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

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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 form leaving the organization, such as rewarding the employee for performing the jobs effectively, ensuring harmonious relationship between employees and manager and marinating 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

Emotional Intelligence Employee Retention

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 aims to 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 whether emotional 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

<table>
<thead>
<tr>
<th>Level of Emotional Intelligence of the Respondent</th>
<th>Satisfaction of Respondent</th>
<th>Chi-Square Value</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Emotional Intelligence</td>
<td>Dis Satisfied</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Moderate Emotional Intelligence</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Low Emotional Intelligence</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>25</td>
<td>5</td>
</tr>
</tbody>
</table>

Since the P value is less than 0.01 null hypothesis is rejected at 1% percentage 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
<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficients</th>
<th>SE of B</th>
<th>Standardized coefficients</th>
<th>t value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>5.250</td>
<td>.164</td>
<td>31.940</td>
<td>&lt;0.001</td>
<td></td>
</tr>
<tr>
<td>Emotional Intelligence</td>
<td>1.219</td>
<td>.092</td>
<td>0.886</td>
<td>13.264</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

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 means 78.6 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 on retention, 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

<table>
<thead>
<tr>
<th>variables</th>
<th>Correlation</th>
<th>Retention</th>
<th>Emotional Intelligence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.886**</td>
</tr>
<tr>
<td>P value</td>
<td></td>
<td>&lt;0.001</td>
<td>1</td>
</tr>
<tr>
<td>Emotional Intelligence</td>
<td>Pearson Correlation</td>
<td>0.886**</td>
<td>1</td>
</tr>
<tr>
<td>P value</td>
<td></td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

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 emphasises the importance of emotional intelligence programs to improve the retention of employees.

REFERENCES


