

Emotional Intelligence and Employee Retention- A Relationship Study on Employee's of SAIL Refractory Ltd.

Dr. B. N. Sivakumar¹, A. Chitra²

¹Professor, Adhiyamaan Engineering College, Hosur, Tamil Nadu, India

²Research Scholar, Bharathiyar University, Coimbatore, Tamil Nadu, India

Abstract: - Retaining the talented workforce is the great challenge faced by the corporate today. Employees are available with plenty of opportunities and they are ready to quit the organization even for a small reason. However finding a right person and making him fit to the organization is a cost consuming issue to the organization. So they want to retain the talented force by all means. This study is explains that emotional intelligence of employee can be used a way to retaining them. This examines the relationship between emotional intelligence and the frequency of changing the organization.

Key words: Emotional Intelligence, Employee Retention

I. INTRODUCTION

Emotional Intelligence

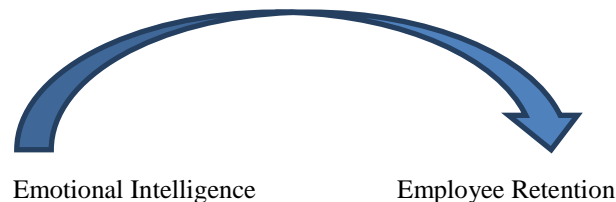
The concept of emotional intelligence should connect emotions with intelligence. In the 1980s, growing research in psychology concerned the interaction of emotion and thought (Bower, 1981) Thus emotional intelligence pertains to input and processing of emotional information. Peter Salovey and John Mayer, psychologists from Yale University and University of New Hampshire, conceive emotional intelligence as the subset of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and actions (Salovey & Mayer, 1990).

Employee Retention

Cascio describes Retention as “initiatives taken by management to keep the employee from leaving the organization, such as rewarding the employee for performing the jobs effectively, ensuring harmonious relationship between employees and manager and maintaining safe healthy work environment” Is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Employees today are different they are not the ones who don't have good opportunities in hand. As soon

as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees.

Theoretical Framework



II. OBJECTIVES

Today employer needs concentrate on retention of talented workforce to enhance the performance. And the recruitment of new employee involves cost of recruitment and training and cost of errors caused by new employees. So it is important for an organization to retain the existing workforce. In this paper the researcher examines the impact of emotional intelligence in decision making. The decision to retain or quit is influenced by emotional intelligence or not.

This paper aimsto study the relationship between Emotional Intelligence and Employee Retention.

III. HYPOTHESIS

H0: there is no relationship between emotional intelligence and employee retention

H1: There is a relationship between emotional intelligence and employee retention

IV. RESEARCH METHODOLOGY

Research Design

Descriptive research design has been used to study whetheremotional intelligence has any impact over employee retention.

Sample Size

Totally 208 employees are working in SAIL Refractory Company Ltd from that 50 employees were taken for the study.

Sampling technique

Systematic Random Sampling is used to select the samples of the study. Form the employee role every 4th person has been taken as the sample for the study. Totally 52 questionnaires were distributed among the employees form that researcher got 50 complete questionnaires for the study.

Data collection

Well administered questionnaire were distributed among employees for collecting the primary data. And the secondary data has been collected form the websites.

V. DATA ANALYSIS

Chi Squire Analysis

Chi Squire Test showing the relationship between Emotional Intelligence and Employee retention

Level of Emotional Intelligence of the Respondent	Satisfaction of Respondent				Chi-Square Value	P Value
	Dis Satisfied	Satisfied	Highly Satisfied	Total		
High Emotional Intelligence	0	25	5	30	50.952	<0.001**
Moderate Emotional Intelligence	10	0	0	10		
Low Emotional Intelligence	10	0	0	10		
Total	20	25	5	50		

Since the P value is less than 0.01 null hypothesis is rejected at 1percentage level of significance.

Hence there is highly significant relationship between emotional intelligence and retention of employees. No employees with high emotional intelligence got dissatisfied about their job and they find no reasons to leave the organization. And employee with low emotional intelligence got dissatisfied about their job and they have reasons to leave the organization.

Regression Analysis

- Dependent Variable : Retention of employees
- Independent Variable : Emotional Intelligence
- Multiple R value : 0. 886
- R Square value : 0. 786
- F value : 175.923
- P value : <0.001

Regression Table

Variables	Unstandardized coefficients	SE of B	Standard ized coefficients	t value	P value
Constant	5.250	.164		31.940	<0.001
Emotional Intelligence	1.219	.092	0.886	13.264	<0.001

The multiple correlation coefficient is 0.886 measure the degree of relationship between the actual values and predicted values of retention.

The coefficient of determination R-Square measures the goodness of fit of the estimated Sample Regression Plan (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus the value of R square is 0. 786 which means78.6 percentage variation in retention is explained by the estimated SRP.

The multiple regression equation is

$$Y = 5.250+(0.886x)$$

Hence the coefficient of X1 is 0.886 represents the positive effect of emotional intelligence onretention, holding the other variables as constant. The positive sign implies that retention would increase by 0.886 for every unit of increase in emotional intelligence.

Correlation Analysis

variables	Correlation	Retention	Emotional Intelligence
Retention	Pearson Correlation	1	0.886**
	P value		<0.001
Emotional Intelligence	Pearson Correlation	0.886**	1
	P value	<0.001	

Above correlation table explains 88.6% positive relationship between emotional intelligence and employee retention.

VI. FINDINGS AND CONCLUSIONS

The results of above analysis prove the alternative hypothesis. Thus the decision of retaining in the same organization is significantly influenced by emotional intelligence. This

ensures the relationship between emotional intelligence and retention intention. This results emphasis the importance of emotional intelligence programs to improve the retention of employees.

REFERENCES

- [1]. Beadles, N. A. II, Lowery, C. M., Petty, M. M., & Ezell, H. (2000) "An Examination of the Relationships between Turnover Functionality, Turnover Frequency, and Organizational Performance", *Journal of Business and Psychology*, No.15, pp.331-387.
- [2]. Cascio W F (2003), *Managing Human Resources*, McGraw-Hill, New York
- [3]. Cho, S., Woods, R., Jang, S. and Erdem, M. (2006), "Measuring the impact of human resource management practices on hospitality firms' performances", *International Journal of Hospitality Management*, Vol. 25, No. 2, pp. 262-77.
- [4]. Goleman, D. (1995). *Emotional intelligence*. New York: Bantam Books
- [5]. Goleman, D. (1998). *Working with Emotional intelligence*. New York: Bantam Books
- [6]. Gonul Kaya Ozba, Gokçe Çiçek Ceyhun (2013) Does Job Satisfaction Mediate The Relationship Between WorkFamily Conflict And Turnover? A Study of Turkish Marine Pilots, *Procedia - Social and 41*. Harkins, P. J. (1998). Why employees stay – or go. *Workforce*, 77(10), 74-78.
- [7]. Herzberg, F. (1966). *Work and the nature of man*. New York: World Publishing.
- [8]. Jess Scott (2014) "How to Let Go of Negative Thoughts and Emotions," Preston C.
- [9]. Jordan, Peter J. and Troth, Ashlea (2011) "Emotional intelligence and leader member exchange: The relationship with employee turnover intentions and job satisfaction", *Leadership and Organization Development Journal*, Vol. 32 No. 3, pp. 260-280.
- [10]. K.S. Law, C.Wong, & L.J. Song, "The construct and criterion validity of emotional intelligence and its potential utility for management studies," *Journal of Applied Psychology*, vol.89, pp.483-496, 2004.
- [11]. Lee, J., & Ok, C. (2012). Reducing burnout and enhancing job satisfaction: Critical role of hotel employees' emotional intelligence and emotional labor. *International Journal of Hospitality Management*, 31, 1101-1112.
- [12]. Mendonsa, R.(1998). Keeping who you want to keep: Retaining the best people. *Supervision*, 59, 10-12.
- [13]. Middlebrook, J.F.(1999). brain drain: How to lock in talent. *Human Resource Focus*,76 (3), 9-10.
- [14]. Ni.P.30-34Behavioral Sciences 140 (2014) 643 – 649.
- [15]. Olivier Serrat, "Understanding and Developing Emotional Intelligence," *Knowledge Solutions*, pp. 49-58, June 2009.
- [16]. P.E. Spector, S. Fox, P.T. Van Katwyk, "The role of negative affectivity in employee reactions to jobs: Nuisance effect or substantive effect?" *Journal of Occupational and Organizational Psychology*, 72, pp.205-218, 1999.
- [17]. R.P. Tett, J.P. Meyer, "Job satisfaction, organizational commitment, turnover intention, and turnover: Path analyses based on meta-analytic findings," *Personnel Psychology*, 46, pp. 259-293, 1993.
- [18]. Salovey, P. and Mayer, J. D. (1990) "Emotional intelligence. Imagination", *Cognitions and Personality*, Vol. 9, No. 3, pp. 185-211
- [19]. Smith, P. C., Kendall, L. M., &Hulin, C. L. (1969). *The measurement of satisfaction in work and retirement*. Chicago: Rand McNally