

ABSTRACT

Orientation and motivation for study

Retaining key talent in a global market characterised by skills shortages has become an imperative for sustaining competitive business performance in a fast-changing economic environment. Managers need to understand what is needed to succeed in a fast-paced, dynamic and global business environment so they can adequately perform their roles as leaders in creating a culture supportive of attracting, developing and retaining talented staff. Leaders' emotional intelligence is recognised as a key component of effective management skills and a necessity for attaining sustainable results. Emotional intelligence has also been related to positive organisational behaviour that fosters engaged employees, higher performance, and commitment which in turn lower the risk of losing talent.

Problem statement

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.

Purpose

This study explores whether staff members' perceptions of leaders' emotional competency significantly and positively predict their satisfaction with a set of factors highlighted by research literature as being important in the retention of staff.

Design/Methodology/Approach

A cross-sectional survey approach was followed. Data were collected from a non-probability purposive sample of staff (n = 158) in a South African asset management company. Multiple regression analysis was conducted to test the proposed research hypothesis.

Findings

The results show that the leaders' interpersonal relations skills are the best predictor of staff participants' satisfaction with supervisor support. Leaders' emotional literacy significantly predicts satisfaction with career development opportunities, compensation, organizational commitment & turnover intention. Self-regard predicts satisfaction with job characteristics and self-management skills predict satisfaction with training and development opportunities. Leaders' self-motivation predicts staff members' satisfaction with work/life policies.

Implications

The results show that staff perceptions of leaders' emotional competency significantly influence their satisfaction with important retention factors. Organisations need to invest in interventions that enhance their managers' emotional competency.

Originality/Value

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 caliber staff. The findings of our study add valuable new insights on the role of leaders' emotional intelligence in the retention of staff in the contemporary workplace.



CONCEPTUALISATION

Emotional competency

Observable emotionally intelligent behaviour (Wolmarans & Martins, 2001)

- Emotional literacy
- Self-regard
- Self-management
- Self-motivation
- Change resilience
- Interpersonal relations
- Integration of head and heart

Retention factors (Döckel, 2003)

- Employee commitment
- Compensation
- Job characteristics
- Training and development opportunities
- Career opportunities
- Supervisor support
- Work/life policies
- Turnover intention

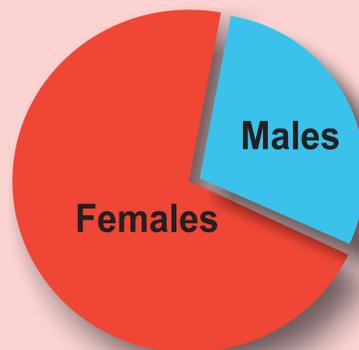
Research hypothesis 1:

Staff perceptions of leaders' emotional competency significantly and positively predict their satisfaction with retention factors.

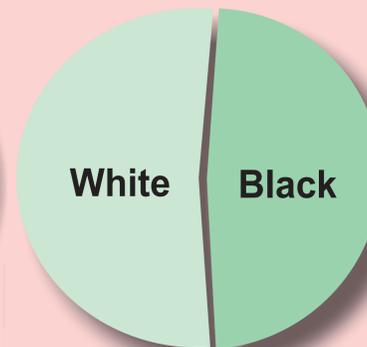
Sample (N = 158)

South African Asset Management Company

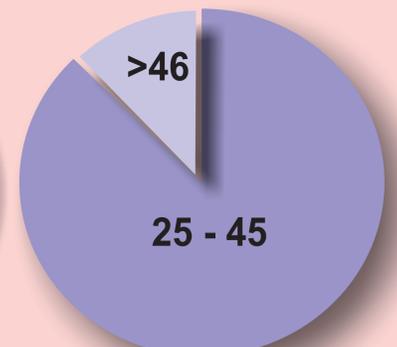
GENDER



RACE



AGE



RESULTS

Table 1 Descriptive statistics and correlations

	Mean	SD	α	1	2	3	4	5	6	7
<i>ECP</i>										
1 Emotional literacy	3.19	.52	.81							
2 Self-regard	3.38	.53	.80							
3 Self-management	3.14	.58	.82							
4 Self-motivation	3.34	.50	.79							
5 Change resilience	3.27	.49	.81							
6 Interpersonal relationships	3.34	.55	.90							
7 Integration head/heart	3.20	.53	.83							
<i>RFS</i>										
Organisational commitment	3.25	.60	.84	.46***	.28***	.36***	.37***	.32***	.35***	.31***
Compensation	3.10	.71	.91	.40***	.16	.24*	.19	.27**	.36***	.28**
Job characteristics	3.30	.74	.71	.23*	.38***	.20*	.29**	.32***	.29**	.20*
Training & development opportunities	3.72	.83	.84	.29**	.21*	.29***	.24*	.21*	.28**	.16
Supervisor support	2.95	.63	.91	.56***	.53***	.44***	.48***	.55***	.68***	.55***
Career opportunities	3.19	.93	.73	.45***	.30***	.26**	.36***	.27**	.34***	.34***
Work/life policies	3.72	1.00	.88	.19*	.11	.18	.22*	.06	.13	.06
Intention to stay	3.30	.48	.88	.51***	.32***	.46***	.42***	.41***	.44***	.36***

n = 158. ***p < .001. **p < .01. *p < .05. Correlation values < .29 are practically significant (small effect). Correlation value >= .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

Model	Criterion variable (RFS)	Significant predictor variables (ECP)	β	p
1	Organisational commitment	Emotional literacy	.46	*** F(1) = 25.38*** Adjusted R ² = .20++
2	Compensation	Emotional literacy	.40	*** F(1) = 17.79*** Adjusted R ² = .15++
3	Job characteristics	Self-regard	.38	*** F(1) = 15.78*** Adjusted R ² = .14++
4	Training and development	Self-management	.29	*** F(1) = 8.49*** Adjusted R ² = .07+
5	Supervisor support	Interpersonal relationships	.68	*** F(1) = 78.62*** Adjusted R ² = .45+++
6	Career development	Emotional literacy	.45	*** F(1) = 23.20*** Adjusted R ² = .19++
7	Work/life policies	Self-motivation	.22	* F(1) = 4.68*** Adjusted R ² = .04+
8	Intention to stay	Emotional literacy	.51	*** F(1) = 32.53*** Adjusted R ² = .25++

Note: n = 158. *** p < 0.001; ** p < 0.01; * p < 0.05 (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.

Staff perceptions of leader emotional competency

Satisfaction with Retention Factors

Emotional literacy

Organisational commitment
Compensation
Intention to stay

Self-regard

Job characteristics

Self-management

Training and development

Interpersonal relationship

Supervisor support

Self-motivation

Work/life policies

PRACTICAL IMPLICATIONS

- Organisations 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.
- Organisations 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.
- Assessing and developing leaders' emotional competency seem to be important in retaining staff. Organisations can design specific management development interventions to enhance their leaders' emotional competency.
- 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 OF STUDY AND FUTURE RESEARCH

Limitations of study

- + Limited to a sample of participants employed in a South African asset management company - the findings cannot be generalised to other industry contexts.
- + Cross-sectional survey design: No statements about causation. Associations between the variables have been interpreted rather than established.

Suggestions for future research

- + Replication studies with broader samples across various economic sectors
- + Longitudinal studies with other measures of retention factors and emotional intelligence recommended