



An Analysis of Employees Perception about Social Intelligence and Leadership Styles in Banking Sector of Quetta City

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Abstract

Social intelligence is the ability to comprehend emotions, sentiments, and thoughts in complex situations in order to ensure a tactful leader's decision-making. There are various factors that can help improve the employee's perception of social intelligence and its direct impact on their leadership style, its importance, and the relationship between leadership and its styles in the private banking sector of Quetta. The research methodology used in this research is causal and quantitative in nature. The statistical tests were applied through SPSS with the help of questionnaires. The results of the study showed that there is a positive relationship between social intelligence and transformational leadership, directive leadership, and transactional leadership, with the outcomes being significant for each style. Through a five-point Likert scale with a significance of .000, this study concluded that there is a direct impact of social intelligence on employees in the banking sector.

Keywords: *Social Intelligence, Leadership, Leadership Styles, Transactional Leadership, Transformational Leadership, Directive Leadership*

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1. INTRODUCTION

The relationship between social intelligence and leadership is very strong. Boyatzis says that there is a large performance gap between socially intelligent and non-socially intelligent people (Boyatzis, 2008). The performance of a leader is directly related to how he or she copes with his or her followers. If a leader is not socially aware of his followers needs and doesn't have the capacity to change his behavior accordingly, then it will have a negative impact on his or her performance.

Social intelligence is pivotal to organizational leadership's ability to achieve its goals. As supported by Boyatzis, social intelligence is key to success in leadership. People are social specialists. They comprehend that individuals' activities are aimed at objectives and are driven by expectations. Keeping this reality in mind, the present examination is finished with the reason to look at and measure the social intelligence and scholastic accomplishment. Social intelligence is considered most important in organizations in European countries, but this is the most neglected area in the Asian Continent and especially in Balochistan.

Social intelligence is the skill to comprehend emotions, sentiments, and contemplations in comprehensive circumstances to ensure tactful leadership decision-making. There is a dire need to focus on social intelligence in leadership, especially in the banking sector, which is the backbone of the economic and financial development of a country.

Due to a lack of awareness about social intelligence and much research, many organizations in Quetta city, including the banking sector, have been facing a lot of problems raising future leaders and improving their performance in terms of decision-making. Hence, the problem statement of this study is "to analyze the impact of social intelligence on leadership and their performance at the workplace. This study will help scholars and readers understand social intelligence and its relationship with leadership in the banking sector of Quetta city. There is no or less awareness of social intelligence and its impact on leadership performance. It may help understand social intelligence deeply and thoroughly, its effects on leaders, and their performance in the banking sector of Quetta city.

2. LITERATURE REVIEW

Fatima et al. (2011) conducted a study with the objective of examining the correlation between transformational leadership and satisfaction with work and organizational dedication among employees in the banking sector of Lahore, Pakistan. The researchers employed a survey using a 5-point Likert scale, which included 35 items divided into four distinct sections. Three banks were chosen through a method of simple random sampling that was direct and uncomplicated. A distribution of 200 questionnaires was conducted, with a subsequent return of 133 questionnaires, yielding a response rate of 66.5%. The survey results revealed that transformational leadership has a significant positive impact on the levels of job satisfaction and organizational commitment exhibited by employees.

In the study conducted by Boyatzis, it was found that a significant disparity exists in the performance levels of individuals with high social intelligence and those lacking social intelligence. Based on the survey conducted at a national bank, a significant disparity has been observed in the annual performance evaluations of individuals who possess social intelligence compared to those who exhibit emotional intelligence, characterized by traits such as self-awareness and self-management. According to their research, which focused on the experiences of workers within the Canadian provincial health care system. Through the use of internal surveys, they found that individuals with high levels of social intelligence were particularly valuable during times of crisis. Conversely, followers of leaders who exhibited low levels of social intelligence experienced significantly higher levels of mental frustration, leading to a fourfold increase in mental exhaustion.

According to Stephen (1991), it has been proposed that as individuals move up the hierarchical ladder, the importance of this expertise increases for achieving successful performance.

Leister (1977) discovered a notable and unexpected outcome regarding the impact of leader intelligence on assignment completion. Specifically, they found that an unsettling relationship with the supervisor significantly influences this effect, contrary to our initial expectations. The primary significance of this variable appears to be the anxiety that is induced by the fear of the supervisor. Based on the available data, it can be inferred that the leader's reluctance to allocate scholarly resources to the project stems primarily from a sense of apprehension towards the manager. The inquiry regarding whether anxiety stemming from other personal or situational factors would yield a comparably substantial influence requires resolution through forthcoming research initiatives.

According to Ellis (1988), the purpose of his paper is to enhance comprehension regarding the emergence of leadership within group dynamics. It has been observed that leaders possess the ability to perceive the needs of groups and subsequently adapt their behaviors in order to meet those needs. The author contends that previous studies provide robust evidence in favor of the idea that individuals exhibiting high levels of self-monitoring possess both of the aforementioned traits. The present study provides empirical evidence supporting a robust association between self-monitoring and the process of leadership development.

3. RESEARCH METHODOLOGY

In this study, a quantitative procedure has been employed. A quantitative approach is utilized. Using a quantitative method, data can be readily measured and expressed in numerical form. This part provides information regarding research design, study variables, and data collection techniques.

3.1 Conceptual Framework

Figure 1 is a self-developed framework that illustrates the detailed information regarding independent and dependent variables for the data collection and analysis techniques.

Figure 1: Conceptual Framework



Source: Author

3.2 Research Design

The research was conducted in the banking sector of Quetta city. The research methodology was causal and quantitative in nature; a survey was conducted through which questionnaires were circulated among the supervisors of the private banking sectors in Quetta city. The population of the study is taken from the banking sectors of Quetta city, which include JS Bank, Alfalah Bank, Allied Bank, Habib Metropolitan Bank, Askari Bank, Meezan Bank, Soneri Bank, Dubai Bank, Sindh Bank, Summit Bank, MCB Bank, Habib Bank, United Bank, NRSP Microfinance Bank, Faisal Bank, Bank Al Habib, and Bank Islami.

3.3 Data collection and variables of the study

The data was collected through a survey. Questionnaires were distributed among the employees of the banking sector in Quetta city. The survey will be reliable and valid in order to easily comprehend the questions. The questions were constructed properly.

3.4 Data Collection

The study adopted a questionnaire as an instrument to measure the quantitative data. The primary data is collected from the employees of banking sector. The primary data collection helped enhance the direct evaluation of the study using survey questionnaires. The questionnaire is used to check the regularity of information about the factors affecting the performance of employees. The data collected from the questionnaire is organized and structured. The secondary data has been collected through journals, articles, and reports.

3.5 Variables of the study

The independent variables of the study are social awareness and social facility, whereas the dependent variables of the study are leadership styles.

3.6. Measurement

Two independent variables were selected to measure the impact of social intelligence on leadership styles:

- Social awareness (including empathy, attunement, empathic accuracy, social psychology and social cognition).
- Social facility, including synchrony, self-presentation, influence, and concern.

Leadership styles were selected as direct variables and tested with the help of questionnaires. It was then tested through SPSS afterwards.

3.7. Sampling

The sample was taken from the population of the banking sector in Quetta city. There are 200-300 participants. The convenience sampling method was used to collect data. Due to limited resources, it is advisable to take a sample for further investigation. The sample was taken as a part of the whole population, which represented the relationship between the note that none of the aforementioned tests or analyses are considered part of the data collection procedure per se. Rather, these outlined tests and analyses represent statistical methods employed to analyze the data and assess the hypotheses. Please revise accordingly.

3.8. Research Analysis Tools

The data was calculated and tested with the help of SPSS, and then the results will be concluded according to the data collected and tested.

3.9. Population and Sampling

The sample size was determined to be 200. If this population is rounded up, the total population of targeted respondents is approximately 165, including all permanent and transitory employees as well as all upper, middle, and lower management. Consequently, probability proportional sampling will be used in the research investigation. Consequently, data will be collected from approximately 165-175 respondents.

3.10. Instrument Development

Data collection methods are typically available in a variety of formats; however, choosing the appropriate one for the thesis is a challenging task. It has a direct or indirect impact on the validity and dependability of the research findings. This study uses a quantitative methodology and a five-point Likert scale. Respondents from the private financial sector were selected as the target population. One independent

variable, social intelligence, was chosen, and three independent variables, directive, transactional, and transformational leadership, were chosen.

3.11 Data Collection Procedure:

Five Likert scale questionnaires were developed, including all the areas of research, i.e., social intelligence and directive, transactional, and transformational leadership styles. The questions asked were made according to the hypotheses made from this research. The questionnaires were first printed and distributed by a person in the private banking sector. The questionnaires were distributed among the upper, middle, and lower managerial employees. All the data collected from the questionnaires was entered in SPSS, and the responses were recorded. The tests applied to SPSS included:

- Reliability test
- Regression test
- Correlation test
- Descriptive and frequency tests
- Anova

All the data collected from the questionnaires was entered in SPSS, and the responses were recorded. The data was calculated and tested with the help of SPSS, and then the results were concluded according to the data collected and tested. The details of the data for reliability analysis to ensure validity are attached to the article.

3.12. Demographics

Below are the demographics of the questionnaires.

Table 1: Demographics

Sr. No.	Categories	Descriptions
1	Designation	From top management to lower management
2	Age	25-45 years
3	Education	Bachelors to Ph.D. scholars.
4	Experience	3 years of experience to 7 years of experience

3.13. Reliability Analysis

The reliability analysis determined by Cronbach's alpha test are as follows:

3.14. Reliability Statistics

Reliability statistics are shown in the table below.

Table 2: Reliability Test

Name of Variables	Name of construction	Cronbach's Alpha	No. of Items
Social Intelligence	Leadership Style	0.803	4
Directive leadership	Social Intelligence	0.819	1
Transactional	Social Intelligence	0.819	1
Transformational	Social Intelligence	0.819	1

Table 2 reveals that the measurement of the dependent variable, leadership styles, has a Cronbach's alpha value of 0.803, which is interpreted as a value of high reliability. Correspondingly, the Cronbach's alpha value for directive leadership is 0.819, the value for transactional leadership is 0.819, and the value for transformational leadership is 0.819. These results translate to a high level of reliability. Overall, the reliability analysis demonstrated a satisfactory data reliability scale.

Table 3: Correlation Analysis

Pearson Correlation	Social Intelligence	Transactional	Directive	Transformational
Social intelligence	1			
Transactional	0.479**	1		
Directive	0.541**	0.495**	1	
Transformational	0.684**	0.559**	0.424**	1

The Pearson correlation test reveals a positive relationship between social intelligence and directive leadership, with a value of directive leadership $p \leq 0.01$. Getting to the conclusion that the null hypothesis should be rejected in favor of H1, which demonstrates the positive relationship because the p value is less than the alpha level, which is considered to be highly statistically significant.

Since transactional leadership has a value of 0.479, there is a positive correlation between social intelligence and transactional leadership. The result calls for rejecting the null hypothesis in favor of the H2, which exhibits a positive relationship because $p \leq 0.01$, which is considered to be highly significant.

3.5. Regression Analysis

Following is a regression analysis between directive, transactional, and transformational leadership, and social intelligence.

3.15.1. Regression test analysis between Directive leadership and Social

Intelligence:

The R value, which stands for simple correlation, is 0.541, which denotes a somehow acceptable degree of correlation. In this instance, the R square is 29%, which can be explained by the fact that only 29% of the outcomes are predictable.

Table 4: Regression test

Model	R	R Square	R Square Adjusted	Std. Error of Estimate
1	0.541 ^a	0.293	0.285	3.283

a. Predictors: (Constant) Social Intelligence

b. Dependent Variable: Directive Leadership

ANOVA^a

Table 5: Anova table

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	428.498	1	428.498	39.749	0.000 ^b
1 Residual					
Total	1034.890	96	10.780		
	1463.388	97			

a. Dependent variable: Directive Leadership

b. Predictors: (Contant), Social Intelligence

In the above table, the value of $p \leq 0.01$, therefore the result is significant, and the value of the F ratio is 39.749, which indicates that the model is good.

Coefficients^a

Table 6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.329	1.390	0.541	4.555	0.000
Social Intelligence	0.429	0.068		6.305	0.000

a. Dependent variable: Directive leadership

Unstandardized coefficient B1 is equal to 0.429, indicating a positive correlation between social intelligence and directive leadership in the measured value. It is extremely significant because social intelligence's significant change is 0.000, which is smaller than the permissible value of 0.05.

Regression test analysis between Transactional leadership and Social Intelligence: The R value, which stands for simple correlation, is 0.479, which denotes a somehow acceptable degree of correlation. In this instance, the R square value is 0.229, indicating that the model somehow shows a strong relationship.

Table 7: Regression test

Model	R	R Square	R Square Adjusted	Std. Error of Estimate
1	0.479a	0.229	0.221	2.212

a. Predictors: (Constant) Social Intelligence

ANOVA^b

Table 8: Anova table

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	139.840	1	139.840	28.585	0.000 ^b
1 Residual	469.639	96	4.892		
Total	609.480	97			

a. Dependent variable: Transactional Leadership

b. Predictors: (Constant), Social Intelligence

In the above table, the value of $p \leq 0.01$, therefore the result is significant, and the value of the F ratio is 28.585, which is greater than 1, depicting that the model is good.

Coefficients^a

Table 9: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		

1 (Constant)	5.538	0.936	0.479	5.916	0.479
Social Intelligence	0.245	0.046			

a. Dependent variable: Directive leadership

Unstandardized coefficient B1 is equal to 0.245, indicating a positive correlation between social intelligence and transactional leadership in the measured value. It is extremely significant because social intelligence’s significant change is 0.000, which is smaller than the permissible value of 0.05.

3.15.2. Regression test analysis between Transformational leadership and Social Intelligence:

The R value, which stands for simple correlation, is 0.684, which denotes a somehow acceptable degree of correlation. In this instance, the R square value is 0.468, indicating that the model somehow shows a strong relationship.

Table 10: Regression test

Model	R	R Square	R Square Adjusted	Std. Error of Estimate
1	0.684 ^a	0.468	0.462	3.445

a. Predictors: (Constant) Social Intelligence

ANOVA^b

Table 11: Anova table

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	1002.463	1	1002.463	84.452	0.000 ^b
1 Residual	1139.537	96	11.870		
Total	2142.0000	97			

Dependent variable: Transformational Leadership

Predictors: (Constant), Social Intelligence

In the table 5.10, the value of $p \leq 0.01$, therefore the result is significant, value of F ratio is 84.452 which is greater than 1, depicting that the model is good.

Coefficients^a

Table 12: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.130	1.458	0.684	4.890	0.000
Social Intelligence	0.657	0.071		9.190	0.000

a. Dependent variable: Transformational leadership

Unstandardized coefficient B1 is equal to 0.657, indicating a positive correlation between social intelligence and transformational leadership in the measured value. It is extremely significant because social intelligence's significant change is 0.000, which is smaller than the permissible value of 0.05.

4. Anova table and results

The following shows the results for directive leadership, transactional leadership, and transformational leadership between groups and within groups.

Table 13: Anova table and results for directive leadership

Model	Sum of Squares	Df	Mean Square	F	Sig
Between Groups	752.154	20	37.608	4.072	.000
Within Groups	711.234	77	9.237		
Total	1463.388	97			

The study achieved a significant result. With a p-value of .000, the value of F, 4.072, is significant (which is less than the value of .05 alpha level). This indicates that the means of directive leadership and social intelligence variables differ statistically significantly.

Table 14: Anova table and results for transactional leadership

Model	Sum of Squares	Df	Mean Square	F	Sig
Between Groups	262.015	20	13.101	2.903	.000
Within Groups	347.465	77	4.513		
Total	609.480	97			

One way ANOVA indicates that there was a statistically significant difference between social intelligence and transactional leadership ($F(20, 77) = 2.903, p = .000$).

Table 15: Anova table and results for transformational leadership

Model	Sum of Squares	Df	Mean Square	F	Sig
Between Groups	1252.173	20	62.609	5.418	.000
Within Groups	889.827	77	11.556		
Total	2142.000	97			

The outcome is significant. F is 5,418; significance is reached with a p-value of .000 (less than the alpha level of .05). This indicates that there is a statistically significant difference between the means of the transformational leadership and social intelligence variables.

Table 16: Anova table and results for transformational leadership, directive leadership and transactional leadership.

	Model	Sum of Squares	Df	Mean Square	F	Sig
Transformational	Between Groups	1252.173	20	62.609	5.418	.000
	Within Groups	889.827	77	11.556		
	Total	2142.000	97			
Directive	Between Groups	752.154	20	37.608	4.072	.000
	Within Groups	711.234	77	9.237		
	Total	1463.388	97			
Transactional	Between Groups	262.015	20	13.101	2.903	.000
	Within Groups	347.465	77	4.513		
	Total	609.480	97			

4.1 Results of Hypotheses:

H1: There is a positive relationship between social intelligence and directive leadership.

H2: There is a positive relationship between social intelligence and transactional leadership.

H3: There is a positive relationship between social intelligence and transformational leadership.

4.2 Discussion on the Findings

This section evaluates each of the hypotheses by comparing their results to those of other studies, based on the results of the preceding experiments.

Regarding “H1: There is a significant relationship between social intelligence and directive leadership.”

When investigating the first hypothesis, the following questions were inquired:

- I think directive leadership is better than transactional and transformational leadership.
- I think leadership style has a strong impact on employees’ performance.
- I have a better understanding of different types of leadership styles.

Findings indicate that the hypothesis has been accepted. Mostashari (2009) found that social intelligence has a huge impact on directive leadership style, and hence the performance of most of the employees can be enhanced through awareness of social intelligence.

Regarding H2: “There is a significant relationship between social intelligence and transactional leadership.”

The findings indicate that the hypothesis has been accepted; the following statements were evaluated to determine their validity:

- I think transactional leadership helps managers understand employees needs and requirements.
- A manager’s leadership style has a strong impact on employees’ performance.
- I know how to handle people when situations are heated up.

As per Jensen et al.,(2019), there are three issues raised by previous conceptualizations and measurements of transformational and transactional leadership, with the apparent question being whether or not our reconceptualization and operationalization efforts have been fruitful. Concerning the need to distinguish conceptualizations and operationalizations of leadership behavior from their effects, they argued that the conceptualizations do not confuse leadership strategies with their proposed effects because they are behavior-focused. It is more challenging to determine whether they were successful in developing theoretically and empirically significant dimensions. Therefore, it can be stated that social intelligence can aid in enhancing the performance of employees.

Regarding H3: “There is a significant relationship between social intelligence and transformational leadership styles”.

The objective of the third hypothesis was to assess the influence of social intelligence on transformational leadership styles. After evaluating the following statements, the results were obtained:

- I value my team members’ feelings for the work I assign to them.
- I try to consider others’ opinions before making a decision.
- I am concerned for my staff’s needs and requirements.

According to Samawi (2018), the correlation coefficient between all dimensions of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, and empowerment) and change management in Jordanian insurance companies has reached (0.336) Sig. Therefore, it can be argued that social intelligence has a substantial effect on transformational leadership, which can result in enhanced employee performance.

5. CONCLUSION

According to the observations, there is a vast need for awareness regarding social intelligence, which can directly or indirectly impact the leadership styles and, as a result, improve the employee performance. This study was made using quantitative

approach to analyze the impact of social intelligence on the leadership styles of the private banking sector in Quetta city. With the help of five-likert scale questionnaire, it is concluded that there is a direct impact of social intelligence. This study investigated nearly 165 employees of the private banking sector in Quetta, Pakistan, to observe if there's an impact of social intelligence on employee's leadership styles. The respondents were mostly from top to lower managerial positions.

After conducting surveys with respondents and investigating approximately 165 employees from the private financial sector in Quetta, the results were analyzed. There is a positive relationship between social intelligence and the leadership styles of directive, transactional, and transformational, according to the results of testing the hypotheses.

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