

Theoretical and Practical Research in Economic Fields

Quarterly

Volume XV

Issue 1 (29)

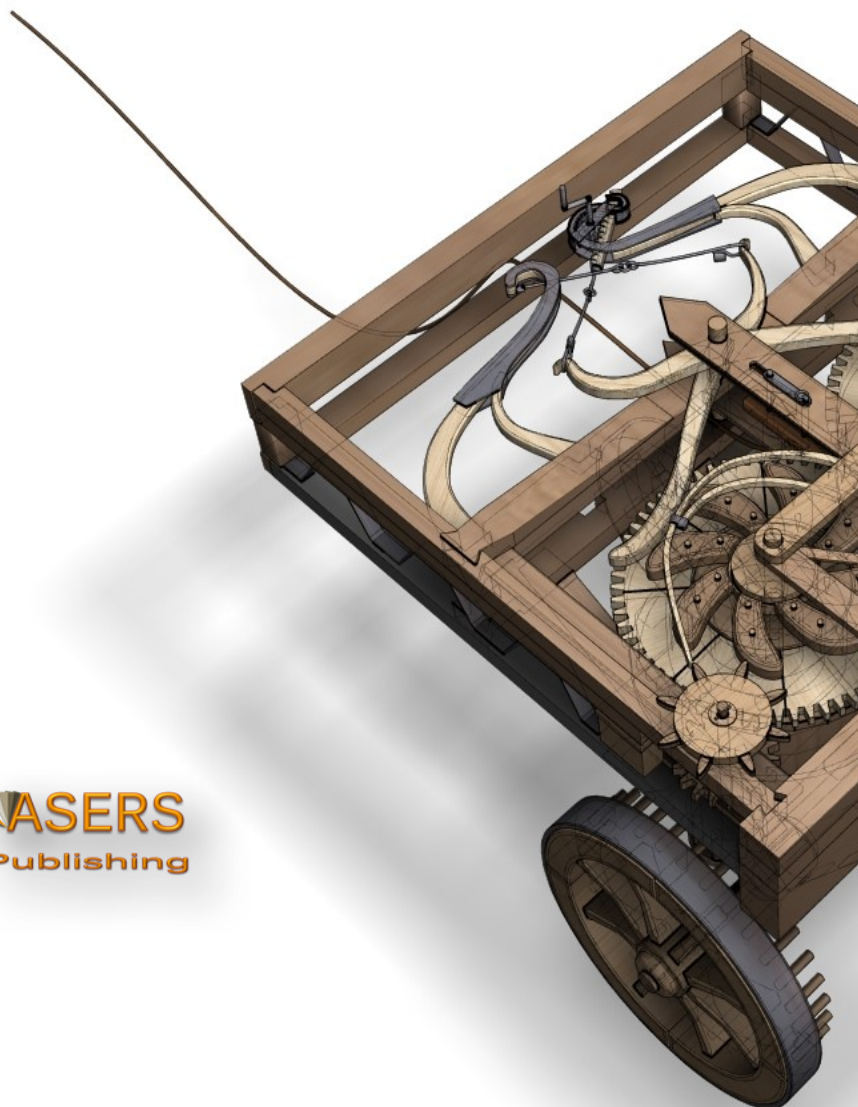
Spring 2024

ISSN 2068 – 7710

Journal DOI:

<https://doi.org/10.14505/tpref>

ASERS
Publishing



Editor in Chief

PhD Laura UNGUREANU

Spiru Haret University, Romania

Editorial Advisory Board

Aleksandar Vasilev

International Business School, University of Lincoln, UK

Germán Martínez Prats

Juárez Autonomous University of Tabasco, Mexico

Alessandro Morselli

University of Rome Sapienza, Italy

The Kien Nguyen

Vietnam National University, Vietnam

Emerson Abraham Jackson

Bank of Sierra Leone, Sierra Leone

Tamara Todorova

American University in Bulgaria, Bulgaria

Fatoki Olawale Olufunso

University of Limpopo, South Africa

Mădălina Constantinescu

Spiru Haret University, Romania

Esmail Ebadi

Gulf University for Science and Technology, Kuwait

Alessandro Saccal

Independent researcher, Italy

Lesia Kucher

Lviv Polytechnic National University, Ukraine

Hardy Hanappi

VIPER - Vienna Institute for Political Economy Research, Austria

Philippe Boyer

Académie d'Agriculture de France, France

Malika Neifar

University of Sfax, Tunisia

Nazaré da Costa Cabral

Center for Research in European, Economic, Financial and Tax Law of the University of Lisbon, Portugal

Jumadil Saputra

University of Malaysia Terengganu, Malaysia

Michael Emmett Brady

California State University, United States

Mina Fanea-Ivanovici

Bucharest University of Economic Studies, Romania

Bakhyt Altynbassov

University of Bristol, United Kingdom

Theodore Metaxas

University of Thessaly, Greece

Elia Fiorenza

University of Calabria, Italy

Table of Contents

1	Implementation of the Provisions of the Cluster Theory into the Accounting System: Genesis and Evolution Oleh VYSOCHAN, Natalia STANASIUK, Svitlana HONCHAR, Vasyi HYK, Olha VYSOCHAN	5
2	Decoding Retail Realities: Traditional Retailers' Outlook on Sales Erosion to Modern Retail Economy Shikha BHAGAT, Shilpa Sarvani RAVI, Mallika SANKAR	17
3	Economics of Fiscal Dominance and Ramifications for the Discharge of Effective Monetary Policy Transmission Emerson Abraham JACKSON	31
4	Practical Marketing System as a Solution to Limited Labor and Post-Harvest Processing Areas for Rice Gede Mekse Korri ARISENA, Dwi Putra DARMAWAN, Ni Made Classia SUKENDAR, Ni Luh Made Indah Murdyani DEWI, Anak Agung Keswari KRISNANDIKA, Dina Lare DUNENSA	35
5	Opinion about the Liquidity Preference Theory. Discussions Concerning Weight and Risk in the Townshend-Keynes Letters of November-December 1938 Michael BRADY	45
6	Performance Management in the Public Sector of Albania Zamira SINAJ, Olta NEXHIPI, Mjaftesa SULAJ	54
7	Mapping the Country's Dependence on Indonesia's Coal Import Market Riski Nurul Hasanah MANURUNG, Havidz Ageng PRAKOSO, Ali ROZIQIN	62
8	Study on the Liability Structure and Profitability of the Banking Industry in the Asia-Pacific Region Jing WANG, Aslam Izah SELAMAT, Zariyawati Mohd ASHHARI, Mohamed Hisham Dato Hj YAHYA	75
9	Ecofeminism as a Movement: Choosing between Economics and Nature Protection Vellayati HAJAD, Ikhsan IKHSAN	91
10	Budget Deficit, Debt, and Inflation in Ghana (1960-2022): The Fiscal Theory of Inflation Case? Abdul Majeed SEIDU, Aleksandar VASILEV	101

Editor in Chief

PhD Laura UNGUREANU
Spiru Haret University, Romania

Editorial Advisory Board

Aleksandar Vasilev
International Business School, University of Lincoln, UK

Germán Martínez Prats
Juárez Autonomous University of Tabasco, Mexico

Alessandro Morselli
University of Rome Sapienza, Italy

The Kien Nguyen
Vietnam National University, Vietnam

Emerson Abraham Jackson
Bank of Sierra Leone, Sierra Leone

Tamara Todorova
American University in Bulgaria, Bulgaria

Fatoki Olawale Olufunso
University of Limpopo, South Africa

Mădălina Constantinescu
Spiru Haret University, Romania

Esmail Ebadi
Gulf University for Science and Technology, Kuwait

Alessandro Sacca
Independent researcher, Italy

Lesia Kucher
Lviv Polytechnic National University, Ukraine

Hardy Hanappi
VIPER - Vienna Institute for Political Economy Research, Austria

Philippe Boyer
Académie d'Agriculture de France, France

Malika Neifar
University of Sfax, Tunisia

Nazaré da Costa Cabral
Center for Research in European, Economic, Financial and Tax Law of the University of Lisbon, Portugal

Jumadil Saputra
University of Malaysia Terengganu, Malaysia

Michael Emmett Brady
California State University, United States

Mina Fanea-Ivanovici
Bucharest University of Economic Studies, Romania

Bakhyt Altynbassov
University of Bristol, United Kingdom

Theodore Metaxas
University of Thessaly, Greece

Elia Fiorenza
University of Calabria, Italy

ASERS Publishing

<http://www.asers.eu/asers-publishing>

ISSN 2068 – 7710

Journal's Issue DOI:

[https://doi.org/10.14505/tpref.v15.1\(29\).00](https://doi.org/10.14505/tpref.v15.1(29).00)

- 11 **Green Finance Supports Sustainable Environment: Empirical Approach Towards Applicability in Tourism Sector** 114
Rojalin MOHANTY, Ansuman SAMAL, Rakesh KUMAR
- 12 **Does Remittance Inflow and Foreign Direct Investment Spur Economic Development in Developing Countries? Insights from Nigeria** 127
Peter. N. MBA, Mercy I. CHIJOKE
- 13 **Strengthening the Nexus: Policy and Legislative Reforms for University-Industry Collaboration in Kazakhstan** 136
Sholpan YESSIMOVA, Yerkesh RAKHYMZHANOV, Bagdat SPANOVA, Sulushash BAIZHANOVA, Marat SEIDAKHMETOV, Aiman YESSENOVA, Bakhyt ALTYNBASSOV
- 14 **The Role of Emotional Intelligence in Making Successful Financial Decisions** 145
Svitlana BYKOVA, Mykhailo ZHYLIN, Olena BULAVINA, Mykyta ARTEMCHUK, Safar Hasan PURHANI

Call for Papers

Volume XV, Issue 2(30), Summer 2024

Theoretical and Practical Research in Economic Fields

Many economists today are concerned by the proliferation of journals and the concomitant labyrinth of research to be conquered in order to reach the specific information they require. To combat this tendency, **Theoretical and Practical Research in Economic Fields** has been conceived and designed outside the realm of the traditional economics journal. It consists of concise communications that provide a means of rapid and efficient dissemination of new results, models, and methods in all fields of economic research.

Theoretical and Practical Research in Economic Fields publishes original articles in all branches of economics – theoretical and practical, abstract, and applied, providing wide-ranging coverage across the subject area.

Journal promotes research that aim at the unification of the theoretical-quantitative and the empirical-quantitative approach to economic problems and that are penetrated by constructive and rigorous thinking. It explores a unique range of topics from the frontier of theoretical developments in many new and important areas, to research on current and applied economic problems, to methodologically innovative, theoretical, and applied studies in economics. The interaction between practical work and economic policy is an important feature of the journal.

Theoretical and Practical Research in Economic Fields is indexed in SCOPUS, RePEC ProQuest, Cabell Directories and CEEOL databases.

The primary aim of the Journal has been and remains the provision of a forum for the dissemination of a variety of international issues, practical research, and other matters of interest to researchers and practitioners in a diversity of subject areas linked to the broad theme of economic sciences.

At the same time, the journal encourages the interdisciplinary approach within the economic sciences, this being a challenge for all researchers.

The advisory board of the journal includes distinguished scholars who have fruitfully straddled disciplinary boundaries in their academic research.

All the papers will be first considered by the Editors for general relevance, originality, and significance. If accepted for review, papers will then be subject to double blind peer review.

Deadline for submission of proposals: 20th May 2024

Expected publication date: June 2024

Website: <http://journals.aserspublishing.eu/tpref>

E-mail: tpref@aserspublishing.eu

To prepare your paper for submission, please see full author guidelines in the following file: [TPREF Full Paper Template.docx](#), on our site.



DOI: [https://doi.org/10.14505/tpref.v15.1\(29\).14](https://doi.org/10.14505/tpref.v15.1(29).14)

The Role of Emotional Intelligence in Making Successful Financial Decisions

Svitlana BYKOVA

Department of Philosophy, Political Science, Psychology and Law
Odessa State Academy of Civil Engineering and Architecture, Ukraine

ORCID: 0000-0001-9730-776X

byikova.sv@ukr.net

Mykhailo ZHYLIN

Department of Practical Psychology, Educational and Scientific
Maritime Institute of Humanities

Odesa National Maritime University, Ukraine

ORCID: 0000-0003-2898-4403

zhylinmyhailo@gmail.com

Olena BULAVINA

Department of Pedagogy and Psychology

Faculty of Personnel Management, Sociology and Psychology

State Higher Educational Institution "Kyiv National Economic University Named after Vadym Hetman", Ukraine

ORCID: 0000-0002-0198-1838

bulavina3321.olena@kneu.edu.ua

Mykyta ARTEMCHUK

Prom.ua, Ukraine

ORCID: 0000-0003-0793-1265

Nik.artemchuck@gmail.com

and Safar Hasan PURHANI

Department of Finance and Accounting, Faculty of Economics and Business
Western Caspian University, Republic of Azerbaijan

ORCID: 0000-0003-3114-6005

s.purhani@wcu.edu.az

Article info: Received 11 February 2024; Received in revised form 17 February 2024; Accepted for publication 20 March 2024; Published 29 March 2024. Copyright© 2023 The Author(s). Published by ASERS Publishing. This is an open access article under the CC-BY 4.0 license.

Abstract: *Emotional intelligence (EI) as the ability for self-analysis, self-motivation, and self-regulation is necessary in the process of financial activity. It ensures informed decision-making, considering consequences and perspectives. The aim is to identify the influence of emotional intelligence on the effectiveness of decision-making by financiers. The following tests were used: EQ (Emotional/Empathy Quotient) test, Melbourne Decision Making Questionnaire, the Rathus Assertiveness Schedule, the Schubert Risk Propensity Test. Statistical processing of the results included the use of descriptive analysis, ANOVA, and regression analysis. The study found that financial workers with a high level of emotional intelligence have a pronounced "vigilance" decision-making style ($F=113.4$, $p\leq 0.01$), high assertiveness ($F=103.3$, $p\leq 0.01$), and risk propensity ($F=137.3$, $p\leq 0.01$). It was proved that emotional intelligence explains the "vigilance" decision-making style ($\beta=0.943$, $R^2=0.572$), risk propensity ($\beta=0.896$, $R^2=0.424$) and explains 48% of assertiveness ($\beta=0.945$, $R^2=0.483$). It was confirmed that emotional intelligence is a predictor of successful financial decisions, it determines high assertiveness, vigilance, and risk propensity. Such results are useful for the development of training and retraining programmes for financiers. At the same time, including the development of assertiveness and risk propensity in professional and corporate training in parallel with the development of EI will give greater chances for the success of financial decisions. The obtained results are important for the financial and economic sphere, as they prove the effectiveness of EI in decision-making. This contributes to the improvement of the system of training competitive financiers and allows to expand aspects of the study of financial success.*

Keywords: emotional self-control; assertiveness; risk propensity; decision-making; emotional awareness; emotional finance.

JEL Classification: B26; G17; G41.

Introduction

Today, economic development is a key mechanism that ensures the existence and productivity of society. The ability of economic systems to work effectively in most cases depends on the people who manage these systems. The competitiveness and instability of modern organizations require employees to have successful decision-making skills and readiness for difficult financial circumstances that are inevitable (Taffler, 2018). This is the reason why the ability of employees to make productive and effective financial decisions becomes important (Singh et al., 2021). This is facilitated by a high level of EI, which provides emotional awareness, sensitivity to other people's thoughts and emotions, and allows managing one's own emotional state (Drigas and Papoutsis, 2018; Ishchenko et al., 2023). EI is a practical means of achieving any goal in the modern world (Soliman et al., 2023). Being emotionally aware, an individual is able to productively plan ways to achieve goals (Schmalor and Heine, 2022). At the same time, emotional awareness allows adjusting the ways to achieve the goal, filter out secondary needs, and leave only important goals (Baker et al., 2022).

Emotional intelligence is a condition of a developed economic culture, a reflection of the emotional side of economic behaviour, which creates conditions for financial efficiency (Asmara, 2024). The developed EI helps to reduce financial risks, in particular, such an important component as understanding other people's emotions is important (Buccioli et al., 2021). It allows building effective interaction, which has a productive effect on the results of financial activities (Istianingsih et al., 2020). At the same time, the lack of EI skills can lead to incorrect financial decisions, which reduces financial success (Imam et al., 2022).

Many researchers prove the importance of EI for a modern specialist. In particular, in the financial sphere, EI contributes to the achievement of productivity in the provision of banking services (Wakawa, 2020). It affects the financial efficiency of organizations through the formation of employee confidence (Riaz and Shah, 2022). EI is the basis of self-regulation of financial workers, ensures the financial strength of the organization (Fachrudin et al., 2022), positive dynamics of financial decisions (Bouzguenda, 2018). It is noted that EI is the basis of emotional control, which is necessary for making rational and informed investment decisions (Irfan et al., 2023).

Summarizing all of the above, it can be stated that it is very important for modern finance specialists to have a developed EI, which ensures their emotional stability and self-control when making financial decisions.

The scientific novelty of the study is the study of the impact of EI on the effectiveness of financial decision-making, which qualitatively changes the approach to the organization of financial management and prospective modelling of the professional training of financial specialists. From a practical point of view, this significantly contributes to the training of financial managers since establishing the effectiveness of managerial decision-making depending on the level of emotional intelligence can provide valuable information about the results of financial activity and the means of its improvement.

Therefore, the aim of the study is to determine the effectiveness of EI in making financial decisions. The aim involved the fulfilment of the following research objectives:

- 1) Determine the level of development of EI components in financial workers;
- 2) Diagnose the predominant decision-making style of financiers with different levels of EI;
- 3) Compare risk propensity and assertiveness of financial workers with different levels of EI;
- 4) Prove the impact of emotional intelligence on the style of financial decision-making, assertiveness, and risk propensity.

The aim and objectives determined the research hypothesis, which predicts that EI affects financial decision-making, in particular, individuals with high EI have a predominant style of "vigilance", high assertiveness, and risk propensity.

1. Literature Review

A financial decision is a decision made regarding the finances of any organization. This is the choice of optimal sources of financing for entrepreneurial activity (Bogdan et al., 2018). The Expected Utility Theory (EUT) in finance has long been the basis for describing financial decisions. Its essence is that financial decisions were described as models of rational behaviour, while a person has an organized system of preferences and excellent technical skills for choosing optimal solutions (Ladrón de Guevara Cortés et al., 2023).

The theory of "emotional finance" has been very popular in recent decades. Emotional finance is a new paradigm in understanding investment activity (Alzoubi and Ramsha, 2021). This theory assumes that a person

by nature is not a rational and thought-out, but an emotional being. Therefore, in most cases, a person is guided by his/her emotions, which can be both conscious and unconscious (Taffler, 2018). It follows that emotionally aware and stable employees can be more effective in the process of their activity (Dierks and Tiggelbeck, 2021). Accordingly, EI becomes especially relevant, which, according to some authors, is more important than cognitive intelligence (Santa et al., 2023). Emotional intelligence was first described by Salovey and Mayer, who equated it with general intelligence (Salovey and Mayer, 1990). The authors claimed that the developed EI increases the adaptive capabilities of a person through the regulation of emotions (Bru-Luna et al., 2021). Goleman (2011) noted that EI is the basis of leadership, as it represents the ability to recognize and understand emotions, control them, manage emotions for optimal interaction. EI provides stable self-control, the ability for constructive strategies of behaviour, tolerance to frustrations (Drigas and Papoutsis, 2018).

A high level of EI, which involves the control of emotions, increases confidence in one's actions and deeds (Karimi et al., 2021). In other words, EI in a certain way determines a person's assertiveness, persistence, and determination in fulfilling tasks. This is especially necessary in the financial field, where one important decision by an employee has implications for the entire organization (Jagriti et al., 2020). In addition, developed EI together with assertiveness have a positive effect on the coherence of actions in a team and making successful financial decisions (Chadijah et al., 2024). EI is a necessary quality of leaders for effective work (Cavaness et al., 2020). Understanding the fact that financial decisions are made by both ordinary employees and managers, we can say that EI is a particularly relevant quality of leaders. It embodies self-awareness, self-control, social skills, and resilience (Song et al., 2023). With these skills, financial leaders can flexibly manage conflict and manage change effectively (Quintillán and Peña-Legazkue, 2020). Therefore, EI supports the entire system of the organization, including the productivity of managers and the company's overall effectiveness (Alzoubi and Ramsha, 2021).

Emotional stability and management may also influence risk propensity (Sánchez-López et al., 2022). The risk propensity in the financial sphere is an important skill that allows making important decisions in the context of insufficient information or necessary conditions. Therefore, such a risk is justified, as it ensures the success of financial decisions (Branch and Berman, 2023).

Emotional awareness allows one to understand how emotions affect a certain decision in the long run (Lane and Smith, 2021). But despite the importance of the decision, EI plays a significant role in economic success (Ramchandran et al., 2020). Self-regulation as the ability to manage one's emotions is central to EI. This quality involves the ability to control impulsive behaviour (Laulié et al., 2023), to prevent unwanted emotional affects that can lead to incorrect financial decisions (Alarcón-Espinoza et al., 2022). Empathy builds effective interaction with the environment (Carminati, 2021), and skilful recognition of other people's emotions ensures constructive cooperation (Scott et al., 2010). After all, EI allows making sound, successful financial decisions and achieve big financial goals.

2. Methods

2.1. Research Design

The study lasted for 5 months from September 2023 to February 2024 in four stages. The first stage provided for a theoretical and methodological analysis of the problem, preparation for diagnostics, selection of methods. At the second stage, respondents were surveyed in Google Forms mode. During the third stage, a qualitative and quantitative analysis of the obtained results was carried out, the reliability of the obtained results was confirmed statistically. The fourth stage included justification of research conclusions, limitations and prospects.

The second stage involved surveying respondents through Google Forms. During the third stage, a qualitative and quantitative analysis of the obtained results was carried out, the reliability of the obtained results was statistically confirmed. The fourth stage provided for justification of research findings, limitations, and prospects.

The research was conducted using the Google Forms platform. The selected tests were entered into the forms and respondents were sent a voluntary invitation to undergo diagnostics. This ensured the usefulness of the study and allowed the respondents to complete the survey at a convenient time.

2.2. Sample

The study involved 280 respondents aged 28 to 45: 176 men and 104 re women. All respondents are financial employees of Oschadbank JSC. Of them, 76 employees of the Odesa branch (T. Shevchenko Ave., 11-A), 93 employees of the Odesa branch (Bocharova St., 53), 111 employees of the Kyiv branch (Holosiivskiy Ave. 92/1).

2.3. Methods

A valid and reliable standardized tools were chosen for diagnostics.

Emotional intelligence was measured using N. Hall's Emotional Intelligence Test (EQ test). The test is designed to detect a person's ability to perceive, understand, and express emotional states. The test includes the following scales: emotional awareness, self-regulation, self-motivation, empathy, emotion recognition.

Melbourne decision making questionnaire (MDMQ). The personal questionnaire is aimed at diagnosing the individual style in making decisions, in particular financial ones. The questionnaire contains 4 scales: vigilance, buck-passing, procrastination, hypervigilance. Only vigilance is considered a constructive type, the authors classify other styles as non-constructive.

The Rathus Assertiveness Schedule (RAS) is a self-assessment tool for determining assertiveness. The construct "assertiveness" at the time the test was developed was equivalent to the construct that later became known as "social skills." According to the technique, high positive scores reflect a high level of assertiveness, and high negative scores indicate low assertiveness.

The Schubert Risk Propensity Test (SACS)). The purpose of the test is to study the risk propensity in cases where it is appropriate. Positive answers to the test are a risk propensity indicator. In this case, risk propensity is considered the ability to make instant decisions that require operational analysis.

2.4. Statistical Methods

The research results were processed using descriptive analysis, univariate analysis of variance (ANOVA), and multiple regression analysis.

2.5. Ethical Criteria of Research

Informed consent was obtained from the respondents for conducting the survey. The subjects were familiarized with the purpose and tasks of diagnostics.

3. Research Results

The results showed a high level of emotional intelligence among financiers (Table 1).

Table 1. Indicators of EI in financiers (N=280)

		Emotional awareness	Self-regulation	Self-motivation	Empathy	Emotion recognition	EI
male	Mean	11.59	16.17	15.11	11.85	15.15	68.16
	N	176.00	176.00	176.00	176.00	176.00	176.00
	SD	3.45	4.11	4.07	4.45	4.34	16.83
female	Mean	16.97	11.74	12.07	16.43	15.87	79.08
	N	104.00	104.00	104.00	104.00	104.00	104.00
	SD	2.87	4.38	3.13	4.40	3.34	13.77
Total	Mean	14.29	13.95	13.59	14.14	15.51	76.62
	N	280.00	280.00	280.00	280.00	280.00	280.00
	SD	3.29	4.21	3.77	4.44	4.08	15.85

Source: Compiled by authors.

The obtained results showed that self-regulation, self-motivation, and emotion recognition prevail among male financiers, other EI components are moderately expressed. The general level of EI in this group is close to high. Emotional awareness, empathy, and emotion recognition dominate among women. The general level of EI is high in this group. So, we can conclude that male financiers have more of those signs of EI that are responsible for emotional stability and orientation. The emotional side prevails in women. They are more able to recognize emotions, differentiate them, show empathy, and compassion. Their emotional intelligence is somewhat higher than that of men. In general, the group shows the highest level on the f emotion recognition, emotional awareness, empathy scales. The general indicator of EI in the group is high.

Next, we compared the decision-making indicators of financiers with different levels of EI (Table 2).

Table 2. Individual decision-making style of financiers with different levels of EI

		N	Mean	SD	F	Sig.
vigilance	low EI	29	10.55	2.41	113.4	0.000
	moderate EI	130	8.96	2.24		
	high EI	121	12.97	1.87		
	Total	280	10.86	2.83		
procrastination	low EI	29	4.14	1.09	34.4	0.000
	moderate EI	130	13.74	2.82		
	high EI	121	3.52	1.32		
	Total	280	4.61	2.38		
buck-passing	low EI	29	9.93	2.09	32.6	0.000
	moderate EI	130	5.77	2.88		
	high EI	121	3.59	1.10		
	Total	280	4.64	2.43		
hypervigilance	low EI	29	11.72	1.93	40.0	0.000
	moderate EI	130	5.86	2.72		
	high EI	121	3.56	1.23		
	Total	280	4.65	2.40		

Source: Compiled by authors.

The obtained results indicate that there are differences in the decision-making style of financiers with different levels of EI. The medium values indicate that respondents with high EI have vigilance as a dominant style. Procrastination is pronounced in respondents with medium EI, while vigilance and hypervigilance styles prevail in subjects with low EI. Such results indicate that emotionally aware financiers make decisions faster and better. It is easier for them to interact with others and they motivate themselves to achieve the goal. Financiers with low EI, on the contrary, avoid making decisions, delay the solution of the issue, hesitate to take responsibility.

Differences in indicators of risk propensity and assertiveness of financiers with different levels of EI were also established (Table 3).

It was found that there is a statistically significant difference in indicators of risk propensity and assertiveness of financiers with different levels of EI. Subjects with a high level of EI have medium to high indicators of risk propensity and high indicators of assertiveness. Accordingly, financiers with low emotional intelligence have a low-risk propensity and low assertiveness. Risk propensity is an indicator of the ability to take risks in situations of limited awareness, when you need to make an instant decision and be sure of your actions. In such cases, EI plays a key role, as knowledge of emotions and ways of expressing them allows one to be as mobile, confident, and productive as possible. Assertiveness allows being persistent and decisive at the same time.

Table 3. Risk readiness and assertiveness of financiers with different levels of emotional intelligence

		N	Mean	SD	F	Value
risk propensity	low EI	29	-21.41	22.04	137.3	0.000
	moderate EI	130	7.68	18.65		
	high EI	121	28.29	8.33		
	Total	280	13.58	21.83		
assertiveness	low EI	29	-9.41	29.25	103.3	0.000
	moderate EI	130	18.08	18.77		
	high EI	121	39.17	12.04		
	Total	280	24.35	23.31		

Source: Compiled by authors.

Regression analysis showed that EI affects decision-making style, risk propensity and assertiveness, which are decisive in making financial decisions (Table 4).

Table 4. Analysis of the impact of EI on the effectiveness of financial decision-making

	β	SD	t, p	R ²
vigilance	0.943	0.009	10.30 $p \leq 0.01$	0.572
procrastination	-0.040	0.005	-4.6 $p \leq 0.01$	0.072
buck-passing	-0.36	0.06	-4.06 $p \leq 0.01$	0.056
hypervigilance	-0.039	0.009	-4.45 $p \leq 0.01$	0.067
risk propensity	0.896	0.063	14.29. $p \leq 0.01$	0.424
assertiveness	0.945	0.068	13.98. $p \leq 0.01$	0.483

Source: Compiled by authors.

The obtained results showed that EI explains 57% of the “vigilance” decision-making style ($\beta=0.943$, $R^2=0.572$), explains 42% of the risk propensity ($\beta=0.896$, $R^2=0.424$), and explains 48% of assertiveness ($\beta=0.945$, $R^2=0.483$). Despite the statistical significance of other indicators, EI still explains a very small percentage of procrastination (7%), buck-passing (6%), and hypervigilance (7%). This suggests that there is a direct relationship between EI and the specified qualities. So, the higher the EI of financiers, the higher their assertiveness, risk propensity, and the “vigilance” style. All this combined provides a constructive style of decision-making, when the identified qualities complement each other and encourage effective actions.

So, it was proved that EI significantly affects the style of financial decision-making, confidence, and risk propensity in order to achieve the set goal.

4. Discussions

The obtained results gave grounds to establish that financiers have a high level of EI, in particular such components as emotional awareness, empathy, and emotion recognition. Emotional awareness and empathy predominate among women, while self-regulation and self-motivation dominate among men. Emotion recognition was found to be a common feature for all the subjects. EI is necessary in making financial decisions, as it depends on the ability to feel the situation and react to its changes. This means that financiers with developed EI are productive, mobile, emotionally aware, which contributes to their success. It was found that financiers with a high level of emotional intelligence have a “vigilant” decision-making style, a high level of assertiveness and risk propensity. This suggests that such employees are self-confident, determined, productive, and able to make effective decisions. Risk propensity stimulates the search for ways to achieve the success of these decisions. It

was proved that EI explains half of the decision-making style, risk propensity, and assertiveness. At the same time, the “vigilance” decision-making style occupies the largest share. That is, the higher the EI of financial workers, the better their ability to make successful financial decisions.

Similar results were obtained in other studies. It was shown that EI allows effective management of finances both on a personal and professional level (Imam et al., 2022). Emotional awareness and emotional confidence lead to informed decisions. This is an indicator of the success of the activity (Irfan et al., 2023). Therefore, employees who have developed EI are more likely to achieve all financial goals and can be considered effective (Riaz and Shah, 2022). Managers with developed emotional intelligence successfully make financial decisions and maintain the financial stability of their companies (Bouzguenda, 2018). Emotional intelligence significantly affects the level of effective provision of financial services in the banking sector (Wakawa, 2020). Self-control in financiers with developed EI will lead to effective financial decisions (Fachrudin et al., 2022). Such conclusions confirm our results and testify to the important role of EI in the professional activity of financiers. A developed EI helps to successfully overcome obstacles in achieving goals, constructively build relationships, and ensure stable self-control. As a result, it is possible to achieve successful decision-making even in the conditions of insufficient resources using emotional awareness and self-regulation.

The existing relationship between EI and assertiveness proves that emotional self-control contributes to the confidence of financiers, their determination, and persistence. Such qualities have a positive effect on making financial decisions.

The researchers' approach to determining the place of risk propensity in the personality structure is ambiguous. Some researchers prove that it is an obstacle in productivity (Megías-Robles et al., 2022), while others, on the contrary, claim that a high level of risk propensity is a condition for greater achievements (Caliendo et al., 2008). We found that financiers who are willing to take risks and have high emotional intelligence are more productive. The same conclusion was reached by Bucciol et al. (2021), who found a positive correlation between EI and financial risk. The authors proved that risk with high EI promotes effectiveness in decision-making. Although they added that it is more typical for men than for women (Bucciol et al., 2021). Some research findings indicate a significant negative relationship between EI and health-related risk-taking. At the same time, such a relationship was not found in other areas of risk, in particular, finance (Sánchez-López et al., 2022).

So, we discovered that emotional intelligence is not only the ability to understand emotions, but rather the ability to successfully manage them. Especially in the field of financial decision-making. Such financiers are confident, ready to take risks at the right moment, while being prudent, emotionally stable, and vigilant in their activities. This proves that our hypothesis was confirmed.

Conclusions and Further Research

Today, emotional intelligence is not only a psychological construct, but also an important quality of a specialist that allows controlling one's own emotional state under any circumstances. This stimulates productivity and effective decision-making. Emotional intelligence plays a key role in the financial sphere, as it forms a constructive style of activity, ensures decisiveness and confidence, and increases the willingness to take risks in situations of uncertainty. Such an influence is a significant factor in the training of competent specialists and the development of training programmes for financiers. The results are also significant for managers who can successfully model the behaviour of subordinates based on the obtained results. Emotional awareness and control can influence motivation and organizational behaviour. Therefore, taking into account such indicators in the work of financial managers will contribute to more successful financial activities.

The novelty and practical significance of the results lie in the fact that we have proven the influence of emotional intelligence on making successful financial decisions, including additional personal characteristics that allow us to work as productively as possible in the financial sphere. Taking these results into account will contribute to the optimization of the organization's financial activities as a whole, and the development of specialist training programs, including techniques for the development of emotional intelligence, will ensure the formation of a high-quality, competent staff of employees.

The limitations of the study are numerous factors that can directly or indirectly affect the emotional intelligence of financiers. This is also a gender aspect, as we have already seen. There may also be personal reasons or health problems. Therefore, such influence should be taken into account in the research in order to rule out possible influence. It is appropriate to note the breadth of the concept of “financial decision” among the limitations. It can be an ordinary decision regarding financial operations at the unit level, or it can be a decision of a more global scale. Therefore, the latter requires longer training and specialist competence, and time in some

cases.

The research prospects are the study of additional aspects of influence on financial decision-making, such as self-efficacy, coping strategies, reflexivity, stress resistance, etc. It is also necessary to investigate such aspects of the emotional intelligence of financiers as age and work experience, which may limit emotional intelligence.

Credit Authorship Contribution Statement

The authors equally contributed to the present research, at all stages from the formulation of the problem to the final findings and solution.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

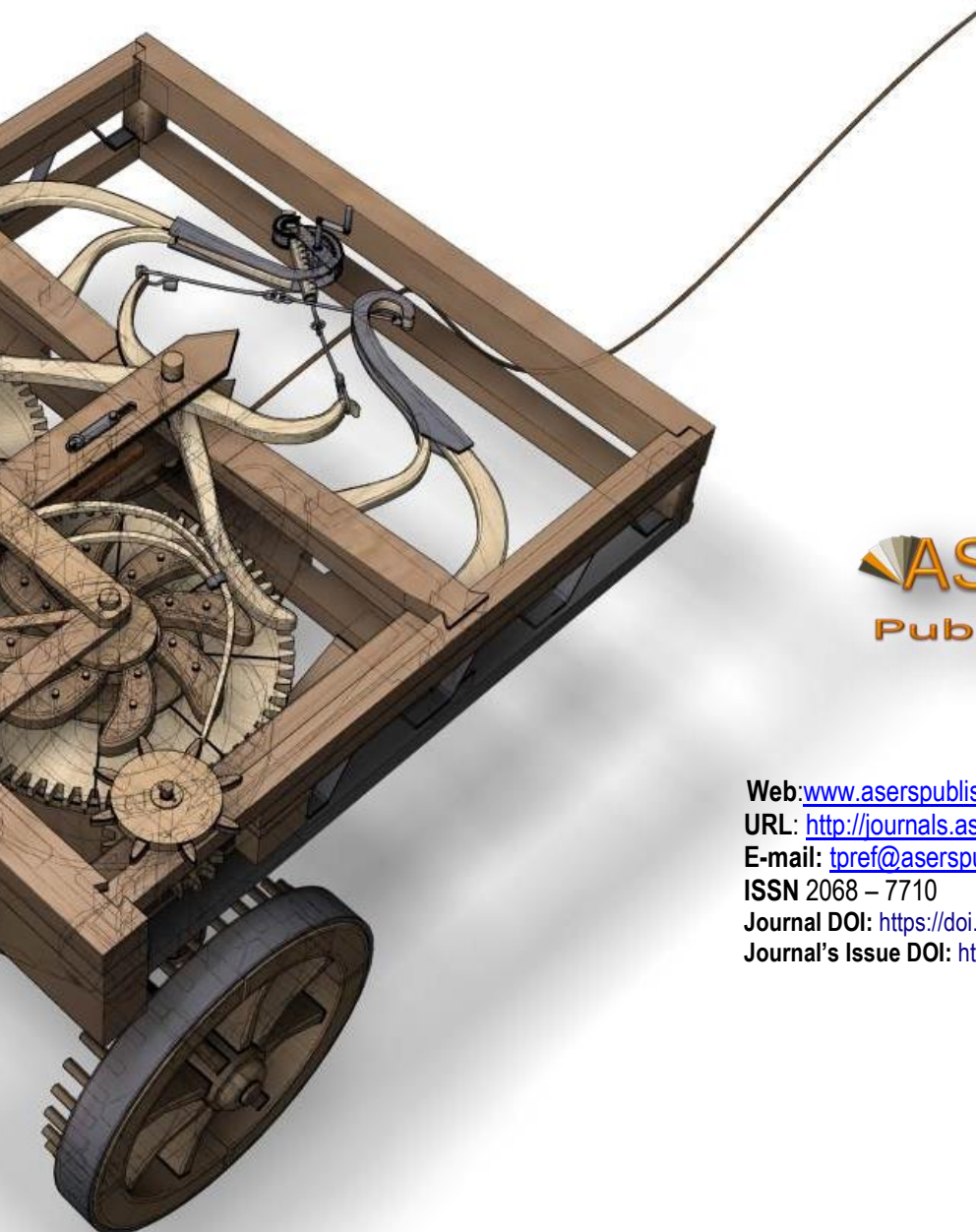
References

- [1] Alarcón-Espinoza, Marina, Susana Sanduvete-Chaves, M. Teresa Anguera, Paula Samper García, and Salvador Chacón-Moscoso. 2022. Emotional self-regulation in everyday life: A systematic review. *Frontiers in Psychology* 13. DOI: <https://doi.org/10.3389/fpsyg.2022.884756>
- [2] Alzoubi, Haitham M., and Aziz Ramsha. 2021. Does Emotional intelligence contribute to quality of strategic decisions? The mediating role of open innovation. *Journal of Open Innovation: Technology, Market, and Complexity* 7(2): 130. DOI: <https://doi.org/10.3390/joitmc7020130>
- [3] Asmara, T. 2024. Legal economic culture in the context of judges settling criminal cases in courts: What can we learn from Indonesia? *Pakistan Journal of Criminology* 16(01): 697–709. DOI:<https://doi.org/10.62271/pjc.16.1.697.705>
- [4] Baker, Rogis, Nur Fatimah Husna Mohamad Puzi, Nur Surayya Mohd Saudi, Haliza Mohd Zahari, Noor Azmi Mohd Zainol, and Mohd Nasir Selamat. 2022. An exploration of the effects of emotional intelligence, depression, anxiety and stress on work-life balance in royal Malaysia air force. *Journal of Algebraic Statistics* 13(3): 995–1005. <https://publishoa.com/index.php/journal/article/view/715/605>
- [5] Bogdan, Monica, Cristina Feniser, and Lungu Florin. 2018. Maximizing the value of a company through the financial decision using the genetic algorithms method. *Procedia - Social and Behavioral Sciences* 238: 680–686. DOI: <https://doi.org/10.1016/j.sbspro.2018.04.050>
- [6] Bouzguenda, Karima. 2018. Emotional intelligence and financial decision making: Are we talking about a paradigmatic shift or a change in practices? *Research in International Business and Finance* 44: 273–284. DOI: <https://doi.org/10.1016/j.ribaf.2017.07.096>
- [7] Branch, Reilly, and Stevan L. Berman. 2023. Risk propensity as a function of personality and identity *Youth* 3(2): 526–540. DOI: <https://doi.org/10.3390/youth3020036>
- [8] Bru-Luna, Lluna Maria., Manuel Martí-Vilar, Cesar Merino-Soto, and Jose L. Cervera-Santiago. 2021. Emotional intelligence measures: A systematic review. *Healthcare* 9(12): 1696. DOI:<https://doi.org/10.3390/healthcare9121696>
- [9] Bucciol, Alessandro, Federico Guerrero, and Dimitra Papadovasilaki. 2021. Financial risk-taking and trait emotional intelligence. *Review of Behavioral Finance* 13(3): 259–275. DOI: [10.1108/RBF-01-2020-0013](https://doi.org/10.1108/RBF-01-2020-0013)
- [10] Caliendo, Marco, Frank M. Fossen, and Alexander Kritikos. 2008. The impact of risk attitudes on entrepreneurial survival. *IZA Discussion Paper* 3525. DOI: [10.2139/ssrn.1142356](https://doi.org/10.2139/ssrn.1142356)
- [11] Carminati, Lara. 2021. Emotions, emotion management and emotional intelligence in the workplace: Healthcare professionals' experience in emotionally-charged situations. *Frontiers in Sociology* 6. DOI:<https://doi.org/10.3389/fsoc.2021.640384>
- [12] Cavaness, Keith, Anthony Picchioni, and James W. Fleshman. 2020. Linking emotional intelligence to successful health care leadership: The big five model of personality. *Clinics in Colon and Rectal Surgery* 33(4): 195–203. DOI: <https://doi.org/10.1055/s-0040-1709435>

- [13] Chadijah S. and R., D. N. Yunita Nurhanifiyanti. 2024. The relationship of emotional intelligence and assertive behavior in the Britzone Committee English Community 21. *European Journal of Psychological Research* 11(1). <https://www.idpublications.org/wp-content/uploads/2024/01/full-paper-the-relationship-of-emotional-intelligence-and-assertive-behavior-in-the-britzone-committee-english-community-2021.pdf>
- [14] Dierks, Leef H., and Sonja Tiggelbeck. 2021. Emotional finance: The impact of emotions on investment decisions. *Journal of New Finance* 2(2). DOI: <https://doi.org/10.46671/2521-2486.1019>
- [15] Drigas, Athanasios, and Chara Papoutsis. 2018. A new layered model on emotional intelligence. *Behavioral Sciences* 8(5): 45. DOI: <https://doi.org/10.3390/bs8050045>
- [16] Fachrudin, Amalia Khaira, Elisabet Siahaan, and Iman Faisal Pane. 2022. Understanding the importance of financial strength and emotional intelligence of employees at the regional tax and retribution board and the capital investment agency of Medan City. *Proceedings of the Second International Conference on Public Policy, Social Computing and Development* 642: 379–382. ICOPOSDEV 2021. DOI:<https://doi.org/10.2991/assehr.k.220204.057>
- [17] Goleman, D. 2011. *Leadership: The Power of Emotional Intelligence*. More Than Sound. 116 p.
- [18] Imam, Synthia, Alberto Fernandez Ibanez, Gyanendra Singh Sisodia, Juan Antonio Jimber Del Río, and Ahmed Al Radaideh. 2022. Emotional intelligence and personal finances in the academic curricula: A critical analysis of their potential synergies. *Asian Culture and History* 14(1): 6. DOI:<https://doi.org/10.5539/ach.v14n1p6>
- [19] Irfan, Muhammad, Raima Adeel, and Muhammad Shaukat Malik. 2023. The Impact of emotional finance, and market knowledge and investor protection on investment performance in stock and real estate markets. *SAGE Open* 13(4). DOI: <https://doi.org/10.1177/21582440231206900>
- [20] Ishchenko, Yevhenii, Yuliia Chystovska, Olga Vovchenko, Inesa Harkusha, and Hanna Voshkolup. 2023. The role of emotional intelligence in the rehabilitation of the former prisoners of war. *International Journal of Statistics in Medical Research* 12: 240–248. DOI: <https://doi.org/10.6000/1929-6029.2023.12.28>
- [21] Istianingsih, Nanik, Ariyanto Masnun, and Widya Pratiwi. 2020. Managerial performance models through decision making and emotional intelligence in public sector. *Administration and Public Management Review* 35: 153–166 <https://www.ceeol.com/search/article-detail?id=964095>
- [22] Jagriti, Niyogi, Yesodharan Renjula, and Dsa Rochelle Jane. 2020. Relationship between emotional intelligence, self-esteem, and assertiveness among South Indian youth: A descriptive, cross-sectional study from Karnataka. *Indian Journal of Public Health* 64(4): 402–404. DOI:https://doi.org/10.4103/ijph.IJPH_584_19
- [23] Karimi, Leila, Sandra G. Leggat, Timothy Bartram, Leila Afshari, Sarah Sarkeshik, and Tengiz Verulava. 2021. Emotional intelligence: Predictor of employees' wellbeing, quality of patient care, and psychological empowerment. *BMC Psychology* 9: 93. DOI: <https://doi.org/10.1186/s40359-021-00593-8>
- [24] Ladrón de Guevara Cortés, Rogelio, Leticia Eva Tolosa, and Maria Paula Rojo. 2023. Prospect theory in the financial decision-making process: An empirical study of two Argentine universities. *Journal of Economics, Finance and Administrative Science* 28(55). DOI: [10.1108/JEFAS-12-2021-0272](https://doi.org/10.1108/JEFAS-12-2021-0272)
- [25] Lane, Richard D., and Ryan Smith. 2021. Levels of emotional awareness: Theory and measurement of a socio-emotional skill. *Journal of Intelligence* 9(3): 42. DOI: <https://doi.org/10.3390/jintelligence9030042>
- [26] Laulié, Laurie, Gabriel Briceño-Jiménez, and Gisselle Henríquez-Gómez. 2023. Exploring self-regulation theory as a mechanism of the effects of psychological contract fulfillment: The role of emotional intelligence. *Frontiers in Psychology* 14. DOI: <https://doi.org/10.3389/fpsyg.2023.1090094>
- [27] Megías-Robles, A., A. Cándido, A. Maldonado, S. Baltruschat, and A. Catena. 2022. Differences between risk perception and risk-taking are related to impulsivity levels. *International Journal of Clinical and Health Psychology: IJCHP* 22(3). DOI: <https://doi.org/10.1016/i.ijchp.2022.100318>
- [28] Quintillán, Isabel, and Inaki Peña-Legazkue. 2020. Emotional intelligence and venture internationalization during economic recession. *International Journal of Entrepreneurial Behavior & Research* 26(2): 246–265. DOI: <https://doi.org/10.1108/IJEBR-08-2018-0521>

- [29] Ramchandran, Kanchna, Daniel Tranel, Keagan Duster, and Natalie L. Denburg. 2020. The role of emotional vs. cognitive intelligence in economic decision-making amongst older adults. *Frontiers in Neuroscience* 14: 497. DOI: <https://doi.org/10.3389/fnins.2020.00497>
- [30] Riaz, Asghar, and Syed Zulfiqar Ali Shah. 2022. Impact of emotional intelligence on financial effectiveness: mediating role of overconfidence bias. *Abasyn Journal of Social Sciences* 15(1): 17–28. DOI: <https://doi.org/10.34091/AJSS.15.1.02>
- [31] Salovey, Peter, and John D. Mayer. 1990. Emotional intelligence. *Imagination, Cognition and Personality* 9(3): 185–211. DOI: <https://doi.org/10.2190/DUGG-P24E-52WK-6CDG>
- [32] Sánchez-López, María T., Pablo Fernández-Berrocal, Raquel Gómez-Leal, and Alberto Megías-Robles. 2022. Evidence on the relationship between emotional intelligence and risk behavior: A systematic and meta-analytic review. *Frontiers in Psychology* 13. DOI: <https://doi.org/10.3389/fpsyg.2022.810012>
- [33] Santa, Ricardo, Andreina Moros, Diego Morante, Dorys Rodríguez, and Annibal Scavarda. 2023. The impact of emotional intelligence on operational effectiveness: The mediating role of organizational citizenship behavior and leadership. *PloS One* 18(8). DOI: <https://doi.org/10.1371/journal.pone.0284752>
- [34] Schmalor, Anita, and Steven J. Heine. (2022). Subjective Economic inequality decreases emotional intelligence, especially for people of high social class. *Social Psychological and Personality Science* 13(2): 608–617. DOI: <https://doi.org/10.1177/19485506211024024>
- [35] Scott, Brent A., Jason A. Colquitt, E. Layne Paddock, and Timothy A. Judge. 2010. A daily investigation of the role of manager empathy on employee well-being. *Organizational Behavior and Human Decision Processes* 113(2): 127–140. DOI: <https://doi.org/10.1016/j.obhdp.2010.08.001>
- [36] Singh, Jyothi E., Vaijanath Babshetti, and H.N. Shivaprasad. 2021. Efficient market hypothesis to behavioral finance: A review of rationality to irrationality. *Materials Today: Proceedings*. In Press. DOI: <https://doi.org/10.1016/j.matpr.2021.03.318>
- [37] Soliman, Mohammad Soliman, Rupa Sinha, Francesca Di Virgilio, Maria Jose Sousa, and Ronnie Figueiredo. 2023. Emotional intelligence outcomes in higher education institutions: Empirical evidence from a Western context. *Psychological Reports*. DOI: <https://doi.org/10.1177/00332941231197165>
- [38] Song, Cui Ling, Dongfang Pan, Arslan Ayub, and Binbin Cai. 2023. The interplay between financial literacy, financial risk tolerance, and financial behaviour: The moderator effect of emotional intelligence. *Psychology Research and Behavior Management* 16. DOI: <https://doi.org/10.2147/PRBM.S398450>
- [39] Taffler, R. 2018. Emotional finance: investment and the unconscious. *The European Journal of Finance* 24(7–8): 630–653. DOI: <https://doi.org/10.1080/1351847X.2017.1369445>
- [40] Wakawa, Musa Hyelladzira. 2020. The role of emotional intelligence in effective and efficient financial service delivery in the banking sector. *Social Science Research Network*. DOI: [10.2139/ssrn.3673571](https://doi.org/10.2139/ssrn.3673571)

ASERS



The logo for ASERS Publishing features the word "ASERS" in a bold, orange, sans-serif font. To the left of the "A" is a stylized icon consisting of several curved lines radiating from a central point, resembling a fan or a gear. Below "ASERS" is the word "Publishing" in a smaller, orange, sans-serif font.

Web: www.aserspublishing.eu

URL: <http://journals.aserspublishing.eu/tpref>

E-mail: tpref@aserspublishing.eu

ISSN 2068 – 7710

Journal DOI: <https://doi.org/10.14505/tpref>

Journal's Issue DOI: [https://doi.org/10.14505/tpref.v15.1\(29\).00](https://doi.org/10.14505/tpref.v15.1(29).00)