Service Quality in Relation To Emotional Intelligence in Commercial Banks of Ethiopia

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Abstract

To excel in today's competitive environment, organizations need people who are more than academically intelligent. They need people who are smart, creative, have initiative, team leadership, cooperation, persuasiveness, resilience, and optimism which are essential for business success. The main objective of this study was to show the relationship between the emotional competence of employees and service quality performances of commercial banks operating in the capital city, Addis Ababa, Ethiopia. To accomplish this objective the researcher selected four commercial banks based on their consent in the entire research works. Here, the research gathers primary data from employees and customers of 40 branches of the selected commercial banks via survey questionnaires. In this study, 277 commercial bank employees and 277 customers from selected branches were considered as sample respondents for the entire work. The SERVPERF instrument used to collect data related to service quality performance of sample commercial banks and Emotional Competence Inventory 2.0 (ECI) were also applied so as to gather emotional competence data from employees. To make analysis SPSS 20.0 was applied. Descriptive statistics like mean and standard deviations were used to analysis and interpretations for service quality performance of sample commercial banks and emotional competence levels of employees. Moreover, correlation analysis was also applied to see the relationships among employees' emotional competence level with service quality performance of commercial banks in terms of quality dimensions. The study finding shows that the sample commercial banks have better service quality performance in the dimensions of tangibility, responsiveness, and assurance. Conversely, they have relatively less performance in empathy and reliability dimensions. Moreover,

correlation output shows that there is a positive association between the emotional competence of employees and service quality performance of commercial banks as measured with the five quality dimensions. But, overall correlation results show weak as correlation values were compared with thumb rule correlation values. Therefore, the study suggests that commercial banks should emphasize on the capability to deliver promised services consistently and exactly with greater concern, easy access, and sound communications by being considerate coupled with individualized attentions.

Key Words

Emotional Intelligence, Emotional Competence, Service Quality, Commercial Banks

INTRODUCTION

The economic liberalization of the financial sector started in 1991 laid a foundation for the formation and expansion of private banks in Ethiopia (Hansson, 1995). This together with rapid technological advancement and improved communication systems, have contributed to the increasing integration and resemblance amongst banks in the financial sector. As per a study conducted by Harvey (2010), banks in Ethiopia are now faced with very high and intense competition. Banks operating in Ethiopia are consequently put into a lot of pressures due to an increase in competition. Various strategies are formulated and implemented to maintain their customer and sustainability within the competitive market. Currently, Service quality is one key area of competition getting attention by commercial banks in Ethiopia. This is essential for banking services which deliver homogeneous services as they provide a high level of customer satisfaction and it becomes a tool for competitive advantage (Ahmossawi, 2001).

To excel in today's competitive environment, organizations need people who are more than academically intelligent. They need people who are smart, creative, have initiative, team leadership, cooperation, persuasiveness, resilience, and optimism which are essential for business success. Clarity in thinking and composure in traumatic and disordered situations is what separates the top performers from the weak performers in the workplace. These attributes may contribute more to individual and organizational effectiveness than general intelligence. Studies show that emotional intelligence (El) is linked to successful performance in the workplace. Emotions influence all aspects of our lives. It is impossible to separate them from work.

BACKGROUND OF THE STUDY

According to previous studies conducted by various researchers, Ethiopia is less monetized as the financial sector is dominated by thebanking industry. To enhance the share of banks in the national economy as part of the financial institutions, competition is an important means; lacking competition, it is doubtful to bring about efficiency and raisedevelopment within thefinancial sector. In other words, limited competition may result in substantial social losses on account of higher price, higher transaction expense, lesser credit supply, theabsence of innovation and poor quality of service. Although it has positive effects on efficiency and economic growth for a country, like Ethiopia. In reality, Ethiopia is still one of the most under-banked countries in the world with one bank branch serving over 50,000 people and banks operating in the country registered high profit (Worku G., 2010). As per a study of Ibrahim Y.; Mohammed A.; and Gigiorgis H. (2015), in response to this opportunity continuous establishment of commercial banks leads to fierce competition in terms of maintaining existing customers and attracting likely customers. In this market condition, provision of quality customer service is key to sustainingprofitable and growth in the sector. Examination of thequality of services delivered by banks in developing countries may result in empirical findings which are also relevant in other countries for the reason that banking is now becoming interrelated worldwide and variations will be minimized.

Banks operating in Ethiopia are consequently placed into a lot of pressures because of increase in competition. Various strategies were framed to retain the customers and safeguard their market shares. From the strategies, excellence in service quality is key and prior options for competitiveness and sustainability in the ever-changing market settings. Service quality is particularly crucial in banking services context because it affords ahigh level of customer satisfaction and it becomes a key to competitive advantage (Ahmossawi, 2001). In addition, Mouawad & Kleiner (1996) investigated service quality has a significant impact on a bank's success and performance. Currently, service quality gets much attention because of its obvious relationship to costs, financial performance, customer satisfaction, and customer retention. In thebanking sector, high-quality services are always emphasized. This is one of the areas in banking which give assurance of business success. In the current banking service in Ethiopia, because of intense competition paying consideration to the enhancement in service quality has started.

Kheng, L.; Mahamad, O.; Ramayah, T.; and Mosahab, R. (2010) show that

stiff competition, increased awareness of customers, and variable demand needs continuous improvement from commercial banks in the quality of service which leads to customer loyalty. It is important to banks focus their endeavors to improve service quality and delight their customers (Radomir *et al.* (2010) cited in Ibrahim Y.; Mohammed A.; and Gigiorgis, H. (2015). Similarly, service quality referring to customer's judgment about bank's superiority regarded as a source of competitive advantage in the retail banking as it constitutes the major driver of customer satisfaction. So, ensuring service quality can have apositive contribution towards maintaining potential and prospective customers (Culiberg & Rojsek, (2010) cited in Ibrahim Y.; Mohammed, A.; & Gigiorgis, H. (2015)).

Potluri, R. M.; and V. S. Mangnale (2011) made a study about critical factors of customer satisfaction in service sectors of Ethiopia including banking sector indicates that 36% customers of the sector in Ethiopia were dissatisfied with the interaction skills of employees. Furthermore, another 47% of customers were also disappointed with service delivery system and 52% and 61% customers were not happy with existing service recovery process and complaint handling procedure, respectively. In general, their finding shows 49% of the customers expressed overall dissatisfaction regarding the services delivered by Ethiopian service sector.

Another study, also conducted by Zerayehu S.; Kagnew W.; and Teshome K. (2013) on competition among Ethiopian banks, shows that competition in terms of price is relatively less significant (competitive parameter) in the Ethiopian banking industry. Bank service charges are more or less homogeneous in the industry, whereas interest rates on time and saving deposits are partially controlled by monetary authorities, rather than demand and supply forces. However, after satisfying the minimum statutory levels, banks have been engaging in price competition, as can be explained by differentiated rates on deposits, especially on time deposit, the commencement of interest payment on demand deposit, as well as differentiated interest rates on loans. Their econometric output also confirms that there are performances which are governed largely by macroeconomic performances than competitive parameters as high (low) performances coincided with prevailing macroeconomic conditions. The Ethiopian banking industry can be characterized as highly profitable, concentrated and moderately competitive. In terms of contestability, the Ethiopian banking sector can be considered as incontestable as anentry in the industry is difficult, due to legal, technological and economic factors. However, as per their findings,there is some potential that may improve contestability, such as the possibility of monopolistic competition among banks in terms of prices. In a nutshell, banks in Ethiopian case are competing in terms of quality service and

efficiency (including theuse of advanced technologies), branch network expansions, advertising, and prices put in the order of their significance. In the banking sector, high-quality services are always emphasized. This is the area in banking which guarantees business success. Banks in Ethiopia have also started paying attention to improvement in service quality because of intense competition within commercial banks.

Furthermore, recently a study conducted by Tigineh M.; Ven S.; Haile Y.; and Yonatan, G. (2012) on perceived service quality in Ethiopian retail banks by using SERVQUAL scale. The main objective of their study was to assess perceived service quality in three private and one public Ethiopian retail bank operating in Addis Ababa. The study was conducted on a sample of 17 branches of selected retail banks with a sample of 256 customers through asurvey questionnaire. Their finding shows that all banks' service expectations were not matched with perceived performance. But there were only a few variations in service expectations between public and private retail banks; as private banks' were perceived relatively better in delivering service. Moreover, their result also shows that perceived service quality falls short of customer expectations in all the five dimensions of service quality; the highest perception-expectation gap observed in empathy dimension. In general, their finding implies those customers who participated in the study perceived banking services as poor both at public and private banks considered in the study.

According to Zeithaml & Bitner (2000), service quality has been animportant primary competitive tool for banks to achieve success in marketplaces with commonly undifferentiated services. Therefore, supplying quality service to customers is aprerequisitefor success and survival in today's competitive banking business. Service quality gets the attention of scholars and managers in recent decades. It has become a significant theme because of its bearing on customer loyalty. Finn D. & Lamb C. (1991) identified that by satisfying customers through high-quality service, business firms not only retain their current customers but also increase market share. Above all, service quality is conforming to customer requirements and expectations. Customer satisfaction results when expectations are met.

EMOTIONAL INTELLIGENCE AND SERVICE QUALITY EMPIRICAL LITERATURE

There are various factors which are responsible for high-quality services which can be classified as human and technical factors. Technical factors include reliability, scalability, effectiveness, maintainability, grade of service, etc. Human factors include stability of service, availability of service, delays, user information,

etc. There are always varieties of factors behind the quality generating human effort. Emotional competence is one important human factor which has a relationship with thedelivery of quality service. Goleman (1998) explains a person's emotional intelligence as self-awareness, self-confidence, self-control, commitment and integrity, and a person's ability to communicate, influence, initiate change and accept change. It is all about managing the human emotions. Moreover, Mayer J. D.; Salvoy, P.; and Caruso, D. R. (2000) contend that emotional intelligence is not a single trait or ability rather, a combination of diverseabilities in emotional reasoning. Emotional perception consists of recognizing and interpreting the meaning of various emotional states, as well as their relations to other sensory experiences. Understanding emotions encompass comprehension of how fundamental emotions are combined to form multifaceted emotions. Regulating emotions encompass the control of emotions in oneself and in others. A person's emotional intelligence is a sign of how he/she notices, understands and regulates emotions. These days, effective and qualitative performance in service businesses such as banking is not at all about ability, but it involves emotions and assessing other's behavior. People who know their emotions and are good at reading other's emotions may be more effective in their jobs.

Sy T., Tram S.; and O'hara, L. A. (2006) identify that employees' emotional intelligence can predict work-related outcomes such as job satisfaction and job performance. Their recent study showed that managers with high emotional intelligence (EI) produce positive work attitudes and altruistic behaviors and that their employees enjoy higher job satisfaction and performance. Similarly, Kafetsios & Zampetakis (2008) proposed EI as an important predictor of key organizational outcomes including job satisfaction and there is accumulating evidence that job satisfaction is influenced by EI abilities and traits. According to their study, there are numerous reasons why job satisfaction and job performance are influenced by workers' EI. Interpersonally, emotional awareness and regulatory methodsallied with EI are likely to benefit people's social relationship affecting the experience of emotion and stress at work. In intra-personally, application of emotion and being aware of one's own emotions can lead to regulating stress and adverse emotion so that one can perform better at work.

Goleman (1998b) explains emotional competence asa learned capability based on emotional intelligence which results in outstanding performance at work. Emotional competencies are job skills which can and indeed essentially learned. An underlying EI ability is required, but not sufficient, to manifest competence in any one of the four domains or clusters of EI. Although our emotional intelligence

governs our potential for learning the practical skills which underlie these EI clusters, as emotional competence shows how much of that potential be realized by learning and mastering skills and translating into on-the-job capabilities. According to him these clusters the first component is about self-awareness, knowing what an individual feels, the second component is self-management which is an ability to regulate distressing effects like anxiety and anger and to inhibit emotional impulsivity.The social awareness which is the third componentencompasses the competency of empathy. Relationship management or social skill, the fourth component poses a more complex picture. In an ultimate sense, theeffectiveness of our relationship skills hinges on the ability to attune ourselves to or influence the emotions of another person. That ability, in turn, builds on other domains particularly self-management and social awareness.If a person can't control his/her emotional outbursts or impulses and lack empathy, there is less chance to be effective in his/her relationships.

Now-a-days, emotional intelligence viewed in many aspects of life; being emotionally intelligent makes the person feels more self-confident, decisive and open to interact with others and understand them. In addition, emotional intelligence helps the employees to be motivated (Goleman, 1995). Applying emotional intelligence principles in theorganization contributes to the achievement of greaterreturns for the organization and higher employee satisfaction; these are indicators of a successful and being competitive organization. Moreover, Cherniss C. &Goleman D. (2001) proved that having emotionally intelligent individuals in the organization simplifies the process of communication and cuts potential misunderstandings among staff members. Nygren & Ukeritis (1993) have reported that competencies go together in an integrated fashion, forming a meaningful form of abilities that enables successful performance in a given role or job.

Prasad & Road (2012) found that employees' behavior can be interpreted in terms of emotional intelligence. So, that emotional intelligence has an impact on the behavior of an individual be it at the workplace interactions or at the personal level interactions. The employee service performance is an important determinant of service quality and bank employees' emotional intelligence level can affect their service performance and also in their ability to maintain customers. Therefore, this study emphasized on the roles of employees' emotional competencies on service quality performance of commercial banks in Ethiopia.

STATEMENT OF PROBLEM

Excellence in service quality is a key to be competitive and profitable. Currently, the increasing awareness of customers about the idea of quality in

every service aspect, shifting demands for quality services and high competition in the market entails aconstant improvement in service quality from commercial banks for their customers to be satisfied and stay loyal. To do so, commercial banks need to know and determine which factors affect their service quality performance and give due attention to these critical factors. Ideally, there are various factors which are responsible for service quality they can be classified as human and technical factors. Technical factors include reliability, scalability, effectiveness, maintainability, grade of service, etc. Human factors include employee competency so as to deliver service as they promised, thestability of service, availability of service, delays, user information, etc. There are always a number of factors behind the quality generating human effort. Here, by its nature banking service is characterized as high contact service which demands physical presence and contact of employees and customers. To excel in today's competitive environment, organizations need people who are more than academically intelligent. In this connection, employees should have the competence to recognize the feelings of the customer apart from the skills and know-how about the job to be done. Therefore, to understand and recognize the feelings of others being emotionally competent is inevitable so as to successfully monitor feelings and emotions of own and others, to discriminate among them and to use this information to guide one's thinking and actions.

Similarly, even though maintaining thequality of service in thebanking industry of Ethiopia is compulsory, as per previous studies made on banks' service quality was found to be below the expectation. Moreover, as per the findings of previous studies and direct experience about existing service performance of commercial banks in Ethiopia, so many internal as well as external factors affect the service quality adversely.

In relation to the above-mentioned preliminary study on service quality and emotional intelligence, here the question is whether the service quality of commercial banks in Ethiopia really has linkages with employees' emotional competence level or not. Specifically, which service quality dimensions have anassociation with theoverallemotional competency of commercial bank employees and what is the current service quality performance of these banks by using SERVPERF scale of Cronin & Taylor (1992).

RESEARCH OBJECTIVE

The main objective of this research is to show the relationship of employees' emotional competence and service quality performance of commercial banks in Ethiopia.

SPECIFIC OBJECTIVES

- To assess service quality performance of commercial banks in Ethiopia.
- To see the relationship between employees' emotional competence and service quality performance of commercial banks in Ethiopia.

RESEARCH METHODOLOGY

Research Design

This study used an explanatory survey research. Quantitative and qualitative strategies are the two main strategies applied in the study. The quantitativemethod focuses quantification in collection and analysis of data. In order to suit for the collection of the required information from a large sample and make the analysis easier, the researchers applied a quantitative method by including a qualitative idea in a structured questionnaire. The research design in this study used descriptive analysis to show the effects of emotional intelligence and prioritize the employees' emotional competence effect on service quality of commercial banks. It also examined the independent and dependent variables how they inter-related each other. It used correlation analysis to test the hypothesis drawn and their relationship. The study was investigated and generalized on the relationship of employees' emotional competence and service quality performance of commercial Banks operating in the capital city, Addis Ababa, Ethiopia.

Types of Data and Sources

The study covers two major populations to gather relevant data; which were employees and customers of commercial banks. Primary data were used to assess EQ level of employees' from selected banks and service quality performance from customers' viewpoint. Primary data were collected via questionnaire using a 5-point Likert scale assessed by customers of commercial Banks for service quality performance and emotional competence by employees of commercial banks.

Determination of Sample Size and Sampling Method

According to National Bank of Ethiopia Annual Report of the year 2012-13, the number of banks operated in the country was 19 including all types of banks. This study emphasized only on commercial banks alone. Here, multi-stage purposive sampling techniques were used to select sample banks. The reason why the researcher chooses purposive sampling is that in most of the time considering the whole populations as a source of data requires a huge amount of resources like finance, time, effort, manpower, and materials. Here in this research, the types of the

population werehomogeneous. Besides, the study used those banks which are interested in research work. The researcher contacted those banks about their cooperativeness and willingnesson the study. As per the consent of their interest in delivering relevant data for the study, four commercial banks were considered as a sample. These are Awash International Bank, Bank of Abyssinia, Commercial Bank of Ethiopia and Wegagaen Bank. Consequently, the researcher selects specific bank branches which can be identified as a source of data collection based on specific criterion given from head offices. The criteria to select a specific branch as a data source were the category/grade/ of the branch which is based on factors like the year of operation, the volume of customers, the size of employees and annual profit generating acapacity of branches. As per their criteria, each commercial bank has three different graded branches in the capital city, Addis Ababa. Therefore, the first ten branches based on these criterions were considered as sample branches. Here, a total of 40 branches were considered as sample branches in the entire study.

The aim is to get those who are working as customer service officers in the bank's service windows. Therefore, the sample sizes were determined by the number of customer service officers who are available in the selected bank branches. The total sample size taken from private commercial banks accounts for 181 and 96 were from thepublic commercial bank. In line with this fact to make the data obtained from employees and customers valid for SPSS statistical operations, the study considered an equal number of customers from each bank concerning the data collected for service quality performance of each sample commercial banks were chosen. Therefore, a total of 277 bank customers participated in the entire data collection process.

Research Tools

Two major research tools were used to elicit the requisite information/data related to commercial bank employees' emotional intelligence and service quality performance of selected commercial banks. The tools used areEmotional Competence Inventory 2.0 and SERVPERF. The Emotional Competence Inventory (ECI) instrument used a five-pointLikert scale as (1) I never act like that, (2) This rarely happens, (3) Sometimes, (4) Often, (5) Consistently. The Emotional Competence Inventory (ECI) consists of 72 items in four distinct competence groups. The instrument was developed byBoyatzis, Goleman, & Rhee (2000). According to these scholars, the behavior of any service personnel can be interpreted in terms of the variables which have a bearing on the dimensions of EI.

The most widely used models in measuring service quality in the banking

sector are the SERVQUAL and SERVPERF models. Cronin & Taylor (1992) developed the SERVPERF instrument. They were amongst the scholars who leveled a maximum attack on the SERVQUAL scale. They questioned the conceptual basis of the SERVQUAL scale and found it confusing with service satisfaction. Therefore, they preached that SERVQUAL component of expectation (E) is discarded and instead performance (P) component alone be used. They proposed what is referred to as the 'SERVPERF' scale. Besides theoretical opinions, he provided empirical proof across four industries (namely banks, pest control, dry cleaning, and fast food) to corroborate the dominance of their performance-onlytool over disconfirmation-based SERVQUAL scale. Cronin & Taylor argued that the only perception was sufficient for measuring service quality and, therefore, expectations should not be included as advised by SERVQUAL (Baumann, Burton, Elliott &Kehr, 2007). This scale like the SERVQUAL scale consists of five service quality dimensions with a set of 22 items, each item measuring perception of a particular service attribute by bank customers. The five dimensions of service quality are tangibles, responsiveness, assurance, empathy, and reliability. The study used a five-point Likert scale measuring customer perceptions. The statements were phrased with a possible response continuum (1 = Strongly Disagree to 5 = Strongly Agree).

Method of Data Analysis

For processing quantitative data, there are various software packages some of which are broader in scope and user-friendly like the SPSS. After data are collected in a manner that can aid the researcher to have concrete information to address the objective of the study, necessary data edited was made, coded and entered into a Statistical Package for Social Science (SPSS) version 20 for analysis.Then after descriptive analysis for outputs gained from the package were done. Descriptive statistics such as Mean and Standard Deviation were computed to study the nature of distribution of scores. In this study, descriptive statistics were used as the first stage of data analysis to assess the level of employees EI and commercial banks service quality performance. At this stage, mean, standard deviation and variance values of the required variables were computed.

Here, each employee's survey scores were compiled under each emotional intelligence competencies and the researcher averaged the overall item scores. Then descriptive statistics like mean and standard deviations were calculated. Each competence score of this group of employees was then compared with normative table values provided by Hay Group of high, medium or low ability in each competency areas found in Hay Group Emotional Competence Inventory (ECI 2.) technical manual by Steven B. Wolff, (2005, p.7). Here the competency levels were decided/

known; the employee was identified as either emotionally intelligent or not emotionally intelligent. As per Goleman (1998b) benchmarks to be considered as emotionally intelligent, an employee must have a high-level ranking in six or more competencies, with at least one high ranking in each of the four clusters of emotional intelligence competency. Later on, the mean scores for the entire group of employees for each competency were computed. Two-tailed one-sample t-tests were used to determine whether there is significant variationamong overall mean emotional intelligence competency scores of the participants and overall mean competency scores of the norm Finance and Accounting job function group provided by the Hay Group (2005, p.48),

Moreover, the study used Pearson Product Moment Correlation method to show the relationship between independent variables (Emotional Intelligence of employees in commercial banks) and a dependent variable (service quality dimensions). This correlation method was used to assess the degree to which two variables are associated or correlated with each other when both of those variables are metric (i.e., either interval or ratio-scaled data) (Andy Field, 2009). To test relationship between the main variables included in this study, Pearson Product-Moment Correlation Coefficients were computed using SPSS. For reasons of consistency, reports of correlations were based on rulesof conventional practice outlined (Cohen & Cohen, 1983). According to these guidelines, effect sizes for correlations are as follows: r = 0.10 (classified as weak), r = 0.30 (classified as moderate), and r > 0.50 (classified as strong) Andy Field (2009). Correlation analyses were used to examine the relationship between the overall employees level of emotional intelligence and service quality of commercial banks as measured by service quality dimensions.

RESULTS AND DISCUSSIONS

Introduction

The entire data collection consists of two major populations which are considered as a primary source of data. These target populations were employees of selected commercial banks and their customers. In this study survey, a total of 554 questionnaires were collected from 277 employees of commercial banks and 277 customers of selected commercial banks operating in the capital city, Addis Ababa, Ethiopia. The data collected from them were served to assess the emotional competency levels of employees and service quality performance of commercial banks. Moreover, the responses of the subjects are presented, analyzed, and interpreted using SPSS 20.

Table 1

Demographic Profile of Respondents

Demographic Variables		Employee Respondents	Customer Respondents
Sex	Male	179	176
	Female	98	101
	Total	277	277
Age Range in Years	15-30	232	86
	31-45	43	167
	>45	2	24
	Total	277	277
Marital Status	Single	210	144
	Married	66	131
	Others	1	2
	Total	277	277
Educational Status	Diploma	38	113
	1st Degree	226	122
	Masters	13	22
	Other	0	20
	Total	277	277
Work/Service Experience in years	< 1Year	65	45
	1-5	156	146
	5-10	42	60
	>10	14	26
	Total	277	277

Source : Researcher's own survey of 2015

Demographic Characteristics of Respondents

Based on demographic profile data shown in Table 1 majority of respondents participated in the survey were male accounting 179 of employees from ECI survey and 176 of customers from service quality assessment survey. In the case of the age range of respondents, 232 of the employees in the emotional intelligence survey belonged to the age range between 15 up to 30 years old. Whereas in the case of

customers 167 of them belonged to the age range between 31 up to 45 years old. On the other hand, the marital status of respondents shows that 210 of employees in the emotional intelligence survey and 144 of customers in the service quality survey of commercial banks were unmarried. In both of the sample groups, the share of respondents having a first degree in the educational status was large as compared with the rest of educational status mentioned in the survey by taking 226 of employees in the emotional intelligence survey and 122 of customers in service quality survey. In the final demographic variable of both the surveys in employee's emotional intelligence and service quality performance assessment of commercial banks by their customer's experience related to their work and service relationships, the data reveals that 156 of employees had work experience between one up to five years. Similarly, 146 of customers were having a service relationship between one up to five-year experience with sample commercial banks.

Sample Commercial Banks Service Quality Measured with SERVPERF Scale

Table 2
Mean Scores of Service Quality Dimensions

Service Quality Dimensions	Mean	Std. Deviation	N
Tangibility	4.22	0.49	277
Reliability	3.92	0.72	277
Responsiveness	4.12	0.67	277
Assurance	4.10	0.77	277
Empathy	3.82	0.82	277

Source : Researcher's own survey of 2015

Table 2 indicates the mean scoresof the five service quality dimensions. Tangibility shows the highest mean score followed by responsiveness and assurance. The least mean score is for empathy followed by reliability. According to the data shown in Table 2, the tangibility dimension of service quality is carried out superior to the other four dimensions with a mean score of 4.22. This indicates the sample commercial banks are performing at asatisfactory level in possessing thegood looking equipment, visually appealing materials and neat appearing employees. Responsiveness dimension as per the rating of customers shows a mean score of 4.12. According to Grönroos (1983), this factor concerns to what extent the employees are prepared to provide service. This comprises issues like immediate mailing of a transaction slip, making the time short while calling back to a customer and giving prompt service. This dimension touches subjects as information about the service,

giving prompt service, employee's willingness to help the customers and that the employees never to say busy to respond to the requests from customers. This dimension linked with technical quality as features are concerned with how the service is delivered. As per the response of the customers shown in Table 2, commercial banks are good in delivering quick service and voluntary to respond their customers' inquiry promptly.

The third dimension shown in Table 2 is assurance with a mean score of 4.10. As per Zeithaml, Parasuraman & Berry (1998), assurance is linked with competence, politeness, credibility, and safety. Grönroos (1983) also explains those features as courtesy is about politeness, respect, consideration, friendliness of contact personnel (like receptionists, telephone operators, etc.). Competence is related to the knowledge and skills of contact personnel, operational support personnel (and also research capability) which are important for providing services. Credibility covers points like trustworthiness, believability, and honesty. It means to the level the company has the customer's best interest at heart. Features that influence credibility are thename of the company, reputation, behavior of personnel and the degree to which the hard sell is connected to interactions with customers. Security refers free from danger, risk or doubt. It consists physical safety, financial security, and confidentiality. This dimension can also be connected to the functional quality (Grönroos, 2007). Therefore, based on the data indicated in Table 2 customers perceived that commercial banks are performing better in having knowledgeable and courteous employees and providing secure and trustworthy service.

The least performed dimensions shown in Table 2 are reliability and empathy with a mean score of 3.92 and 3.82 respectively. Reliability is connected to the consistency of performance and dependability (Grönroos, 1983). This dimension addresses issues like keeping promises, in solving the problem showing a sincere interest, deliver right service the first time, providing service at the time promises to do so and trying to keep an error-free record. That means this dimension can be connected to both technical quality and functional quality. Showing a sincere interest in solving the problem is about the manner in which the service is delivered and, therefore, it is connected to the functional quality. The other features in this dimension can be connected to the technical quality. Whereas empathy is about easy access, good communication and understanding the customer as Zeithaml, Parasuraman & Berry (1998) explained. Grönroos (2007) describes those factors separately. Easy access is connected to the approachability which means the operating hours are convenient, the location of the facilities are convenient, the waiting times are short and also freely access via phone. Good communication is keeping informed customers in a language they can understand and also listen. The

commercial banks may have to do certain changes to attract foreign customers. Understanding customer implies making an effort to recognize the customer which involves learning about specific requirements, give attention for individualized interests and also be familiar with aregular customer. Empathy dimension includes factors such as individual attention if the company has the best of the customer at their heart while employees realize the specific needs of customers and convenient operating hours. As per Grönroos (2007), this dimension is clearly connected to the functional quality. From the data indicated in Table 2, the reliability and assurance dimensions have relatively low mean scores as compared with the first three dimensions. But still, their score is good while we compared with the test value. As per the response of the customers, commercial banks are lagging behind in delivering reliable and empathic service. This indicates that there are weaknesses in the ability to deliver services consistently and exactly as they were promised as well as limited in understanding individual customer needs.

In general, from the survey of this service quality performance of sample commercial banks operate in the capital city, Addis Ababa, shows a higher level of service quality in the dimensions of tangibility, responsiveness, and assurance with a mean score of 4.22, 4.12 and 4.10 respectively. Overall service quality of the sample commercial banks implies very good score with the average value of these five dimensions of service quality resulting 4.04.

Relationship Among Emotional Intelligence and Service Quality

Table 3
Correlation Between Overall Employees' Emotional Competence Levels with Service Quality Dimensions

Variables	EQ	Tangibility	Reliability	Responsi-veness	Assurance	Empathy
Tangibility	.159**					
Reliability	.193**	.503**				
Responsiveness	.138*	.479**	.732**			
Assurance	.215**	.505**	.623**	.697**		
Empathy	.013	.395**	.477**	.549**	.501**	
SQ Total	.174**	.677**	.835**	.869**	.842**	.758**

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).
Source : Researcher's own survey of 2015

Table 4 shows the relationship between commercial bank employees' emotional competence levels as measured by ECI2.0 and the performance of sample commercial banks service quality performance as measured with the SERVPERF scale. From the result shown in the Table, there is a statistically significant positive relationship between four dimensions of service quality and emotional intelligence. Here, the correlation between empathy dimension and emotional intelligence is not significant but still, there are positive correlations. Based on the values shown in the Table, the highest correlation is between assurance and emotional intelligence with a correlation value of $r = 0.215$ followed by reliability $r = 0.193$, and tangibility $r = 0.159$ (all ps < 0.01) and responsiveness $r = 0.138$, $p < 0.05$ (2-tailed). Therefore, the correlation was positive, emotional intelligence and service quality dimensions are positively related, which means both emotional intelligence and service quality dimensions are linearly related.

DISCUSSION

In order to assess the service quality performance, the five dimensions of service quality were used. Among the five dimensions, commercial banks were found to be superior in providing appealing service environment. The banks are good in tangibility, responsiveness and assurance dimensions. The mean score values are the lowest for empathy and reliability indicating thelowest performance of these commercial banks in these dimensions. These are the areas where commercial banks emphasizeso as to improve customer perception of service quality. Counter staff needs to be continuously trained with theproper skill of providing caring and the ability to perform the promised service dependably and accurately to their customers. Moreover, staff that iscommitted to implementing quality services and gained recognitions from customers should be better rewarded.

The finding of this study shows employees' emotional competence level is positively correlated with all service quality dimensions indicating employees' emotional competence level as an input for delivery of quality banking service for customers. Accordingly, out of the five service quality dimensions that have the highest correlations with emotional intelligence is assurance (i.e. $r = 0.22$). But, when compared with the entire correlation result with the rule of thumb general guidelines about the strength of these correlations, it is below 0.3 which is under weak correlation. According to the correlation result, employees' emotional competence has arelatively highrelationship withassurancedimension of service quality. This indicates that commercial banks are better in equipping employees with the required knowledge and service skills together with service conducts to be courteous, secure and trustworthy in delivering service for their customers. Whereas, considering the entire correlations

between employee emotional competence level and the five dimensions of service quality still, it is weak. This implies that emphases given for employees' emotional intelligence skill development and practice in quality service delivery were limited.

CONCLUSIONS

The main aim of the study was to show the relationship of employees' emotional competence and service quality performance of commercial banks in Ethiopia. Thestudy also assesses the service quality performance of sample commercial banks operates in the capital city, Addis Ababa. The mean score values for service quality dimensions was between 3.82 and 4.22. This indicates that improvements in service quality should be made on those service quality dimensions, especially the dimensions of empathy and reliability.

This study also found a positive relationship between sample commercial banks employees' emotional competence and service quality dimensions. But, the relationship is weak as it compared even from the general thumb rule guidelines. Accordingly, the results of this study confirmed the theory of literature regarding the relationship between emotional intelligence and service quality dimensions. Although this study provides some significant insights regardingthe concept of emotional intelligence which is one of the contemporary areas of study and service quality performance of commercial banking services in Ethiopia. Moreover, there is still a chance to extend the findings to gain a more comprehensive understanding of the areas of application and practice of emotional competence skills within banking services. The future research may be directed to focus on the application of emotional competence skills by incorporating a large number of banks with vast geographical locations, avariety of job functions with different job levels and other work-related performance other than service quality performance alone. Moreover, this service quality assessment in banking serves as a footprint to other financial institutions in the sector, comparative studies by applying similar tools in different types of banks. Similarly, it is also possible to conduct comparative studies by using both SERVQUAL and SERVPERF tools to find a true reflection of the service performance of banking business in Ethiopia.

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