

Emotional Intelligence as a Strategic Capability for Sustainable Performance in Technology-Driven Banking Institutions

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Abstract—The rapid digital transformation of banking institutions has intensified workplace demands, requiring employees to adapt continuously to technological advancements and evolving customer expectations. In such dynamic environments, emotional intelligence (EI) has emerged as a critical strategic capability that enhances sustainable employee performance. This study examines the influence of emotional intelligence on sustainable performance among employees working in technology-driven private banking institutions. Emotional intelligence was conceptualized as a multidimensional construct comprising self-awareness, self-regulation, motivation, empathy, and social skills. Sustainable performance was operationalized through five dimensions: adaptive performance, innovative work behavior, contextual performance, resilient work performance, and continuous learning orientation. A structured questionnaire was administered to 210 banking professionals, and data were analyzed using Structural Equation Modeling (SEM) through AMOS.

The measurement model demonstrated satisfactory reliability and validity, with acceptable model fit indices. The structural model revealed a significant positive relationship between emotional intelligence and sustainable performance, indicating that emotionally intelligent employees are better equipped to sustain high performance levels in digitally intensive work environments. The findings highlight emotional intelligence as a strategic human capital resource that supports organizational sustainability in the era of digital banking transformation. The study offers practical implications for leadership development, employee training, and sustainable human resource practices in technology-driven financial institutions.

Index Terms—Emotional Intelligence, Sustainable Performance, Digital Banking; Adaptive Performance, Structural Equation Modeling, Sustainable Management.

I. INTRODUCTION

In recent years, the banking industry has experienced substantial changes due to rapid advancements in digital technology. The adoption of mobile banking, artificial intelligence systems, fintech applications, and automated financial services has transformed traditional banking operations. These developments have improved service efficiency and accessibility but have also increased the complexity of employees' roles within banking institutions.

Employees in technology-driven banking environments are expected to continuously adapt to system upgrades, regulatory requirements, and evolving customer expectations. Maintaining long-term employee effectiveness in such dynamic conditions has therefore become an important organizational concern. Sustainable performance refers to an employee's ability to consistently maintain productivity, adaptability, and collaborative behaviour while responding to workplace changes. Among the various psychological resources that support sustained work performance, emotional intelligence has gained considerable attention in organizational research. Emotional intelligence refers to an individual's ability to understand and manage emotions effectively in oneself and others. Employees with higher emotional intelligence are more capable of managing stress,

maintaining motivation, and building productive relationships at work.

Although previous studies have examined emotional intelligence in relation to job performance, limited research has explored its role in supporting sustainable performance within technology-driven banking institutions. Therefore, the present study aims to examine the influence of emotional intelligence on sustainable performance among employees working in digitally intensive banking environments.

II. REVIEW OF LITERATURE

Salovey and Mayer (1990) introduced emotional intelligence as the ability to perceive, understand, regulate, and use emotions effectively in oneself and others. They argued that emotional abilities influence cognitive processing and adaptive behaviour, laying the theoretical foundation for EI research.

Goleman (1995) expanded the construct into five core dimensions: self-awareness, self-regulation, motivation, empathy, and social skills and emphasized its significance in organizational leadership and workplace effectiveness. He proposed that emotional competencies often predict professional success more strongly than cognitive intelligence.

Wong and Law (2002) developed the Wong and Law Emotional Intelligence Scale (WLEIS) and empirically demonstrated that emotional intelligence significantly predicts job performance and organizational commitment. Their findings confirmed the measurable and practical relevance of EI in organizational contexts.

Carmeli (2003) found that employees with higher emotional intelligence report stronger job performance and psychological well-being. The study emphasized that emotional competencies enhance interpersonal effectiveness and reduce workplace stress.

O'Boyle et al. (2011) conducted a meta-analysis and concluded that emotional intelligence has a significant positive relationship with job performance across industries. Their findings showed that EI contributes incremental predictive validity beyond general intelligence and personality traits.

Ashkanasy and Daus (2005) argued that emotional intelligence plays a crucial role in service-oriented sectors, particularly where employees engage in frequent interpersonal interactions. They suggested

that emotionally intelligent employees manage emotional labour more effectively.

Miao et al. (2017) performed a meta-analysis demonstrating that emotional intelligence positively influences task performance, contextual performance, and organizational citizenship behaviour. The authors highlighted the consistent predictive strength of EI across different work environments.

Ho (2024) conducted a bibliometric analysis of emotional intelligence and job performance research and reported sustained academic interest in EI as a key determinant of employee effectiveness in digitally evolving industries.

Wonda (2024) found that emotional intelligence significantly enhances employee productivity and performance, particularly in structured organizational systems where emotional regulation contributes to stability and consistency.

Salameh-Ayanian (2025) emphasized the strategic importance of emotional intelligence in leadership contexts, demonstrating that emotionally intelligent managers foster collaboration, trust, and sustained employee engagement.

Sustainable Performance

Borman and Motowidlo (1993) differentiated between task performance and contextual performance, highlighting that extra-role behaviours significantly contribute to long-term organizational effectiveness.

Sonnentag and Frese (2002) emphasized that sustained performance requires continuous adaptation and resilience, especially in changing work environments.

Pulakos et al. (2000) introduced adaptive performance as a critical dimension of employee effectiveness, particularly in dynamic and technologically evolving workplaces.

Griffin et al. (2007) expanded performance theory by incorporating adaptive and proactive behaviours, arguing that performance in contemporary organizations must reflect responsiveness to change.

Janssen (2000) demonstrated that innovative work behaviour significantly contributes to organizational sustainability and competitiveness, as employees who generate and implement new ideas enhance long-term performance outcomes.

Recent organizational studies suggest that sustainable performance includes resilience, adaptability, contextual contribution, and continuous learning orientation, particularly in digital industries where technological shifts are constant.

Emotional Intelligence and Sustainable Performance

Joseph and Newman (2010) proposed a cascading model of emotional intelligence and job performance, suggesting that emotional regulation enhances motivation and behavioural outcomes that lead to improved performance.

Côté (2014) argued that emotional intelligence enhances employees' ability to cope with stress and manage interpersonal relationships, thereby contributing to sustained productivity.

Miao et al. (2017) confirmed that emotional intelligence significantly predicts contextual and adaptive performance, strengthening long-term workplace effectiveness.

Binsaeed (2023) found that emotional intelligence positively influences innovative work behaviour, indicating that emotionally competent employees are more likely to engage in creative and adaptive activities.

Ho (2024) reported that emotional intelligence research increasingly focuses on digital transformation contexts, recognizing EI as a strategic human capability supporting sustainable organizational outcomes.

Salameh-Ayanian (2025) highlighted that emotionally intelligent leadership strengthens employee resilience and engagement, both of which contribute to sustainable performance over time.

Despite these findings, limited empirical studies have examined emotional intelligence as a direct predictor of multidimensional sustainable performance within technology-driven banking institutions. Most prior research focuses on general job performance rather than adaptive, innovative, resilient, and learning-oriented dimensions necessary for sustained effectiveness in digital banking environments. Therefore, the present study addresses this gap by examining the direct influence of emotional intelligence on sustainable performance among employees in technology-driven banking institutions.

Research Gap

Although emotional intelligence has been widely studied in relation to job performance, organizational commitment, and leadership effectiveness, most prior research has primarily focused on traditional performance measures such as task performance or overall job outcomes. Limited attention has been given to multidimensional sustainable performance

constructs that include adaptive performance, innovative work behaviour, resilience, contextual contribution, and continuous learning orientation. Furthermore, existing studies largely examine emotional intelligence in general organizational settings without specifically addressing technology-driven banking institutions. The rapid digital transformation in banking characterized by fintech integration, automated systems, digital customer interfaces, and regulatory compliance technologies has significantly reshaped employee roles and performance expectations. In such environments, employees are required not only to perform efficiently but also to sustain performance amid continuous technological changes and digital pressures.

Recent research highlights the importance of adaptability, innovation, and resilience in digitally intensive workplaces; however, empirical evidence linking emotional intelligence directly to multidimensional sustainable performance within technology-driven banking contexts remains limited. Most prior studies emphasize general performance outcomes rather than sustainable performance dimensions critical for long-term organizational effectiveness.

Therefore, there exists a research gap in examining emotional intelligence as a strategic capability influencing sustainable performance among employees in technology-driven banking institutions. The present study seeks to address this gap using structured measurement and empirical validation through SPSS and AMOS.

Research Objectives

The present study aims to examine the relationship between emotional intelligence and sustainable performance in technology-driven banking institutions. The specific objectives are:

- To assess the level of emotional intelligence among employees in technology-driven banking institutions.
- To evaluate the level of sustainable performance among banking professionals.
- To validate the measurement model of emotional intelligence and sustainable performance using Confirmatory Factor Analysis.
- To examine the relationship between emotional intelligence and sustainable performance.

- To analyze the direct influence of emotional intelligence on sustainable performance in technology-driven banking institutions.

Hypothesis

Emotional intelligence enhances individuals' ability to regulate emotions, maintain motivation, foster interpersonal relationships, and adapt effectively to workplace demands. In technology-driven banking environments, emotionally intelligent employees are more likely to demonstrate adaptive behaviour, engage in innovative work practices, sustain productivity under pressure, contribute positively to team functioning, and continuously upgrade their competencies.

Based on theoretical foundations and empirical evidence, the following hypothesis is proposed:

H1: Emotional Intelligence has a significant positive influence on Sustainable Performance among employees in technology-driven banking institutions.

III. RESEARCH METHODOLOGY

Research Design

The present study adopts a quantitative research design to examine the influence of Emotional Intelligence on Sustainable Performance in technology-driven banking institutions. A cross-sectional survey method was employed to collect primary data from employees working in digitally intensive private banking environments. The study aims to empirically test the proposed conceptual framework using statistical analysis techniques.

Population of the Study

The target population comprised employees working in private sector banks operating in technology-driven environments. These institutions extensively utilize digital banking platforms, automated transaction systems, fintech integrations, and technology-enabled customer service operations. Employees functioning in such environments are required to adapt continuously to digital transformation, making them suitable respondents for the study.

Sampling Technique

Purposive sampling was employed to select respondents from technology-driven private banking institutions. Employees who were directly involved in digital banking operations and had adequate exposure to technological systems were included in the study. This approach ensured that participants possessed

relevant experience necessary to examine the relationship between emotional intelligence and sustainable performance in digitally intensive banking environments.

Sample Size

A total of 210 valid responses were collected and used for analysis. The sample size satisfies the recommended criteria for Confirmatory Factor Analysis and structural modeling, ensuring adequate statistical power and stability of parameter estimates. The respondent-to-item ratio exceeds the minimum acceptable threshold for multivariate analysis.

Instrument Development

Data were collected using a structured questionnaire consisting of 30 measurement items, divided into two primary constructs:

Emotional Intelligence (15 items)

Measured across five dimensions:

- Self-Awareness
- Self-Regulation
- Motivation
- Empathy
- Social Skills

Sustainable Performance (15 items)

Measured across five dimensions:

- Adaptive Performance
- Innovative Work Behaviour
- Contextual Performance
- Resilient Work Performance
- Continuous Learning Orientation

All items were measured using a five-point Likert scale, ranging from:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

The questionnaire was designed to ensure clarity, content validity, and relevance to the banking context.

Data Analysis Techniques

The collected data were analyzed using IBM SPSS Statistics and IBM SPSS AMOS. Descriptive statistics were used to summarize the respondents' perceptions regarding Emotional Intelligence and Sustainable Performance. Reliability analysis was conducted to examine the internal consistency of the measurement scales. Pearson correlation analysis was performed to

examine the relationship between Emotional Intelligence and Sustainable Performance. Confirmatory Factor Analysis (CFA) was conducted to validate the measurement model and assess construct validity. Structural Equation Modeling (SEM) was used to test the proposed hypothesis and evaluate the influence of Emotional Intelligence on Sustainable Performance.

Ethical Considerations

Participation in the study was voluntary, and respondents were assured that their responses would remain confidential and anonymous. The data collected were used solely for academic research purposes. Respondents were informed about the objectives of the study, and their consent was obtained prior to participation.

IV.RESULTS AND DISCUSSION

Descriptive:

Descriptive statistics were computed to examine the overall levels of Emotional Intelligence and Sustainable Performance among employees in technology-driven banking institutions. Emotional Intelligence recorded a mean score of **45.60** (SD = 10.959), with scores ranging from 17 to 74. This indicates a moderate level of emotional competencies among respondents. Sustainable Performance recorded a mean score of **43.65** (SD = 9.451), with scores ranging from 15 to 75, suggesting that employees demonstrate moderate levels of adaptive, innovative, and resilient performance behaviours. The distribution of scores indicates adequate variability among respondents, supporting further multivariate analysis.

Reliability Analysis

Table 1

Construct	Number of Items	Cronbach's Alpha	Interpretation
Emotional Intelligence	15	0.980	Excellent
Sustainable Performance	15	0.973	Excellent
Overall Scale	30	0.979	Excellent

The reliability coefficients for all constructs exceed the recommended threshold of 0.70, confirming strong

internal consistency and suitability of the instrument for further statistical analysis.

Correlation Analysis

Pearson correlation analysis was conducted to examine the relationship between Emotional Intelligence and Sustainable Performance. The results are presented in Table 2.

Table 2

Variables	EI_TOTAL	SP_TOTAL
Emotional Intelligence	1	0.642**
Sustainable Performance	0.642**	1

The results indicate a strong positive correlation between Emotional Intelligence and Sustainable Performance ($r = 0.642, p < 0.01$). This suggests that higher levels of emotional intelligence are associated with higher levels of sustainable performance among employees in technology-driven banking institutions. The correlation coefficient reflects a substantial relationship, supporting the theoretical assumption that emotional competencies contribute significantly to sustained employee effectiveness.

Measurement Model (Confirmatory Factor Analysis)

Confirmatory Factor Analysis (CFA) was conducted using IBM SPSS AMOS to validate the measurement model and examine the relationship between latent constructs and their observed indicators. The constructs included Emotional Intelligence and Sustainable Performance; each measured using fifteen observed indicators. The CFA results indicate that all factor loadings are statistically significant and exceed the recommended threshold of 0.60. The standardized factor loadings for Emotional Intelligence ranged from **0.772 to 1.054**, while the loadings for Sustainable Performance ranged from 0.776 to 1.001. These results demonstrate strong relationships between the latent constructs and their respective measurement items, confirming adequate convergent validity.

Model Fit Indices

To evaluate the adequacy of the measurement model, several goodness-of-fit indices were examined. The model fit results indicate that the proposed model demonstrates a satisfactory fit with the observed data.

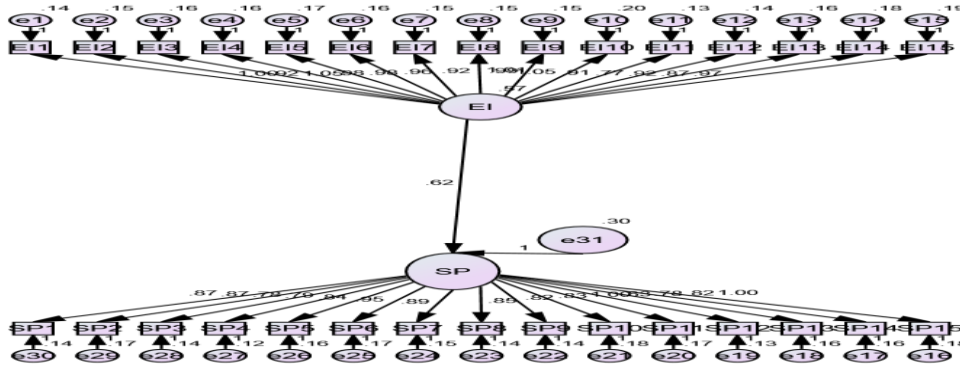
Table:3 Model Fit Indices

Fit Index	Recommended Value	Obtained Value	Interpretation
CMIN/DF	< 3	1.164	Excellent Fit

Fit Index	Recommended Value	Obtained Value	Interpretation
GFI	> 0.90	0.881	Acceptable
NFI	> 0.90	0.937	Good
TLI	> 0.90	0.990	Excellent
CFI	> 0.90	0.991	Excellent
RMSEA	< 0.08	0.028	Excellent

The results indicate that the measurement model satisfies the recommended thresholds for goodness-of-fit indices, confirming that the proposed model adequately represents the observed data.

Figure 1: Structural Equation Model Showing the Relationship between Emotional Intelligence and Sustainable Performance



Structural Model and Hypothesis Testing

After establishing the validity of the measurement model, the structural model was examined to test the proposed hypothesis regarding the relationship between Emotional Intelligence and Sustainable Performance. The results reveal that Emotional

Intelligence has a significant positive influence on Sustainable Performance. The standardized path coefficient between Emotional Intelligence and Sustainable Performance was $\beta = 0.625$, with a critical ratio (CR) of 10.227 and a p-value less than 0.001, indicating a statistically significant relationship

.Table:4 Structural Path Results

Path	Standardized Estimate (β)	CR	p-value	Result
Emotional Intelligence → Sustainable Performance	0.625	10.227	<0.001	Supported

This indicates that employees with higher emotional intelligence demonstrate stronger sustainable performance behaviours in technology-driven banking environments. Therefore, the proposed hypothesis (H1) is supported.

Discussion

The findings of this study indicate that emotional intelligence significantly influences sustainable performance among employees working in technology-driven banking institutions. The structural model results demonstrate that employees with higher levels of emotional intelligence tend to exhibit stronger performance behaviours in digitally intensive work settings. Emotional competencies such as self-

awareness, empathy, motivation, and emotional regulation enable employees to effectively manage workplace demands and adapt to technological changes.

These results align with earlier research suggesting that emotional intelligence contributes to improved employee performance and workplace effectiveness. In technology-oriented banking environments, emotionally intelligent employees are better able to handle work pressure, maintain positive interpersonal relationships, and sustain productivity over time. Consequently, emotional intelligence plays an important role in helping employees maintain consistent performance despite the challenges associated with digital transformation.

The findings also highlight the importance of emotional competencies in supporting long-term workforce sustainability. Organizations that encourage the development of emotional intelligence through training and leadership support may improve employee adaptability and performance in technology-driven environments.

V. CONCLUSION

This study examined the relationship between emotional intelligence and sustainable performance among employees working in technology-driven banking institutions. The results indicate that emotional intelligence significantly contributes to sustainable employee performance. Employees with higher emotional intelligence demonstrate stronger adaptability, resilience, and innovative behaviour in digital work environments. These findings emphasize the importance of emotional competencies in maintaining long-term employee effectiveness in modern banking systems. Organizations should therefore focus on developing emotional intelligence through training programs and supportive leadership practices in order to enhance sustainable workforce performance.

Managerial Implications

The findings of this study provide several important implications for managers and organizational leaders in technology-driven banking institutions. First, organizations should focus on developing emotional intelligence competencies among employees through training programs and professional development initiatives. Enhancing emotional awareness, empathy, and interpersonal skills can improve employees' ability to handle workplace challenges effectively. Second, human resource managers should incorporate emotional intelligence assessments in recruitment and selection processes. Selecting employees with strong emotional competencies can contribute to improved teamwork, communication, and customer relationship management. Third, organizations should create supportive work environments that encourage emotional well-being and continuous learning. Providing training opportunities and technological support can help employees adapt to digital transformations while maintaining sustainable performance levels.

Finally, managers should promote leadership practices that emphasize emotional intelligence, as emotionally intelligent leadership can foster a positive organizational climate and enhance employee productivity.

VI. LIMITATIONS AND FUTURE RESEARCH

Although this study provides valuable insights into the relationship between Emotional Intelligence and Sustainable Performance, certain limitations should be acknowledged. The study focused on employees working in technology-driven banking institutions, which may limit the generalizability of the findings to other sectors. Future research may explore additional variables such as occupational stress, organizational support, and digital competence that may influence sustainable performance in technology-enabled workplaces. Moreover, longitudinal studies could be conducted to examine how emotional intelligence contributes to long-term employee performance and organizational sustainability.

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