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THE ROLE OF LEADERS' EMOTIONAL FLEXIBILITY IN BANKS MANAGEMENT

Abstract. The article considers the essence of the concept of «emotional flexibility» and identifies its main elements and role in implementing management functions in banking institutions, particularly in decision-making. First, we substantiated the necessity of developing emotional flexibility to strengthen the functions performed by the leader. We established that the degree of development of this experience depends on how much the leader can act in a situation of uncertainty, quickly adapt to change, and find new opportunities and ways to make decisions. After all, in banking management, management decisions are pretty risky and challenging to predict because the financial sector is quite sensitive to socio-economic and political factors. Second, we characterized the mental models that guide any human activity. We consider the term «emotional flexibility of the leader» as a set of skills based on the ability to perceive their own emotions, label and understand them, and then consciously move forward. It also means recognizing stress and getting out of it, deciding how to act according to personal values and goals. Thus, we considered the categories that are the basis for the formation of emotional flexibility, namely: emotional self-awareness, the ability to manage emotions, the ability to control emotions, empathy, establishing and maintaining relationships effectively. We found that the developed emotional flexibility is inherent in leaders who can understand and direct their feelings, quickly identify subordinates' emotions, and maintain effective social communication. Finally, we focused on the benefits of the developed emotional flexibility of the head of enterprises, institutions, organizations.

The emotional flexibility of the leader lies in his conscious readiness to implement the emotional competencies necessary for the effective implementation of professional activities and solving social problems. This will contribute to professional development and personal development, the actualization of adaptive abilities, preservation of health and prevention of «professional burnout», harmonious functioning in society, life achievements.

Constantly increasing the importance of the human factor requires additional research in emotional flexibility as another source of improving the efficiency and effectiveness of banking institutions.

Keywords: emotional flexibility; emotional intelligence; human factor; leader; manager; management; banking management; decision making.

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В БАНКІВСЬКОМУ МЕНЕДЖМЕНТІ**

Анотація. Розглянуто сутність поняття «емоційна гнучкість», визначено основні її елементи і роль у реалізації управлінських функцій у банківських установах, зокрема в ухваленні рішень. Обґрунтовано необхідність розвитку емоційної гнучкості в напрямі посилення виконуваних керівником функцій. Установлено, що від ступеня розвитку цього досвіду залежить, наскільки керівник здатний діяти в ситуації невизначеності, швидко адаптуватися до змін і знаходити нові можливості й способи ухвалення рішень. Адже в банківському менеджменті управлінські рішення є досить ризиковими, важко передбачуваними, оскільки фінансова сфера досить чутлива не лише до соціально-економічних, а й політичних чинників. Охарактеризовано ментальні моделі, які спрямовують будь-яку діяльність людини. Уточнено термін «емоційна гнучкість керівника» як набір навичок, заснований на здатності сприймати власні емоції, маркувати і розуміти їх, а потім усвідомлено рухатися вперед; це вміння розпізнавати стрес і здатність виходити з нього, вирішувати, як потрібно діяти, щоб це відповідало особистим цінностям і цілям. Розглянуто категорії, які є підґрунтям формування емоційної гнучкості, а саме: емоційне самоусвідомлення, вміння керувати емоціями, вміння ефективно приборкувати емоції, емпатія, налагодження і підтримання відносин. Установлено, що розвинена емоційна гнучкість властива тим керівникам, які можуть розуміти і скеровувати власні емоції, легко ідентифікувати емоції підлеглих і вміти підтримувати ефективні соціальні комунікації. Увагу акцентовано на перевагах, які дає розвинена емоційна гнучкість керівника підприємств, установ, організацій. Емоційна гнучкість керівника полягає в його усвідомленій готовності до реалізації емоційних компетенцій, потрібних для ефективного здійснення професійної діяльності та вирішення соціальних завдань. Це сприятиме професійному становленню й особистісному вдосконаленню, актуалізації адаптивних здібностей, збереженню здоров'я та запобіганню «професійного вигорання», гармонійному функціонуванню в соціумі, життєвим досягненням. Постійно зростаюча значущість людського чинника вимагає додаткових досліджень у царині емоційної гнучкості як додаткового джерела підвищення ефективності та дієвості банківських установ.

Ключові слова: емоційна гнучкість, емоційний інтелект, людський чинник, керівник, менеджер, банківський менеджмент, управління, ухвалення рішень.

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Introduction. Emotional flexibility is becoming increasingly important because there is no place for spontaneous manifestation in a world that seeks to achieve and control the variability of its expression and simple relaxation. Thus, the development of emotional flexibility is closely related to the ability to relax, and therefore stop worrying about what is happening and what did not happen, and begin to perceive life through the prism of consciousness. Awareness in this context implies a person's conscious choice of their emotional reactions, which is easier to implement by shifting their perception of reality from the future or past to the current. Including their responsibilities and realizing the possibility of choosing their response to stimuli received by the nervous system, everyone finds response options where one can select destructive and depressing. And one can be light and relaxed. Such a choice of reaction is available to everyone because it is an inherent mechanism of brain structure. Moreover, there is a certain period of silence between the incoming stimulus and the given response when nothing happens. So, again, there is a choice of how best to react. Constantly increasing the intensity of competition in conditions when the most valuable resource is human (as opposed to financial and material) requires additional research in emotional flexibility to improve the effectiveness and efficiency of any organization, including banking institutions. Note that banking management has certain specifics due to the nature and peculiarities of banking operations.

Analysis of previous researches and problem statements. Emotional flexibility is mostly considered in the modern scientific literature from a psychological, social, and economic point of view. The theoretical foundations of the study of emotional and intellectual abilities were laid by such scientists as D. Caruso, J. Meyer, P. Seloway [1]; emotional competence — D. Goleman [2], non-cognitive theory of emotional intelligence — R. Bar-On [3]; two-component theory of emotional intelligence by D. Lusin [4] and others. R. Thorndike studied social intelligence [5]; D. Wexler studied the intellectual and non-intellectual components of emotional intelligence [6]; H. Gardner proposed the concept of multiple intelligence: intrapersonal and interpersonal intellects [7], J. Meyer and P. Seloway proposed the term «Emotional Intelligence» and sought methods for measuring its level [8]; D. Goleman continued the study of «Emotional Intelligence», and paid special attention to the emotional intelligence of the leader [2]. Currently, improving emotional flexibility is one of banks best ways to ensure social responsibility [9], sustainable development and managers' motivation [10].

However, the vast majority of scientific works need a radical rethinking from the standpoint of the possibilities of their use under fundamentally new economic conditions in Ukraine.

The purpose of the article is to clarify the essence of the concept of «emotional flexibility», to define its elements and role in the implementation of functions of banking management, in particular decision-making. According to this goal, the article aims to: clarify the definition of emotional flexibility of the leader in a competitive economy; consider its main elements; to substantiate the need to develop emotional flexibility in the direction of strengthening the functions performed by the head.

Research results. To correlate the work program, expected results, and activity standards with the organization's general directions of work and expectations, managers must have an entire idea of its work conditions. General principles and decision-making procedures can be applied at any organizational level to tasks of any complexity. Leaders are required to make continuous decisions formally following the delegation of authority and informally within the current production functions and activities essential for the team's effective management.

Management decisions are made both to improve production processes as a whole and for their elements. The banking system is an essential element of Ukraine's economy. It provides financial and credit services to enterprises, organizations, and individuals and plays an essential role in developing economic structures. However, in current conditions, experts attribute the

management of a modern banking institution to one of the most complex areas of human activity. Moreover, in a market economy, banks are at the center of many contradictory and complicated to predict processes occurring in the economy and the politics and social sphere [11].

All decisions should follow the values and behaviors proclaimed by the organization in such a way as to promote the efficient, productive, and morally justified use of resources while remaining open to external scrutiny. They must be legal, fair, ethical, responsible, consistent with the organization's goals, naturally reasonable. To make decisions and actions accountable, honest, and permitted, it is necessary to fulfill some (or all of the following requirements): to know your capabilities and powers; if possible, have as complete information as possible about the situation; know which regulations, policies and guidelines should be compared; if necessary, hold consultations; maintain proper secrecy and confidentiality; use fair procedures; be consistent; assess the risks associated with the selected measures [12].

In the organization's management, decision-making is carried out by managers at different levels and is more formalized than in private life. This is because the decision concerns not only one person — most often; it refers to part or all of the organization and therefore increases the responsibility for making management decisions. In this regard, there are two levels of decisions in the organization: individual and organizational. In the first case, the leader is more interested in the process itself, its internal logic. In the second — the interest shifts towards creating an appropriate environment around this process.

Based on the official hierarchy, employees of the organization can be divided into at least two levels: managers and subordinates. In this case, managers can be divided into three levels: higher, middle, lower. It is clear that if the organization is large enough, the levels of management and subordination may be more significant. The level of management decisions and their content reflects the guiding hierarchy of the organization's structure [13], which is shown in *Fig. 1*.

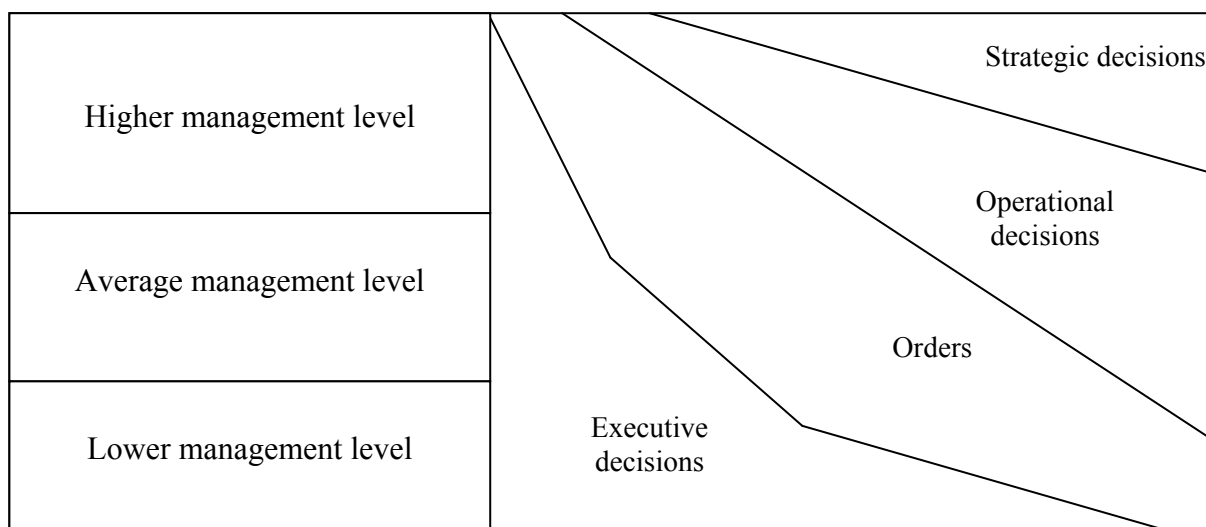


Fig. 1. The levels of management decisions and their content

Note. [13].

Leaders are pretty determined, more consistent, more often operate on experience. Relying on themselves, such leaders do not ignore the advice of others, although they do not resort to them often, and the decisions are defended to the end. Such leaders are more likely to have intelligence and insight. The style of leadership directly determines the style of management decision-making. Since in the «pure» form, only one leadership style is practically not used, it is possible to identify the predominant. The same can be said about the style of management decision-making when the head is usually limited to one of them. This choice is largely determined by the personal qualities of the leader, mainly — leadership traits. With the ability to strategically perceive and tame emotions, a person can develop creative, communicative, and leadership skills [14].

We should note, that banking management decisions are risky and challenging to predict because the financial sector is quite sensitive to socio-economic and political factors. One of the main requirements for a highly effective leader, team, or organization in the face of constant change today is flexibility. Flexibility means the ability of a person to change their thoughts and actions following the requirements of the situation, without changing their values and beliefs. The degree of development of this experience depends on how the leader can act in a case of uncertainty, quickly adapt to change, and find new opportunities and ways to make decisions.

Flexibility can be emotional, intellectual, and behavioral, which is manifested in how a person thinks and his behavior patterns. The benefits of flexibility, both intellectual and behavioral, are apparent. A flexible person is more receptive to changes in the external world; flexibility helps a person resolve internal and external conflicts. Suppose we consider the manifestation of flexibility in the management of the organization. In that case, it is obvious the relationship between the flexibility of thinking of the leader and his ability to identify different points of view, and therefore, carefully investigate a problem. In addition, by making his thinking and behavior more flexible and mobile, the leader can maintain calm and sober reflection even in the most critical and dynamic situations. In this context, we note that any human activity is guided by mental models (general ideas that shape thoughts and actions) and ideas about the desired results; in addition, it is the beliefs and beliefs that a person focuses on in life.

Mental models direct actions and give a sense of stability. Through them, leaders perceive the world, defend positions and beliefs. But, evaluating these models by the criteria of how they contribute to the achievement of human goals and help to adapt to change, we can distinguish productive and unproductive mental models. For example, if the model leads to the phenomenon of «electoral success» — that is, when in some situations a person is successful, and in others, very similar, fails, it indicates that he is unproductive. Thus, ineffective mental models usually include patterns, stereotypes, and mental constructs (Fig. 2).

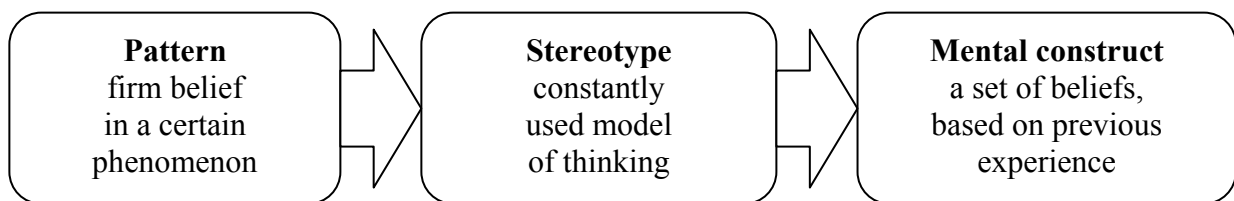


Fig. 2. **Unproductive mental models**

Note. [15].

A pattern is a mechanical, unconscious act or belief about a certain phenomenon, the rational explanation of the reasons for which a person does not seem possible. The positive side of the templates is that they suggest how to behave in a certain situation, easy to perform normal activities, but at the same time, greatly simplify the world around.

A stereotype is a monotonous, repetitive model of thinking or behavior, perception and interpretation of information in recognizing and recognizing the world around us, based on previous social experience. In essence, this is a «social reflex». Stereotypes can influence a manager’s decision-making, in particular in the case of a selective analysis of information to take into account only those facts that confirm its purpose, ignoring those that contradict it. In relation to staff, the leader may be engaged in hanging «labels» on employees or departments.

For example, gender stereotypes still hold a strong position in society and the banking sector. Manifestations of gender discrimination can often be found in the field of employment, although it is worth talking about double discrimination — not only on the basis of gender, but also on the basis of age. The most pronounced form of gender inequality in employment in Ukraine is gender occupational segregation. The negative manifestation is that women are concentrated in those sectors where wages are lower. They occupy about 80% of jobs in banking. Unfortunately, the representation of women in management positions in Ukraine remains below the average of the EU member states. The exception is the number of women in central bank management positions,

which is 25% in Ukraine compared to 21% in the EU. The same indicators for Ukraine and the EU are the number of women in the management positions of trade unions and are 25% [27].

When we talk about the «mental construct», we mean a set of human beliefs based on previously acquired positive or negative experience and guide his actions in certain situations. In the management of the organization, this can manifest itself in the form of attitudes «you have to do everything yourself if you want to get a decent result», «marketers to spend the company’s money» and so on.

All these models lead to a limitation of perception of what is happening; do not allow thinking objectively and seeing new opportunities for change.

In the case of unexpected behavior, a person easily expresses his feelings and desires, freeing himself from conventions and getting the opportunity to be himself. This model of behavior can promote the emergence of new non-standard ideas and solutions, act as an inspiring tool, to «defuse» the situation and relieve tension, as well as in case of its manifestation in the leader to reduce the distance between him and subordinates. In some situations, passive behavior, such as a willingness to submit to external circumstances and the absence of any willpower, can be used as a tactical move or a waiting position. Behavioral flexibility is usually manifested when behavior and emotional reactions are adequate to the situation (strong emotions are manifested in important events and weak emotions in insignificant). Inadequate emotional reactions block effective interaction with others and lead to misunderstanding on the part of others and the emergence of conflicts [15].

Awareness of mental patterns leads to an understanding of what limits the leader in achieving higher goals and prevents him from seeing new opportunities in a constantly changing reality [15; 16].

Emotional flexibility is a set of skills based on the ability to perceive one’s emotions, label and understand them, and then consciously moves forward; it is the ability to recognize stress and the ability to get out of it, to decide how to act so that it corresponds to personal values and goals. The main elements of emotional flexibility are: emotional self-awareness, the ability to manage emotions, the ability to effectively control emotions, empathy, establishing and maintaining relationships (Fig. 3).

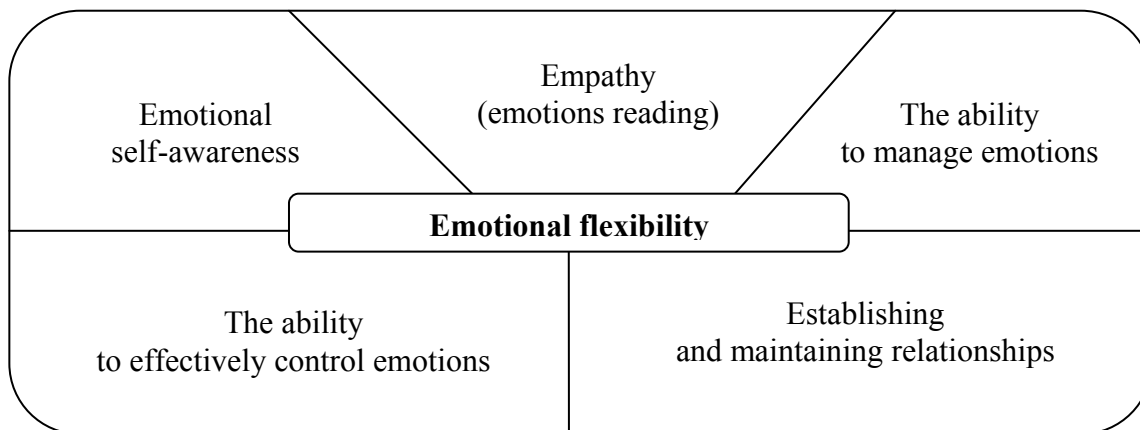


Fig. 3. The main elements of emotional flexibility

Consider them in more detail. Yes, emotional self-awareness requires the improvement of emotion recognition skills and the ability to name them; ability to better understand the causes of feelings; awareness of the difference between feelings and actions.

The ability to control emotions is a sign of a developed personality and an educated person who is able to control his feelings even in situations when it is very difficult and takes into account the great resistance to frustration and the ability to control anger; less stability of verbal images; the ability to properly express anger without going into a fight; less aggressive and destructive behavior; more positive feelings about yourself; the ability to cope better with stress, as well as less loneliness and social anxiety.

The ability to effectively control emotions — the ability to tame, awakens and directs their emotions and the emotions of others to achieve goals. This also includes a greater sense of responsibility; increase the ability to focus on a specific task; less impulsiveness, more self-control.

Empathy: reading emotions — means a more developed ability to accept the point of view of another person; strengthening empathy and receptivity to the feelings of others and the ability to listen more carefully.

Establishing and maintaining relationships involves the ability to better analyze and understand your relationships with others; ability to effectively resolve conflicts and discuss misunderstandings; greater self-confidence and good communication skills; greater care and kindness; greater involvement in public life, better ability to fit into a certain group; generosity, better cooperation with others, willingness to help; greater democracy in relations with other people.

A person who has emotional flexibility chooses each time to leave their reactions and behavior the same or change, while focusing on their inner values and goals, correlating them with changes in the environment. It is worth noting that emotional competencies are trainable (as opposed to IQ) and affect people's involvement in work and make a positive contribution to business results. For example, business surveys show that 90% of successful people have above-average emotional intelligence and earn \$ 29,000 a year more in the United States (~ 60% more than the average income). In addition, emotional intelligence is «responsible» for 58% of employee performance and thus increases the financial benefits [2].

Note that the solution is defined as the formation of mental operations that reduce the initial uncertainty of the problem situation. Making a decision is simultaneously a mental, emotional, and volitional act. Mostly it is a mental process, so the decision involves prior awareness of the purpose, mode of action, and processing of their various options. The decision-making process is influenced by a person's preparedness, heuristic abilities, temperament, and character.

The concept of managerial (organizational) decision, which has a collective character and determines the whole set of decisions of the head, directly related to his official and formal-organizational status, is crucial for the characterization of the whole system of decisions made by the head.

The leader is also forced to make a vast number of informal (non-normative) decisions. They significantly affect the effectiveness of its activities, the social and psychological characteristics of the organization headed by him. A managerial decision is a choice that a manager must make in order to perform the duties assigned to his or her position. The most effective management decision is the choice that will be implemented and will make the most outstanding contribution to achieving the ultimate goal [17; 26].

And the bank's activity should be directed in such a way that part of its strategy are the principles of corporate social responsibility, culture and core business, openness, willingness to report for their actions to the community and society. The bank's interaction with society should be based on a clear understanding of the social mission and the role it plays at the local and national levels. The social responsibility of banking institutions must play a crucial role in consumers of financial services in order to restore confidence in the banking sector.

Concerning all types of management decisions, there are several regulatory requirements, which are considered signs of a «good decision» [17—19]. The most important of them are:

- efficiency (the accepted alternative should be the best among all potentially possible in relation to the expected result before expenses);
- validity (the accepted alternative should not only adequately reflect the peculiarities of the real situation and show specific ways of its implementation, but also be clear to the performer);
- consistency (with internal, external circumstances that precede and future decisions);
- timeliness (there are no «absolutely right decisions», they are all right or wrong only in the context of specific situations that develop in a given time, which dynamically change each other);
- competence (accounting for the responsibilities and rights of the head and subordinate);

- implementation (in some cases, this requirement is even more important than efficiency, any solution will be useless if it can not be implemented);
- a combination of rigidity and flexibility (the process of making a decision should be flexible, but the process of its implementation — rigid);
- specificity and regulation (a good solution includes a plan — specific methods of implementation and their sequence, answering the questions: what, to whom, how, when, where, and by what time it should be done).

In professional activities, the most valuable qualities today are resilience and positivity, the ability not to be sad and encourage others, but the work environment focuses on the constant search for problems, emotional secrecy, and unrealistic level of restrained stress, which can then lead to disruptions. Moreover, such reactions are entirely natural, and their artificial replacement by workaholism and ostentatious optimism can be fraught with health problems. Professional activity is inseparable from the individual, and the moments that take place there can strongly impact human development that it will exceed even personal relationships. Many depressions and complexes, psychological traumas, and inadequate self-esteem are born in the workplace due to the acceleration of life, increasing tasks, and personal responsibility; now, in addition to their job description, everyone needs to solve a lot of personal tasks to please management and colleagues. In addition, the work itself is becoming more unpredictable, the division of responsibilities is increasingly blurred and as a result, everyone does all the work, regardless of the job title, while experiencing various overloads, because the rules are not defined. Staff faces the challenge of responding to change, anxiety in the future, and the ability to adapt to critically changing conditions, or at least the ability to respond adequately.

Emotional flexibility in professional activities becomes an invaluable quality (although it would seem that such a quality is more important in building relationships). However, it becomes vital to cope with the growing nervous tension in the difficult conditions of constant uncertainty. To successfully cope with these tasks, the development of emotional flexibility in the work aspect will be aimed at studying the key points that are important to the employee as a professional. This is similar to the definition of important goals and life principles, but in a narrower sense. The only thing left from planning is to anticipate possible future difficulties and, accordingly, to make choices that prevent them, and otherwise, it is necessary to abandon unnecessary expectations and plans, remaining open every minute of choice, which is correlated with changes in the ultimate goals [16; 24].

It is worth noting that the faster the world changes due to technology, the more attention is paid to the topic of necessary skills, which also undergo significant changes due to changes in the labour market and business processes, the emergence of new professions and the demise of irrelevant. Over the last few years, experts from the World Economic Forum have identified ten key skills needed for competitive advantage in the labour market (*Table*).

Table

Skills, which are important for future success	
in 2025	in 2015
Analytical thinking and innovation	Solving complex problems
Active learning and learning strategies	Interaction with others
Comprehensive problem solving	Ability to manage people
Critical thinking and analysis	Critical thinking
Creativity, originality and initiative	Ability to negotiate
Leadership and social influence	Quality control
Use, monitoring and control of technologies	Customer orientation
Technology design and programming	Ability to make decisions
Stability, stress resistance and flexibility	Actively listen
Argumentation, problem solving and idea generation	Creativity

Source: compiled by authors of the source [30].

Topped with a list of skills that employers say will become popular in the next five years, critical thinking and problem solving. Self-management skills such as active learning, resilience,

resilience and flexibility have emerged. Most workers will need retraining in the next five years as the «double breach» of the economic consequences of the pandemic and increased automation transforms jobs. If, in the XX century, the main task of mass education was to teach people to read, write and count. Then literate workers developed skills for specific professions in colleges, universities and courses. At that time, professional tasks did not change much. It was enough to hone a few skills to climb the career ladder — for example, from worker to head of department. By the beginning of the XXI century, about 85% of the world's population had basic literacy, but narrow professional skills were lacking [28].

Human education should not be limited to «basic skills». In the 21st century, it is important to move from utilitarian industrial education to an integrated educational paradigm. The traditional paradigm rigidly separated education from other spheres of life, and included only students to prepare them for future life. The new paradigm is continuous — it provides learning for all people throughout life. Such an education system focuses not only on the transfer of knowledge and skills development, but also on supporting the development of a person as a full participant in all spheres of life [28; 29].

What is on the top 10 is not so much about a specific specialization or skill, as about a combination of basic elements of human activity: problem solving, self-management, interaction with others, and the use of technology. That is, the ability to be aware of one's feelings and emotions, to manage them and, using this knowledge, to interact with others today is one of the key skills needed for competitive advantage in the labour market. It should be noted that the work in the banking sector is responsible, because it is related to finances and people's trust. Trust is the key to the work of every bank. And only highly qualified banking specialists can build stable, long-term and mutually beneficial relationships with customers.

Right there, where success and profit are directly dependent on relationships, communications, and emotional perception of the brand developed emotional flexibility provides many benefits, including:

- introspection, the ability to understand their feelings; if the sales manager does not cope with the responsibilities, introspection will identify emotions that hinder success (fear, insecurity, anger, indifference);
- the ability to express feelings or mask them; in this capacity, emotional intelligence is manifested, for example, in resolving conflicts with clients, when it is essential to restrain their aggression and have a good conversation;
- emotional sensitivity, the ability to capture and recognize the emotions of others; this allows you to build a negotiation strategy in advance, anticipate customer expectations, select compelling arguments and styles of behavior.
- the ability to act taking into account the emotions and feelings of others, to control the emotional mood: to inspire and inspire, to «quench» conflicts at the root [18; 20].

The specifics of the work necessarily affect the level of emotional flexibility. Managers in the banking sector (as well as businessmen) often have to make decisions in difficult, stressful conditions. Emotional flexibility allows to control emotions, act consciously, use own feelings as an additional resource. A leader with developed emotional flexibility can inspire, direct people's emotions in the right direction, and extinguish negative phenomena — panic, insecurity, fuss, fear. With emotional flexibility, a person can see the causal links between events and feelings and plan their company activities [18]. In jobs of medium complexity (for example, sales managers), the productivity of the best employee is 12 times higher than the productivity of the worst and 85% higher than the average employee's productivity. On the other hand, in heavier jobs (insurance, accountants), the productivity of the best employee is 127% higher than the average employee [20]. A study of competencies in more than 200 companies and organizations around the world (including banking institutions) showed that about 1/3 of this difference in performance is due to technical knowledge and «ordinary» intelligence (IQ), while 2/3 is associated with emotional intelligence [21]. In the work of top managers, the difference is more than 4/5 depends on emotional competence [23; 25].

In this context, it should be noted that globalization, increased competition, rapid development of financial and stock markets have changed approaches to managing banking institutions, so there is a need to develop an approach that can increase the value of banking institutions in the long run and balance the interests of shareholders and managers. This gave rise to the concept of value-based management. The model for assessing the quality of cost-oriented management of the bank has the following form [31]:

$$QVBBM = a \cdot MSHD + b \cdot AD + c \cdot M + d \cdot OVC + e \cdot ROA + f \cdot LE + g,$$

where *MSHD* — market share of the bank in the market of attracted financial resources; *AD* — the effectiveness of advertising costs in the market of attracted financial resources; *M* — percentage of bank margin; *OVC* — share of overdue loans in the bank's loan portfolio; *ROA* — return on assets; *LE* — staff cost efficiency.

Decisive in the formation of a quality system of cost-oriented management of the bank, and, above all, in conditions of economic instability are financial and managerial factors, including human resources (availability and qualifications) and management (quality management, combination of economic and social goals). A bank is a structure in which emotional flexibility is specific and requires anticipation of risks arising from the specifics of banking activities carried out in market conditions, and means the probability of receiving income less than expected, lowering the value of assets. Increased banking risks lead to significant financial losses and, as a consequence, to the bankruptcy of banks.

Emotional flexibility today helps to determine emotions and their causes and build a strategy to influence the source of emotions, change the emotional background within the team, and solve applied business problems. Emotional flexibility is something that any manager should be able to develop if he is interested in managing the resource status of employees. Today, emotional intelligence comes to the fore. One reason — it can not give artificial intelligence. After all, no one will replace the management decisions that are related to a particular institution.

Conclusions. In order to remain competitive (and, even, to survive) in the era of the new economy, banking institutions must be able to respond quickly to demand, constantly modernizing their business processes to keep up with technology and stay ahead of competitors. Organizations can cope with this only by forming a fairly flexible infrastructure that can quickly implement new technologies and timely change the direction and their functionality, supporting changes in the business model. As a result, managerial emotional flexibility is needed for the rapid development of business models by adding new functionality, integrating with customers, business partners and suppliers, etc. After all, in banking management, management decisions are quite risky, difficult to predict, because the financial sector is quite sensitive not only to socio-economic but also political factors. And the development of emotional flexibility does not imply a rigid reorientation of emotions and views because he believes that violent (volitional, forced) change of ancient human views, on the contrary, restrains the variability of reactions increases stress and control and cements established patterns. The emotional flexibility of the leader lies in his conscious readiness to implement the emotional competencies necessary for the effective implementation of professional activities and solving social problems. This will contribute to professional development and personal development, the actualization of adaptive abilities, preservation of health and prevention of «professional burnout», harmonious functioning in society, life achievements. The main task facing banking institutions today is to restore trust or create new preconditions for its emergence. The degree of development of emotional flexibility depends on how the leader is able to act in a situation of uncertainty, quickly adapt to change and find new opportunities and ways to make decisions. Constantly increasing the importance of the human factor requires additional research in the field of emotional flexibility as an additional source of improving the efficiency and effectiveness of banking institutions, which determines the prospects for further research.

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