

## **THE IMPACT OF PSYCHOLOGICAL CAPITAL AND EMOTIONAL INTELLIGENCE ON GOAL ORIENTATION OF MANAGERS IN THE BANKING SECTOR OF NORTH CENTRAL PROVINCE IN SRI LANKA**

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### **INTRODUCTION**

The Banking sector in Sri Lanka plays a significant role in the country's economic development. The banking sector's performance affects economic sectors (Kappagoda et., 2014). Therefore, in today's highly competitive business environment, the managers of the banks should work to their fullest capacities and have a high motivational orientation to set goals for improving the performance of their banks. However, the level of the motivational orientation that describes a manager's tendency to set goals for high achievement is different from one manager to another (Bayardelle, 2019). Elliot and Dweck (1988) emphasized that an individual's goal orientation has shown to be a huge factor in their definitions of success (Bayardelle, 2019). Dweck (1986) and Dweck and Leggett (1988) stated that goal orientation is a construct used to describe a person's mental representations and approaches to successful situations (Blair, 2008). Goal orientation provides individuals' mental framework to interpret and respond to achievement and failure situations (Dweck & Leggett, 1988). Among the factors influencing goal orientation, psychological capital and emotional intelligence have been given less attention in the literature. By extending the ideas of positive psychology, Luthans and his colleagues developed the construct of psychological capital (Luthans et al., 2007a, Adil, 2015). Psychological capital can be defined as an individual's positive state of development characterized by hope, confidence, optimism, and resilience (Luthans et al., 2007a; Luthans et al., 2007b). At the beginning of the 21st century, emotional intelligence had already gained extensive attention in general psychology (Salovey & Mayer, 1990; Goleman, 1995). Goleman (1998) defines emotional intelligence as "the capacity to recognize our feelings, and those of others, to motivate ourselves and our relationships. Emotional intelligence includes self-awareness, self-management, social awareness, and relationship management (Boyatzis et al., 2000).

The literature review shows preliminary studies to understand the impact of psychological capital and emotional intelligence on goal orientation in Sri Lanka. It is scarce find studies on this research area in the banking sector. Few research has been conducted in various other contexts (Moshtaghi & Moayedfar, 2017; Zafarmand et., 2014; Hastings & West, 2011; Culbertson et al., 2011; Gore, 2014; Cankaya, 2016, Supervía et al., 2020, Kourakou, 2018). In the Sri Lankan context, few researchers have done their research using the concepts of psychological capital, emotional intelligence, and goal orientation (Perera, 2020; Kappagoda et al., 2014, Mendis & Mendis, 2017; Praveena, 2015), but there is no reported literature on the impact of psychological capital and emotional intelligence on goal orientation of the managers in the banking sector in Sri Lanka. Therefore, the objective of this study was to examine the impact of psychological capital and emotional intelligence on the goal orientation of managers in the banking sector in Sri Lanka.

## METHODOLOGY

This is a quantitative and cross-sectional study. It was conducted in a non-contrived setting. The sample was 168 managers, and data was collected using a questionnaire. A stratified proportionate random sampling method was employed to collect the data. 06, questions were used to manage the demographic data. Psychological capital, emotional intelligence, and goal orientation questionnaires were used, adopting the standard questionnaires developed by, Luthans et al. (2007b), Bennis (2003), and Attenweiler and Moore (2006), respectively. These constructs include 24, 20, and 21 questions, respectively. Based on the empirical evidence, the following hypotheses were developed.

- H<sub>1</sub>: Psychological capital is positively and significantly correlated with goal orientation.  
 H<sub>1a</sub>: Self-efficacy is positively and significantly correlated with goal orientation.  
 H<sub>1b</sub>: Hope is positively and significantly correlated with goal orientation.  
 H<sub>1c</sub>: Optimism is positively and significantly correlated with goal orientation.  
 H<sub>1d</sub>: Resilience is positively and significantly correlated with goal orientation.  
 H<sub>2</sub>: Emotional intelligence is positively and significantly correlated with goal orientation.  
 H<sub>2a</sub>: Self-awareness is positively and significantly correlated with goal orientation.  
 H<sub>2b</sub>: Self-awareness is positively and significantly correlated with goal orientation.  
 H<sub>2c</sub>: Self-awareness is positively and significantly correlated with goal orientation.  
 H<sub>2d</sub>: Relationship management is positively and significantly correlated with goal orientation.

Considering the relationship between research variables, the following conceptual framework was proposed for this study.

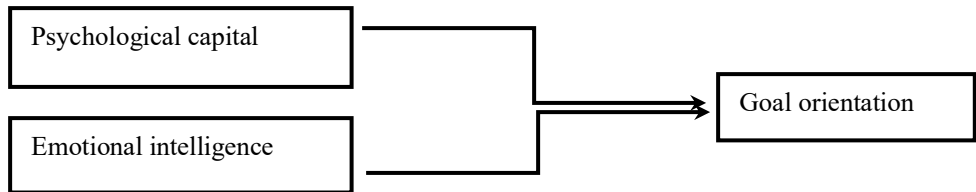


Figure 1 Conceptual Framework

## RESULTS AND DISCUSSION

According to Table 1, 64% of managers represent public sector banks. Data consists of 60% and 40% male and female managers. 64% of the managers have bachelor's degrees. 47% of managers have 11 to 15 years of working experience.

Table 1 Illustration of Ownership of the Bank, Gender, Marital Status, Age, Education Qualification and Work Experience

	Variable	Total	%
Ownership of the bank	Public	108	64
	Private	60	36
Gender	Male	100	60
	Female	68	40
Marital Status	Single	58	35
	Married	110	65

Age (in years)	Less than 30	29	17
	31- 40	95	57
	41- 50	35	21
	More than 51	9	05
Education Qualification	A/L	2	01
	Professional Qualification	48	29
	Degree	108	64
	Postgraduate	10	06
Work experience	Less than 5	25	15
	5- 10	34	20
	11- 15	79	47
	16- 20	20	12
	More than 20	10	06

Reliability of each variable was tested using Cronbach's alpha. According to the results in Table 2, each reliability coefficient was higher than 0.7, indicating that internal consistency was high.

Table 2 Results of Reliability Analysis

Variable and constructs	No. of items	Cronbach's Alpha value
Psychological capital	Self-efficiency	0.899
	Hope	0.884
	Optimism	0.927
	Resilience	0.916
Emotional intelligence	Self-awareness	0.853
	Self – management	0.864
	Social awareness	0.867
	Relationship management	0.925
Goal orientation	Learning goal orientation	0.951
	Performance - prove goal orientation	0.942
	Performance - avoid goal orientation	0.951

Multiple regression analysis was used to test the impact of the independent variables on the dependent variable. According to the results in Table 3, self-efficiency ( $\beta = 0.181$ ,  $P < 0.05$ ), hope ( $\beta = 0.169$ ,  $P < 0.05$ ), optimism ( $\beta = 0.183$ ,  $P < 0.05$ ) and, resilience ( $\beta = 0.373$ ,  $P < 0.05$ ) had significant positive impact on goal orientation.

Table 3 Multiple Regression results- Psychological Capital Dimensions and Goal Orientation.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.717	0.131		20.804	0.000
SE	0.069	0.031	0.181	2.258	0.025
HO	0.088	0.041	0.169	2.145	0.033
OP	0.075	0.032	0.183	2.372	0.019
RE	0.176	0.037	0.373	4.820	0.000

The result of psychological capital dimensions on goal orientation is consistent with the literature (Kassaw & Astatke, 2017; Supervía, et al., 2020).

According to the results in Table 4, self-awareness ( $\beta = 0.144$ ,  $P < 0.05$ ), self-management ( $\beta = 0.219$ ,  $P < 0.05$ ), social awareness ( $\beta = 0.373$ ,  $P < 0.05$ ) and, relationship management ( $\beta = 0.190$ ,  $P < 0.05$ ) had significant positive impact on goal orientation. This result is consistent with the finding of Kourakou, 2018.

Table 4 Multiple Regression Results- Emotional Intelligence Dimensions and Goal Orientation.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.770	0.133		20.869	0.000
SEA	0.054	0.022	0.144	2.435	0.016
SEM	0.092	0.033	0.219	2.753	0.007
SOA	0.162	0.032	0.373	5.087	0.000
REM	0.091	0.031	0.190	2.948	0.004

According to the results in Table 5, psychological capital ( $\beta = 0.502$ ,  $P < 0.05$ ), had a significant positive impact on goal orientation. This result is consistent with the results found by Huang & Luthans, 2015. Also, emotional intelligence ( $\beta = 0.274$ ,  $P < 0.05$ ) had significant positive impact on goal orientation. This result is consistent with the literature (Supervía et al., 2020; Adiguzel, & Kuloglu; 2019).

Table 5 Multiple Regression Analysis Results of PhyCap, EI on GO

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.687	0.128		21.054	0.000
PhyCap	0.266	0.057	0.502	4.686	0.000
EI	0.150	0.059	0.274	2.559	0.011

According to the results in Table 6, psychological capital and emotional intelligence significantly explained 57.0% of the variance in goal orientation. There was a significant linear relationship between psychological capital and emotional intelligence on goal orientation ( $F = 109.353$ ,  $P < 0.05$ ).

Table 6 Model Summary of Multiple Regression Analysis Results of PhyCap, EI on GO

R	R Square	Adjusted R Square	. F Change	Sig. F Change
.755 <sup>a</sup>	.570	.565	109.353	.000

According to the above results, table 7 summarizes the results of the Research Hypothesis.

Table 7 Summary of Research Hypothesis

Hypothesis	Results	Explanation
H1: There is a significant positive impact of psychological capital on managers' goal orientation in North Central Province's banking sector.	Supported	Psychological capital has a significant positive impact on goal orientation.
H1a: There is a significant positive impact of self-efficacy on managers' goal orientation in North Central Province's banking sector.	Supported	Self-efficacy has a significant positive impact on goal orientation.
H1b: There is a significant positive impact of hope on managers' goal orientation in North Central Province's banking sector.	Supported	Hope has a significant positive impact on goal orientation.
H1c: There is a significant positive impact of optimism on the goal orientation of managers in the banking sector of North Central Province.	Supported	Optimism has a significant positive impact on goal orientation.
H1d: There is a significant positive impact of resilience on managers' goal orientation in North Central Province's banking sector.	Supported	Resilience has a significant positive impact on goal orientation.
H2: There is a significant positive impact of emotional intelligence on managers' goal orientation in North Central Province's banking sector.	Supported	Emotional intelligence has a significant positive impact on goal orientation.
H2a: There is a significant positive impact of self-awareness on managers' goal orientation in North Central Province's banking sector.	Supported	Self-awareness has a significant positive impact on goal orientation.
H2b: There is a significant positive impact of self-management on managers' goal orientation in North Central Province's banking sector.	Supported	Self-management has a significant positive impact on goal orientation.
H2c: There is a significant positive impact of social awareness on managers' goal orientation in North Central Province's banking sector.	Supported	Social-awareness has a significant positive impact on goal orientation.
H2d: Relationship management has a significant positive impact on goal orientation of managers in the banking sector of North Central Province.	Supported	Relationship management has a significant positive impact on goal orientation.

## CONCLUSIONS AND IMPLICATIONS

Based on the findings, it can be concluded that psychological capital and emotional intelligence managers in the banking sector can be used as good predictors of goal orientation. Therefore, decision-makers are recommended to be highly concerned with these newly developed concepts and invest more to create the level of psychological capital and emotional intelligence.

**Keywords:** Emotional intelligence, goal orientation, psychological capital

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