

Emotional Intelligence in Financial Leadership: Strengthening Investor Confidence in India's Banking Sector Amidst a VUCA Environment

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Abstract: This study examines the role of Emotional Intelligence (EI) in financial leadership and its impact on investor confidence within India's banking sector in a VUCA (Volatile, Uncertain, Complex, and Ambiguous) environment. It aims to analyse how EI-driven leadership strategies enhance transparency, resilience, and trust in financial markets. This research adopts a mixed-methods approach, combining qualitative case study analysis of major Indian banks with a quantitative survey using the Relative Importance Index (RII). The qualitative aspect involves an in-depth thematic analysis of investor relations and leadership strategies in five major Indian banks. At the same time, the quantitative study gathers primary data through a structured Likert-scale survey. Secondary data from financial reports, investor communications, and leadership statements supplement the findings. The study identifies four key EI traits—Self-Regulation and Integrity, Empathy and Relationship Management, Adaptability and Innovation, and Resilience and Crisis Leadership—as critical factors influencing investor confidence. Transparent communication, adaptability to market changes, and proactive investor engagement significantly strengthen trust in financial institutions. The study focuses on the Indian banking sector, limiting generalizability to other financial markets. Future research can expand to global banking or other financial service domains.

Keywords: Emotional Intelligence; Financial Leadership; Investor Confidence; VUCA World; Banking Sector; India Introduction; Leadership Strategies; Banking Sector; Financial Institutions.

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1. Introduction

The current financial landscape is marked by increased volatility, swift technological progress, and intricate regulatory changes, all of which pose unparalleled challenges for banking institutions. The term "VUCA world" is widely used to characterise this changing situation. It refers to the unstable, unpredictable, complicated, and unclear characteristics of today's global systems and financial markets. In an ever-changing environment, banking leaders need to demonstrate not only that they know how to use technology and make strategic decisions, but also that they have strong emotional intelligence, enabling them to adapt to changing market conditions, reassure stakeholders, and keep the institution strong. Emotional intelligence, the ability to detect,

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comprehend, and manage one's own feelings and those of others, has become increasingly important as a key part of effective leadership in these situations [4]; [9]. The Indian banking sector is a particularly interesting place to examine the importance of emotional intelligence in leadership because it is undergoing digital transformation, stricter government oversight, rising non-performing assets, and constant pressure to keep investors happy.

In a world where markets change constantly, cyber threats emerge, economic policies shift, and technological disruptions occur, emotionally savvy leadership is key to building trust and stability. Leaders who show empathy, self-control, and resilience are better able to see uncertainty as an opportunity, handle crises without panicking, and instil trust in investors, employees, and consumers [16]. Emotional intelligence supports balanced decision-making by integrating rational analysis with an understanding of the human factors that influence financial behaviour, including risk perception, fear, and confidence. While the significance of emotional intelligence in organisational and administrative settings is widely recognised, studies often focus on its relationship with employee satisfaction, team performance, and customer service rather than on investor confidence.

Many studies in India examine EI as a factor affecting employee engagement, motivation, and communication within the company [2]. But financial markets don't just work on the basis of the economy. They also operate on perception, signalling, and trust. How leaders talk amid crises, admit when they don't know something, and show honesty, openness, and calmness can all affect how confident investors are. The limited examination of emotional intelligence as a determinant of investor behaviour in the Indian banking sector underscores a notable deficiency in current academic research. This absence is crucial because investors respond not only to quantitative measures such as profits and capital adequacy but also to qualitative cues that reflect executives' credibility and emotional steadiness [8]. The incorporation of emotional intelligence into financial leadership can be examined through the frameworks of Human Capital Theory and the Resource-Based View.

Human Capital Theory posits that emotional intelligence is an intangible asset that augments managerial effectiveness and organisational performance by facilitating better decision-making, communication, and conflict resolution. According to the Resource-Based View, emotional intelligence is a unique and nonimitable skill that gives leaders an edge over competitors by enabling them to better leverage their human and social resources. Banks operate in environments where regulators, investors, and customers are all highly dependent on one another. Because of this, being able to sense stakeholder emotions, address worries, and offer reassurance is a very important strategic resource. In the Indian financial sector, leaders of large banks such as HDFC Bank, SBI, and Axis Bank often face external shocks, including demonetization, pandemic-related disruptions, credit crises, and issues with digital banking. In these situations, emotionally intelligent leadership is clear when leaders are open and honest without making people more afraid, show empathy for those affected, and show strength by outlining clear recovery plans.

Leaders who are good at self-regulation stop emotional contagion, which occurs when internal concerns spread to employees and investors. This might cause stock prices to change or deposits to lose value. These leaders can create stories that build trust while also acknowledging that things are unpredictable, which aligns with behavioural finance research on how investors behave. There are several ways that emotional intelligence and investor confidence are linked. First, executives with high emotional intelligence are better communicators because they frame strategic problems in ways that empower investors rather than overwhelm them. When there are problems, being open and honest about them and showing that you understand investors' worries makes you seem more credible. When CEOs show genuineness and calmness instead of defensiveness or denial when things go wrong, investors are more inclined to trust them [15]. Second, these kinds of leaders show that they can make decisions that work for them.

In VUCA settings, strict adherence to pre-established procedures frequently fails to yield desired outcomes. Emotional intelligence increases cognitive flexibility by enabling leaders to navigate uncertainty, learn from criticism, and adapt their plans without losing confidence in themselves. This adaptability makes investors even more confident that management can handle shocks effectively. Third, emotionally intelligent leadership encourages ethical governance, which is very important for investors to trust the banking business. Financial crises, inaccurate reporting, or inadequate risk management frequently arise from deficiencies in self-regulation, empathy, or ethical discernment, rather than only from technical ineptitude. Leaders who show empathy and social awareness are more attuned to the broader societal effects of financial wrongdoing, and therefore more likely to foster responsible business cultures [4]. This makes investors think the company's long-term stability is stronger, especially in India, where past banking failures have made people more aware of how well the company is run. Fourth, emotional intelligence helps people deal with crises.

Leaders with high EI can spot early signs of stress, exhaustion, or fear in their businesses and step in before they hurt performance or public trust. During times of uncertainty, this kind of control over internal morale indirectly boosts investor confidence from the outside. As banks become more digital, emotional intelligence becomes even more important. As fintech services, automation, and artificial intelligence grow, the banking industry faces more cybersecurity threats and shifting client expectations. Leaders have to deal with both technological shifts and how people adapt to them. Emotional intelligence helps

them overcome resistance, calm employees whose jobs are changing, and explain new ideas to investors in a way that makes sense. When leaders communicate a vision grounded in confidence, empathy, and competence rather than fear-driven rhetoric, investors are more willing to back digital transformation projects [11]. As banks strive for data-driven decision-making and algorithmic risk assessment, emotionally intelligent leadership guarantees that technology continues to align with human values and trust. Mixed-method approaches that combine qualitative case studies with quantitative methods, such as the Relative Importance Index, can help us better understand emotional intelligence. This kind of integration helps us understand which parts of emotional intelligence are most closely related to investor trust. Self-regulation may be very important during times of economic trouble, while adaptability may be more important during times of digital transition. Asking investors, analysts, and bankers what emotional skills they consider most important may reveal that they have different ideas about which skills matter most. A case study review of large Indian banks could reveal instances in which emotionally intelligent or emotionally deficient leadership profoundly affected market confidence, whether via crisis communications, investor calls, or strategic pronouncements. Also, the effect of emotional intelligence on investor confidence cannot be divorced from the culture in which it exists.

In India, banking relationships have long been based on social trust, how people in the community see them, and how trustworthy they are. So, investors may respond to more than just financial numbers. They may also respond to how humble, respectful, and socially responsible leaders seem to be. Emotional intelligence aligns with these cultural norms by placing greater emphasis on empathy and relationship management than on strictly transactional communication. Leaders who demonstrate care for social implications and stakeholder well-being align with investor ideals, helping them build a strong reputation and attract capital over the long term. But putting emotional intelligence into practice as a leadership skill is not without its problems. It is still hard to measure EI since it is complex and partly subjective. In finance, corporate cultures generally value technical skills over emotional skills. Some critics say that putting too much emphasis on emotional awareness could make it harder to make decisions or make people less rational.

However, more and more research shows that emotional intelligence actually helps rational analysis by combining emotional information with cognitive processing [9]. Senior executives accustomed to traditional command-and-control leadership styles may not want to take EI training programs. However, making EI evaluation a regular part of leadership development, succession planning, and performance reviews can slowly change how people think about it and demonstrate its value. Emotionally savvy financial leadership has effects that go beyond how investors feel right now and into the future. People expect banks to be more responsible regarding environmental, social, and governance issues. Leaders who are empathetic and socially aware are more in touch with these new moral obligations and better equipped to successfully explain ESG initiatives to investors. Emotional intelligence connects an organisation's purpose with financial performance stories that investors believe, which is how it interacts with sustainability efforts. It also makes people more resilient amid systemic shocks like pandemics or geopolitical crises, when trust rests more on how leaders communicate than on financial metrics alone.

Emotional intelligence is now an essential part of becoming a financial leader in the Indian banking sector, which operates in a VUCA world. It boosts investor confidence by encouraging moral behaviour, clear communication, effective crisis management, flexibility, and trust among people. While academic work has predominantly focused on the relationship between emotional intelligence (EI) and internal organisational outcomes, broadening its scope to include investor confidence reveals significant theoretical and practical implications. Emotional intelligence ought to be recognised as a form of human capital and a strategic asset that offers a competitive edge in markets that are becoming increasingly unstable. Indian banks may become more resilient, maintain investor trust, and navigate the uncertainties of the modern financial landscape by teaching their leaders to be emotionally intelligent, encouraging reflective practice, and changing the business culture.

2. Literature Review

This section reviews existing studies on the role of Emotional Intelligence (EI) in financial leadership and its impact on investor confidence. The discussion is organised around key themes, including (i) Emotional Intelligence in the Banking Sector, (ii) Financial Leadership in a VUCA World, and (iii) Investor Confidence and Decision-Making. The review primarily focuses on literature relevant to the Indian context and the evolving challenges of Volatile, Uncertain, Complex, and Ambiguous (VUCA) environments.

2.1. Thematic / Keyword-Based Review (Main Body)

2.1.1. Emotional Intelligence in the Banking Sector

- **Overview:** Prior research indicates that EI significantly enhances leadership effectiveness within the banking sector. For instance, Ansari and Kumar [6] assert that EI improves decision-making and stakeholder engagement among

senior managers. Similarly, Das and Ali [21] identify a strong correlation between a leader's emotional competencies and employee engagement, emphasising the role of emotional competencies in fostering positive work environments.

- **Critical Analysis:** While these studies highlight the internal benefits of EI (such as employee commitment and performance), they predominantly focus on internal organisational dynamics. There is less emphasis on how these internal emotional competencies translate to external stakeholder management.
- **Link to Your Study:** This research expands the scope of EI from internal management to external relations. It builds on the premise that the same traits fostering employee trust—such as empathy and self-regulation—are critical for strengthening investor relations.
- **Hypothesis Development:** Hypothesis H1: Higher levels of emotional intelligence in financial leaders positively correlate with increased investor confidence and trust.

2.2. Financial Leadership in a VUCA World

- **Overview:** The concept of a VUCA world has gained traction as financial institutions face global crises and technological disruptions. Radha and Aithal [18] emphasise that EI development is a key factor enabling banking professionals to adapt to these disruptions and manage risks effectively. Meenaprabha et al. [17] further note that emotionally aware leaders in major Indian banks are better equipped to handle market fluctuations and service quality challenges.
- **Critical Analysis:** Traditional leadership approaches often fall short in managing these market uncertainties and digital transformations. However, existing literature often treats "crisis management" and "emotional intelligence" as separate disciplines rather than integrated leadership strategies.
- **Link to Your Study:** The present study integrates these concepts by analysing how specific EI traits, such as adaptability and resilience, serve as stabilising forces during financial turbulence.
- **Hypothesis Development:** Hypothesis H2: Leadership adaptability and resilience significantly mitigate the negative effects of market volatility on investor sentiment.

2.2.1. Investor Confidence and Decision-Making

- **Overview:** Ahmad [13] argues that EI positively influences investment decision-making, thereby increasing investor confidence. By demonstrating transparency and emotional awareness, financial leaders can mitigate uncertainties, which is essential in volatile markets.
- **Critical Analysis:** While the link between EI and decision-making is established, there is limited empirical research quantifying which specific EI traits (e.g., listening vs. accountability) carry the most weight with investors in the Indian context.
- **Link to Your Study:** This study bridges this gap by using a Relative Importance Index (RII) to rank specific traits, identifying "Listening" and "Relationships" as paramount for investor confidence.
- **Hypothesis Development:** Hypothesis H3: Transparent communication and active listening by financial leaders are the primary determinants of investor trust in Indian banking institutions.

2.3. Conceptual Framework

The conceptual framework illustrates the relationship where Emotional Intelligence Traits (Independent Variables: Self-Regulation, Empathy, Adaptability, Resilience) influence Investor Confidence (Dependent Variable). This relationship is moderated by the VUCA Environment (Contextual Variable). The model posits that leaders who exhibit high EI traits such as transparency and adaptability can effectively navigate market volatility to sustain trust [4].

2.4. Research Gap Structure

2.4.1. Introductory Paragraph

The rationale for this study is anchored in a systematic review of existing literature on emotional intelligence and financial leadership. The review identified several key themes, including the impact of EI on internal management, the necessity of adaptive leadership in VUCA environments, and the general influence of EI on decision-making. Despite significant progress in these areas, several research gaps remain regarding the external impact of EI on investors in the Indian banking sector, underscoring the need for the present study (Table 1).

Table 1: Identified gaps

Author(s) and Year	Theme	Identified Gap
Ansari and Kumar [6]	EI and Leadership Effectiveness	Focuses on senior managers and internal resilience but lacks a direct connection to external investor relations.
Das and Ali [21]	EI and Employee Engagement	Confined to employee commitment and internal work environments, leaving the investor perspective unexplored.
Meenaprabha et al. [17]	Financial Leadership in Banks	Examines service quality and middle management; the impact of top-level EI on broad market confidence is less emphasised.
Ahmad [13]	EI and Investment Decisions	Discusses general investment decision-making but does not specifically address the Indian banking sector's crisis recovery contexts.

2.4.2. Categorical Research Gaps (Main Body)

- **Evidence Gap:** Limited research has examined the direct relationship between investor confidence and emotional intelligence in financial leadership. Most evidence is anecdotal or focused on internal HR metrics rather than external market trust.
- **Contextual Gap:** While global studies exist, there is a specific lack of research on how EI influences financial leadership and investor trust in the Indian banking sector, particularly among major institutions such as HDFC, Axis, and SBI.
- **Practical Gap:** In a VUCA world, traditional leadership approaches often fall short [18]. The current literature lacks a consolidated framework that offers banking leaders actionable EI strategies (e.g., specific traits such as Listening or Resilience) to enhance investor confidence during crises.
- **Methodological Gap:** Previous studies have often relied solely on qualitative or quantitative data in isolation. There is a need for a mixed-method approach that combines real-world case study insights with empirical survey data (RII) to provide a holistic view.

In summary, the review highlights multiple conceptual, contextual, and methodological gaps in the existing literature. Addressing these issues, the present study proposes an integrated framework to analyse the impact of EI on investor confidence and empirically test its applicability in India's banking sector, using a mixed-methods approach comprising case studies and RII analysis.

3. Methodology

3.1. Research Design

This study employs a mixed-methods research design that integrates qualitative and quantitative approaches. This hybrid framework was selected to provide a holistic view of the research problem: the qualitative aspect (case studies) explores the context and behaviour of leadership during real-world crises, while the quantitative aspect (survey) empirically ranks the specific Emotional Intelligence (EI) traits that impact investor confidence. This triangulation of methods enhances the validity of the findings by offsetting the weaknesses inherent in using either approach alone [12].

3.2. Population and Sampling

The study focuses on the Indian banking sector. The qualitative sample comprises five major financial institutions selected based on market capitalisation, recent leadership transitions, and significant crisis events [14]. The quantitative component targets a population of investors and financial professionals to gauge market sentiment, a technique often used to correlate leadership perception with market behaviour (Table 2).

Table 2: Sampling details

Sample Component	Target / Selection	Criteria for Selection
Case Studies	5 Banks (HDFC, Axis, Yes Bank, ICICI, SBI)	Significance in the Indian market and exposure to VUCA events.
Survey Respondents	Investors and Banking Professionals	Individuals are actively engaged in the Indian financial market.

3.3. Data Collection

Data were collected through two distinct channels to ensure triangulation of results:

- **Secondary Data:** Sourced from annual financial reports, investor transcripts, press releases, and reputable news archives (e.g., The Economic Times, Business Standard) regarding the selected banks. This allows for the analysis of objective historical performance alongside leadership narratives [5].
- **Primary Data:** Collected through a structured Likert-scale survey distributed to respondents, focusing on their perceptions of leadership traits and trust.

3.4. Tools and Instruments

The primary research instrument was a structured questionnaire designed to measure specific EI traits [1]. The questions were anchored on a 5-point Likert scale ranging from 1 (Not Important) to 5 (Extremely Important), a standard tool for measuring attitudinal data in social science research (Table 3).

Table 3: Variables and measurement scales

Variable Category	Measurement Tool	Description
Independent Variables	EI Traits Framework	Self-Regulation, Empathy, Adaptability, Relationships.
Dependent Variable	Investor Confidence	Perceived trust and willingness to invest.
Measurement Scale	5-Point Likert Scale	1 = Not Important; 5 = Extremely Important.

3.5. Data Analysis

Qualitative data from the case studies were subjected to thematic analysis to identify recurring leadership behaviours during crises [23]. Quantitative survey data were analysed using the Relative Importance Index (RII) method. This statistical tool was chosen to rank the EI traits based on their perceived influence on investor decisions, thereby providing a clear hierarchy of importance [22].

Ethical Considerations: The study adhered to standard ethical guidelines. Participation in the survey was voluntary, and all respondent data were kept confidential and anonymised to prevent response bias. Secondary data analysis relied solely on publicly available documents to ensure no proprietary information was breached [3].

Methodology Summary: The adopted mixed-method approach ensures validity and reliability by triangulating real-world case evidence with empirical statistical rankings, offering a robust framework for understanding the nuances of financial leadership in India.

4. Results and Discussion

This section presents the findings derived from the mixed-method analysis, combining qualitative insights from case studies of major Indian banks with quantitative data from the Relative Importance Index (RII). It details the demographic profile of respondents, assesses the survey instrument's reliability using Cronbach's Alpha, and evaluates the proposed hypotheses based on rankings of Emotional Intelligence (EI) traits. The integration of these datasets provides a robust validation of how leadership behaviour influences market sentiment in the Indian banking sector.

4.1. Descriptive Statistics

The quantitative survey targeted a mix of retail investors and banking professionals to gauge market sentiment regarding leadership traits. The demographic distribution ensures a balanced perspective between those who manage funds and those who invest them (Table 4).

Table 4: Demographic profile of respondents

Variable	Category	Frequency (%)
Gender	Male	60%
	Female	40%
Role	Retail Investor	45%

	Institutional Investor	20%
	Banking Professional	35%
Experience	< 5 Years	30%
	5–10 Years	40%
	> 10 Years	30%

Respondents were predominantly male (60%), and a significant proportion (70%) had 5 or more years of engagement in the financial sector. This level of experience suggests that the respondents are familiar with market cycles and leadership transitions, adding credibility to their assessment of leadership traits [10].

4.2. Reliability and Validity

To ensure the internal consistency of the survey instrument used to measure EI traits, reliability testing was conducted using Cronbach's Alpha (Table 5).

Table 5: Reliability and validity results

Construct	Cronbach's Alpha (α)	Result
EI Traits	0.82	Acceptable
Investor Confidence	0.79	Acceptable
Overall Scale	0.81	Reliable

The Cronbach's alpha values for all constructs exceeded the recommended threshold of 0.70, confirming that the survey instrument demonstrated high internal consistency and was reliable for data collection [7].

4.3. Hypothesis Testing

The hypotheses were evaluated using the Relative Importance Index (RII), a technique for ranking attributes by their significance to respondents [22]. The analysis reveals that "Listening" and "Relationships" are the primary drivers of confidence (Table 6).

Table 6: Hypothesis testing and RII rankings

Rank	EI Trait / Variable	RII Score	Hypothesis Status
1	Listening	0.696	Supports H3
2	Relationships	0.696	Supports H1
3	Self-Regulation	0.668	Supports H1
4	Integrity	0.648	Supports H1
5	Empathy	0.644	Supports H1
6	Accountability	0.604	Supports H2
7	Adaptability	0.596	Supports H2

4.4. Analysis of Hypotheses

- **H1 (EI positively affects confidence) – Supported:** Traits associated with core EI competencies, specifically Relationships (RII = 0.696) and Self-Regulation (RII = 0.668), ranked highest. This validates the premise that emotional stability is a key determinant of trust.
- **H3 (Listening drives trust) – Strongly Supported:** "Listening" emerged as the joint top-ranked trait. This confirms that in the Indian context, investors prioritise communication and accessibility over pure technical strategy.
- **H2 (Adaptability mitigates volatility) – Partially Supported:** While Accountability (0.604) and Adaptability (0.596) are important, they ranked lower than relational traits. This suggests that while investors value adaptability, they view it as secondary to the foundational requirement of honest communication and relationship building.

5. Discussion of Results

The results indicate a paradigm shift in what is expected of financial leaders in a VUCA world. The fact that Listening and Relationships tied for the highest rank suggests that investors prioritise leaders who are accessible and responsive over those who are merely authoritative or technically proficient:

- **Qualitative Validation:** These quantitative findings align with the qualitative case study of HDFC Bank, which found that digital transparency and consistent communication helped maintain trust during leadership transitions. Conversely, the lower Accountability score in the general index provides an interesting contrast with the Yes Bank crisis, where a lack of accountability was a primary failure. This discrepancy suggests a "blind spot" in the market—investors may undervalue accountability until a crisis actually occurs.
- **Literature Support:** The findings corroborate the work of Tiwari et al. [20], who noted that Indian banking leaders must move beyond technical metrics to effectively manage stakeholder sentiment. Furthermore, the high ranking of *Self-Regulation* supports Goleman [4] assertion that a leader's ability to manage their own disruptive emotions is the prerequisite for managing others.
- **Theoretical:** This study extends the application of Emotional Intelligence theory by moving it from an internal Human Resources metric to an external market signalling tool. It establishes that "Soft Skills" are, in fact, "Hard Assets" in financial markets, directly influencing investor sentiment.
- **Practical:** For organisations, particularly Indian banks, the findings suggest that leadership development programs should include *Crisis Communication* and *Active Listening* modules. Boards should evaluate CEO candidates not just on past financial performance, but on their psychological resilience and ability to build external relationships [18].

The findings are limited to the Indian banking sector, and the survey's cross-sectional design captures investor sentiment at a single point in time. Additionally, the reliance on secondary data for the qualitative case studies limits the depth of internal behavioural analysis of the specific leaders mentioned. Future research could employ longitudinal studies to track how these preferences shift during different phases of an economic cycle. Overall, the results confirm that Emotional Intelligence is a critical determinant of investor confidence. Specifically, the ability to listen and build Relationships outranks technical adaptability, proving that in uncertain times, investors value connection and clarity above all else.

6. Conclusion and Future Work

This study examined the critical role of Emotional Intelligence (EI) in financial leadership and its subsequent impact on investor confidence within the Indian banking sector. Set against the backdrop of a VUCA (Volatile, Uncertain, Complex, and Ambiguous) environment, the research utilised a mixed-method approach [16]. By integrating qualitative case studies of major banks—such as HDFC, SBI, and Yes Bank—with a quantitative Relative Importance Index (RII) analysis, the study provided a holistic evaluation of how leadership traits influence market sentiment. The analysis confirmed that Emotional Intelligence is a significant determinant of investor trust, corroborating the view that psychological stability in leadership is as crucial as technical acumen [4]. Specifically, the Relative Importance Index identified "Listening" and "Relationships" (both RII = 0.696) as the most critical traits valued by stakeholders, outranking technical adaptability. Furthermore, the case studies highlighted that banks with leaders who demonstrated high self-regulation and transparency during crises (e.g., HDFC's digital transition) maintained greater stability than those lacking these traits, aligning with previous findings on the necessity of soft skills in banking [20].

6.1. Contributions

- **Theoretical:** This research contributes to the literature by extending the scope of Emotional Intelligence beyond internal human resource management to external financial signalling. It establishes a theoretical framework in which "soft skills" are recognised as tangible assets for market stability, thereby validating the link between emotional awareness and investment decisions [13].
- **Practical:** The findings offer a roadmap for bank boards and policymakers, suggesting that leadership selection criteria should explicitly include psychological resilience and communication skills. It further recommends that financial institutions implement "Crisis Communication" training grounded in EI principles to better navigate market volatility [18].

The study is limited by its focus on a single sector (Indian Banking), which may restrict the generalizability of findings to other industries. Additionally, the survey's cross-sectional design captures investor sentiment at a single point in time, limiting the ability to draw causal inferences about long-term market performance.

6.2. Future Work

Future research directions could include:

- Conducting longitudinal studies to track how changes in leadership EI correlate with stock performance over multiple quarters.

- Expanding the scope to include Fintech and Non-Banking Financial Companies (NBFCs) to determine if digital-first leaders require different EI traits compared to traditional bankers.
- Investigating the role of Artificial Intelligence in leadership and whether it augments or diminishes the need for human empathy in investor relations [19].

In conclusion, integrating Emotional Intelligence into financial leadership is not merely a behavioural advantage but a strategic necessity for building resilient, trust-based, and sustainable financial institutions in a volatile world.

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