

Emotional Intelligence and Retention: The Moderating Role of Job Involvement

Mahfuz Judeh

Abstract—The main aim of the current study was to examine the effect of emotional intelligence on retention. The study also aimed at analyzing the role of job involvement, as a moderator, in the effect of emotional intelligence on retention. Using data gathered from 241 employees working with hotels and tourism corporations listed in Amman Stock Exchange in Jordan, emotional intelligence, job involvement and retention were measured. Hierarchical regression analyses were used to test the three main hypotheses. Results indicated that retention was related to emotional intelligence. Moreover, the study yielded support for the claim that job involvement had a moderating effect on the relationship between emotional intelligence and retention.

Keywords—Emotional Intelligence, Job Involvement, Jordan, Retention.

I. INTRODUCTION

WITH increasing changes in telecommunications and globalization in business, organizations face more international competitiveness in industry and services. The new challenges propelled corporations to adapt and adopt new methods of management. Retention of competent and talented employees in hotels and tourism corporations is a challenge to management since employee turnover is a critical issue in the industry. However, the issue arises that there are many difficulties facing human resource management in retaining employees.

In a competitive environment, management success depends on its ability to recruit, employ and retain skilled employees having high rate of performance. Labor turnover has been a concern for managers for a long time ago because it is costly and can affect customer relationship and production schedules. Scholars, Cho et al [1], and Hinkin and Tracey [2] stated that managers who understand the value of human capital and adopt good organizational policies and management practices in pursuit of employee retention will outperform the competition. Indeed, tenured workforces not only reduce the separation, recruiting, selection and hiring costs associated with employees' turnover, but also become more productive over time, resulting in higher competitiveness and added profitability [1],[2].

The various reasons for people leaving organizations have been found as external inequity of salary, limited growth opportunities, role stagnation, under utilization of skills, and lack of recognition [3]. Other reasons may include job

dissatisfaction, minimal degree of job security and other working conditions.

The construct of emotional intelligence concerns how manager allows emotions to lead his/her way of thinking and actions; in other words, emotional intelligence has as much to do with knowing the way and the time to express emotions as well as to control them. Therefore, emotional intelligence expresses the ability of the manager to improve his/her thinking to solve problems and take decisions. Increased levels of EI can predict more favorable social results [4]. Lower levels of EI can predict increased relationship conflict and the inability or failure to meet social or cultural expectations [4]. According to Rosete and Ciarrochi [5], managers who rate higher in EI are in a better position to develop effective and lasting relationships with other groups. So, emotional intelligence is one of the key determinants of success in leading people in business.

Based on the introduction, the current article focuses on examining the effect of emotional intelligence on employee involvement and retention. These relationships deserve further exploring, and as such, the current study adds to the management and organizational behavior knowledge and researches.

II. THEORETICAL BACKGROUND

A. Emotional Intelligence

Emotional intelligence has been of significant importance in business and psychological fields over the last three decades since it is a significant factor in interpreting and analyzing human behavior at work. The concept of emotional intelligence evolved from the theory of social intelligence, which involves the ability to understand and interact with others. The two concepts, emotional intelligence and social intelligence involve the ability to overlap because they both involve the skill of being able to understand others [6].

The phrase of emotional intelligence was coined by Salovey and Mayer [7] who defined it as the subset of social intelligence that involves the ability to monitor one's own and others feelings and emotions, to discriminate among them and to use information to guide one's thinking and action.

The conceptualization of emotional intelligence has evolved to include the ability to recognize emotions, to generate and reason them, to understand them, and to reflectively regulate emotions in oneself and in others [8]. Depending on this conceptualization, emotional intelligence can be seen as a group of abilities which can be acquired and learned.

To achieve common goals of organization, a manager should know how to understand other feelings and emotions,

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and build strong and close relationships with them. Understanding emotions offers insights into what motivates people and others' points of view, while managing emotions allows an individual to deal with their feelings constructively at work [9]. Depending on the ability of leaders to express their excitement and enthusiasm for initiatives and directives, the employees feel and react with their emotions accordingly [10]. Effective emotional management and the ability to understand emotions are also important for effective leadership at work, as EI enhances a leader's ability to solve problems and to address issues and opportunities [11].

Theorists found that emotional intelligence was a key predictor of many key performance indicators in organization. Ford [12] concluded that there was a significant relationship between emotional intelligence and job satisfaction scores of the front-line healthcare staff. Researchers revealed a positive correlation between emotional intelligence of the managers and performance [13],[14]. The consideration of the positive effects of emotional intelligence on these key performance indicators made its way into the achievement of organizational goals. Depending on the above literature review, the following hypothesis was formulated:

H1: Retention will be positively related to emotional intelligence.

B. Job Involvement

The construct of job involvement has been defined as one of a set of healthy workplace practices, defining it as policies that involve employees in decision making, focusing on aspects such as job autonomy, self managed work teams, and empowerment [15]. Lawler [16] defines employee involvement with four key principles: increasing skills and knowledge, sharing information, redistributing power, and rewarding performance. Employee involvement concept reflects the argument that if organizations take care of their employees, employees are expected to reciprocate.

Job involvement is important element that has significant impact on individual employee and organizational outcomes [17]. This means that job involvement has major impact on productivity and efficiency of employee and work has vital role in increasing job involvement of individual if it plays significant role in the life of employee [18]. A study by Riordan, Vandenberg, and Richardson [19] found that a climate of employee involvement within an organization is positively related to higher levels of organizational effectiveness. The adoption of high-involvement human resource management work practices was found to be inversely associated with establishment turnover, yet explained only about two percent of the total variance in establishment RN turnover [20]. Analysis revealed that affective and behavioral involvement had a significantly positive effect on evaluation of some organizational citizenship behavior dimensions [21].

Employee involvement management practices have shown a number of positive relationships with work issues, including improved productivity and organizational effectiveness, job satisfaction, morale, motivation, and health and safety [22]. As

for dimensions of employee involvement, the "Job Involvement Inventory" developed by Kanungo [23] could be classified into three categories, consisting of work concentration, work evaluation and work identification. Arising from the above literature review, the following hypothesis was formulated.

H2: Retention will be positively related to job involvement.

C. Retention

Organizations increasingly realized that employee is the key to their success and view employer-employee relationship as a mutually beneficial process. Cascio [24] describes retention as initiatives taken by management to keep employees from leaving the organization, such as rewarding employees for performing their jobs effectively; ensuring harmonious working relations between employees and managers; and maintaining a safe, healthy work environment. In fact, the cost of an individual quitting organization and get a replacement for him may include direct costs as advertising, recruiting, and training, as well as indirect costs, such as, lost work hours, cost of overtime, and cost of errors made by the new replacement. In addition to that, retention of employees is critical to business success because it is necessary to retain talented and high-rated performers and keep them from getting poached to competitors.

Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs [25]. It is worth saying that new employees are quicker to make a decision whether to stay or quit the work in any organization, and this may be due to loyalty problem. Excessive turnover is a sign of organizational problems that should be addressed and solved. Beadles et al. [26] found a positive and significant correlation between job retention and organizational performance. Romzek [27] explained that employees having higher involvement in their work and organization have better relations with their families and social environment which creates a psychological attachment with the organization. Employees who are satisfied have higher intentions of staying with an organization, which results in decreased turnover [28]. Organizations having satisfied employees have more pleased customers and fewer complaints. This results in organizations with satisfied employees having higher levels of customer retention [29].

Customers who are satisfied have more repurchases, which is reflected on sales volume and profit maximizing in organizations. Based on the literature review and in order to test the proposed relationships, the following hypothesis was developed:

H3: Job involvement moderates the relationship between emotional intelligence and retention.

D. Research Model

After presenting the theoretical background and the proposed hypotheses, the research depicts Fig. 1 which

illustrates all the relationships among the constructs under study.

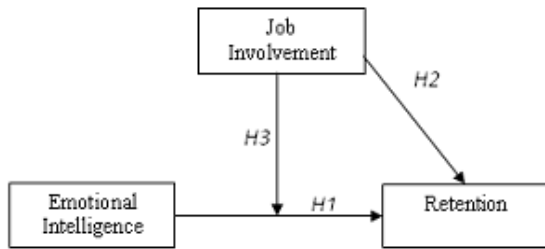


Fig. 1 The Research Model

The model includes three hypotheses to be investigated, which represent the following constructs: emotional intelligence as the independent variable, retention as the dependent variable, and job involvement as the moderator between the two constructs.

III. RESEARCH METHODOLOGY

A. Participants

A total of 245 employees working with hotels and tourism corporations listed in Amman Stock Exchange in Jordan filled out a distributed survey; however 4 were excluded due to incomplete responses, leaving a total of 241 usable questionnaires. A five-point scale was employed for ranging from 1 (strongly disagree) to 5 (strongly agree). A single, open-ended item was used to separately measure age and income as values.

The sample of participants had a mean age of 31.10 years and a standard deviation of 11.031 years, while in terms of income; the sample had a mean of JD526.28 and a standard deviation of JD252.184.

B. Measures

The questionnaire covered four sections as follows:

Control variables. Age was included as a control variable. Previous research had shown that demographic variables such as age [30] influence individuals' attitudes toward other people or subjects, and, thus, might influence emotional intelligence or employee involvement. Income also, was included with age as control variables. Our reasoning was that income may correlate with emotional intelligence or employee involvement.

Dependent variable: Retention, as the dependent variable, was measured using a 5-item scale developed by the author based on the study literature.

Independent variable: Emotional intelligence was measured using a 10-item scale based on the Trait Meta-Mood Scale [31] and Schutte Self-Report Inventory [32].

Moderating variable: As for employee involvement, six items were adopted and partially adjusted from the study of Lodahl and Kejner [33] along with three additional items developed by the author.

IV. DATA ANALYSIS AND FINDINGS

A. Descriptive Statistics and Pearson Correlation Analysis

The first step in the analyses was to conduct means, standard deviations, and correlations for the emotional intelligence, job involvement, and retention, and the demographic variables (age and income) as well. Descriptive statistics of the constructs are conducted through using SPSS 16, and the results are shown in the following table.

TABLE I
DESCRIPTIVE STATISTICS FOR VARIABLES

	Mean	S.D.
1. Age	31.10	11.031
2. Income	526.28	252.184
3. Emotional Intelligence	3.658	.661
4. Job Involvement	3.419	.653
5. Retention	3.506	.795

The highest mean was (3.658) for emotional intelligence with a standard deviation (.661), followed by retention (3.506) with a standard deviation of (.795). In addition, a bivariate correlation matrix among all the constructs is shown in the following table:

TABLE II
INTERCORRELATIONS AND RELIABILITIES OF VARIABLES

	1	2	3	4	5
1. Age	(-)				
2. Income	.101	(-)			
3. Emotional Intelligence	.017	.138			
4. Job Involvement	.050	.131	.809		
5. Retention	.127	.154	.726	.827	
	*	*	**	**	.801

Note: Alpha is represented in parentheses along diagonal
*p < .05, **p < .01

An examination of the correlation matrix provides insight on the bivariate relationships among the variables under study. These coefficients also indicate no problem of multicollinearity because the independent variables are not highly correlated. At the same time, all Cronbach's alpha values represented on the diagonal exceed the suggested 0.7 threshold, which can be considered as demonstrating a good level of reliability.

As also shown on Table II, retention was significantly correlated with age ($r=.127$, $p=.05$) and experience ($r=.154$, $p=.05$). Furthermore, there was a significant correlation between retention and emotional intelligence ($r=.726$, $p=.01$), and between retention and job involvement ($r=.644$, $p=.01$).

B. Statistical Analyses for Study Hypotheses

The hypothesis was tested using hierarchical regression analysis, through which three steps were estimated. The first step regressed retention on the control variables (age and income), the second added the effects of emotional intelligence and job involvement; while the third included the interaction of emotional intelligence and job involvement. The results were shown on Table III. The current study applied the

centering method to reduce the probabilities of multicollinearity. Following Aiken and West [34], emotional intelligence and job involvement were centered (i.e. by subtracting the mean from each score) and the interaction term was based on these centered scores.

TABLE III
HIERARCHICAL REGRESSION RESULTS FOR THE MODERATING EFFECTS

Variables Entered	Model 1	Model 2	Model 3
<i>Control Variables</i>			
Age	.144**	.106*	.101*
Income	.169**	.048	.046
<i>Independent Variable and Moderator</i>			
Emotional Intelligence (EI)		.259**	.892**
Job Involvement (JI)		.336**	.683**
<i>Interaction Term</i>			
EI x JI	.044	.577	.006
	.005	.000	.048

Note: ΔR^2

Sig. F $\Delta = .048$

* $p < .05$, ** $p < .01$, N=241

Examining the results of Table III revealed that emotional intelligence exhibited a significant effect on retention ($\beta = .892$, $p < .01$); thus, hypothesis 1 was supported. The results also exhibited that job involvement ($\beta = .683$, $p < .01$) significantly influenced retention; thus, Hypothesis 2 was supported. Hypothesis 3 posited that the effect of emotional intelligence on retention was moderated by job involvement. The results indicated that job involvement moderated the effects of emotional intelligence on retention ($\beta = -.631$, $p < .05$) Therefore, H3 is confirmed in the current study.

To identify the trend of the interaction, the high and low levels of all variables, a plot was drawn with the help of Stats Tools Package. In fact, the moderation role in the effect of emotional intelligence (E.I.) on retention is dependent on the level of job involvement. Fig. 2 presented the joint effect of emotional intelligence and job involvement levels on retention.

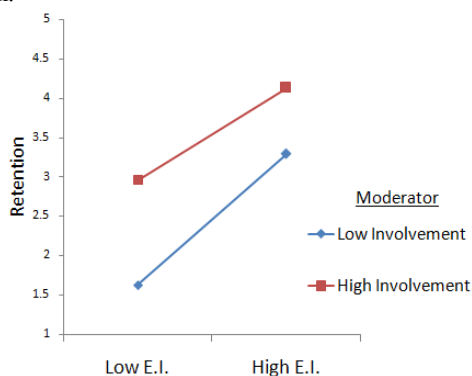


Fig. 2 The Effect of Emotional Intelligence on Retention by Levels of Job Involvement

As Fig. 2 shows, participants perceiving high association of emotional intelligence and retention are significantly different from participants perceiving low association of emotional intelligence and retention. This means that the nature of emotional intelligence and retention relationship changes depending on the level of job involvement.

V. DISCUSSION AN IMPLICATIONS

Results of the current study provide support of H1 which posits that retention is significantly related to emotional intelligence. Result is consistent with the results of other researchers [35],[36] that emphasize the relationship of emotional intelligence with turnover intentions. Obtaining an understanding of the effect of emotional intelligence on retention can provide leaders with knowledge to enhance retention strategies.

Furthermore, the current study supported the hypothesis H2 which posits that retention is significantly related to job involvement. Since H2 was supported, its result can be used as a guide for leaders to develop initiatives that increase employee involvement. Moreover, the results have support for job involvement as a significant moderator in the relationship between emotional intelligence and retention. It is worth noting that the finding regarding the relationship between emotional intelligence and retention tends to vary in accordance with levels of job involvement. Age is significantly related to the interaction of emotional intelligence and job involvement. This result is not much in line with the result of Ford [12] which indicates that that age does not correlate significantly with intention to quit. Although there is no hypothesis regarding age, it is entered as a control variable. Income seems to have little association with the interaction of emotional intelligence and job involvement in the study.

The current study adds to the knowledge regarding the role of emotional intelligence and job involvement in retention, particularly in the Jordanian context. The result also enhances the necessity for management to improve emotional intelligence programs through encouraging emotional intelligence and job involvement among employees.

VI. CONCLUSIONS AND RECOMMENDATIONS

Despite the contributions made, the current study is not without limitations. First, its design is cross-sectional, making it difficult to infer causal relations between the variables. A longitudinal design would be better to test the changes in relationships between variables over time. Another limitation of the findings is the use of self-report questionnaires to gather required data. Additional methods would be useful in future research to provide further evidence of the significant relationship among all variables of the study.

The present study was carried out in the context of the hotels and tourism corporations in Jordan. Further investigation may be conducted by practitioners and researchers in other sectors.

Although the current study concentrated on examining the relationship between emotional intelligence, job involvement and retention, future studies may include the moderation role of other variables such as job satisfaction, knowledge sharing or organizational commitment.

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