Relationship between Emotional Intelligence and Employees Turnover Rate in FMCG Organizations

Razi Sultan Siddiqui
Faculty Member, DHA Suffa University, Karachi, Pakistan
E-mail: razi_sultan@yahoo.com

Atif Hassan (Corresponding Author)
PhD Scholar, Ifugao State University, Lagawe, Philippines
E-mail: aatiff@gmail.com

Abstract

The study has been designed to determine the impact of emotional intelligence on turnover rate of first line managers of FMCG organizations in Karachi. It is generally believed that low emotional intelligence is a determinant of high turnover rate in first line managers of the FMCG organization. A sample of 40 employees from different FMCG organizations of Karachi who are performing their duties at first line management level falling within the age range of 20–40 years, with education level from Intermediate to Masters has been drawn randomly. Personal information of the participants is collected through demographic information sheet. TEIQue (Petrides and Furnhm, 2003) questionnaire is used to measure the variables of employees' turnover and trait emotional intelligence. All participants have to respond on a seven point Likert scale. A higher score on this scale indicates higher level of emotional intelligence. In order to analyze the data, Statistical Package for Social Science (SPSS, V, 12) is applied. Descriptive statistics (mean and standard deviation) is applied to study the sample characteristics and linear regression analysis and Karl Pearson's Coefficient of Correlation (Pearson's product moment correlation coefficient) is calculated. This analysis shows strong relation of low emotional intelligence with increased employee job turnover rate.

Keywords: Job satisfaction, employee's turnover rate, emotional intelligence.

1. Introduction

1.1 Background of the study

Management of emotion is dependent on a person's emotional intelligence (Goleman, 1995). People having high intelligence are more successful and can make stronger relationships than those with low emotional intelligence (Cooper, 1997). Different people possess different types of skills and abilities and different people control their emotions differently (Salovey and Mayer, 1990).

People having high emotional intelligence can cope with the organizational problems more effectively than those having low emotional intelligence.

Emotional intelligence is the person's ability to manage and control his or her emotions and to understand the emotions of others and it also help to take personal and organizational decisions.

Researchers also suggest that high emotional intelligence is related to better social network and quality (Ciarrochi et al., 2001; Dawda and Minski, 2003; Schutte et al., 1998) that create job satisfaction that leads to the longer stay in an organization.

1.2 Problem Statement

Most recently, Prentice and King (2011) studied and confirmed that Emotional Intelligence is a strong predictor of the service performance of employees in the work place. It is generally observed that the employees who perform well in their organization usually stayed for a longer duration of time in their organization. Present research mainly focuses on the possibility of impact of emotional intelligence on turnover rate of employees in the FMCG organizations.

1.3 Research Objectives

This study is aimed at conducting research on first line managers of FMCG organizations in Karachi in order to determine the possible impact of the emotional intelligence on turnover rate of employees.

1.4 Statement of Hypotheses

The literature review of the researches conducted helped to formulate the following hypotheses:

- "Low emotional intelligence is a determinant of high turnover rate of first line managers".

The most important thing in emotional intelligence is that employee having high score in emotional intelligence show strong interpersonal skill in his or her work environment and can cope better with work stressors and can deal problems more effectively than the person having low emotional intelligence. After detailed literature review and keeping in the view Pakistani culture, the above hypothesis is constructed to identify the impact of emotional intelligence of employee job turnover rate.

1.5 Research Methodology

1.5.1 Sample

The convenience sampling technique is used in this study. Present study is conducted in different FMCG organizations in the Karachi city and then randomly selected for the data collection. The sample consists of 40 employees of FMCG organizations who are performing their duties at first line management level. The ages of participants range from 20 to 40 with the mean age of 30.9 years. The educational level of all participants was from Intermediate to Masters.

The method for the determination of sample size used in this study is unaided judgment. This study uses a sample that is comparatively small, because unique and particular findings are involved with only one segment of business which is FMCG organizations.

However, even studies with small samples may help to identify theoretically provocative ideas that merit further exploration.

1.5.2 Data Collection Method

In this study the sample was recruited from different FMCG organization located in the Karachi and then randomly selected for data collection. Sample of the research comprised of 40 (26 males, 14 females) with the mean age of 30.9 years. Their education level was from intermediate to masters. The participants were briefed about the purpose of the study. Once the rapport was established the personal information sheet was filled which focused on the participant's age, gender, marital status, level of education, working experience, number of current job (in order to identify their job turnover rate) and major reasons of leaving previous jobs then TEIQue Trait Emotional Intelligence Questionnaire having 30 item questionnaire was administered to assess the emotional intelligence in the participants, the scale is a easy version which covers the trait emotional intelligence sampling domain carefully and provides dependable emotional intelligence score that correlate meaningfully with a wide range of criteria, including job satisfaction, personality dimensions, job control, and job involvement and commitment. Participants responded on a seven point Likert Scale. A higher score on this scale indicates higher level of emotional intelligence. In order to examine the data statistically, SSPS, Vol. 12 is used for statistical analysis. Descriptive statistics (mean and standard deviation) is applied to study the sample characteristics and (Pearson Product moment) linear regression to investigate the relationship between variables.

1.5.3 Reliability and Validity of the Questionnaire

The Trait EI questionnaire (TEIQue; Petrides and Furnhm, 2003) is used with the permission of the Author of the Questionnaire through email. This questionnaire is based on the full form of the TEIQue (TEIQue; Petrides and Furnhm, 2003), which covers the trait emotional intelligence sampling domain comprehensively. The TEIQue provides highly reliable global trait emotional intelligence score that correlate meaningfully with a wide range of diverse criteria, including coping styles, life satisfaction, personality disorders, perceived job control, and job satisfaction (Petrides et al.,2003).

1.6 Limitation and Scope of the Study

The sample consists of only first line managers of FMCG organizations due to the time and budgetary constraints. Middle and upper management levels may also be included for further studies. Findings of the present study suggest that assessment of the emotional intelligence before recruiting employee on the job will help employer to predict the retention rate of employees up to certain extend because employee having high score of emotional intelligence can frame and regulate once mood, keeping in mind the demand of the situation, but it also helps to minimize the emotional pressure by adapting positive view of life. Emotionally intelligent people can better, as they have capability to manage their emotions, to solve and manage different problems intelligently, and have good decision making ability.

2. Literature Review

In this study the impact of emotional intelligence on job turnover rate investigated, the result showed that high emotional intelligence may be predictor of low job turnover rate.

In a study, the association between emotional intelligence and turnover intension of employees has also been seen in a company of hotel industry, according to this study it has been formulated that few aspects of emotional intelligence forecast the positive impact on the employees' relationship with the industry and not with the particular company. (Wolfe and Kim, 2013)

The strong relationship has also been seen between emotional intelligence and turnover intension in a field survey conducted on nurses of few organizations, which are providing the health care services in Greece. Specifically negative influence of self-emotional appraisal and use of emotion on turnover intensions has been observed in this particular survey. (Trivellas et al., 2013)

In one of the research conducted in a company, indicated that the positive and or negative relationship between followers and leaders also intervene and play an important role and influence subordinates' decision and contribute in between emotional intelligence of employees turnover rate. (Jordan and Troth, 2011)

Emotion, being the most significant and influential component of personality, plays an extremely important role in the one's wellbeing and an effective management of emotions is an important aspect of human adjustment and life satisfaction. Effective management of emotion is depended on a person's emotional intelligence which has been proposed both as an important addition in landscape on human fields of life (Goleman, 1995).

Emotional intelligence is defined as the ability to adaptively perceive, understand and regulate emotions in oneself and others person (e.g., Salovey and Mayer, 1990; Schutte, Malouff, Hall, Haggerty, Cooper, Golden, and Dornheim, 1998). Most of the researchers suggest that people having high emotional intelligence "get more success, make better interpersonal relation, work more effectively and spend healthy life than those people having low emotional intelligence.

Emotional intelligence is also a very important aspect of mental health. According to Hamachek (2000), the development of emotional intelligence plays a significant role in exploring oneself in different life situations. Sparrow (2005) in his article "Emotional Intelligence and other Psychological Concepts and Approaches", also discuss about the relationship between emotional intelligence, self-esteem and self-confidence. He suggested that when emotional intelligence increases, self-confidence and self-regard increase, it makes person fully healthy (not only emotionally but physically also), happy and successful.

As the ability to understand other's emotions and regulate one's emotions are the central components of emotional intelligence, he or she would display better social skills adaptation and better adjustment to stressors and can cope effectively with problems in an organization that may leads to low switching of jobs.

Few research findings show the positive relationship with academic performance, the main purpose of this research is to examine emotional intelligence as it relate to job performance, job satisfaction, adjustment in work environment, personal management, motivation and most specifically job turnover rate.

3. Data Collection

In this study the sample was recruited from different FMCG organization of Karachi. Sample of the research comprised of 40 (26 males, 14 females) with the mean age of 30.9 years. Their education level was from intermediate to masters. The participants were briefed about the purpose of the study. Once the rapport was established the personal information sheet was filled which focused on the participant's age, gender, marital status, level of education, working experience, number of current job (in order to identify their job turnover rate) and major reasons of leaving previous jobs. The Trait Emotional Intelligence Questionnaire with 30 statements was administered to assess the emotional intelligence. Participants have to respond on a seven point liker scale. Higher the score on the above mentioned emotional intelligence questionnaire indicate higher level of emotional intelligence.
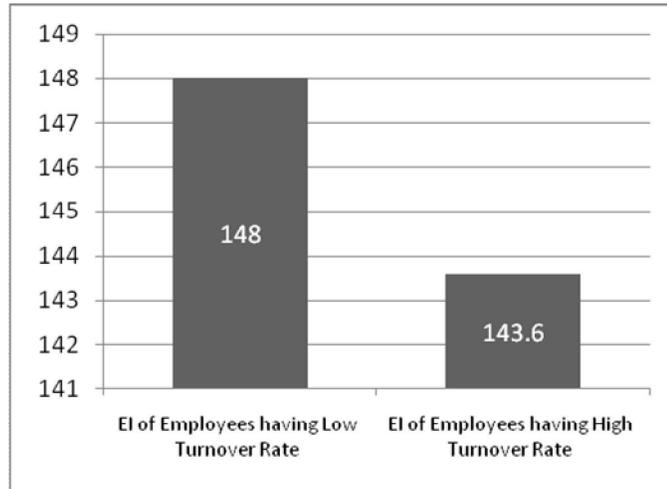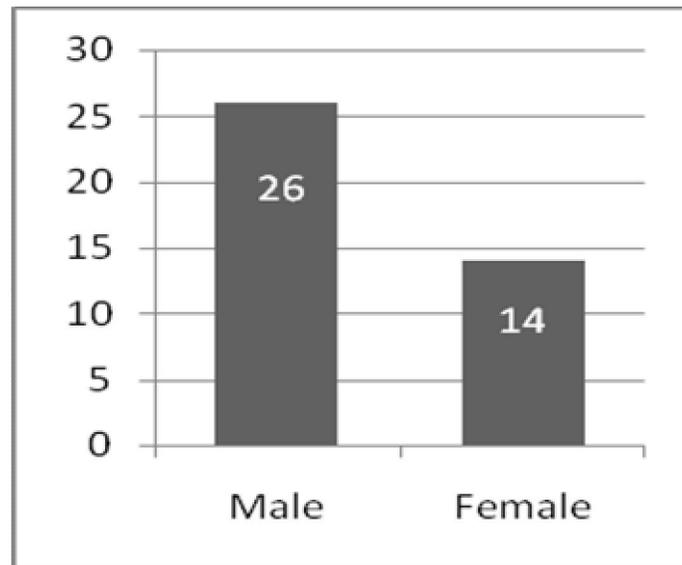

Figure 1: Emotional Intelligence Rate of Employees
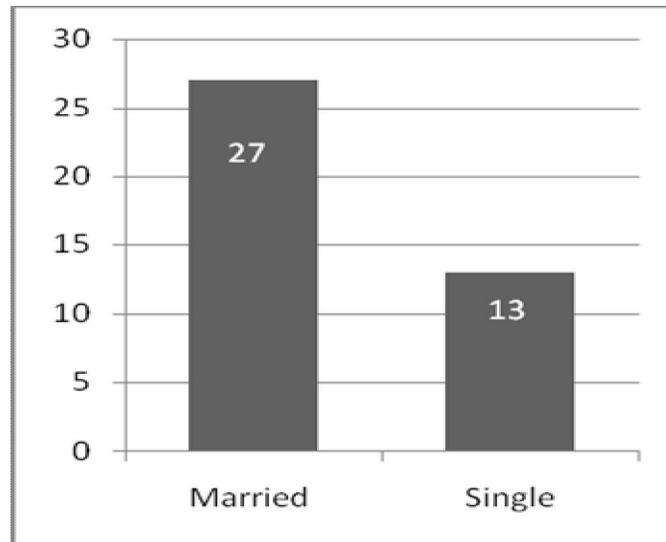Source: Authors' own computations
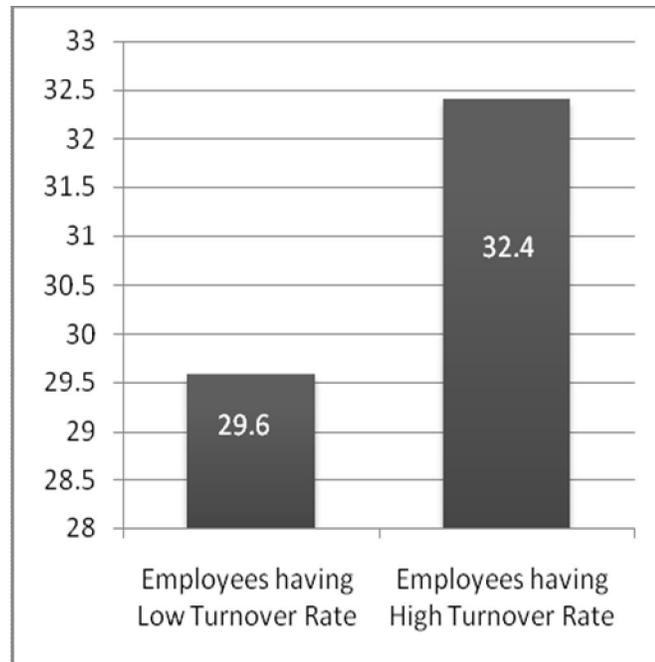
Figure 2: Average Age of Employees
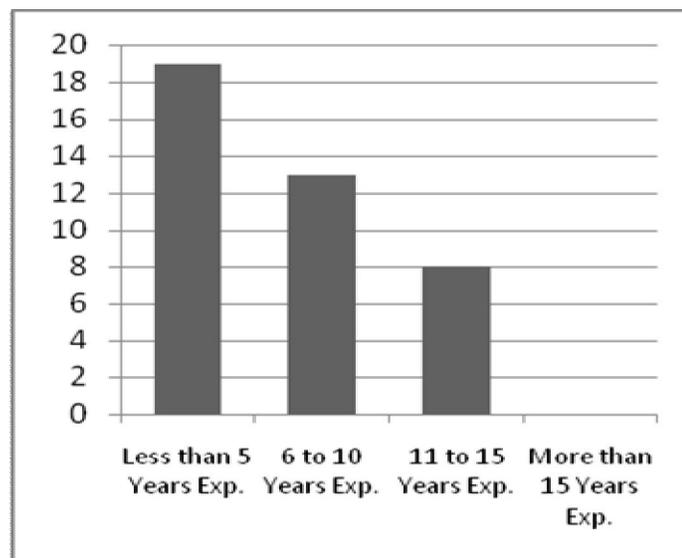Source: Authors' own computations

Figure 3: Ratio of Gender of Employees
Source: Authors' own computations

Figure 4: Marital Status of Employees
Source: Authors' own computations

Figure 5: Working Experience of Employees

Source: Authors' own computations

4. Research Findings

Table 1 represents statistics of gender in cross tabulation and turnover rate vertically under the heading of total, table is showing 22 employees with Low and 18 employees with high turnover rate.

Table 1: **Number of Employees**

		Gender		Total
		F	m	
Turn over	1.00	9	13	22
	2.00	5	13	18
Total		14	26	40

Table 2: Age Mean and Standard Deviation

	N	Minimum	Maximum	Mean	Std. Deviation
Age	40	21	42	30.90	5.804

Table 3 (a): Age of Employees with Low EI

	N	Minimum	Maximum	Mean	Std. Deviation
Age	22	22	37	29.64	5.341

a Turnover code = 1.00

Table 3 (b): Age of Employees with High EI

	N	Minimum	Maximum	Mean	Std. Deviation
Age	18	21	42	32.44	6.119

a Turnover code = 2.00

Mean and standard deviation with standard error mean of employees having low and high turnover (TO) is illustrated in table 4.

Table 4: Employees with Low and High Turnover

	Turnover code	N	Mean	Std. Deviation	Std. Error Mean
Total	Low TO	22	148.00	18.657	3.978
	High TO	18	143.61	20.173	4.755

Table 5 is comparison of Low (1 and 2) turn over (n=22) and high (3,4,5) and showing insignificant differences on EQ and all its subroutines between high TO and Low TO groups.

Table 5: Insignificant Difference on EQ

	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Total	.714	38	.480	4.389	6.150

Table 6 is shows model summary and interpreting R Square (.013) indicates that turnover rate creates only .01 percent variation in EQ total score.

Table 6: Variation in EQ

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.115(a)	.013	-.013	19.350

a Predictors: (Constant), Employee Turnover Rate

Table 7 shows Anova (b) table is part of regression and [$F_{(1, 38)}$=.509; p> .05] indicates insignificant association between turnover rates and EQ.

Table 7: Insignificant Association TO and EQ

| Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	190.697	1	190.697	.509	.480(a)
	Residual	14228.278	38	374.428		
	Total	14418.975	39			

a Predictors: (Constant), Employee Turnover Rate
b Dependent Variable: total

Table 8 shows that current data internal consistency is adequate showed by Cronbach's Alpha .873

Table8: Internal Consistancy

Reliability Statistics	
Cronbach's Alpha	N of Items
.873	31
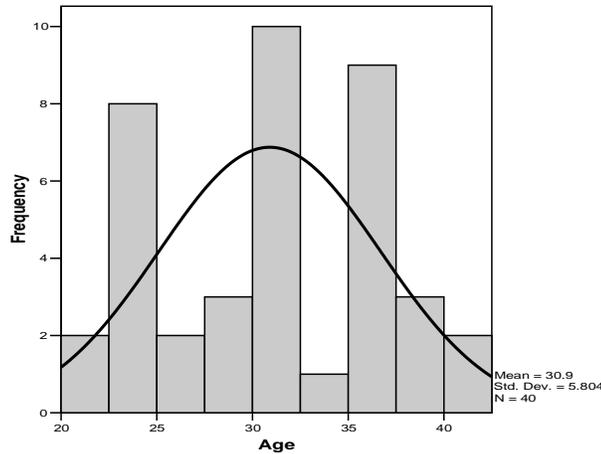
Since there is only one Independent (Emotional Intelligence) variable and only one dependent (Turnover Rate) variable. Therefore, only Normality have checked, and there it is not requirement to check (i.e. heteroskedasitcity, multicollinearity, autocorrelation, linearity etc.).

5. Conclusion

The present study indicates insignificant association between emotional intelligence and employees' turnover rate. Low emotional intelligence may be a determinant of high turnover rate if the sample size bigger than this study sample (r= -.031, p< .05). These findings are somehow consistent with the formulated hypothesis and the association between trait emotional intelligence and turnover.

Individual with high score on trait emotional intelligence can regulate his or her behavior in a way that promote wellbeing, job satisfaction, motivation level, interpersonal relationship, quality of work life and retention time in an organization.

6. Future Research Avenues

To prove the significant association between emotional intelligence and employees' turnover rate, it is recommended to study on large size sample. In order to explore the concepts of emotional intelligence in future it would also be better to use qualitative method. The level and individuals' behavior could be explore through a qualitative research and will contribute more gen in the field of emotional intelligence studies. An essential task for future research is to look at the impact of emotional intelligence trait emotional intelligence on real life condition which is linked to happiness and satisfaction such as achievement, health and so on.

REFRENCES

Austin, E. J., Saklofske, D. H., and Egan, V. (2005). Personality, well-being and health correlates of trait emotional intelligence. *Personality and Individual Differences*, 38, 547–558.

Cooper, R. (1997). Applying emotional intelligence in the workplace: Part 2 of article. *Training and Development, 51* (12), 31-38

Goleman, D. (2000). *Emotional Intelligence: Why it can matter more than IQ* New York: Bantam Books.

Hamachek, D. (2000). Dynamics of self-understanding and self-knowledge: Acquisition, advantages, and relation to emotional intelligence. *Journal of Humanistic Counseling Education and Development,* 38 (4), 230-243.

Martinz-Pons, M. (1997).The relationship of emotional intelligence with selected areas of personal functioning. *Imagination, Cognition and Personality,* 17, 3-13.

Jordan, P.J. Troth, A. (2011). Emotional intelligence and leader member exchange: The relationship with employee turnover intentions and job satisfaction. *Leadership and Organization Development Journal*, 32(3), 260 – 280.

Petrides, K. V., and Furnham, A. (2003). Trait emotional intelligence: Behavioral validation in two studies of emotion recognition and reactivity to mood induction. *European Journal of Personality,* 17, 39-57.

Prentice, C., and King, B. (2011).The Influence of Emotional Intelligence on the Service Performance of Casino Frontline Employees. *Tourism and Hospitality Research,* 11, 49-67.

Salovey, P., and Mayer, J. D. (1990). Emotional Intelligence. *Imagination, Cognition and Personality, 9,* 185-502.

Schutte, N. S., Malouff, J. M., Hall, L. E., Haggerty, D. J., Cooper, J. T., Golden, C.J., and Dornheim , L. (1998). Development and validation of a measure of emotional intelligence. *Personality and individual differences, 25,* 167-177.

Slick T.J. and Schutte N. S. (2006). Emotional intelligence and self-esteem mediate between perceived early parental love and adult happiness. *Journal of Applied Psychology: Emotional intelligence*, 2(2), 38-48.

Trivellas P., Gerogiannis V., Svarna S. (2011). Exploring Workplace Implications of Emotional Intelligence (WLEIS) in Hospitals: Job Satisfaction and Turnover Intentions. *Procedia - Social and Behavioral Sciences*, 73, 701–709.

Wolf K. and Kim H.J. (2013). Emotional Intelligence, Job Satisfaction, and Job Tenure among Hotel Managers. *Journal of Human Resources in Hospitality and Tourism,* 12(2), 175-191.