

INTERNATIONAL JOURNAL
OF ENTREPRENEURSHIP AND
MANAGEMENT PRACTICES
(IJEMP)

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THE RELATIONSHIP BETWEEN VUCA AND EMPLOYEE COMPETENCIES IN MALAYSIA BANKING SECTORS: THE MEDIATING ROLE OF EMOTIONAL INTELLIGENCE

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Article Info:

Article history:

Received date: 23.03.2026

Revised date: 09.04.2026

Accepted date: 20.05.2026

Published date: 03.06.2026

To cite this document:

Sani, R., Ahmad, N. N., Zaman, M. D. K., & Che Yahya, N. (2026). The Relationship Between VUCA and Employee Competencies in Malaysia Banking Sectors: The Mediating Role of Emotional Intelligence. *International Journal of Entrepreneurship and*

Abstract:

Employees in the Malaysian banking sector increasingly operate in a VUCA environment characterised by volatility, uncertainty, complexity, and ambiguity. While employee competencies are essential for performance, they may be insufficient on their own when employees face rapid change, unclear outcomes, and intensified workplace demands. This research examines the relationship between VUCA elements and employee competencies and investigates emotional intelligence as a mediating mechanism that may strengthen employees' adaptability and performance under such conditions. Grounded in McClelland's Competency Model and Mayer and Salovey's Emotional Intelligence theory, this research adopts a quantitative design using questionnaire data collected from full-time banking employees in the Klang Valley. Respondents are aged 21 years and above and have at least one year of work experience. The research highlights the practical importance of integrating competency development with emotional intelligence enhancement to support resilience, teamwork, and leadership in challenging environments. The findings offer implications for human resource practices, particularly in recruitment, performance

Management Practices, 9(34),
40-61.

management, and employee development initiatives. By strengthening both competencies and emotional intelligence, banking institutions can enhance workforce readiness and better respond to emerging challenges and opportunities in a VUCA context.

DOI: 10.35631/IJEMP.934003

Keyword:

Employee Competencies, Emotional Intelligence, Human Resource, Malaysian Banking Sector, VUCA (Volatility, Uncertainty, Complexity, Ambiguity)



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Introduction

The topic of Employee Competencies (EC) in the context of Volatility, Uncertainty, Complexity and Ambiguity (VUCA) is new and the literature on the subject is currently limited. Existing research provides only a preliminary understanding of how these competencies influence employee adaptability, decision-making, and organisational success. The gap needs for further research and exploration that not only conceptualises VUCA related competencies but also investigates their practical implications across diverse industries and cultural settings. As an organization increasingly adopt digital technologies and agile practices, understanding the interplay between traditional competencies and emerging skills, such as digital literacy and technological adaptability becomes important for both theory and practice.

The concept of VUCA was first introduced by the U.S. Army in the early 1990s to navigate the changing global landscape that appeared after the disbanding of the Union of Soviet Socialist Republics (USSR) and the fall of the Eastern Bloc. This framework was developed in response to the disappearance of a singular, identifiable adversary, compelling the military to explore new strategies for understanding and adapting to uncertain and complex environments. However, despite the introduction of this paradigm, the military continued to rely on technology and strategies rooted in traditional methodologies (Glaeser, 2024). This historical context highlighted the relevance of VUCA in organisational and strategic planning as entities across sectors look to overcome the unpredictable conditions.

VUCA conditions are describe by complex challenges that demand innovative solutions, show the importance of EC to handle such situations. Therefore, developing key EC is essential and should be a priority within Learning and Development (L&D) programs (Shet, S. V., 2024). According to Wijayanto, B. K., et al. (2021), the EC include the knowledge, skills, abilities,

and behaviours that an individual carry, which is need and relevant to their job roles. In a similar vein, Matthew Reeves (2024) highlighted that these competencies consist of both hard skills, like the ability in certain software or programming languages and soft skills, such as effective communication, collaboration and problem-solving. Together, these competencies enable employees to adapt to evolving demands, sustain performance under volatile conditions, and contribute to organizational resilience in the face of uncertainty.

The current business landscape that characterised by VUCA making EC one of the most crucial assets for organisation's (Salman, M., et al., 2023). Effectively managing VUCA demands, strategic adaptability, effective decision-making frameworks, strong leadership, and the capacity to swiftly learn and adjust to emerging situations while understanding the unfolding

events. This is something that all organisations and individuals met in 2020, particularly during the first stages of the pandemic, which left many uncertain about how events would develop, what the most effective response would be, and the potential outcomes. (Naqvi, F., et al., 2023).

Recent research shows the positive influence of EC on operational performance, emphasising teamwork, ethical conduct, and self-management as critical factors (Harahap et al., 2024; Çakir et al., 2023). Competencies include not just technical and abilities, but also the motivation, personality characteristics and values that contribute to successful performance (Daniali et al., 2022). Attributes such as cognitive flexibility, critical thinking, creativity, cross-cultural intelligence, and personal resilience have become indispensable in managing VUCA-driven challenges.

In modern workplaces demand, employees to have advanced competencies such as cognitive flexibility, critical thinking, cross-cultural intelligence, creativity, and personal resilience. These skills are critical for adapting to change, managing uncertainty, and improving decision-making, innovation and problem-solving. Competency frameworks that tailored to organisational needs have been shown to significantly influence both individual and organisational performance (Amin, 2022; Cik A et al., 2021). Recent studies underscore that adaptability, continuous learning, and digital literacy as critical for thriving in dynamic environments (Kim et al., 2022; Mazurchenko et al., 2022).

Competencies not only enhance employability and job satisfaction but also serve as strategic tools for organisational growth (Mani et al., 2024; Qomariah et al., 2023). Research highlights their role in sectors such as banking, construction and technology, linking them to improved performance and innovation (Salman et al., 2020; Potnuru et al., 2021). Furthermore, soft skills like intercultural communication and leadership are increasingly valued in diverse work settings (Economist Impact, 2023).

Based on the Economist Impact (2023), beyond digital skills, a part of Malaysian employees of 54 percent considers soft skills to be crucial. Among these soft skills, 81.5 percent of employees prioritise interpersonal and intercultural communication, while 66.7 percent highlight leadership and English language ability as key skills, due to the diverse nature of

Malaysian workplaces. Soft skills enable effective cross-cultural interactions and communication, empowering employees to navigate diverse environments. Additionally, 41% of employees are highly motivated to develop these skills as part of their personal growth and lifelong learning journey. Pramono, A. C., et al., (2022) noted that providing training can

significantly enhance employee competencies. Cultivating EC through fair treatment, innovative HR practices and alignment with organisational culture is important for boosting performance, reducing stress, and fostering innovation within companies.

The Economist Impact (2023) carried out a survey involving 1,375 employees from the Asia-Pacific (APAC) region, which included a sample of 100 employees from Malaysia, between November 2022 and January 2023. The research interviews with employers and industry experts to assess their perspectives on skill deficiencies and their ambitions regarding reskilling and upskilling. Participants were selected from 14 countries and included 11.8 percent Gen Z (born 1997-2012), 63.2 percent Millennials (born 1981-1996) and 25 percent Gen X (born 1965-1980), standing for various sectors. Findings shown that there is a widespread lack of mutual understanding between employers and employees about future skills and the most effective methods of development. There is a disconnect between the skills that employers

prioritise and those that employees think significant. Kim, J., et al., (2022) emphasised that inadequate research has limited the understanding of how organisational culture and employee capabilities influence stress levels. It is crucial to address these gaps to cultivate a workforce that is prepared for future economic challenges (Ritu Bhandari, 2023).

The specific sector in this research is the banking sector, the challenges posed by a VUCA elements make it important for employees to be adaptable and resilient. Various departments and roles within banks require specific skill. This research investigates the key competencies needed across major banking functions, highlighting how employees must continuously develop and refine their skills to remain effective in an increasingly complex and uncertain industry.

To stay competitive, banking employees must enhance their analytical thinking, decision-making, technological adaptability, and skills. By fostering these competencies, banks can build a workforce that is not only agile and resilient but also well-prepared to navigate both current and future challenges in the financial sector. The novelty of this research explains how external pressures influenced employee performance, while its practical implications highlight the need for HR managers to prioritize resilience building, adaptability training and EI development to strengthen workforce readiness.

This research seeks to address this gap by exploring the role of employee adaptability as a core competency within VUCA elements, while analysing how competency development strategies align with organisational objectives and industry demands. By doing so, it aims to contribute to the growing discourse on workforce readiness and organisational resilience in an era defined by uncertainty and complexity.

Significance of the Research

This research is significant as it addresses a critical gap in understanding how EI influences the adaptation of EC within VUCA elements. By investigating this relationship, the research

contributes to both theory and practice, offering valuable insights that can enhance employee performance, strengthen adaptability and build organisational resilience. The findings are particularly relevant to human resource practices in Malaysia's banking sector, where

employees are consistently required to demonstrate high levels of competency and agility in response to dynamic challenges.

Previous research has emphasised the importance of structured training programs in developing technical and soft skills, self-concept and knowledge (Esthi, 2022). Similarly, Salman et al. (2023) identified a positive relationship between human resource management practices and EC, underscoring the need for continuous learning and development. These findings collectively highlight the critical role of EI, adaptability and competency development in sustaining competitiveness within unpredictable work environments. This research extends these perspectives by situating EI as a mediating factor, thereby offering a deeper understanding of how organisations can strategically foster resilience and performance in the face of VUCA conditions.

Literature Review

Employee competencies (EC) represent the combination of knowledge, skills, abilities, behaviours, and personal attributes that enable individuals to perform effectively in their roles. In contemporary organisations, EC commonly include analytical thinking, decision-making ability, adaptability, resilience, innovation, and problem-solving skills, all of which are essential for sustaining performance in dynamic and demanding work environments. These competencies support employees in responding to changing job requirements, managing work pressures, and contributing to organisational effectiveness.

Emotional intelligence (EI), as a mediating construct in this research, refers to an individual's ability to perceive, understand, regulate, and manage their own emotions as well as those of others. EI supports psychological well-being, strengthens interpersonal relationships, and enhances decision-making under pressure. Employees with higher EI are generally better equipped to manage stress, remain motivated, and adapt constructively to challenging situations.

Building on these foundational concepts, this literature review examines how VUCA elements, volatility, uncertainty, complexity, and ambiguity, shape employee competencies by increasing the need for adaptability, resilience, and innovation. Emotional intelligence is positioned as a key mechanism that may help employees sustain performance and wellbeing under such conditions. Sixteen key themes are discussed in the following sections.

Volatility and EI

Volatility refers to situations that change quickly and unpredictably. Such rapid shifts can create instability, increase stress, and trigger emotional responses that may reduce clarity of thinking, teamwork, and performance. Emotional intelligence helps individuals recognise emotional reactions (e.g., stress or frustration), regulate them, and remain composed when circumstances are unstable. This emotional stability supports more effective decision-making and collaboration.

Khodik (2024) notes that emotional volatility, such as sudden mood changes, can disrupt judgment and teamwork. EI is therefore important because it enables individuals to manage these reactions and maintain balance in challenging situations. Overall, EI contributes to well-

being and constructive collaboration in volatile environments by strengthening emotional regulation and adaptive responses.

H1: There is a Positive Relationship between Volatility and EI

Uncertainty and EI

Uncertainty occurs when future outcomes are unclear and difficult to predict. This often creates feelings of anxiety, fear, or frustration, which can affect decision making, performance, and overall well-being. Emotional intelligence helps individuals manage such situations by enabling them to recognise their emotions, regulate their reactions, and adapt constructively. Individuals with strong EI tend to be more resilient and better able to cope with stress and ambiguity.

Studies indicate that accepting uncertainty is important for emotional health. In the workplace, uncertainty frequently arises from organisational restructuring, economic changes, or rapid technological developments. Employees with higher levels of EI are better equipped to manage these challenges and contribute to workplace stability.

Employees with strong EI can reduce the negative effects of uncertainty, avoid burnout, and foster supportive work environments in which colleagues feel valued and understood. Through self-awareness, emotional regulation, empathy, and optimism, EI enables individuals to navigate uncertainty effectively, making it a critical competency for both individual and organisational success.

H2: There is a Positive Relationship between Uncertainty and EI

Complexity and EI

Complexity refers to situations in which multiple interconnected factors make environments difficult to understand and manage. In organisational settings, complexity often arises from overlapping systems, diverse stakeholder demands, and rapid technological integration, which may overwhelm employees and reduce clarity in decision making.

Emotional intelligence helps individuals manage complexity by supporting self-awareness, empathy, and adaptive thinking. Employees with high EI are better able to cope with the stress of multifaceted challenges, interpret diverse perspectives, and maintain constructive collaboration. By regulating emotions and fostering optimism, EI can transform complex situations into opportunities for innovation and problem solving rather than sources of confusion. Overall, EI is a critical competency for managing complexity, as it supports resilience, effective communication, and sound decision making in demanding organisational contexts.

H3: There is a Positive Relationship between Complexity and EI

Ambiguity and EI

Ambiguity occurs when information is incomplete, contradictory, or open to multiple interpretations, making it difficult for employees to determine the most appropriate course of action. In organisational contexts, ambiguity often arises from unclear policies, shifting priorities, or ineffective communication, which can reduce confidence and impair decision making.

Emotional intelligence enables individuals to manage ambiguity by fostering tolerance for uncertainty, empathy, and adaptive problem solving. Employees with high EI are more likely to remain composed, interpret diverse perspectives, and respond constructively to unclear situations. By regulating emotions and maintaining optimism, EI helps transform ambiguity into opportunities for creativity and collaboration rather than sources of frustration. Overall, EI is an important competency for managing ambiguity, as it supports resilience, effective communication, and balanced decision making in uncertain organisational environments.

H4: There is a Positive Relationship between Ambiguity and EI

Motivation and EI

The relationship between motivation and emotional intelligence is closely interconnected, as motivation is both influenced by and embedded within EI frameworks. Emotional intelligence enables individuals to regulate and channel both intrinsic and extrinsic motivation effectively, thereby influencing personal and professional outcomes. EI also enhances the ability to understand and respond to the emotions of others, supporting collaboration and shared motivation within teams. Research published in *Frontiers in Psychology* (2023) indicates that self-efficacy, a component of EI, significantly influences motivation, highlighting the role of emotional intelligence in performance related contexts.

In organisational settings, individuals with high EI are more capable of managing their emotions, which helps them remain focused and motivated even when facing challenges. Developing emotional intelligence can therefore strengthen motivation and support individuals in achieving their goals.

H5: There is a Positive Relationship between Motivation and EI

EI and EC

EI is a form of social intelligence, involves recognising, understanding and managing one's own emotions as well as those of others. It is critical in the workplace, where effective communication and interpersonal skills directly influence job performance, satisfaction, well-being and the quality of relationships (Goleman, 2023).

Modern organisations, particularly in the IT sector, increasingly demand employees with strong EI to manage emotional challenges in roles such as sales, management, and customer service (Purandare et al., 2021). Employees with high EI show greater commitment, organisational citizenship, and resilience, while also experiencing higher job satisfaction and reduced stress (Doğru, 2022; Wangi et al., 2022). By selecting and developing employees with strong EI

alongside other competencies, organisations can enhance adaptability, performance and overall success.

H6: There is a Positive Relationship between EI and EC

Volatility and EC

Volatility refers to sudden negative changes in the workplace that create instability. In organisations, this can increase stress, lower performance, and affect employee well-being. Research shows that both organisational culture and employee competencies influence how stress is experienced, making it a major issue for health and productivity.

EC together with workplace conditions, shape how stress impacts performance. When organisational commitment is weak, volatility's effects become worse. However, strong competencies help employees stay aligned with organisational goals and act as a buffer against stress. In short, volatility harms performance by raising stress and reducing commitment, while competencies play a key role in protecting employees and supporting organisational success.

H7: There is a Negative Relationship between Volatility and EC

Uncertainty and EC

Competence involves applying knowledge, skills, attitudes, and values to meet complex demands in uncertain contexts (Magruk et al., 2022). While uncertainty can stimulate curiosity, exploration, and creativity, it also challenges employees' ability to perform effectively. EC viewed as vital human capital, include strategic skills such as planning, organization and resource management, as well as entrepreneurial traits (Blanka et al., 2022).

Organisational support for career development shows only a moderate effect on competencies, whereas training has a stronger impact, underscoring the importance of HRD practices in turbulent environments (Potnuru et al., 2021). Overall, uncertainty tends to weaken employee competencies by increasing workplace challenges and limiting their influence on strategic decisions.

H8: There is a Negative Relationship between Uncertainty and EC

Complexity and EC

Complexity occurs when various parts of an organization are connected, so one decision can set off a chain reaction that affects overall performance. Unlike simple systems, complex systems involve many interlinked networks that require flexibility and adaptability to manage effectively. Global workforce challenges, such as changing expectations and rapid technological advances, make resilience and organizational support even more important.

EC the knowledge, skills and behaviours employees bring to their roles are important for handling complexity. However, when complexity is extremely high, it can reduce performance and create more workplace difficulties. Strong competencies help employees cope with these challenges and keep organisational effectiveness.

H9: There is a Negative Relationship between Complexity and EC***Ambiguity and EC***

Ambiguity arises when employees lack clear information about expectations, leading to stress, job dissatisfaction, and lower performance (Ahmad et al., 2021). Role ambiguity and role conflict reduce task performance and are major causes of organisational deficits (Üngüren et al., 2021). Studies show that both ambiguity and conflict negatively affect employee satisfaction and competencies, with job satisfaction acting as a key factor in how these variables influence performance outcomes.

H10: There is a Negative Relationship between Ambiguity and EC***Motivation and EC***

Achievement motivation equips individuals to set goals, plan, persist through challenges and manage time effectively (Murad, 2021). Motivation is categorised as intrinsic learning, enjoyment and extrinsic rewards, grades and career opportunities with studies showing extrinsic motives dominated (Tam et al., 2021; Arias et al., 2022). Employee performance depends not only on ability but also on motivation, high competence without motivation results in low performance (Wijayanto et al., 2021). Thus, motivation acts as a multiplier of competencies, enhancing effectiveness and organisational success.

H11: There is a Positive Relationship between Motivation and EC***EI Mediator the Relationship between Volatility and EC***

EI enhances self-development, interpersonal relationships and decision-making by developing skills such as emotion recognition, regulation and empathy (Papoutsi et al., 2021). These abilities help individuals manage volatility, reducing its negative impact on workplace performance. EC defined by motives, traits, self-concept, knowledge, and skills are critical for organisational success, yet volatility often undermines them (Razak, 2021).

By cultivating EI, employees can better regulate emotions, sustain motivation, and strengthen competencies, thereby mitigating volatility's adverse effects. EI thus acts as a mediator, enabling superior performance and resilience in dynamic environments.

H12: EI Mediates the Relationship between Volatility and EC***EI Mediator the Relationship between Uncertainty and EC***

Uncertainty in organisations such as during crises like COVID-19 can harm employee well-being, performance and competencies. EI through skills like self-awareness, emotion regulation, empathy and communication help employees manage stress and adapt more effectively.

When organizations provide training to build EI, employees become more resilient and better able to learn and adjust in uncertain environments. This allows them to support their competencies despite challenges. In short, EI acts as a bridge between uncertainty and employee competencies by reducing stress and improving adaptability.

H13: EI Mediator the Relationship between Uncertainty and EC

EC mediator the relationship between Complexity and EC

Complexity in organisations arises when different departments and processes are highly connected, meaning one decision can trigger many effects across the system. This can make work more challenging, increase stress and reduce performance.

EC, the knowledge, skills, and behaviours employees bring help manage this complexity. Strong competencies allow employees to adapt, solve problems, and stay aligned with organisational goals. In this way, EC acts as a mediator, it reduces the negative impact of complexity by supporting resilience and improving outcomes. In short, while complexity can strain performance, well-developed competencies help employees cope and keep effectiveness.

H14: EI mediates the relationship between Complexity and EC

EI Mediator the Relationship between Ambiguity and EC

Uncertainty in organisations often undermines employee well-being, performance and competencies, as seen during crises such as COVID-19 (Usman et al., 2021). EI through skills like self-awareness, regulation, empathy and communication, helps employees manage stress and adapt constructively (Peixoto et al., 2022; Vila et al., 2021). Training programs that cultivate EI strengthen resilience and support agile organisational learning, enabling employees to sustain competencies even in uncertain environments (Armanious et al., 2021; Magruk et al., 2021). Thus, EI mediates the relationship between uncertainty and employee competencies by reducing psychological strain and enhancing adaptability.

H15: EI Mediates the Relationship between Ambiguity and EC

EI mediator the Relationship between Motivation and EC

EI enables individuals to recognise, regulate and manage emotions, fostering resilience, adaptability, and positive interactions (Serrat et al., 2017). Motivation, meanwhile, drives enthusiasm and persistence toward achieving goals (Fahmi et al., 2022). EC built through knowledge, training and communication are closely tied to performance, with effective teamwork and leadership enhancing constructive collaboration and organisational outcomes (Muzam, 2023; Atra et al., 2022). EI mediates the relationship between motivation and competencies by strengthening emotional regulation, communication, and collaboration, ensuring that motivation translates into improved performance and organisational value.

H16: EI Mediates the Relationship between Motivation and EC

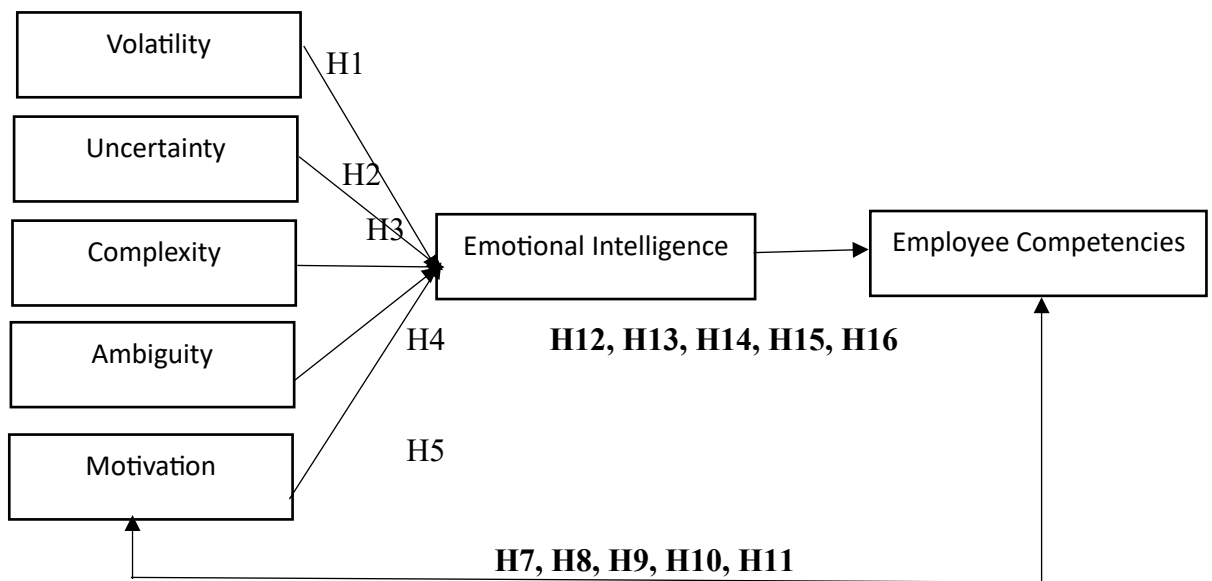


Figure 1: Research Framework

Methodology

This research adopts a quantitative design using survey questionnaires distributed to banking employees in the Klang Valley to examine how VUCA elements affect employee competencies, with emotional intelligence acting as a mediating variable. Data were analysed using correlation, regression, and mediation analyses to assess the strength of relationships and the role of emotional intelligence in sustaining employee performance. This approach highlights the novelty of integrating VUCA with McClelland's Competency Theory and offers practical guidance for human resource managers in strengthening resilience, adaptability, and innovation in the workplace.

Population

The target population for this research consists of permanent employees in the banking sector across the Klang Valley with at least one year of service. This group is selected due to its relevance, as banking employees are required to demonstrate strong competencies and adaptability within dynamic banking environments. Their continuous exposure to VUCA conditions makes them particularly suitable for examining the mediating role of emotional intelligence in the relationship between VUCA factors and employee competencies. The banking sector is selected not only for its significant role in Malaysia's financial system but also for its high demand for employees to exhibit robust competencies supported by emotional intelligence, ensuring that the findings are both valid and contextually meaningful.

Sampling Techniques

This research employs a stratified sampling approach to examine how VUCA environments influence employee competencies and emotional intelligence in the banking sector. The population is divided into subgroups based on job roles, including administration, information

technology, investment banking, and different levels of seniority, to ensure diverse representation. Within each stratum, simple random sampling is applied to minimise bias and enhance validity. Where necessary, purposive sampling is used to include employees with relevant VUCA related experience, thereby strengthening the relevance of the findings (Golzar et al., 2022). As emphasised by Rahman et al. (2022), the population and sampling frame are defined prior to selecting the sampling techniques. This combination of probability and purposive methods ensures representativeness, reduces sampling bias, and provides robust insights into employee adaptability in dynamic banking environments.

Sampling Size

The sample size was determined using Krejcie and Morgan's (1970) sample size determination table, which provides guidelines based on population size, and was further supported by power analysis using G*Power software. For structural equation modelling using partial least squares (SEM/PLS), a minimum of 240 responses is generally recommended to ensure statistical adequacy. Accordingly, this research targets at least 132 completed questionnaires, which is expected to provide sufficient statistical power to test the hypothesised relationships and mediation effects.

Table 1: Sampling Size

| No. | Level of Age | Percentage | Number of Employee |
|-----|--------------------|------------|--------------------|
| 1 | 51 to 60 years old | 36.4% | 48 |
| 2 | 41 to 50 years old | 43.2% | 57 |
| 3 | 31 to 40 years old | 6.8% | 9 |
| 4 | 21 to 30 years old | 13.6% | 18 |
| | | 100% | 132 |

This research emphasises the importance of selecting an appropriate sample size to ensure the reliability and generalisability of findings. The sample consists of working individuals in the Klang Valley banking sector and is designed to reflect the broader demographic and competency distribution. This representative approach enables findings related to VUCA influences and emotional intelligence to be generalised to the wider workforce. Statistical techniques, such as population-corrected confidence intervals, further strengthen the analysis, while strict ethical standards, including voluntary participation, confidentiality, and anonymity, safeguard data integrity and research credibility.

$$FPC = \sqrt{\frac{(N-n)}{(N-1)}}$$

Lakens (2022) highlights the importance of the finite population correction (FPC), noting that when the population size (N) is substantially larger than the sample size (n), the sample variance closely approximates the population variance. This underscores the need to calculate an adequate sample size to obtain robust variance estimates and confidence intervals, thereby supporting the generalisability of the findings.

Sampling Frame

This research adopts a quantitative approach, with individual employees in Malaysia's banking sector within the Klang Valley serving as the sampling frame. To ensure diverse representation, stratified sampling is applied across job functions and hierarchical levels, including sales roles, information technology, administration, and securities divisions. Within each stratum, simple random sampling is used to enhance validity by providing all individuals with equal chances of selection. Data are collected using standardised questionnaires measuring employee competencies, emotional intelligence, and VUCA related challenges. This structured sampling frame reflects the complexity of the banking sector, minimises bias, and strengthens the generalisability of findings, offering actionable insights into how employees adapt and develop competencies in dynamic work environments.

Unit of Analysis

The unit of analysis defines the scope of the research and guides data collection and interpretation. This research adopts individual employees within Malaysia's banking sector as the unit of analysis to examine the relationships among employee competencies, VUCA elements, emotional intelligence, and motivation. By focusing on individuals, the research captures personal skill sets, adaptive behaviours, and emotional capacities that are directly relevant to dynamic and uncertain work environments. Although prior research notes that individual-level analysis may overlook broader organisational structures (Goldsmith, 2021), this approach aligns with the objectives of the research and avoids errors such as misattributing organisational-level patterns to individuals or vice versa. A clearly defined unit of analysis strengthens validity, enhances methodological rigour, and supports the development of context-specific insights into employee adaptability in VUCA conditions.

Limitations of the Research

This research provides useful insights into employee competencies within VUCA elements and the mediating role of emotional intelligence. However, several limitations should be acknowledged. The unpredictable nature of VUCA environments may limit the generalisability of the findings. In addition, the research focuses on a limited set of competencies, does not fully evaluate the effectiveness of training interventions, and does not measure emotional intelligence in extensive detail. These limitations indicate the need for further investigation.

Future research should examine a broader range of competencies, incorporate cross-cultural perspectives, and evaluate training and emotional intelligence development more comprehensively. Longitudinal or scenario-based research designs may also be useful in exploring how employees respond to sustained uncertainty and ambiguity. Furthermore, approaches such as design thinking, systems thinking, and blended learning could be assessed to determine their effectiveness in closing skill gaps and enhancing adaptability in VUCA environments.

Conclusion

This research demonstrates that employee competencies are critical drivers of individual and organisational success in today's dynamic work environment. Competencies such as adaptability, cognitive flexibility, critical thinking, and digital literacy enable employees to

respond effectively to uncertainty, technological change, and broader global challenges. Evidence from prior studies indicates that well-designed competency frameworks not only enhance job performance and innovation but also contribute to higher job satisfaction and improved career development.

The findings highlight the strategic importance of integrating competency development into organisational practices, particularly in industries experiencing rapid transformation. By prioritising adaptability and continuous learning, organisations can strengthen workforce resilience, foster innovation, and sustain competitiveness in an evolving global economy.

Acknowledgements: The authors would like to express their sincere gratitude to Faculty of Business and Management, Universiti Teknologi MARA, Malaysia and Affin Hwang Investment Bank Malaysia Berhad, Kuala Lumpur, Malaysia for providing the necessary resources and support throughout the course of this research. Appreciation is extended to the main-supervisor, Dr. Nursaadatun Nisak Ahmad, and co-supervisor, Dr. Maliza Delima Kamarul Zaman, for their invaluable guidance, support, and encouragement. The author also thanks family members, friends, and peers for their continuous support and collaboration. Special appreciation is extended to Universiti Teknologi MARA (UiTM) for providing a supportive academic environment and to all individuals who contributed directly or indirectly to this research.

Funding Statement: No Funding

Conflict of Interest Statement: The authors declare that there is no conflict of interest regarding the publication of this paper. All authors have contributed to this work and approved the final version of the manuscript for submission to the International Journal of Entrepreneurship and Management Practices (IJEMP).

Ethics Statement: This study did not involve any human participants, animals, or sensitive data requiring ethical approval. The authors confirm that the research was conducted in accordance with accepted academic integrity and ethical publishing standards.

Author Contribution Statement: All authors contributed significantly to the development of this manuscript.
All authors read and approved the final version of the manuscript prior to submission.

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AI Use Declaration

Artificial intelligence tools were used solely for language refinement and sentence restructuring to improve clarity and readability. All research ideas, data analysis, interpretations, and conclusions are entirely the authors' own.

APPENDIX: Questionnaires

THE RELATIONSHIP BETWEEN VUCA AND EMPLOYEE COMPETENCIES IN MALAYSIA BANKING SECTORS: THE MEDIATING ROLE OF EMOTIONAL INTELLIGENCE

As a part of my research, I have undertaken the research titled as above. My research aims to investigate The Relationship Between VUCA and Employee Competencies In Malaysia Banking Sectors: The Mediating Role Of Emotional Intelligence

I invite you to participate in this research by completing the attached questionnaire. Kindly indicate your responses by selecting the appropriate option or providing written input where necessary.

I assure you that the data will be used confidentially and for academic purposes only.

If you have any queries, please do not hesitate to contact me with the following number, Rozaini Binti Sani, 014 - 975 1276.

***Required**

Demographic Profile

1. Gender: *

Tick that apply

Male

Female

2. Age: *

Tick that apply

21 to 30 years old

31 to 40 years old

41 to 50 years old

51 to 60 years old

More than 61 years olds

3. Working experience. *

Tick that apply

- Less than 1 years
 1 to 5 years
 6 to 10 years
 11 to 15 years
 16 to 30 years
 More than 30 years

4. Section do you work: *

Tick that apply

- Frontlines
 Back-office administrative

5. Do you have experience transfer department before? *

Tick that apply

- Yes
 No

6. The longer I work here, the more my Knowledge, Skills and Abilities (KSA) improve.

Tick that apply

- Yes
 No

7. How long have you been in your current department?

Tick that apply

- Less than 1 year
 1 to 3 years
 4 to 6 years
 7 to 10 years
 More than 10 years

| Employee Competencies | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|--|---|-------------------|----------|---------|-------|----------------|
| These items for measuring the strengths, knowledge, skills, abilities, adaptability, communication, teamwork, strategic thinking in workplace setting. | | | | | | |
| 1 | I am open to learning new ways of doing things. | | | | | |
| 2 | I continuously update my professional skills. | | | | | |
| 3 | I am able to analyse complex problems effectively. | | | | | |
| 4 | I effectively guide and support my team members. | | | | | |
| 5 | I possess the necessary technical knowledge for my job. | | | | | |

| Volatility | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|--|-------------------|----------|---------|-------|----------------|
| These items measuring how well employee's strengths and adaptability during frequent, rapid or unpredictable changes. | | | | | | |
| 1 | I view volatility as an opportunity to grow professionally. | | | | | |
| 2 | I stay motivated when faced with frequent change. | | | | | |
| 3 | I stay optimistic even when plans change unexpectedly. | | | | | |
| 4 | I use change as a chance to learn new skills. | | | | | |
| 5 | I remain calm and composed when things change quickly at work. | | | | | |

| Uncertainty | | | | | | |
|--|--|-------------------|----------|---------|-------|----------------|
| Uncertainty a situation where “ cause and effect are known, but it is unclear whether it will happen or not ”. | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1 | I handle uncertainty with a positive attitude. | | | | | |
| 2 | I believe that unclear situations help strengthen my adaptability. | | | | | |
| 3 | I view uncertainty as a chance to grow and learn. | | | | | |
| 4 | I ask questions and gather input to reduce uncertainty. | | | | | |
| 5 | I use uncertain times to develop new skills or insights. | | | | | |

| Complexity | | | | | | |
|---|---|-------------------|----------|---------|-------|----------------|
| These items designed and focus on how employees perceive, respond to and perform under multi-layered, interdependent and dynamic conditions. | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1 | I remain calm and focused when working on multi-layered problems. | | | | | |
| 2 | I use logical thinking to manage complex assignments. | | | | | |
| 3 | I focus on what matters most when situations become complicated. | | | | | |
| 4 | I seek support or collaborate with others when tasks become complex. | | | | | |
| 5 | I view complex situations as an opportunity to grow and think creatively. | | | | | |

| Ambiguity | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|--|-------------------|----------|---------|-------|----------------|
| <p>These items are to assess how employees thrive in situations where information is incomplete, roles are unclear or expectations are evolving. These items emphasize strengths such as tolerance, independent thinking, flexibility, emotional regulation and opportunity-seeking.</p> | | | | | | |
| 1 | I remain focused and steady in unclear work environments. | | | | | |
| 2 | I see ambiguous situations as opportunities to grow and learn. | | | | | |
| 3 | I remain confident in my work despite uncertainty or lack of structure. | | | | | |
| 4 | I stay positive when things are unclear or constantly changing. | | | | | |
| 5 | I believe ambiguity encourages me to become more creative and self-directed. | | | | | |

| Motivation | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|-------------------|----------|---------|-------|----------------|
| <p>These items are to measure employee intrinsic drive, commitment, engagement and growth orientation in the workplace.</p> | | | | | | |
| 1 | I enjoy my work because it allows me to use my strengths. | | | | | |
| 2 | I feel satisfied when I overcome challenges at work. | | | | | |
| 3 | I actively seek out opportunities to learn and grow. | | | | | |
| 4 | I enjoy stepping out of my comfort zone to improve my skills. | | | | | |
| 5 | I feel inspired to keep growing in my career. | | | | | |

| Organizational Support | | | | | | |
|---|--|-------------------|----------|---------|-------|----------------|
| These items to measure how much employees feel valued, supported and encouraged by their organization | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1 | My organization genuinely cares about my well-being. | | | | | |
| 2 | I am given opportunities to improve my skills and grow. | | | | | |
| 3 | I am encouraged to pursue training and learning opportunities. | | | | | |
| 4 | My organization supports a healthy balance between work and personal life. | | | | | |
| 5 | I feel a strong connection to my workplace. | | | | | |

| Emotional Intelligence | | | | | | |
|--|--|-------------------|----------|---------|-------|----------------|
| These items measure perception, expression, regulation and utilization of emotions | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1 | I am aware of my strengths and weaknesses at work. | | | | | |
| 2 | I remain positive even when work becomes difficult. | | | | | |
| 3 | I am able to stay calm under pressure at work. | | | | | |
| 4 | I am committed to achieving work-related goals even in the face of challenges. | | | | | |
| 5 | I try to see things from others' perspectives during conflict. | | | | | |