mean &amp; Std. Dev.</b>			<b>3.685</b>	<b>0.977</b>
<b>Self-management</b>				
1	Is able to control his/her temper	202	3.65	0.992
2	Is quite capable of controlling his/her own emotions	202	3.66	0.907
3	He/she can always calm down quickly when he/she is very angry	202	3.51	0.937
4	Has good control of his/her own emotions	202	3.64	0.899
<b>Overall Mean &amp; Std. Dev.</b>			<b>3.615</b>	<b>0.934</b>

According to Table 8, leaders in the industry are intelligent, with 4 components of emotional intelligence. Self-awareness (Mean = 3.54, Standard deviation = 0.871), followed by social awareness (Mean =3.56 , Standard deviation = 0.942 then Motivation (mean = 3.685, SD = 0.977) which has the highest figure and Self-management ( mean. = 3.615, SD = 0.934).all this figures was taken from observer rating of emotional intelligence to precisely understand the employees perspective regarding his leaders emotional intelligence and his feeling towards his work. Data on emotional intelligence in this study comes majorly from observer ratings. This approach aimed to capture the employees' perspective on their leader's EI & its impact on the dependent variables of the studs, ultimately fulfilling the research objective of evaluating leader's emotional intelligence effects employee well-being & work- life balance.

### 4.3.2. Employee's well being

In order to examine the employee's work satisfaction, this study employed descriptive statistics, specifically calculating the mean and standard deviation. Table 9 details these results. Notably, a 5-point Likert scale was employed to quantify employee well-being within the banking industry, with scores ranging from 1 to 5. The results are shown in table 9.

	<b>Employee's well being</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
1.	<b>Job Satisfaction</b>			
1.1	I have given enough authority and freedom to act and make decisions about my job	202	3.48	1.085
1.2	I have a clear communication to my organizations' policies and procedures	202	3.73	1.012
1.3	I am working towards the common organizational goals	202	4.05	0.836
1.4	I have a sufficient notice to me prior to making changes in policies and procedures	202	3.25	1.083
1.5	I am satisfied with the amount of recognition I receive when I do a good job	202	3.18	1.155
1.6	I am likely to be promoted, if I do my job well	202	3.41	1.231
1.7	My performance evaluations within the past few years have been helpful to me in my professional development	202	3.35	1.084
1.8	I am satisfied with my education and training opportunities	202	3.43	1.040
1.9	I feel quite confident that my organization always try to rewards me fairly	202	3.13	1.117
1.10	I know my workmates would try to help me out if I got into difficulties at Work	202	3.78	0.882
2.	<b>Job Fatigue</b>			
2.1	I feel happy at the end of each day	202	3.36	0.931
2.2	I get up and go to work each day without difficulty	202	3.38	1.007
2.3	I have enough work for one person to do and enough time to get it done	202	2.95	1.251
2.4	I put my jobs before my families or personal lives	202	3.75	0.863
<b>Overall Mean &amp; Std. Dev.</b>			<b>3.445</b>	<b>1.04</b>

Table 9: Descriptive statistics of employee's well-being.

## 4.4. Correlation analysis

To assess connection between leader's emotional intelligence (independent variable) & employee's well-being (dependent variables), researchers used Pearson's correlation coefficient (r). The strength and direction of the relationship are indicated by this statistic, which ranges from -1.0 to +1.0. Here's how we interpret the results:

- **Weak relationship (0.1-0.29):** A small practical effect exists between the variables.
- **Moderate relationship (0.3-0.49):** There's a moderate association between the variables.
- **Strong relationship (>0.5):** A substantial connection exists between the variables.

A two-tailed bivariate correlation analysis was conducted to determine statistical significance. A p-value of below 0.01 (\*\*) specifies a statistically significant difference at a 99% confidence level.

The table below presents the correlation coefficients for leader emotional intelligence and both employee well-being .

		WBE	LEADERSEI
Pearson Correlation	WBE	1.000	.490
	LEADERSEI	.490	1.000
Sig. (1-tailed)	WBE	.	<.001
	LEADERSEI	.000	.
N	WBE	202	202
	LEADERSEI	202	202

\*\* . Table 10: Correlation is significant at the 0.01 level (1-tailed).

A recent survey analysis conducted using SPSS explored the association between various components of leader's EI & employee's well-being. Interestingly, the findings suggest a significant positive correlation between all dimensions of leaders EI and employee well-being.

#### **4.4.1. Impact on Well-being:**

- ❖ **Self-awareness:** Leaders exhibiting higher self-awareness, as rated by their immediate subordinates, had employees reporting a moderate level of well-being ( $r = .339$ ,  $p < .001$ ). This indicates a positive association, suggesting that leaders who comprehend their emotions and strengths are expected to cultivate a thriving work environment for their team..
- ❖ **Social awareness:** Leaders with strong social awareness, meaning they are attuned to the emotions and needs of others, were also linked to a moderate level of employee well-being ( $r = .426$ ,  $p < .001$ ). This highlights the importance of leaders who can empathize with their employees and create a supportive work environment.
- ❖ **Motivation:** Leaders demonstrating high levels of motivation, including personal initiative and a drive to achieve goals, were associated with a moderate degree of employee well-being ( $r = .398$ ,  $p < .001$ ). This suggests that motivated leaders may inspire and energize their teams, potentially leading to increased well-being.
- ❖ **Self-management:** Leaders who display effective self-management skills, such as the skill to regulate their emotions and impulses as the name indicate, were linked to a moderate level of employee well-being ( $r = .361$ ,  $p < .001$ ). This indicates that leaders with strong self-control can build a better stable & predictable work atmosphere for their teams.

#### **Comparison of Impact:**

Among these components, social awareness exhibited the strongest positive correlation with employee well-being ( $r = .426$ ). Nevertheless, it's significant to note that all Emotional intelligence components had statistically significant positive correlations, suggesting they all contribute to employee well-being to some degree.

#### **Overall Implications:**

These findings highlight the potential benefits of leader emotional intelligence for employee well-being. By fostering self-awareness, social awareness, motivation, and self-management skills, leaders can participate to a more optimistic & supportive work setting for their teams.

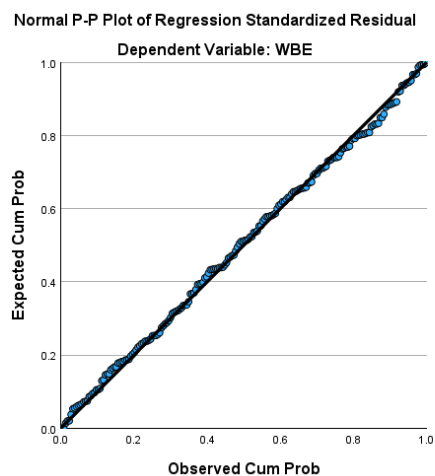
## 4.5. Inferential statistics

### 4.5.1. Test for linear regression model assumption

The researcher assessed the data for linearity, homoscedasticity and normality to confirm the appropriateness of the regression model.

#### *i. Linearity*

This refers to the degree to which the change in the dependent variable is related to the change in the independent variable.



Based on the Normal P-P plot, the residuals appear to be approximately normally distributed. While there are some minor deviations, they do not significantly affect the normality assumption. This is a good indication that the linear regression model is appropriate for the data.

#### *ii. Normality*

The normality test assesses the distribution of the residuals, which represent the errors between the actual and predicted values. A normal distribution of residuals is a key assumption of linear regression models. Graphical methods, such as histograms, were used to examine the normality of the residuals in this study.

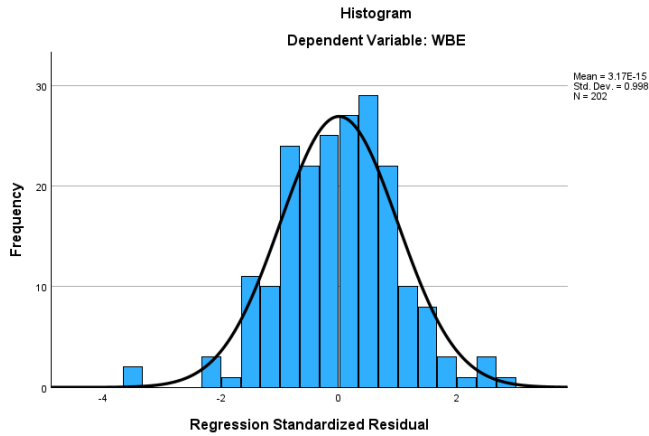


Figure 8: Histogram

Based on the histogram, the residuals appear to be approximately normally distributed. The shape, symmetry, and tails of the distribution are consistent with a normal distribution, and the overlapping normal curve provides additional evidence of normality.

**iii. Homoscedasticity**

Homoscedasticity is a statistical assumption that requires the variance of the residuals to be consistent across all levels of the predictor variables.

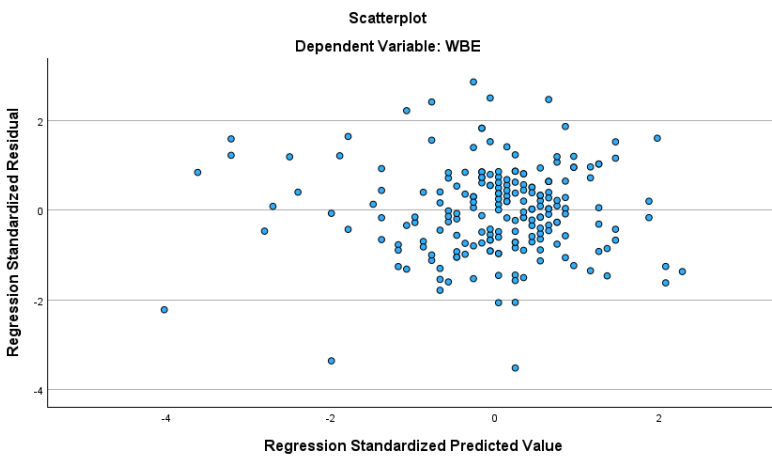


Figure 9: Scatterplot

The plot shows a random scatter of points with no clear pattern. This is a good indication of homoscedasticity, as there is no evidence of a systematic relationship between the residuals and the predicted values.

#### 4.5.2. Multiple linear regression

Multiple regression analyses was employed to investigate the potential connections between a leader's emotional intelligence and employee well-being. This statistical approach allowed us to examine how variations in the leader's EI (independent variable) impact employee well-being (dependent variables). We aimed to identify which aspects of emotional intelligence have the strongest influence.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.492 <sup>a</sup>	.243	.227	.55022

a. Predictors: (Constant), SA, SOA, MO, SM)

*Table 11: Multiple Regression analysis results of EI items & Employee's well being*

Source: survey result, (2024)

The analysis of this table suggests that the 4 components of emotional intelligence (the independent variables) comprised in the model only account for around a quarter (24.3%) of the variation observed in employee well-being. This implies that other unmeasured factors likely play a significant role, potentially explaining the remaining three-quarters (75.7%) of the variance. While the emotional intelligence variables do influence employee well-being, their impact appears to be moderately sized.

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	19.095	4	4.774	15.769	<.001 <sup>b</sup>
	Residual	59.641	197	.303		
	Total	78.736	201			

a. Dependent Variable: WB

b. Predictors: (Constant), SA, SOA,MO, SM

*Table 12: ANOVA\* the overall model fit of regression*

The analysis of variance (ANOVA) table reveals a statistically significant fit for the regression model ( $F(4, 197) = 15.769, p < .001$ ). The model demonstrates a strong relationship with the dependent variable. In other words, the chosen independent variables collectively have a substantial impact on the outcome.

The above details explain leaders emotional intelligence relation with the well being of employees, & it exact impact on the dependent variable .

#### 4.6. Hypothesis testing

This study investigated the potential influence of leader emotional intelligence (EI) on well-being of employee's in the banking industry of Ethiopia.

##### Hypotheses:

- **H1: Observer-Rated Emotional Intelligence (EI-O):** This hypothesis explored if observer ratings of leader EI explain employee well-being. It also had two sub-hypotheses:
  - **H 1.1:** Observer ratings of leader's emotional intelligence correlate with employee's well-being .
  - **H 1.2:** Observer ratings of leader's emotional intelligence contribute to employee's well-being .

## **Measurement:**

Employee well-being were assessed through observers-reported surveys measuring job satisfaction, exhaustion levels, and ability to achieve personal goals outside of work. A validated Likert scale questionnaire which was adapted from past research was used.

## **Statistical Approach:**

To maximize statistical power, the impact of demographic variables (gender, age, education) on the dependent variables (well-being) was analyzed first. None of the demographic variables showed significant correlations.

## **Results:**

- **H1.1 Confirmed:** Observer ratings of EI (EI-O) were found to be positively and significantly correlated with each component of employee well-being
- **H1.2 Confirmed:** Regression analysis revealed that all emotional intelligence components contributed to employee well-being in the Ethiopian banking industry (confirming H2.2).

Due to logistical limitations in directly pairing employees with their immediate managers, the study focused solely on the questionnaire concerning observer-rated emotional intelligence (EI-O). This involved strategically positioning managers as "employees" within the research design. Observer ratings were then employed to assess their perceptions of their current leader's actions and their resulting feelings towards their job. This indirect approach aimed to capture the influence of leader EI (as perceived by subordinates) on the well-being of employee's, ultimately leading to confirmation of both sub-hypotheses within H1.

As per the hypothesis results this study suggests a strong connection between EI and employee well-being, highlighting its importance for leaders. However that the regression analysis likely points to other factors influencing well-being beyond just emotional intelligence.

# Chapter Five

## 5. Summary, Conclusions, & Recommendations

This part delves into the research's most significant results, drawing conclusions & offering recommendations based on these insights. It also acknowledges the drawbacks of the research and suggests potential areas for future exploration, providing valuable direction for those interested in furthering the investigation.

### 5.1. Summary of major findings

This research uncovers how leader's emotional intelligence impacts the well-being of employees in Ethiopia's banking sector. The following sections explore these key findings.

- The study sample leaned towards males (73.3%) with a smaller representation of females (26.7%). In terms of age, a majority of participants fell within the young professional range (25-35 years old) at 49%. Educational attainment revealed a high proportion of respondents holding degrees (55.9%). Additionally, a significant portion of the participants possessed extensive experience in the banking industry, with over half (50%) having more than seven years under their belt.
- An investigation of the average scores (mean) & variability (standard deviation) for the emotional intelligence scales sheds light on how managers perceive themselves. were SAs (M=4.165, SD=.5535); SOAs (M=3.79, SD=.766); MOs, (M=4.19,SD=0.71) and for SMs((M=3.93, SD=.7525).
- This section explores the average scores (means) and dispersion (standard deviations) of the EI sub-scales, as seen by observers – the immediate subordinates of managers SAs (M=3.54, SD=.871); SOAs (M = 3.56, SD = .0.942); MOs, (M=3.685,SD=0.977) and for SMs((M = 3.615, SD = .934).
- Emotional intelligence of a leader was positively correlated with employees well-being here is the detail: with self-awareness ( $r = .339$ ;  $p < .001$ );with Social awareness ( $r = .426$  ;  $p < .001$ ); Motivation ( $r = .398$ ;  $p < .001$ ) and the last self-management ( $r = .361$  .;  $p < .001$ ) in overall all emotional intelligence components has moderate relationship.

- The multiple regression analysis confirmed a strong connection between the independent and dependent variables ( $p < .001$ ), suggesting the need for further exploration. This suggests that the model, as a whole, is statistically significant. There's a very low probability (less than 0.001%) that the observed F-statistic could have occurred by chance. This shows that the independent variables in the model jointly clarify a statistically significant portion of the variance in the dependent variable. However, the explanatory power of the model measured by the R-squared value (0.243) is moderate. This means that 24.3% of the variation in employee well-being can be attributed to the independent variables included in the model. The remaining 76.7% of the variation likely stems from other, unmeasured factors.
- This analysis employed beta coefficients and their corresponding significance levels to measure the relative effect of each EI component on well-being. Among these components, social awareness exhibited the strongest positive correlation with employee well-being ( $r = .426$ ). However the analysis revealed statistically significant positive correlations between all emotional intelligence (EI) components, suggesting they all contribute to employee well-being to some degree.
- Given the multiple regression and correlation findings, the research hypotheses that states leaders emotional intelligence impact affects the well being of employees is tested & accepted.

## **5.2. Discussion & conclusion**

This study investigated how various components of emotional intelligence (EI) contribute to the relationship with employees wellbeing. Emotional intelligence of leaders were done Wong & law emotional measurement scale and observer rating of their current leader's emotional intelligence which totals about 32 questions. Majorly the observers rating was basis for this research since both variables impact the staff who have a leader he /she can evaluate and is also a primary subject to its impact on wellbeing plus using sel rating of the leaders might lead to incorrect analysis due to self bais in the leaders part. Employee well-being was assessed using a 15-question, this questionnaire consisted of two sections: job satisfaction and job fatigue the questionnaire are adapted from past research.

Our analysis revealed statistically significant positive associations between EI (including self awareness, social awareness, motivation, and self management) & employee well-being. These findings lend support to Hypothesis 1. This infers that in the industry leaders with higher EI could possibly predict effective leadership (Bass & Avolio, 2004; Gardner et al., 2010) which result employee's well-being. Self-reported EI by the managers was not used since the leaders self-evaluation couldn't be related their subordinates employee's well-being, since leaders & their subordinates couldn't be paired in the random sampling technique used.

The regression analysis provided further insights into the link between emotional intelligence and staff well-being, with EI acting as the independent variable and average well-being scores as the dependent variable. The model explained 24.3% of the variance in employee well-being. This suggests that while EI plays a significant role (to be exact is 24.3%), other factors likely contribute to well-being of employee's.

Leaders with strong emotional intelligence (EI) are more likely to be emotionally stable. This stability is crucial for fostering a safe work environment, as emotionally stable leaders are less prone to impulsive or erratic behavior that can create uncertainty and anxiety among employees. By understanding and managing their own emotions, emotionally intelligent leaders can create a predictable and supportive environment where employees feel valued and respected. This, in turn, can promote employee well-being, leading to increased job satisfaction, reduced stress, and improved overall productivity. Furthermore, our findings align with previous studies by demonstrating no significant influence of demographic factors like gender, age, or educational background on either leader EI or employee well-being.

### **5.3. Recommendations**

#### **Study Findings and Recommendations for the Banking Industry**

The research identified a positive association between all four essential elements of leader's EI – self awareness, social awareness, motivation & self-management - demonstrate a substantial positive effect on well-being of employee's. This highlights the significance of prioritizing EI development for both employees and managers in the banking industry.

#### **Emphasis on Emotional Intelligence for Leaders**

The analysis suggests that "Use of Emotion for Problem Solving" is the most critical aspect of EI for leaders. The banking industry, known for its high-pressure environment, should prioritize training in emotional leadership for both leaders and employees to achieve mutual success. In order to achieve the objective of cultivating a thriving work environment that prioritizes both well-being & a sustainable work-life harmony.

#### **Developing Emotional Intelligence in Leaders and Employees**

Given the pressure in the banking sector, self-management and empathy are crucial skills for both leaders and employees. To address this need, bankers should be equipped with knowledge on the impact of emotional intelligence on companies and employees effectiveness. Managers should be trained to evaluate the pros and cons of different EI components and their relevance in various situations. Additionally, employee training programs on emotional intelligence can enhance their awareness of leadership's emotional aspects, allowing them to effectively interact with their leaders .

## **Implementing Change Based on Research**

The research findings can be used to improve the organization's training programs, selection processes, and leadership assessment procedures. By equipping managers in their understanding of emotional intelligence, organizations can make significant steps towards cultivating a leadership culture rooted in emotional intelligence. Consequently, training and development programs should be tailored to reflect this focus.

## **Enhancing Communication and Employee Well-being**

Regular coaching sessions with managers can allow them to listen to employee concerns, empathize with their challenges, and take necessary actions. Furthermore, the data can be used to identify what leaders' strength & weakness in emotional intelligence, informing targeted development initiatives. By analyzing how executive decisions influence company culture, the company's vision can be redefined to promote a more positive work environment.

### **5.4. Limitation of the study**

- Mediating & Moderating Variables: factors Work engagement, job anatomy, organizational culture, employee personality was not considered
- Qualitative Studies: Use interviews or focus groups to gain deeper understanding of would have given lots of insight in the study than just using questionnaire
- Sector-Specific Studies: the sample used 15 banks employees hence giving suggestion about an industry by only considering less than the half of the industries companies might lead to false generalization
- Longitudinal Studies: considering the research survey was taken in a period in time it might miss guide in conclusion.

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**Addis Ababa University School of**  
**Commerce**

**Department of Master of Arts in Business Leadership Questionnaire to be  
filled by Bank employees in Ethiopia.**

Dear Respondent: I am MBL post graduate student at Addis Ababa University School of commerce. This questionnaire is designed to collect relevant information for the research carried out on the topic “**The Impact of Leaders' Emotional Intelligence on Employees' Well-being in the Ethiopian Banking Industry**”. The study is conducted for academic purpose that is for partial fulfillment of the requirements of the Master of Arts in Business Leadership. Hence, your responses will be kept confidential.

The soundness and validity of findings highly depend on your honest and thoughtful responses. Therefore, I kindly request you to fill the questionnaire carefully and return at your earliest convenience.

Thank you in advance for your kind cooperation!

**GENERAL INSTRUCTION**

- You are not required to write your name.
- Please return the questionnaire as soon as possible after completion.

**Part 1: Respondents Information**

1. Gender

Male  Female

2. Age category

18 - 24  25 – 35  36 – 45  above 45

3. Educational Level

Certificate  Diploma  First Degree  Masters & above

4. Work experience in the industry

Less than 1year  1-3 years  4-6 years  above 7 years

5. Working Position

Staff  Supervisor  Expert  Management

6. Which bank are you currently working on-----

## Part 2: Assessment of Leaders emotional intelligence

Self-emotional Intelligence Questionnaire. (Please put (√) mark in the box that best describes you) **for Management Personnel Only**

How Emotionally Intelligent are you? (Wong and Law Emotional Intelligence Scale, WLEIS)

No	Item	Strongly Disagree(1)	Disagree(2)	Neutral(3)	Agree(4)	Strongly Agree(5)
	<b>Self-awareness</b>					
1	I have a good sense of why I feel certain feelings most of the time					
2	I have a good understanding of my own emotions.					
3	I really understand what I feel					
4	I always know whether I am happy or not					
	<b>Social awareness(Empathy)</b>					
5	I always know my friends' emotions from their behavior					
6	I am a good observer of others' emotions					
7	I am sensitive to the feelings and emotions of others					
8	I have a good understanding of the emotions of people around me.					
	<b>Motivated</b>					
9	I always set goals for myself and then try my best to achieve them.					
10	I always tell myself I am a competent person					
11	I am a self-motivating person					
12	I would always encourage myself to try my best					
	<b>Self-management</b>					
13	I am able to control my temper so that I can handle difficulties rationally.					
14	I am quite capable of controlling my own emotions.					
15	I can always calm down quickly when I am very angry.					
16	I have good control of my emotions					

**Part 3. Assessment of Leaders Emotional Intelligence**

Observer rating of the Management Staff (Please put (√) mark in the box that best describes your manager’s emotional Intelligence.) for Staffs only.

**Key:** 1 (**SD**) – Strongly Disagree; 2 (**D**) – Disagree; 3 (**N**) – Neutral; 4 (**A**) – Agree; and 5 (**SA**) – Strongly Agree

No	Item	SD (1)	D (2)	N (3)	A (4)	SA (5)
1	Has a good sense of why he/she has certain feelings most of the time					
2	Has good understanding of his/her own emotions					
3	Really understands what he/she feels					
4	Always knows whether or not he/she is happy					
5	Always knows his/her friends’ emotions from their behavior					
6	Is a good observer of others ‘emotions					
7	Is sensitive to the feelings and emotions of others					
8	Has good understanding of the emotions of people around him/her					
9	Always sets goals for himself/herself and then tries his/her best to achieve them					
10	Always tells himself/herself he/she is a competent person					
11	Is a self-motivated person					
12	He/she would always encourage himself/herself to try his/her best					
13	Is able to control his/her temper					
14	Is quite capable of controlling his/her own emotions					
15	He/she can always calm down quickly when he/she is very angry					
16	Has good control of his/her own emotions					

**Part 4 : Assessment of Employee Well-being**

Please indicate your response to each statement by putting (√) to the correspondent number

**Key:** 1 (SD) – Strongly Disagree; 2 (D) – Disagree; 3 (N) – Neutral; 4 (A) – Agree; and 5 (SA) – Strongly Agree

No.	Item	SD (1)	D (2)	N (3)	A (4)	SA (5)
1.	<b>Job Satisfaction</b>					
1.1	I have given enough authority and freedom to act and make decisions about my job					
1.2	I have a clear communication to my organizations' policies and procedures					
1.3	I am working towards the common organizational goals					
1.4	I have a sufficient notice to me prior to making changes in policies and procedures					
1.5	I am satisfied with the amount of recognition I receive when I do a good job					
1.6	I am likely to be promoted, if I do my job well					
1.7	My performance evaluations within the past few years have been helpful to me in my professional development					
1.8	I am satisfied with my education and training opportunities					
1.9	I feel quite confident that my organization always try to rewards me fairly					
1.10	I know my workmates would try to help me out if I got into difficulties at work					
2.	<b>Job Fatigue</b>					
2.1	I feel happy at the end of each day					
2.2	I get up and go to work each day without difficulty					
2.3	I have enough work for one person to do and enough time to get it done					
2.4	I put my jobs before my families or personal lives					
2.5	I trust the people I work with to lend me a hand if I need it					