Staff Perception of Leader Emotional Competency as a Predictor of Satisfaction with Retention Factors

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This study explored whether staff members’ perceptions of leaders’ emotional competency (measured by the Emotional Competency Profiler) significantly and positively predict their satisfaction with a set of factors highlighted by the research literature as being important in the retention of staff (measured by the Retention Factors Scale). Data were collected from a non-probability purposive sample of staff (n = 158) in an asset management company. Multiple regression analysis was conducted to test the proposed research hypothesis. Our results show that staff perceptions of leaders’ emotional competency significantly influence their satisfaction with important retention factors. Organizations need to invest in interventions that enhance their managers’ emotional competency.

Keywords: leader emotional competency, emotional intelligence, retention factors

Retaining key talent in a global market characterized by skills shortages has become an imperative for sustaining competitive business performance in a fast-changing economic environment (Brundage & Koziel, 2010; Chabault, Hulin, & Soparnot, 2012; Doh, Stumpf, & Tymon, 2011; Schiller, 2011). Losing high-calibre human capital often results in financial losses because new employees have to be hired and trained (Walker, 2001). Another risk is that employees take their skills and know-how with them, which translates into a potential risk of losing confidential information to competitors (Brundage & Koziel, 2010; Frank, Finnegans, & Taylor, 2004; Schiller, 2011; Walker, 2001).

Research has suggested numerous reasons why employees consider leaving their employers, such as inadequate pay and benefits, lack of career opportunities, training and development, poor communication and subordinate-supervisor relationships, a negative perception of leadership and culture, an unsatisfactory work environment, a lack of autonomy and decision-making authority and conflict between family and work responsibilities (Carraher, Parnell, Carraher, Carragher, & Sullivan, 2006; Flinkman, Laine, Leino-Kilpi, Hasselhorn, & Salanterä, 2008; Gaiduk, Gaiduk, & Fields, 2009; Gberevbie, 2010; Strothmann & Ohler, 2011). Researchers recognize these reasons for leaving an organization as important factors to consider in retaining talented staff (Bhatnagar, 2007; Döckel, 2003; Döckel, Basson, & Coetzee, 2006; Kerr-Phillips & Thomas, 2009; Van Dyk, 2011).

Brundage and Koziel (2010) and Doh et al. (2011) emphasize the role of organizational leaders in achieving retention success. Research provides evidence that organizational success is dependent upon its managers and their leadership capability (Tsai, Tsai, & Wang, 2011). According to Doh et al. (2011), the long-term viability of a company is tenuous without capable leadership and the commitment of leaders to a business strategy that addresses the development of its talent and its retention. Leaders are responsible for instilling an organizational culture that demonstrates commitment to its human and social capital by means of various human resource policies and practices (i.e., recruitment, training and development, career development, and performance management) that affect the satisfaction, commitment, productivity and performance of employees (Bhatnagar, 2007; Brundage & Koziel, 2010; Chabault et al., 2012; Porter, 2011). These policies and practices influence employees’ satisfaction with the factors recognized by research as being important for retaining key talent (Döckel, 2003).

Managers need to understand what is needed to succeed in a fast-paced, dynamic and global business environment so they can perform their roles as leaders adequately (Gentry & Sparks, 2012) in creating a culture supportive of attracting, developing and retaining talented staff. Leaders’ emotional intelligence has been recognized by research as an important competency for achieving organizational success (Ensley, Carland, Ensley, & Carland, 2011; Palmer, Jansen, & Coetzee, 2006; Sy, Tram, & O’Hara, 2006; Trehan & Shrivastav, 2012). High emotional intelligence is recognized as a key component of effective management skills and a necessity for attaining sustainable results (Carmeli, 2003; Iuscu, Neagu, & Neagu, 2012; Salovey & Mayer, 1990). Emotional intelligence has also been related to positive organizational behavior that fosters engaged employees, higher performance, and commitment which in turn lower the risk of losing talent (Arakawa & Greenberg, 2007; Kiyani, Haroon, Liaqat, Khattak, Bukhari, & Asad, 2011; Mendes & Stander, 2011). Research findings by Carmeli (2003) indicate a direct and significant relationship between emotional intelligence and withdrawal intentions from the organization, thus emphasising the important role that managers’ emotional intelligence may have in retaining valuable organization members (Martins & Coetzee, 2007). Collins (2001) also found that managers who had higher emotion management skills had subordinates who had higher organizational commitment.

The goal of the present study is to explore whether staff members’ perceptions of leaders’ emotional competency significantly and positively predict their satisfaction with a set of re-
tention factors. The findings may prove to be useful for managers and human resource practitioners who are involved in employment and retention strategies and leader development initiatives. The leadership literature asserts that managers' emotional intelligence matters in the retention of staff. However, there seems to be a paucity of research assessing the link between leader emotional competency and a set of factors highlighted by the retention literature as key to the retention of high calibre staff. The findings of our study may add valuable new insights on the role of leaders' emotional intelligence in the retention of staff in the contemporary workplace.

Retention Factors

One of the greatest concerns for any organization, especially high-growth organizations, is the retention of employees (Peterson, 2005). The retention of key productive employees is a significant challenge, both locally and internationally, and has major cost implications, both directly and indirectly (Tanton, 2007). Retention can be described as initiatives taken by employers to keep employees from leaving organisations (Cascio, 2003). This is done through rewards for performing jobs effectively, building harmonious working relations between managers and employees and maintaining a healthy, safe work environment. Our review of the research literature indicated eight critical factors that must be considered in the retention of employees namely, employee commitment, compensation, job characteristics, training and development opportunities, career opportunities, supervisor support, work/life policies and turnover intention (Bhatnagar, 2007; Brundage & Koziel, 2010; Carragher et al., 2006; Chabault et al., 2012; Döckel, 2003; Flinkman et al., 2008; Gaiduk, Gaiduk, & Fields, 2009; Gberevbie, 2010; João & Coetzee, 2012; Kerr-Phillips & Thomas, 2009; Strothmann & Ohler, 2011; Tanton, 2007).

Employee commitment is vital in shaping desired employee behaviors and attitudes by forging psychological links between the goals of the organization and the employee. Leaders that focus on developing committed employees who can be trusted to perform their tasks at their own discretion and in line with the organizational goals have greater success in retaining staff (Döckel, 2003). Management strategies that focus on commitment produce high levels of employee affective commitment and organizational performance as it empowers employees to take greater responsibility and participate in the decision making process (Tsui, Pearce, Porter, & Hite, 1995). Arthur (1994) postulates that through the use of commitment strategies, performance increases and turnover decreases.

Compensation is indicated as one of the primary motivations for employees to leave organisations (Crisp, 2009; Tanton, 2007). Money seems to be the primary incentive used to lure professionals (Döckel et al., 2006). Reward systems are also frequently used by employers to retain staff (Farris, 2000). Higginbotham (1997) found a strong correlation between good and fair salaries and the intention to stay in a specific organization. Hoyt and Gerdloff (1999) raise the point that compensation offers an opportunity for autonomy, security, improved self-worth and recognition. However, Brundage and Koziel (2010) point out that a compensation system should focus not only on salary and benefits but also on career development and growth opportunities.

João and Coetzee (2012) found specific job characteristics like variety and autonomy to influence professional employees' organizational commitment. Hackman and Oldham (1980) define job autonomy as the degree to which a job provides independence, substantial freedom and discretion for one to schedule work and determine the processes to carry it out. Organizational commitment is influenced by the degree of independence and freedom experienced in a job, as well as participation in planning and organising thereof (Bailyn & Lynch, 1983). The degree to which a job requires the use of a number of different skills and talents also impacts on commitment and retention (João & Coetzee, 2012). Allen and Katz (1992) state that some employees prefer the opportunity to engage in challenging and exciting activities and projects, irrespective of a promotion.

Training and career development opportunities are essential for the survival of workers with scarce skills (Cataldo, Assen, & D’Alessandro, 2000; João & Coetzee 2012). Cataldo et al. (2000) further state that employees stay at companies that promote career opportunities and where new skills learned through training can be applied. Meyer and Allen (1997) argue that employee training provides opportunities for advancement, which can lead employees to believe that they are valued by the organization. This, in turn, builds stronger affective commitment to the organization. Chang (1999) supports this view and states that company-provided training might affect employees’ psychological state as it can be viewed as a concern by the company to improve employees’ skills and ability which, in turn, may increase their attachment to the company. The expense of training and the appreciation for the skill acquired may also encourage a sense of obligation or normative commitment in the employee (McEily, 2001). Career opportunities were shown to be a significant predictor of retention in comparison to any other types of rewards in a survey conducted by Kochanski and Ledford (2001).

Supervisor support can be defined as supervisory behaviors that sustain employees’ innovation (Döckel, 2003). Feedback from supervisors and co-workers are considered important (Kochanski & Ledford, 2001). Thomas and Velthouse (1990) argue that when employees have opportunities to test new skills, exercise discretion and receive regular performance feedback, their intrinsic motivation will increase. Recognition from a supervisor relates to affective commitment (Paré, Tremblay, & Lalonde, 2001). Döckel (2003) found that supervisor support had a direct effect on affective commitment as it made employees feel important. Ketter (2008) found retention drivers are directly linked to leadership. Employees are more likely to stay in organizations if they feel positive about their leaders and feel that they are recognized for their individual contributions.

According to Cooper and Burke (2002), work/life policies should include flexible work schedules, family leave policies and childcare assistance. Many employees value work/life initiatives as meaningful and more important that new positions (Dubie, 2000). Employees tend to feel emotionally attached to the organization due to the work/life benefits available to them (Döckel, 2003). People want to know and feel that they are cared about in order for them to commit to an organization (Cooper & Burke, 2002).

Employee turnover is not an event but rather a process of disengagement that can take days, weeks, months, or even years to manifest (Branham, 2005). Loss of human capital involves the loss of organizational history, knowledge, and abilities (Buhler, 2006). When performers leave organizations and non-performers stay, retention is considered highly dysfunctional and results in damages to organizational innovation and performance (Abbasi & Holtman, 2000). The retention of high-calibre staff is viewed as critical to maintain an organization’s competitive edge and an indicator of success.
Emotional Competency

The term “emotional competency” refers to behavior that is recognized by research to be characteristic of observable emotionally intelligent behavior (Goleman, 2001; Wolmarans, 2002; Wolmarans & Martins, 2001). Research by Bay and Lin (2006) showed that the various competencies and abilities that are assumed to underpin emotionally intelligent behavior do not appear to fit together precisely into one psychological construct, i.e., emotional intelligence. Research also highlights the complexities involved in conceptualizing the construct of emotional intelligence (Bay & Lim, 2006; Locke, 2005; Palmer, Manocha, Gignac, & Stough, 2003). Hence, the focus of our study was to explore a range of emotional competencies rather than the construct of emotional intelligence. According to Macaleer and Shannon (2002), emotional intelligence is generally accepted to be a combination of emotional and interpersonal competencies that influence behavior, thinking and interaction with other people. Emotional intelligence develops over a person’s life span and individuals’ ability to demonstrate emotionally competent behavior can be enhanced through training (Ashkanasy & Daus, 2005; Locke, 2005).

In the context of the present study the construct of emotional intelligence signifies a set of competencies described by the so-called mixed models of emotional intelligence (Mandell & Pherwani, 2003; Martins & Coetzee, 2007; Wolmarans, 2002; Wolmarans & Martins, 2001). Emotional competency includes a set of seven observable competencies as postulated by Wolmarans and Martins (2001):

- **Emotional literacy:** individuals’ awareness and understanding of their own and other people’s emotions. An advanced level of emotional intelligence is demonstrated by an ability and willingness to acknowledge and apologize for emotional hurt caused, to express sincere regret and to restore damaged relationships sensitively and sensibly (Wolmarans & Martins, 2001).

- **Self-regard:** individuals’ assessment of and respect for their own worth as an equal human being. A high level of self-esteem is demonstrated by the courage to act in accordance with personal values and convictions, in the face of opposition, and the ability to admit one’s mistakes in public and even laughing at oneself when appropriate (Wolmarans & Martins, 2001).

- **Self-management:** individuals’ ability to manage stress and harness energy to create a state of wellness and healthy balance between body, mind and soul. An advanced state of self-management is demonstrated by the ability to remain calm in the face of conflict and provocation, eventually minimizing defensiveness and restoring rationality with the aggravated party (Wolmarans & Martins, 2001).

- **Self-motivation:** individuals’ ability to create a challenging vision and set stretching goals; to remain focused and optimistic in spite of setbacks; to take action everyday and remain committed to a cause; and to take responsibility for one’s successes and failures. A high level of self-motivation is demonstrated by the ability to “hang in there” when others give up, as well as the judgement to change direction when it is time to move on (Wolmarans & Martins, 2001).

- **Change resilience:** individuals’ ability to remain flexible and open to new ideas and people, advocating the imperative for change and innovation when appropriate, with due concern and consideration for the emotional impact of change on people. An advanced level of change resilience is demonstrated by an ability to cope with ambiguity, to thrive on chaos, without forcing premature closure, and to get re-energized by the beautiful scenes encountered along the way, as well as the anticipation of the unknown (Wolmarans & Martins, 2001).

- **Interpersonal relations:** individuals’ intuitive understanding of, and deep level of caring and compassion for people; a real concern for their well-being, growth and development, and joy and recognition for their successes. An advanced level of relationship competence is demonstrated by the ability to make emotional contact with people and to build the kind of trust and loyalty that nurtures long-term relationships (Wolmarans & Martins, 2001).

- **Integration of head and heart:** individuals’ ability to make decisions and solve problems with due consideration of both facts and feelings, and with the commitment to create win-win solutions that serve both the goals and the relationships concerned. An advanced level of skill is demonstrated by the ability to turn adversity into opportunity, and making intuitive, inventive, yet implementable breakthroughs in moments of crisis (Wolmarans & Martins, 2001).

Research by Palmer et al. (2006) and Martins and Coetzee (2007) suggested these seven emotional competencies to be related to leaders’ performance and success and employee satisfaction. Emotionally intelligent leaders are thought to achieve greater overall organizational performance (Carmeli, 2003; Miller, 1999). They appear to be more committed to their organization, and use positive emotions to envision major improvements in organizational functioning (Palmer et al., 2006). Moreover, emotionally intelligent leaders are thought to use emotions to improve their problem-solving and decision making (Kiyani et al., 2011). They seem to be able to instill a sense of enthusiasm, trust and co-operation within and amongst employees (Stuart & Paucquet, 2001). A study by Smith (2005) indicated a relationship between leaders’ emotional intelligence and their effectiveness. Researchers have found that individuals who exhibit well-developed emotional intelligence competencies have a greater tendency to impact and influence the motivation and performance of others (Cooper & Sawaf, 2000; Goleman, 1998; Iuscu et al., 2012; Johnson & Indvik, 1999; Lam & Kirby, 2002; Trehan & Shrivastav, 2012).

Dunn (2001) and Goleman (1998) posit that retention is a product of possessing emotional intelligence competencies. Across all jobs and organizations, emotionally intelligent behavior matters in staff turnover (Fatt & Howe, 2003). Cherniss and Goleman (2001) argue that emotional intelligence influences an organization in a number of areas such as recruitment, reten-
tion, development of talent, teamwork, and employee commitment. Effective managers are able to manage their own and others’ emotions and as a result, employees trust them and feel good about working with them.

Based on research evidence showing the effect of leader emotional competency on the retention, commitment, satisfaction and performance of employees, we propose the following hypothesis:

**Hypothesis 1:** Staff perceptions of leaders’ emotional competency significantly and positively predict their satisfaction with retention factors.

**Method**

**Participants**

A non-probability purposive sample of 158 staff members who were employed full-time in an organization within the South African asset management industry participated in the study. In terms of racial composition, the sample consisted of 51% white and 49% black participants. The sample comprised of 67% females and 33% males. The participants were predominantly in their establishment stage of their life/career, with 80% of the sample aged between 25 and 45 years.

Ethical clearance to conduct the study as well as permission for employees to participate in the research study was obtained from the CEO of the asset management company. Participation was voluntary and anonymous. Participants were requested to rate the company managers’ level of emotional competency (as perceived by them) and to indicate their personal satisfaction with a set of retention factors. They were sent communication via email explaining the purpose of the research, confidentiality and anonymity, benefits of the study, as well as the voluntary nature of participation together with the link to complete the questionnaires online.

**Instruments**

The Retention Factor Scale (RFS) developed by Döckel (2003) was used to measure the participants’ satisfaction regarding the following retention factors (45 items) on a 6-point Likert-type scale: commitment to the organization (3 items), compensation (13 items), job characteristics (4 items), training and development opportunities (6 items), supervisor support (6 items), career opportunities (6 items), work/life balance (4 items) and intention to stay (3 items). A factor analysis on the RFS conducted by Döckel (2003) confirmed the construct validity of the questionnaire. Acceptable internal consistency reliability coefficients (see Table 1) were obtained for the present study, ranging between .71 and 93.

The Emotional Competency Profiler (ECP) developed by Wolmarans and Martins (2001) for the South African business context was used to measure the staff members’ perceptions of the company leaders’ emotional competency. The ECP consists of seven subscales and forty six items measured on a four-point Likert-type scale: emotional literacy (6 items); self-regard (6 items); self-management (6 items); self-motivation (6 items); change resilience (7 items); interpersonal relations (9 items); integration of head and heart (6 items). High scores on the current emotional competency behavior scale depict that the person already exhibits the behavior. The ECP has proven content validity. Factor analysis indicates that the items in the subtest clusters possess acceptable internal consistency reliability (Wolmarans & Martins, 2001). Acceptable internal consistency reliability coefficients (see Table 1) were obtained for the present study, ranging between .79 and 90.

**Analyses**

We calculated the descriptive statistics (means, standard deviations and Cronbach Alpha coefficients) and then Pearson product-moment correlations to assess the direction and strength of the relationships between the variables. To test hypothesis 1, we performed multiple regression analysis on each of the eight retention factors in the second stage of analyses to assess whether the staff participants’ perceptions of the company leaders’ emotional competency significantly predicted their satisfaction with the retention factors.

**Results**

Table 1 lists the descriptive statistics, internal consistency reliability coefficients and correlations between the ECP and RFS variables. The zero-order correlations reveal several strong correlations (p ≤ .05) between the ECP emotional competencies and the RFS retention factors.

The strongest correlates (r ≥ .50 ≤ .68; large practical effect; p ≤ .001) of retention factors were between emotional literacy and supervisor support (r = .56; large practical effect; p ≤ .001) and intention to stay (r = .51; large practical effect; p ≤ .001); self-regard and supervisor support (r = .53; large practical effect; p ≤ .001); change resilience and supervisor support (r = .55; large practical effect; p ≤ .001); interpersonal relationships and supervisor support (r = .68; large practical effect; p ≤ .001); and integration of head/heart and supervisor support (r = .55; large practical effect; p ≤ .001).

Work/life policies did not correlate significantly with the leaders’ emotional competencies, with the exception of emotional literacy (r = .19; small practical effect; p ≤ .05) and self-motivation (r = .22; small practical effect; p ≤ .05). Compensation did not correlate significantly with self-regard and self-motivation.

Table 2 reports the results of the stepwise multiple regression analyses. Only the significant results are reported in the table. The regression models (models 1, 2, 3 and 8) show that the staff participants’ perceptions of the leaders’ emotional literacy explained a significant percentage of the variance in their commitment to the organization (R² = .20; 20%; medium practical effect; p ≤ .001); their satisfaction with their compensation (R² = .15; 15%; medium practical effect; p ≤ .001) and career development opportunities (R² = .19; 19%; medium practical effect; p ≤ .001), and their intention to stay (R² = .25; 25%; medium practical effect; p ≤ .001).

The staff participants’ perceptions of the leaders’ self-regard explained 14% (R² = .14; medium practical effect; p ≤ .001) of the variance in their satisfaction with the characteristics of their jobs. Their perceptions of the leaders’ self-management explained 7% (R² = .07; small practical effect; p ≤ .001) of the variance in their satisfaction with the training and development opportunities offered in the company. The staff participants’ perceptions of the leaders’ interpersonal relationship skills explained 45% (R² = .45; large practical effect; p ≤ .001) of the variance in their satisfaction with the support they receive from supervisors. Their perceptions of the leaders’ self-motivation explained 4% (R² = .04; small practical effect; p ≤ .001) of the variance in their intention to stay in the company. These results provide supportive evidence for our hypothesis that staff per-
### Table 1

**Descriptive Statistics and Correlations**

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*Note. N = 158; ***p ≤ .001; **p ≤ .01; *p ≤ .05; Correlation values ≤ .29 are practically significant (small effect); Correlation values ≥ .30 ≤ .49 are practically significant (medium effect); Correlation values ≥ .50 are practically significant (large effect).*

### Table 2

**Multiple Regression Predicting Satisfaction with Retention Factors Based on Perceptions of Leader Emotional Competency**

<table>
<thead>
<tr>
<th>Model</th>
<th>Criterion variable (RFS)</th>
<th>Significant predictor variables (ECP)</th>
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<td>***</td>
<td>25.38***</td>
<td>.20++</td>
</tr>
<tr>
<td>2</td>
<td>Compensation</td>
<td>Emotional literacy</td>
<td>.40</td>
<td>***</td>
<td>17.79***</td>
<td>.15++</td>
</tr>
<tr>
<td>3</td>
<td>Job characteristics</td>
<td>Self-regard</td>
<td>.38</td>
<td>***</td>
<td>15.78***</td>
<td>.14++</td>
</tr>
<tr>
<td>4</td>
<td>Training and development</td>
<td>Self-management</td>
<td>.29</td>
<td>***</td>
<td>8.49***</td>
<td>.07+</td>
</tr>
<tr>
<td>5</td>
<td>Supervisor support</td>
<td>Interpersonal relationships</td>
<td>.68</td>
<td>***</td>
<td>78.62***</td>
<td>.45+++</td>
</tr>
<tr>
<td>6</td>
<td>Career development</td>
<td>Emotional literacy</td>
<td>.45</td>
<td>***</td>
<td>23.20***</td>
<td>.19++</td>
</tr>
<tr>
<td>7</td>
<td>Work/life policies</td>
<td>Self-motivation</td>
<td>.22</td>
<td>*</td>
<td>4.68***</td>
<td>.04+</td>
</tr>
<tr>
<td>8</td>
<td>Intention to stay</td>
<td>Emotional literacy</td>
<td>.51</td>
<td>***</td>
<td>32.53***</td>
<td>.25++</td>
</tr>
</tbody>
</table>

*Note. N = 158. ***p ≤ .001; **p ≤ .01; *p ≤ .05 (two-tailed); +R² ≤ 0.12 (small practical effect); ++R² ≤ 0.13 ≤ 0.25 (medium practical effect); +++ R² ≥ 0.26 (large practical effect). β = standardised regression coefficient. Only significant results from the eight regression models are reported.*
ceptions of leader emotional competency significantly and positively predict their satisfaction with retention factors.

**Discussion**

**Theoretical Implications**

Overall, these results provide supportive evidence for our hypothesis that staff perceptions of leader emotional competency significantly and positively predict their satisfaction with retention factors. Our findings provide several theoretical implications for the retention and leadership literature.

The leaders’ competency in managing interpersonal relationships was shown to be the best predictor of the staff participants’ satisfaction with the support they receive from supervisors. As an emotional competency, interpersonal skills relate to the ability to make emotional contact with people, express a real concern for their well-being, growth and development, and to build the kind of trust and loyalty that nurtures long-term relationships (Wolmarans & Martins, 2001). Managing interpersonal relations is recognized as an aspect of transformational leadership (Chi & Pan, 2012). Transformational leaders tend to understand individual followers’ needs and abilities and are capable of providing them with differential types of mentoring and coaching (Kark & Shamir, 2002). Research (Chi & Pan, 2012; Tsai, Chen, & Cheng, 2009) provides evidence that transformational leader behavior create and shape a favorable work context which help followers experience positive moods at work. Supportive supervisor behavior creates a culture that provides individuals with the chance to make a difference on the job, try out new skills, exercise discretion and receive feedback on their performance (Kochanski & Ledford, 2001). Positive interpersonal relations also create a sense of belonging and acceptance which positively impacts employees’ job satisfaction (Lumley, 2009). Martins and Roodt (2008) also found that a supportive work environment which followers perceive as being congruent with their personal needs is significantly and positively related to their organizational commitment. Döckel et al. (2006) and Lumley (2009) found supervisor support to be strongly related to affective commitment.

The leaders’ emotional literacy was shown to be the best predictor in positively influencing the staff participants’ intention to stay at the company, their commitment to the company and their satisfaction with their compensation and the perceived career development opportunities in the company. Emotional literacy relates to a leader’s ability to understand his or her own and other people’s emotions, and to restore damaged relationships sensitively and sensibly (Wolmarans & Martins, 2001). Identifying, understanding and managing emotions have been found to be positively associated with transformational leadership behavior (Ashkanasy & Daus, 2005; Coetzee & Schaap, 2004). The findings of our study indicate leaders’ emotional literacy as important in creating a positive work environment that enhances employees’ organizational commitment and intention to stay with the company. It appears from the results of our study that the leaders’ emotional literacy also positively influenced the staff participants’ perceptions of the in-company career opportunities. Leadership scholars have found that transformational leadership behavior positively influences followers’ perceptions of their jobs (Piccolo & Colquitt, 2006; Purvanova, Bono, & Dziewczynski, 2006) and predict their fit perceptions toward the job and their general mood at work (Chi & Pan 2012). Research by João (2010) and Van Dyk and Coetzee (2012) showed that employees who felt positive about the possibility of career advancement opportunities within the organization, and those who experienced intrinsic job satisfaction also felt emotionally attached to the organization.

Our research also suggests that leaders’ emotional literacy positively influenced the staff participants’ perceptions of their compensation. According to Brundage and Koziel (2010), a compensation system that focuses on fair, competitive salary and benefits and career development and growth opportunities has greater potential in retaining valuable human capital. Compensation offers staff an opportunity for autonomy, security, improved self-worth and recognition (Hoyt & Gerdloff, 1999).

The leaders’ self-regard significantly increased the staff participants’ satisfaction with the characteristics of their jobs. As an emotional competency, self-regard relates to leaders’ ability to acknowledge and demonstrate respect for their own worth as an equal human being, and having the courage to act in accordance with personal values and convictions, and to admit in public one’s mistakes (Wolmarans & Martins, 2001). The results of our study suggest that leaders’ with high levels of self-regard may positively influence staff members’ experiences of their jobs. They may be more willing to expose their followers to challenging tasks that draw on a number of different skills and talent, and allow them the autonomy, substantial freedom and discretion to schedule their work and determine the processes to carry it out – all of which are important job characteristics that have been found to significantly impact employees’ commitment and satisfaction (Döckel, 2003; Lumley, 2009), and decision to stay (João, 2010). Van Dyk and Coetzee (2012) found that job characteristics positively predict employees’ affective commitment.

The staff participants’ perceptions of the leaders’ self-management competency significantly predicted their satisfaction with the training and development opportunities provided by the company. Self-management relates to the leaders’ ability to manage stress and remain calm in the face of conflict, minimizing defensiveness and restoring rationality with the aggravated party (Wolmarans & Martins, 2001). Our results seem to suggest that managing oneself as a leader may result in positive perceptions of training and growth opportunities. Research by Allen, Shor, and Griffeth (2003) showed that perceptions of growth and development opportunities influenced employees’ attitudes toward the organization and intention to stay or leave. Leaders who are able to manage their own stress and interpersonal conflict may communicate a message of caring and concern for others about their well-being, growth and development (Wolmarans & Martins, 2001).

The leaders’ self-motivation significantly predicted the staff participants’ satisfaction with work/life policies. Staff participants were significantly more satisfied with the work/life policies than the leader participants. The leader participants indicated lower levels of self-motivation than perceived by the staff participants. Self-motivation as an emotional competency relates to the leaders’ ability to create a challenging vision and setting stretching goals, to remain focused and optimistic in spite of setbacks, and taking responsibility for one’s successes and setbacks (Wolmarans & Martins, 2001). Our results suggest that when leaders are able to demonstrate self-motivated behavior, staff members’ perceptions of balancing work and life are positively influenced.

In conclusion, our results seem to support the assertion that leaders’ emotional competency positively predict staff members’ attitudes and perceptions toward the organization, and in the context of the present study, specific retention factors. The emotional competencies measured in our study seem to be as-
associated with transformational leader behaviors (Ashkanasy & Daus, 2005; Coetzee & Schaap, 2004; Palmer et al., 2006; Wolmarans & Martins, 2001). Empirical studies indicated that transformational leadership behavior positively predicts followers’ job attitudes, behaviours, performance and commitment (Chi & Pan, 2012; Liao & Chuang, 2007; Piccolo & Colquitt, 2006; Purvanova et al., 2006). The findings of our study therefore seem to confirm the assertion that emotionally intelligent behavior matters in the retention of staff (Fatt & Howe, 2003).

**Practical Implications**

Our findings provide several practical implications for the retention of staff. First, organizations should take note of the factors that attract and retain high calibre staff and how the leadership cadre’s emotional competency influence staff members’ satisfaction and perceptions about these factors. Organizations need to pay attention to their human resource policies, procedures and practices and how these relate to the retention factors explored in the present study. Assessing staff members’ satisfaction with regard to these retention factors may assist managers and human resource practitioners in improving their human resources practices in order to attract, develop and retain valued staff members. Second, assessing and developing leaders’ emotional competency seem to be important in retaining staff. Organizations can design specific management development interventions to enhance their leaders’ emotional competency. Our study showed that positive experiences of leaders’ emotional competency significantly influenced staff members’ satisfaction with key retention practices. Overall, managers have to realise that emotionally competent managers help to create a positive, empowering work environment that develops trust and commitment.

**Limitations and Future Research**

Despite the strengths of this research and the new knowledge and insights it brought to the field of retention and human resource management, there are aspects that may limit it. Since the present study has been limited to a sample of participants employed in a South African asset management company, the findings cannot be generalized to other industry contexts. Furthermore, given the cross-sectional research design, this study can yield no statements about causation. Associations between the variables have therefore been interpreted rather than established. These findings therefore need to be replicated with broader samples across various economic sectors before final conclusions can be drawn about the relationship between individuals’ satisfaction with organizational retention factors and the emotional competency of leaders. Based on the promising findings of the current study, future empirical investigations related to the retention of scarce and critical skills in the multi-cultural work context should attempt to corroborate the findings of the present study by using longitudinal studies with other measures of retention factors and emotional intelligence.

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