

**SECTION III**  
**NOVEL AREAS OF EMPIRICAL**  
**INVESTIGATION OF EMOTION IN**  
**ORGANIZATIONS**



# CHAPTER 11

## EXPLORING THE RELATIONSHIP BETWEEN PERCEPTIONS OF ORGANIZATIONAL EMOTIONAL INTELLIGENCE AND TURNOVER INTENTIONS AMONGST EMPLOYEES: THE MEDIATING ROLE OF ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION

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### ABSTRACT

*Although the proliferation of research in emotional intelligence (EI) in the last 25 years has largely focused on the individual level, some researchers have proposed theories and measurement models for EI at*

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*the organizational level. Drawing from earlier work which conceptualizes organizational emotional intelligence (OEI) as a climate-level construct involving shared norms and practices this chapter sets out to investigate the relationship between perceptions of organizational emotional intelligence (OEI) and turnover intentions amongst employees. Since turnover intentions are a reliable indicator of actual turnover they are deemed to be a critical indicator for organizational performance. This chapter also builds on previous research which found that the relationship between OEI as a climate-level construct and intention to leave was mediated by organizational emotional appeal (i.e., overall reputation) and trust in senior management to explore the mediating role of other employee attitudes which have been traditionally linked to climate and individual-level outcomes in organizations, namely job satisfaction and affective commitment. By surveying employees in a UK-based charity organization (n=173), the study finds that both job satisfaction and affective commitment mediate the impact of OEI on intention to leave and explain a moderate amount of variance in the focal construct. However, the majority of the mediation occurs through job satisfaction with a reduced mediation effect for affective commitment. Potential reasons for these results in the charity context are discussed. The chapter contributes to a wider understanding of the way in which perceptions of OEI impact on employee attitudes toward the organization and the job; and, in turn, how these attitudes impact on turnover intentions.*

**Keywords:** Organizational emotional intelligence; turnover intentions; job satisfaction; organizational commitment

## INTRODUCTION

Although extensive research has been undertaken on emotional intelligence (EI) at the individual level in organizations (Bar-On, 1997; Cartwright & Pappas, 2008; Goleman, 1995; Joseph & Newman, 2010; O'Boyle, Humphrey, Pollack, Hawver, & Story, 2011; Salovey & Mayer, 1990), the investigation of EI at the organizational level has been relatively limited in its scope. Nevertheless, researchers such as Goleman (1998), Huy (1999), Higgs and Dulewicz (2002), and Menges and Bruch (2009) have undertaken theoretical and empirical research on the nature and development of organizational emotional intelligence (OEI) and its importance for organizational performance. In particular, earlier work by McGuire and Higgs

(2001), Higgs and Dulewicz (2002) and Batchelor and Dulewicz (2008) conceptualizes organizational emotional intelligence (OEI) as a climate-level construct that involves perception of the emotionally relevant behavior of the organization and its managers as seen in shared norms and practices. In recent research undertaken in three organizations in the not-for-profit, public and private sectors ( $n=495$ ), Da Camara (2013) built on this climate-level approach to show that OEI predicts behavioral intentions such as intention to leave (and advocacy) through the mediating role of organizational emotional appeal (i.e., overall reputation) and trust in senior management, which are important attitudes for researchers in corporate reputation.

Since turnover and turnover intentions are potentially highly detrimental to organizational performance because of the loss of knowledge and replacement costs incurred (Cascio & Boudreau, 2011), this chapter focuses on the impact of OEI on employee decisions to quit organizations. Previous research has generally found support for the mediating role of attitudes in the relationship between environmental (climate) perceptions and individual-level outcomes, such as employee turnover (i.e., Kopelman, Brief, & Guzzo, 1990; Mobley, Griffeth, Hand, & Meglino, 1979; Parker, Baltes, Young, Huff, Altmann, Lacost, & Roberts, 2003). Carr, Schmidt, Ford, and DeShon (2003) also found that individual-level perceptions of affective, cognitive, and instrumental aspects of organizational climate are consistently and strongly related to job performance, psychological well-being, and withdrawal behaviors and that this relationship is mediated by job satisfaction and organizational commitment. Thus, drawing from wider research on organizational climate and employees, it is likely that the impact of OEI on turnover intentions may be mediated by other organizational and job level attitudes (see also Da Camara, 2013). As such, this chapter focuses on the role of organizational commitment and job satisfaction as mediators of the relationship between OEI and intention to leave.

### *Organizational Emotional Intelligence (OEI)*

It is in the work of Jordan and Ashkanasy (2006), Druskat and Wolff (2001), Wolff, Druskat, Koman, and Messer (2006), Elfenbein (2006) and Higgs and Dulewicz (2002), as well as other researchers, that we see the first attempts to elevate the concept of EI to a team and group level. The logical extension of research on group-level EI is to elevate EI to the level of organizational behavior and conceptualize it as an organizational-level phenomenon (Gowing, O'Leary, Brienza, Cavallo, & Crain, 2006). As Higgs and

Dulewicz (2002, p. 4) state, in the search for strategies that can deliver sustainable competitive advantage many organizations have become interested in the emotional rather than the rational side of corporate strategy and a useful way to do this is to apply the concept of EI at the organizational level.

Researchers in OEI have developed a variety of empirical approaches for the measurement of emotional intelligence and its dimensions at the organizational level. On the one hand, there is the *collective* approach to OEI, which involves the sum of the individual EI of members of the organization. This approach is broadly similar to the *individual resource* view of team EI (Elfenbein, 2006). On the other hand, there is the *organizational* approach which views OEI as a climate-level construct related to shared norms and practices within the organization. The latter approach is broadly similar to the *group EI* view of team EI which adopts a more holistic focus on the interaction processes actually demonstrated by a team when working together; and focuses on the idea that the whole being greater than the sum of its parts, the actual norms and behavior of the group is something above and beyond the simple addition or amalgamation of the EI of members of a team (Druskat & Wolff, 2001; Elfenbein, 2006; Woolf et al., 2006).

One of the first researchers to mention collective EI was Goleman (1998), who acknowledges that the sum of individual's EI competencies in the organization is important in allowing intellectual capital, which is held by individual employees, to be expressed and shared throughout the organization. The existence of high levels of collective EI therefore facilitates the emergence of "crucial behaviors," which allow intellectual capital to be developed and realized over time (Goleman, 1998). Presumably, shared behaviors include norm-based information sharing and exchange amongst organizational members. However, Goleman (1998) does not fully explain how collective EI should be calculated or how these shared behaviors actually operate to facilitate organizational relationships and performance.

The most extensive empirical measurement of OEI using the *collective* approach is provided by Menges and Bruch (2009), who undertook large-scale research with 4,723 employees in 156 organizations in Germany. They measured the individual EI of organizational supervisors, using an other-report EI "ability" test (Law, Wong, & Song, 2004)<sup>1</sup> and aggregated these ratings to form an average organizational rating.<sup>2</sup> Critically, Menges and Bruch (2009) were able to show enough within-organization consistency and between-organization discrimination to support the conceptualization of EI as a collective organizational characteristic. Indeed, there are some

significant sector differences amongst companies in the Menges and Bruch (2009) research, with service organizations showing higher collective EI than manufacturing companies and smaller companies showing higher levels of collective EI than larger companies. This research therefore provides evidence that organizations do indeed differentiate along their average levels of collective EI – which is the sum of the individual EI of its members, or in this case its supervisors (see Menges & Bruch, 2009). Interestingly, as Menges and Bruch (2009) point out, these results also suggest that organizational norms and behaviors have a strong impact on prevailing expressions of EI at work. Indeed, the authors themselves concede that future research is also needed into the norms, values, and behaviors (i.e., the *organizational* approach to OEI) which accompany and support the expression of individual EI at work (Menges & Bruch, 2009).

In terms of the *organizational* approach, a few researchers have developed theories and empirical instruments to measure OEI as a more holistic phenomenon that reflects the behaviors of the organization and its managers as a whole. For example, Huy (1999) proposes a theory of Emotional Capability, which is critical to organizational change, made up of six major Emotional Dynamics operating at the organizational level. These include: Emotional Experiencing, which relates to organizational efforts to understand emotions amongst its members; Emotional Reconciliation, which is concerned with bringing together different and opposing views in organizations; Identification processes whereby members express their deep attachment to the organization; Encouragement, which reflects an organization's ability to instill hope in its members, often through motivating actions by leaders; Display Freedom, which describes the extent to which an organization's culture controls or encourages expressions of members' feelings and opinions; and, Playfulness, which describes an organizational context that encourages experimentation and that tolerates mistakes. Huy's (1999) emotional dynamics are related to elements of individual EI: respectively, these are empathy, sympathy, love, hope, authenticity, and fun. Furthermore, Huy (1999) specifies two key conditions for the effective enactment of emotional dynamics at the collective level: Appropriateness and Harmonious Integration. Appropriateness relates to the fact that emotions will vary amongst individuals and groups in organizations and an emotionally capable organization should focus resources on particular change objectives, rather than trying to develop or change EI with everybody in equal measure. Moreover, says Huy (1999), organizations need to integrate the EI of individuals in a harmonious way, as it can also be used in a negative fashion, to promote individuals' ends rather than those of the organization.

Harmonious Integration of emotional dynamics is therefore needed in order to make the leap from individual EI to the organization's emotional capability (Huy, 1999). Despite Huy's (1999) comprehensive theoretical work on the emotional dynamics of emotionally capable organizations, he does not develop a particular methodology for the empirical measurement of the concept.

Although Goleman (1998) does not provide an empirical theory to measure EI either collectively or as organizational-level norms and behaviors, his work is at the foundation of the Organizational Assessment Survey (OAS), developed by the U.S. Office of Personnel Management (OPM)<sup>3</sup> (Gowing et al., 2006). The original OAS tool was developed from a literature review identifying 200 items from 17 organizational culture dimensions linked to high performance (Gowing et al., 2006). These cultural dimensions, ranging from HR, leadership, employee involvement, communications, and teamwork constructs to performance, security, use of resources, and well-being factors were then mapped onto Goleman's (1998) Emotional Competency Index. The resulting model, further tested using data from the OPM database of 37,384 employees, and then on a single agency data set ( $N=3,148$ ), using structural equation modeling techniques, resulted in a seven-factor model based on 28 items. The OAS has seven factors, including five that map onto the social competencies identified by Goleman (1998) – Leadership, Communication, Teamwork, Employee Consideration, and Change Catalyst – and two extra factors called Developing Others and Service Orientation (Gowing et al., 2006). Whilst the OAS represents a valid attempt to develop an instrument for measuring EI at the organizational level, which takes into account key properties of organizations from previous research in the area of organizational studies, some difficulties emerge in developing research work around this tool. First, it is a proprietary tool that has not been published for academic researchers to verify and use in independent research. Second, and more importantly, the work described by Gowing et al. (2006) seems heavily bent on promoting Goleman's competency model, which in itself has been criticized for drawing upon a wide range of factors, which go far beyond the domain of emotional abilities per se. Similarly, the range of cultural factors from which the OAS draws in its development is very wide, and although the final model is said to be closely related to Goleman's (1998) competency work, the theoretical linkages between individual EI and the OAS are not developed any further. The dimensions of Leadership, Communication, Teamwork, and Service Orientation, for example, appear to relate to broader categories of organizational behavior than one might expect from



a model of emotionally intelligent behavior; although, Employee Consideration, Change Catalyst, and Developing Others do focus on concepts of self-evaluation and relating to the emotions of others which are strongly related to EI.

In the United Kingdom, Higgs and Dulewicz (2002) have undertaken research in organizational EI as a form of climate, which mediates the relationship between individual-level EI and organizational performance. In their view, OEI is an internal climate that either facilitates (i.e., supports) or hinders (i.e., punishes) the expression of individual emotional intelligence and mediates its relationship with performance. Indeed, drawing from the resource-based view of strategy and their personal factors model of individual EI (Dulewicz & Higgs, 2000; Dulewicz, Higgs, & Slaski, 2003), Higgs and Dulewicz (2002) argue that just as individuals have EI competencies, organizations may also be viewed as having competencies and capabilities. They therefore consider the application of various aspects of EI at an organization level and conclude that organizations themselves can be emotionally intelligent, as a result of the behaviors and practices that occur within them (Higgs & Dulewicz, 2002).

From an extensive literature review on organizational climate, organizational culture and EI, Higgs and Dulewicz (2002) therefore developed the idea of a scale to measure behaviors and processes which not only encourage and support the development of individual EI in organizations but are also indicative of EI at the organizational level itself. The scale had 113 items and was initially called the Emotional Intelligence Culture Audit (EI: CA, McGuire & Higgs, 2001), although the name was later changed to Organizational Climate Questionnaire (OCQ, Batchelor & Dulewicz, 2008). In the view of Higgs and Dulewicz (2002), OEI is concerned with processes such as reward systems, promotion systems, competency frameworks, training and development systems, and performance appraisal. Other relevant behaviors and values include how decisions are reached within the company, how strategy is developed and communicated and how problems and setbacks are dealt with (Higgs & Dulewicz, 2002).

The seven elements of OEI identified by Higgs and Dulewicz (2002) are Self-Awareness, Emotional Resilience, Motivation, Interpersonal Sensitivity, Influence, Intuitiveness, and Conscientiousness. Thus, Motivation describes the level of motivation within the organization as expressed through the level of understanding and commitment to long-term goals. Emotional Resilience relates to the organization's ability to absorb challenges and recover from setbacks. Influence relates to the organization's ability to persuade employees of the value of its strategic actions and their alignment to overall vision

and goals. Intuitiveness is about the extent to which the organization values and supports the use of individual intuition and experience in decision-making, particular in the face of incomplete information. Self-Awareness describes processes by which the organization is made aware of its image amongst employees and other stakeholders. Similarly, Interpersonal Sensitivity is concerned with the organization's ability to understand how its stakeholders are feeling and how it uses this information to underpin its decisions and strategy. Finally, Conscientiousness relates to the authenticity of organizational behavior, which refers to the ability of organizational leaders to "walk the talk" and to match actions with rhetoric.

In an extension of Higgs and Dulewicz's (2002) work, Da Camara (2013) described OEI as a set of emotionally relevant behaviors, which are typically shown by managers and senior managers in organizations. Da Camara (2013) also tested the OCQ (Batchelor & Dulewicz, 2008) in three organizations in the private, public, and not-for-profit sectors using PLS-SEM modeling techniques and developed a new organizational emotional intelligence questionnaire with 21 items (OEIQ-21). The seven elements of the OEIQ-21 are described in Table 1.

The OEIQ-21 therefore represents a usable research instrument for measuring OEI from the organizational approach, which is also founded in a previous theory of individual EI that has been linked to individual-level performance outcomes (Da Camara, 2013; Dulewicz et al., 2003). In this chapter we adopt the organizational approach, as described by Da Camara (2013) and Higgs and Dulewicz (2002) and further define OEI as a set of emotionally relevant behaviors which characterize the organization and its members, as follows:

Organizational emotional intelligence consists of organizational capabilities and competencies which facilitate the expression of individual emotional intelligence amongst employees and allow the organization to be aware of the emotions of its members and to manage these effectively.

### *Job Satisfaction*

Job satisfaction has a long history as an independent and dependent variable in organizational research (Fisher, 2010). There is some debate in the literature as to whether job satisfaction is a cognitive or affective variable, although as an attitude it should contain both elements (Fisher, 2010). Historically, the measurement of job satisfaction has often asked for descriptions and

**Table 1.** The Elements of the Organizational Emotional Intelligence Questionnaire (OEIQ-21) (Da Camara, 2013).

Organizational Emotional Intelligence Questionnaire (OEIQ-21)	
Name of the Elements	Description of the Elements
Self-Awareness	The organization is aware of the emotions and feelings of its people about all aspects of the business and can learn from its mistakes, because it encourages employees and senior managers to discuss feelings about actions or decisions and reflect on behaviors.
Emotional Resilience	The organization is able to absorb failure by promoting a relaxed and trusting atmosphere in which managers and employees can discuss negative issues openly and engage in constructive criticism.
Motivation	The organization is motivated to succeed and its people display a high level of energy and focus on key objectives. Employees share in the short-term and long-term goals of the organization and understand how they can add value in their roles.
Interpersonal Sensitivity	The organization promotes people-related competencies and prioritizes the discussion of people issues when performance problems arise. The development of “soft skills” of an interpersonal nature amongst managers and employees is strongly supported.
Influence	The organization allows employees at all levels to influence the decision-making process and to contribute their opinions, ideas and suggestions about how things should work. Senior managers welcome challenges to prevailing ideas and policies from employees lower down in the hierarchy.
Intuitiveness	The organization values the role of intuition in decision-making, giving employees the freedom to take risks and follow their ‘gut’ instincts where necessary. A flexible approach to work and decision-making is encouraged and people are free to act without interference.
Conscientiousness	The organization is authentic and acts in accordance with its espoused values and rhetoric (i.e., it “walks the talk”). Senior managers behave in a way which is consistent with the stated values and integrity is rewarded amongst employees.

evaluations of job features rather than feelings about the job or emotional experiences while working, as witnessed in widely used scales such as the Minnesota Satisfaction Questionnaire (MSQ, Weiss, Dawis, England, & Lofquist, 1967) and the Job Descriptive Index (JDI, Smith, Kendall, & Hulin, 1969). Yet, more recently, researchers have found evidence that positive mood and emotions at work are also related to overall job satisfaction and have

called for further research that explicitly accounts for this component of job satisfaction (Brief, 1998; Fisher, 2010). Locke (1976, p. 1300) describes job satisfaction largely as affect: “a pleasurable or positive emotional state resulting from an appraisal of one’s job or job experiences.” More recently, Llobets and Angels Fito (2013) defined job satisfaction as the degree of positive emotion a member of the organization has in connection with his/her employment. Both these definitions focus on the affective evaluation of the person’s experiences at work, which is the core component of job satisfaction.

### *Affective Commitment*

Organizational commitment is generally viewed as the second most commonly measured construct in the job attitudes family, after job satisfaction (Fisher, 2010). Organizational commitment has been conceptualized in various ways (Swales, 2002). Meyer and Allen (1991) explicitly divided commitment into three components: affective, normative, and continuance; and have received much empirical support for their model (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002, in Elias, 2009). Affective commitment represents emotional attachment to the organization and personal identification with the organization’s goals and values (Fisher, 2010). Indeed, in one of the most widely used views of organizational commitment, Mowday, Steers, and Porter (1979, p. 226) define organizational commitment as “the relative strength of an individual’s identification with and involvement in an organization,” which is a predominantly affective definition of commitment. Normative commitment involves a feeling of obligation to the organization such that people feel they must stay out of loyalty to the organization. Normative and affective commitment are not always distinct, empirically, prompting some researchers to suggest that they be combined into one overall measure of affective commitment (Cohen, 2007; Ko, Price, & Mueller, 1997). Continuance or instrumental commitment involves staying with the organization because of the inducements offered or a lack of alternatives, rather than because membership leads to positive emotion or triggers feelings of loyalty (Fisher, 2010).

Affective commitment also correlates strongly and consistently with organization-relevant and employee-reliant outcomes whereas the relationships that exist between such outcomes and normative and continuance commitment, each of which relies on factors that are external to the individual (e.g., social norms and job market quality) tend to be inconsistent and not as strong (Elias, 2009; Mathieu & Zajac, 1990; Meyer et al., 2002). It is

for these reasons that many investigators have focused on affective commitment, rather than all three forms of commitment (Elias, 2009).

In addition, affective commitment is fairly strongly related to other positive attitudes in the workplace, such as job satisfaction (cf. Cooper-Hakim & Viswesvaran, 2005, found a correlation of 0.50 between affective commitment and job satisfaction). According to Fisher (2010), job satisfaction and organizational commitment can even be combined to make up a powerful measure of individual-level happiness at work.

### *Intention to Leave*

While many researchers agree that commitment is a critical outcome for successful relationships in organizations (MacMillan, Money, & Downing, 2000; Meyer, Allen, & Smith, 1993), the notion of an intention to stay and a willingness to put effort into a relationship is a much stronger notion of commitment than an individual stating that he or she is simply committed to an organization (MacMillan et al., 2000). Indeed, as Conner and Norman (1996) note, the intention to engage in a specific behavior is the best predictor of that behavior in the future. In line with this view, Meyer et al. (1993) found that intention to leave was predicted by organizational and occupational commitment. In addition, Carr et al. (2003) cite research revealing a link between cognitive and affective states and turnover intentions (i.e., Mathieu & Zajac, 1990; Tett & Meyer, 1993).

There is also a direct link, theoretically, between an employee's intention to quit and actual turnover from the organization (Koslowsky, 1987). In practical terms, this is supported by considerable research showing the relationship between intention to leave and actual exit from the organization (Blau & Lunz, 1998; Chen, Hui, & Sego, 1998; Ladebo, 2006). A meta-analysis by Steel and Ovalle (1984) also indicates that the average correlation between intention to quit and actual turnover was  $r = 0.50$ . Griffeth, Hom, and Gaertner's (2000) meta-analytic research also found that turnover intention is the best predictor of (voluntary) turnover ( $r = 0.45$ ). On contrast, job satisfaction ( $r = -0.19$ ) and organizational commitment ( $r = -0.23$ ) are modest predictors of (voluntary) turnover. Quit intentions are also important because employees considering leaving an organization are likely to be detached from their work and their colleagues with considerable implications for performance (Ladebo, 2006).

*Theoretical Development of the Model*

A popular theory of the turnover process is the model outlined by Mobley et al. (1979) who suggest that various aspects of the work environment (e.g., supervision practices and job content factors) influence employees' affective responses (e.g., job satisfaction and organizational commitment), which in turn may initiate withdrawal cognitions and decision processes that are then related directly to an individual's likelihood of turnover (Mathieu & Zajac, 1990). Drawing from Mobley et al.'s (1979) approach we would expect OEI, which is made up of perceptions of the work environment to influence employee attitudes such as job satisfaction and organizational commitment, which in turn would impact withdrawal intentions.

In this chapter, we actually base the relationship between OEI, employee attitudes, and behavioral intentions on the Theory of Reasoned Action (TRA: Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975), which is one of the most pervasive social cognition models in organizational research (Furnham, 2005, p. 233). According to the TRA (Fishbein & Ajzen, 1975), individual-level attitudes are derived from the direct experience or observation of an attitude object. Attitudes then consist of beliefs (i.e., knowledge, ideas, and opinions about an attitude object) and affect, which is the sum of a person's feelings toward the attitude object, and represents an evaluation which is usually favorable or unfavorable. In turn, attitude leads to behavioral intention, which is the tendency to act in a certain way toward the attitude object; and includes both commitments and actions toward the attitude object, as well as what people say about how they might act toward the attitude object under certain conditions (Caruana, Cohen, & Krentler, 2006). Evidence of the predictive ability of the TRA is provided by Armitage and Conner (2001) and Albaraccin, Johnson, and Zanna (2001) who found moderately strong correlations between behavioral beliefs and attitudes ( $r=0.50-0.56$ ) and between attitudes and behavioral intentions ( $r=0.49-0.58$ ). In this chapter, we therefore suggest that OEI represents employee experience of the behavior of the organization and its managers, which influences employee attitude (i.e., affective commitment and job satisfaction) and which, in turn, impacts on intention to withdraw from the organization (i.e., intention to leave). We can surmise, therefore, that the implications of using the Theory of Reasoned Action are similar to the approach implied by Mobley et al. (1979) in their theory of the turnover process.

*OEI, Employee Attitudes, and Organizational Performance*

Given the relatively under developed state of research in OEI, only a few authors have undertaken empirical research in the link between OEI and critical organizational outcomes, such as employee attitudes and behavior, and organizational performance.

In a study of 73 managers in eight UK organizations, [Batchelor and Dulewicz \(2008\)](#) found that OEI (measured by the Organizational Climate Questionnaire, OCQ) had a significant confounding effect on the individual attitude of follower commitment and leadership performance, after accounting for the impact of individual emotional intelligence. Using the OEIQ-21, which is based on the OCQ ([Batchelor & Dulewicz, 2008](#)), [Da Camara \(2013\)](#) found that OEI is a strong predictor of organizational emotional appeal and trust in senior management, beyond the impact of psychological climate in job, role and direct leader domains. In addition, [Da Camara \(2013\)](#) found that the relationship between OEI and intention to leave was mediated by organizational emotional appeal (i.e., overall reputation) in three organizations in the private, public, and not-for-profit sectors.

In addition, [Huy's \(1999\)](#) theory of organizational Emotional Capability provides theoretical support for the operation of Emotional Dynamics, which include Identification processes whereby members express their deep attachment to the organization, and Encouragement, which reflects an organization's ability to instill hope in its members, often through motivating actions by leaders. We therefore suggest that OEI has the ability to influence employee feelings and attitudes toward their work and organization, such as job satisfaction and affective commitment.

In an extension of [Goleman's \(1998\)](#) work on emotional competencies, [Gowing et al. \(2006, p. 259\)](#) claim that organizations which are high in EI are most effective "in terms of such variables as customer service, employee satisfaction, and employee commitment, thus resulting in significant cost savings to the organization over time from repeat customer business and reduced turnover." Empirical support for these propositions is provided by the U.S. Office of Personnel Management (OPM) psychologists who find that the Organizational Assessment Survey (OAS) items correlate with a number of other indexes on stress, business results, employee satisfaction and customer service ([Gowing et al., 2006, p. 264](#)). As [Gowing et al. \(2006, p. 264\)](#) state, although correlational studies are useful to postulate hypotheses among variables, causal studies should

also play an important role in the practitioner's research agenda to advance our scientific knowledge of the role of EI as the individual, team, and organizational levels in creating high-performance organizations. Thus, Gowing et al. (2006) provide clear evidence of a positive relationship between EI competencies at the organizational level and employee satisfaction and commitment.

Strong evidence of OEI's link with organizational performance is provided by Menges and Bruch (2009) who find that the level of collective EI in organizations is positively associated with operational, financial, and innovation performance, and negatively associated with involuntary absence.<sup>4</sup> This is a key finding in the nascent field of OEI research, particularly as it draws from such a wide sample of organizations. Specifically, Menges and Bruch (2009) find evidence of a significant and positive relationship between aggregated values of supervisors' EI (as rated by their direct reports), using an ability based measure, and organizational performance. As Menges and Bruch (2009) explain, the other report mode of supervisor EI actually measures the EI that is expressed in the supervisor – direct report relationship and is therefore very likely to be influenced by the organizational climate and its prevailing shared norms and practices. In this sense, Menges and Bruch (2009) provide support for the relationship between organizational performance and OEI as both a *collective* and *organizational* phenomenon. Of course, Menges and Bruch (2009) do not test the role of mediators in the relationship between OEI and performance, but drawing from the Theory of Reasoned Action (Fishbein & Ajzen, 1975) we suggest that supervisor EI and EI-related norms and shared behaviors in the organization influence employee attitudes and intentions which then lead to performance improvements.

Although empirical research in the relationship between OEI and important organizational outcomes has been relatively limited, researchers have provided evidence of its relationship with employee attitudes and follower performance (Batchelor & Dulewicz, 2008; Da Camara, 2013; Gowing et al., 2006; Menges & Bruch, 2009). We therefore propose the following hypotheses:

- H1.** There is a positive relationship between organizational emotional intelligence and affective commitment.
- H2.** There is a positive relationship between organizational emotional intelligence and job satisfaction.



*Employee Attitudes and Withdrawal Intentions*

Previous research in organizational behavior has shown that although they are not the only determinants of performance-related outcomes, positive work attitudes do generally predict turnover intentions (Hom, Caranikas-Walker, Prussia, & Griffeth, 1992) and citizenship behaviors (Organ, 1988), as well as related constructs such as absenteeism (Muchinsky, 1977) and performance (Judge, Thoreson, Bono, & Patton, 2001) in organizations. Following the TRA (see Fishbein & Ajzen, 1975) we expect that attitudes, such as affective commitment and job satisfaction have an impact on the development of behavioral intentions amongst employees; and that the stronger the intention to perform the behavior, the more likely should be its performance (Furnham, 2005, p. 233). The strongest and most predictable consequence of organizational commitment is the behavioral intention to quit and seek alternative employment (Mathieu & Zajac, 1990). Indeed, previous research has shown that job satisfaction and organizational commitment are negatively related to intention to quit and actual turnover (Griffeth et al., 2000; Meyer et al., 2002). As a result of the relationships described above the following hypotheses are proposed:

**H3.** There is a negative relationship between affective commitment and intention to leave.

**H4.** There is a negative relationship between job satisfaction and intention to leave.

The effects of objective work environments, job design, personality, and psychological climate on more distal outcomes such as performance, organizational citizenship behavior, and turnover are often mediated through happiness related constructs such as job satisfaction, affective commitment, and mood at work (cf. Carr et al., 2003; Mount, Ilies, & Johnson, 2006; Parker et al., 2003; Patterson, Warr, & West, 2004; Podsakoff, LePine, & LePine, 2007). In sum, the evidence suggests that happiness at work does matter not just to employees but also to organizations. Therefore, this research also answers the call by Fisher (2010) to undertake further research in job satisfaction and organizational commitment only if these are used as dependent variables for new happiness-enhancing interventions or as mediating variables carrying the effect of such interventions to performance outcomes – because we already know a lot about job satisfaction and organizational commitment and its correlates. Given the hypotheses

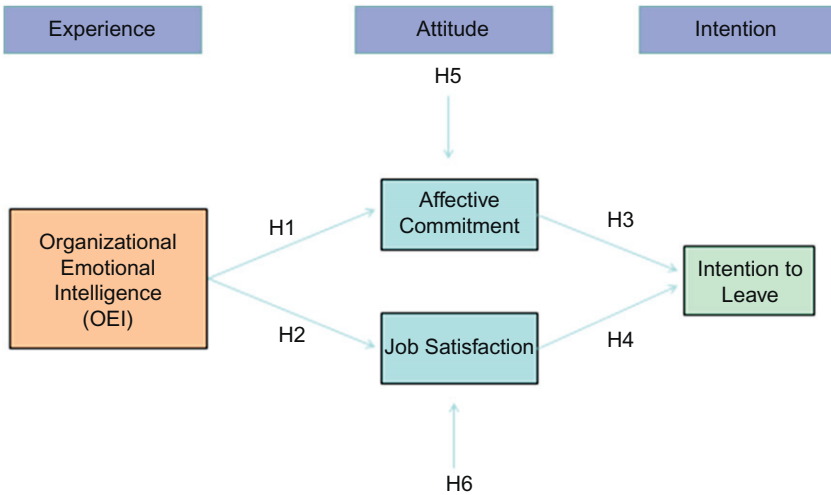


Fig. 1. Research Model and Hypotheses.

stated so far in the research model we can logically deduce two further hypotheses to be tested in this chapter:

**H5.** Affective commitment mediates the relationship between organizational emotional intelligence and intention to leave.

**H6.** Job satisfaction mediates the relationship between organizational emotional intelligence and intention to leave.

The six research hypotheses proposed in this chapter are summarized in Fig. 1.

## METHODOLOGY

### *Sample*

A UK-based charity organization with 230 employees located across two sites in the South-East of England was invited to participate in this research study. The charity was engaged in an effort to “change culture” – which included a desire to increase transparency, improve communication amongst departments, make decision-making more flexible,

and increase trust in management – and modernize its approach to the management of employees. A full survey of employee sentiment had not previously been undertaken. The charity will henceforth be referred to as *Organization 1*.

In terms of gender, four-fifths (81%) of the total sample was female. Almost half (48%) of the employees were in the 26–35 age group; and a further 10% were in the 16–25 age category. Another 36% of the employees were in the 36–55 age groups. In terms of job level, 60% of the sample were team members, with another third (32%) being team managers. Overall, employees had relatively short tenure with 46% having been there for only two years or less, and approximately 70% having tenure of up to and including five years duration. There were some long-servers as well, with almost 18% of the employees having served 10 years or more. The average work duration was 4.65 years.

A descriptive investigation of the relationship between variables was undertaken using a cross-sectional research design. The research focused on the identification of individual-level perceptions and attitudes and the prediction of behavioral intentions amongst employees. The unit of analysis was the employee.

### *Data Collection*

The research was conducted over a three-week period and composed of an online survey although a paper-based version was available for employees who requested it. The survey was distributed to all 230 employees in the organization, which included the following six departments: senior management and administration, finance and operations, media and campaigns, fundraising, strategy, and special projects departments. Participants were given written assurances of the anonymity and confidentiality of their responses; and were also assured that the results would only be shown to senior management in aggregate form. In total, 189 completed surveys were received of which 174 were complete and usable, which represents a 76% response rate.

### *Research Instrument*

The revised organizational emotional intelligence questionnaire (OEIQ-21) (Da Camara, 2013) was used to assess employee perceptions of the

behavior of the organization and its managers. Drawing from earlier work by Higgs and Dulewicz (2002), McGuire and Higgs (2001), and Batchelor and Dulewicz (2008), Da Camara (2013) developed and validated a new organizational emotional intelligence questionnaire (OEIQ-21) with 21 items in research undertaken in three private, public, and not-for-profit sector organizations ( $n=495$ ; see Da Camara, 2013 for further details). Although Da Camara (2013) found that the OEIQ-21 had reliable and valid properties across all sectors, support was not found for the seven factors theorized by Higgs and Dulewicz (2002) in earlier work. However, in order to maintain consistency with earlier theoretical work the OEIQ-21 is made up of three items per factor. The OEIQ-21 was measured on a 5-point Likert agreement scale in accordance with previous research.

Affective organizational commitment was measured using Meyer and Allen's (1991) 6-item scale, which has been widely used in organizational research. Internal reliability of the scale, as measured by Cronbach alpha, in a study of the nursing profession in the United Kingdom ranged from 0.85 to 0.87 (Meyer et al., 1993). The scale was measured on a 7-point Likert agreement scale, in accordance with previous research.

Job satisfaction was measured using the three-item General Satisfaction scale of the Hackman and Oldham (1975) Revised Job Diagnostic Survey (see Boonzaier, Ficker, & Rust, 2001). The items were measured on a 7-point Likert agreement scale, following Hackman and Oldham's (1975) original design. However, one of the items was removed as it overlapped with one of the items in the intention to leave scale. The scale has shown reliable properties in previous research.

The intention to leave scale used in this study was developed by Meyer et al. (1993) and was measured on a 7-point Likert agreement scale as stipulated by the original authors. Participants were asked to indicate the extent to which they agreed or disagreed with a set of three statements concerning their intention to leave the organization. Internal reliability of the scale, as measured by Cronbach alpha, in a study of the nursing profession in the United Kingdom ranged from 0.71 to 0.83 (Meyer et al., 1993). The full questionnaire is available in the [appendix](#).

#### *Structural Equation Modeling: Partial Least Squares Approach*

PLS-SEM is a technique that was developed as an alternative to traditional covariance-based structural equation modeling (CB-SEM) techniques and

emphasizes prediction whilst simultaneously relaxing the demands on data and specification of relationships (e.g., Dijkstra, 2010; Joreskog & Wold, 1982). PLS-SEM maximizes the explained variance of the endogenous latent variables by estimating partial model relationships in an iterative sequence of ordinary least squares (OLS) regressions; and, therefore, has minimum demands regarding sample size and the assumption of multivariate normality needed for maximum likelihood-based SEM estimations, but it still achieves high levels of statistical power (Hair, Sarstedt, Ringle, & Mena, 2011a). For this reason, PLS-SEM is often referred to as a distribution-free “soft modeling approach” (Hair et al., 2011a). As Lohmöller (1989, cited in Hair et al., 2011a) notes, however, “it is not the concepts nor the models nor the estimation techniques which are ‘soft’, only the distributional assumptions.” Importantly, PLS-SEM estimates latent variable scores as exact linear combinations of their associated manifest variables (Fornell & Bookstein, 1982) which therefore represent the variance that is useful for explaining the endogenous latent variables (Hair et al., 2011a).

In terms of research objectives, it can be concluded that PLS-SEM is aimed at prediction and is therefore best suited to the analysis of “focused” models, in which there are twice as many exogenous latent variables as endogenous latent variables; whereas, CB-SEM may be more suitable for explaining “balanced” or “unfocused” models which have similar numbers of exogenous or endogenous variables (Hair et al., 2011a).

In this chapter, a partial least squares structural equation modeling approach (PLS-SEM) using SmartPLS (Ringle, Wende, & Will, 2005) was adopted to examine the relationships amongst the variables and constructs in the research model. The reasons for selecting PLS-SEM as the appropriate modeling technique in this research are as follows:

- The research investigates how employee attitudes and behavioral intentions in organizations can be predicted from their perceptions of the organizational environment. The predictive nature of the research therefore means that it is best suited to a PLS-SEM approach;
- The research is based on a focused model, made up of seven exogenous latent variables and four endogenous latent variables, rather than a balanced or unfocused model and is therefore best suited to analysis using a PLS-SEM approach;
- The research is based on data which has significant non-normal properties, as established through the relevant tests, and does not therefore meet the CB-SEM criteria for normality.

## RESULTS

### *Data Analysis*

The quantitative analysis began by coding and entering the data collected from the questionnaires into SPSS 18.0. The data was then cleaned and examined more closely in order to ascertain the distributional properties of the data; and was assessed for missing values, outliers and normality of the distribution. As stated by Hair, Black, Babin, and Anderson (2010), it is important to establish the normality of the dataset even when using partial least squares structural equation modeling. The data was found to be largely non-normal, which is common in organizational research.

### *Descriptive Statistics*

As we can see in Table 2, Organization 1 shows a quite high level of job satisfaction (4.83<sup>5</sup>) but only an average level of affective commitment (3.79).<sup>6</sup> Moreover, intention to leave (4.05) is at the mid-range or average level of the scale. In terms of OEI, Organization 1 performs just above average (3.21<sup>7</sup>) with slightly higher scores for Interpersonal Sensitivity (3.42<sup>8</sup>), Conscientiousness (3.38<sup>9</sup>), Intuitiveness (3.35<sup>10</sup>), and Emotional Resilience (3.29<sup>11</sup>); but lower scores for Self-Awareness (3.16<sup>12</sup>) and Motivation (3.08<sup>13</sup>) and a noticeably low score for Influence (2.77<sup>14</sup>).

**Table 2.** Descriptive Statistics.

Constructs	<i>N</i>	Minimum	Maximum	Mean	Std. Deviation
Self-Awareness	174	1.00	4.67	3.16	0.76
Emotional Resilience	173	1.00	5.00	3.29	0.67
Motivation	174	1.00	5.00	3.08	0.74
Interpersonal Sensitivity	174	1.00	5.00	3.42	0.61
Influence	174	1.00	5.00	2.77	0.77
Intuition	174	1.00	4.67	3.35	0.69
Conscientiousness	174	1.00	5.00	3.38	0.74
OEI	174	1.00	4.86	3.21	0.58
Affective Commitment	174	1.67	5.67	3.79	0.55
Job Satisfaction	173	1.00	7.00	4.83	1.69
Intention to Leave	173	1.00	7.00	4.05	1.90
Valid <i>N</i> (listwise)	173				

### Construct Correlations

As we might expect from previous research in the field, OEI correlates positively and quite strongly with job satisfaction ( $r = 0.51, p < 0.01$ ) and also has a quite strong negative correlation with intention to leave ( $r = -0.54, p < 0.01$ ) (see Table 3). Again, as we might expect given previous research, there is a strong negative correlation between job satisfaction and intention to leave ( $r = -0.72, p < 0.01$ ). However, there is no significant correlation between OEI and affective commitment, which is surprising given that OEI has previously shown positive correlations with employee attitudes (Da Camara, 2013).

### Hierarchical Regressions

Before analyzing the model in PLS-SEM, an initial examination of the ability of job satisfaction and affective commitment to explain intention to leave beyond the impact of OEI and biographical variables was undertaken using hierarchical regression techniques in SPSS 18.0. The researcher entered the biographical variables of gender, age group, tenure and job

**Table 3.** Construct Correlations.

		Organizational Emotional Intelligence (OEI)	Job Satisfaction	Affective Commitment	Intention to Leave
Job Satisfaction	Pearson	0.54	1		
	Correlation ( $r$ )				
	Sig. (2-tailed)	0.01			
	$N$	173	173		
Affective Commitment	Pearson	-0.05	-0.02	1	
	Correlation ( $r$ )				
	Sig. (2-tailed)	0.48	0.75		
	$N$	174	173	174	
Intention to Leave	Pearson	-0.51	-0.72	-0.07	1
	Correlation ( $r$ )				
	Sig. (2-tailed)	0.01	0.01	0.35	
	$N$	173	173	173	173

level, followed by the seven constructs which constitute OEI (namely Self-Awareness, Emotional Resilience, Motivation, Interpersonal Sensitivity, Influence, Intuitiveness, and Conscientiousness), job satisfaction and affective commitment into a hierarchical regression on intention to leave, using the Enter method (see Table 4). The results show that age group alone can explain 11% of the variance in intention to leave, although none of the other biographical variables are significant. Further examination showed that age group is negatively correlated with intention to leave (0.33,  $p < 0.01$ ), such that as age increases turnover intention decreases. After age group, OEI explains another 27% of the variance in intention to leave. A further 21% of the variance is explained by job satisfaction and, another 1% of the variance is explained by affective commitment. The results provide initial support for the model and its ability to explain a large part of the variance in intention to leave (61%), particularly through age group, OEI and job satisfaction. Moreover, initial support is also provided for the mediating role of job satisfaction and affective commitment in the relationship between OEI and intention to leave, although the impact of job satisfaction is much higher.

#### *Evaluation of the Measurement Model*

The proposed research model only contains reflective indicators in the measurement model for which the assessment is based on a prescribed set of reliability and validity criteria (Hair et al., 2011a; Henseler, Ringle, & Sinkovics, 2009).

#### *Indicator Reliability*

In this research, almost all the indicators had individual standardized loadings (squared standardized outer loadings) on their respective construct of 0.70 or above which is the recommended loading to ensure that more variance is shared between a construct and its measures than error variance (Hulland, 1999; Nunnally, 1978). The exceptions were two indicators in the affective commitment scale, namely AFFCT2 and AFFCT6 which had loadings of 0.64 and 0.67, respectively. In exploratory studies, loadings of 0.40 may be acceptable (Hulland, 1999). Moreover, the significance of the indicators in the measurement model should also be tested via *t*-testing (i.e., the original sample estimates are reported and the mean of subsamples estimates are calculated via bootstrapping, Hillenbrand, 2007). In this case, since all indicators were significant and the individual loadings of



**Table 4.** Hierarchical Regressions on Intention to Leave.

Model	<i>R</i>	<i>R</i> Square	Adjusted <i>R</i> Square	Std. Error of the Estimate	Change Statistics				
					<i>R</i> Square Change	<i>F</i> Change	df1	df2	Sig. <i>F</i> Change
Gender	0.03	0.00	-0.01	1.92	0.00	0.11	1.00	138.00	0.74
Age Group	0.34	0.11	0.10	1.81	0.11	17.66	1.00	137.00	0.00
Tenure	0.35	0.12	0.10	1.81	0.01	0.86	1.00	136.00	0.36
Job Level	0.35	0.12	0.10	1.82	0.00	0.30	1.00	35.00	0.59
Organizational Emotional Intelligence (OEI) (Self-Awareness, Emotional Resilience, Motivation, Interpersonal Sensitivity, Influence, Intuition, Conscientiousness)	0.62	0.39	0.34	1.56	0.27	7.98	7.00	128.00	0.00
Job Satisfaction	0.77	0.60	0.56	1.27	0.21	66.87	1.00	127.00	0.00
Affective Commitment	0.78	0.61	0.57	1.25	0.01	4.62	1.00	126.00	0.03

AFFCT2 and AFFCT6 were still above 0.60, all the indicators were left intact in the research model.

### *Construct Reliability*

In PLS-SEM applications, the recommended measure of reliability is the composite reliability score which, unlike Cronbach alpha, does not assume tau equivalence and therefore “prioritizes indicators according to their reliability during model estimation” (Hair, Ringle, & Sarstedt, 2011b). All constructs in the research model showed acceptable levels of composite reliability being above 0.70 (see Table 5).

### *Construct Validity*

To assess the validity of the measurement or outer model in PLS-SEM it is necessary to examine both convergent and discriminant validity as described by Henseler et al. (2009) and Hair et al. (2011a).

### *Convergent Validity*

Convergent validity is concerned with the extent to which a set of indicators are representative of the construct they are meant to measure; and, whether a construct and its associated indicators are significantly distinct or different from other constructs in the overall model (Vogt, 1993, p. 44). The test for convergent validity is done by assessing the average variance

**Table 5.** Smart PLS Reliability and Validity Results.

	AVE	SQRT AVE <sup>a</sup>	Composite Reliability	R Square	Cronbach Alpha	Communality	Redundancy
AFFCT	0.58	0.76	0.89	0.34	0.86	0.58	0.19
CONSC	0.57	0.75	0.79	0.71	0.60	0.57	0.40
ER	0.60	0.77	0.81	0.64	0.66	0.60	0.38
INFL	0.63	0.79	0.84	0.73	0.70	0.63	0.46
INT	0.61	0.78	0.83	0.71	0.69	0.61	0.43
IS	0.49	0.70	0.75	0.48	0.49	0.49	0.23
ITL	0.84	0.92	0.94	0.47	0.91	0.84	0.13
JOBSAT	0.92	0.96	0.96	0.32	0.92	0.92	0.30
MOT	0.62	0.79	0.83	0.75	0.69	0.62	0.46
OEI	0.59	0.77	0.93	0.00	0.92	0.40	0.00
SA	0.60	0.78	0.82	0.74	0.67	0.60	0.44

<sup>a</sup>SQRT indicates the square root of the AVE, which is necessary to calculate the Fornell-Larcker criterion.

extracted (AVE) of each construct in the PLS-SEM output. An AVE value of 0.50 or more signifies that the latent variable explains at least half of the variance of its indicators and therefore demonstrates an acceptable level of convergent validity (Hair et al., 2011a). All the constructs in the research model showed an AVE of 0.50 or more, which denotes an acceptable level of convergent validity (see Table 5).

#### *Discriminant Validity*

Discriminant validity can be tested by examining the cross-loadings of indicators in the model. Thus, each indicator should load highest on the construct which it is intended to measure (Chin, 1998). In this research, the indicator cross-loadings show a good level of discriminant validity with each indicator loading highest on its relevant construct (see Table 6).

Discriminant validity can be assessed further through the Fornell and Larcker test, which suggests that latent constructs should share a greater level of variance with its associated indicators than with any other latent variable present in the model (Fornell & Larcker, 1981). This is done by comparing the squared AVEs of the constructs with the inter-construct correlations (Hair et al., 2011a). The constructs in this research show a good level of discriminant validity as shown in Table 7.

#### *Evaluation of the Structural Model*

Following the assessment of the measurement model and having found evidence of reliability and validity, it is appropriate to assess the inner structural model. In PLS-SEM, researchers must evaluate the quality of the inner model using variance-based, non-parametric evaluation criteria (e.g., Chin, 1998, 2010; Henseler et al., 2009). When using a PLS-SEM approach, the inner or structural model is typically assessed according to the following criteria.

#### *Explanatory Power of the Structural Model – $R^2$ Effect Size*

PLS-SEM is a prediction-oriented analytical tool which aims to explain the variance of a model's endogenous latent variables. The variance is measured by the coefficient of determination ( $R^2$ ) and should be relatively "high" for the key constructs in the model. There is some discussion of what constitutes a "high" level of explanation across disciplines with acceptable levels of  $R^2$  deemed to be anywhere between 0.20 and 0.75 (Da Camara, 2013). Chin (1998) recommends using benchmark values of 0.67

**Table 6.** Smart PLS Cross-Loadings.

ORG1	AFFCT	ITL	JOBSAT	OEI
AFFCT1	0.77	-0.55	0.50	0.51
AFFCT2	0.64	-0.26	0.25	0.37
AFFCT3	0.85	-0.46	0.47	0.53
AFFCT4	0.80	-0.21	0.21	0.37
AFFCT5	0.82	-0.36	0.49	0.51
AFFCT6	0.67	-0.22	0.27	0.30
CONSC1	0.49	-0.33	0.46	0.75
CONSC2	0.20	-0.13	0.12	0.34
CONSC3	0.43	-0.38	0.36	0.73
ER1	0.42	-0.30	0.50	0.73
ER2	0.21	-0.22	0.30	0.46
ER3	0.39	-0.27	0.36	0.63
INFL1	0.40	-0.23	0.26	0.64
INLF2	0.43	-0.43	0.48	0.82
INFL3	0.32	-0.46	0.37	0.55
INT1	0.40	-0.30	0.49	0.61
INT2	0.42	-0.23	0.41	0.77
INT3	0.27	-0.28	0.33	0.59
IS1	0.34	-0.12	0.29	0.47
IS2	0.26	-0.11	0.18	0.44
IS3	0.29	-0.20	0.19	0.54
ITL1	-0.43	0.91	-0.57	-0.38
ITL2	-0.52	0.95	-0.65	-0.43
ITL3	-0.38	0.90	-0.59	-0.39
JOBSAT1	0.48	-0.69	0.97	0.57
JOBSAT2	0.50	-0.57	0.96	0.52
MOT1	0.47	-0.39	0.55	0.72
MOT2	0.42	-0.24	0.37	0.71
MOT3	0.34	-0.21	0.31	0.61
SA1	0.46	-0.15	0.28	0.63
SA2	0.33	-0.43	0.46	0.70
SA3	0.37	-0.28	0.26	0.67

**Table 7.** Construct Cross-Correlation Matrix.

	AFFCT	ITL	JOBSAT	OEI
AFFCT	0.76	0.00	0.00	0.00
ITL	-0.49	0.92	0.00	0.00
JOBSAT	0.51	-0.66	0.96	0.00
OEI	0.59	0.44	0.57	0.77

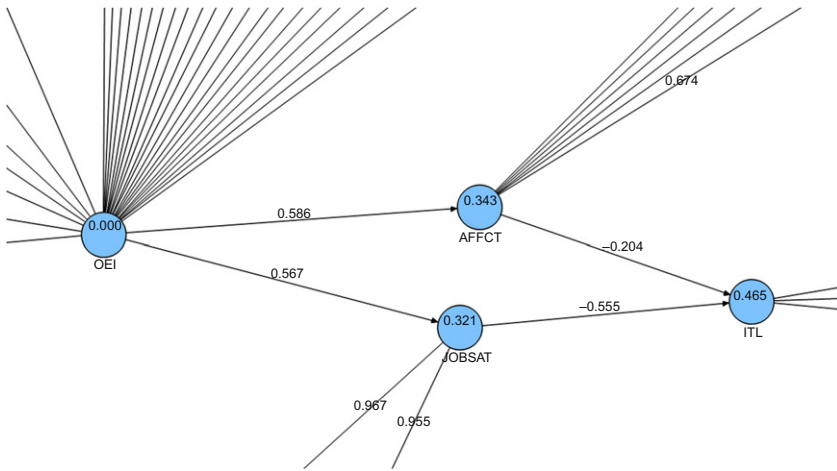


Fig. 2. Structural Model.

(high), 0.33 (moderate), and 0.19 (weak) in PLS path models. The hypothesized structural model for Organization 1 is shown in Fig. 2. The model has high levels of  $R^2$  for affective commitment (0.34) and intention to leave (0.47) and a moderate level of  $R^2$  for job satisfaction (0.32). According to Henseler et al. (2009), moderate  $R^2$  values are acceptable when the inner path's endogenous latent variables are explained by only a small number (e.g., one or two) of exogenous latent variables, as is the case here.

#### Path Coefficient Estimation

Next in the evaluation of the inner model is the evaluation of path coefficients, which represent standardized beta coefficients of ordinary least squares regressions. The algebraic sign and value for each path should align with the research hypotheses that form the theoretical background to the model. In addition, the significance of each path must be determined by bootstrapping procedures which result in the determination of a  $t$ -statistic. Bootstrapping was based on a total of 500 samples in this research. The  $t$ -statistic must be above 1.645 to be considered significant at a 95% level of confidence. As we can see in Table 8, which shows the path results and the respective  $t$ -values, all of the hypothesized relationships in the model are significant and consistent with the hypothesized direction. The path results suggest that affective commitment and job satisfaction both mediate the relationship between OEI and intention to leave. OEI has a similar impact on affective

**Table 8.** PLS Path Coefficient Estimation Results for the Structural Model.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )
AFFCT → ITL	-0.20	-0.21	0.08	0.08	2.68
JOBSAT → ITL	-0.56	-0.55	0.09	0.09	6.05
OEI → AFFCT	0.59	0.59	0.05	0.05	11.53
OEI → CONSC	0.84	0.84	0.02	0.02	36.39
OEI → ER	0.80	0.79	0.04	0.04	20.29
OEI → INFL	0.86	0.86	0.03	0.03	27.15
OEI → INT	0.84	0.84	0.03	0.03	29.09
OEI → IS	0.70	0.70	0.04	0.04	16.24
OEI → ITL	-0.43	-0.43	0.05	0.05	9.49
OEI → JOBSAT	0.57	0.57	0.06	0.06	9.53
OEI → MOT	0.87	0.87	0.02	0.02	42.41
OEI → SA	0.86	0.86	0.02	0.02	39.07

commitment as it does on job satisfaction. However, intention to leave is much more strongly impacted by job satisfaction than affective commitment.

#### *Analysis of Alternative Models – Testing Mediators*

Analyses of competing models were undertaken to assess the relative impact of job satisfaction and affective commitment as mediators in the relationship between OEI and intention to leave. Thus, in the first instance a model without any mediators showed that OEI can directly explain 19% of the variance in intention to leave. A second model showed that OEI can explain 24% of intention to leave when mediated by affective commitment only. A third iteration of the model showed that OEI can explain 43% of intention to leave when mediated by job satisfaction. In conclusion, affective commitment and job satisfaction increase the variance explained in intention to leave by 5% and 19%, respectively.

#### *Common Method Variance (CMV)*

Common method variance (CMV) is defined as variance which occurs as a result of the commonality of method used to elicit responses from research

participants, such that the latter may fall into response patterns which are caused by the repeated format of the question items and not the question being asked. The data was tested for CMV with a one-factor test (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The results showed that six factors (all with Eigen values in excess of 1) accounted for 64% of the variance, while the highest single factor, representing OEI, accounting for 37.5% of the variance which slightly exceeds half of the variance explained. In a follow up analysis using varimax rotation, six factors were found to explain 64% of the variance with the highest single factor (representing OEI) representing only 16.2%. These findings suggest that the CMV effects may not be a major concern.

## DISCUSSION

The chapter reviews the available research on organizational emotional intelligence and the empirical evidence for the relationship between OEI and important organizational outcomes, such as employee attitudes, leadership, and organizational performance (Batchelor & Dulewicz, 2008; Da Camara, 2013; Gowing et al., 2006; Menges & Bruch, 2009) to support the proposed research model. Apart from Da Camara (2013), we believe that this is the only published work that reviews research in the field of OEI to date. Moreover, we contribute to the theoretical development of the field by proposing a definition of OEI as a set of organizational competencies and capabilities which allow the organization to be aware of member emotions and manage these effectively; and, which, therefore supports and facilitates the expression of individual emotional intelligence amongst members. This definition is clearly related to previous definitions of individual EI as a person's ability to manage their emotions and those of others (Salovey & Mayer, 1990); but, also highlights the crucial interplay between individual and organizational-level factors in the development of emotionally intelligent behavior in organizations (Da Camara, 2013; Higgs & Dulewicz, 2002).

The results support all of the research hypotheses proposed in the research model, therefore providing evidence for the mediating role of job satisfaction and organizational commitment in the relationship between perceptions of OEI and turnover intentions amongst employees. As such, the chapter contributes to the understanding of the actual process through which OEI impacts on behavioral intentions in organizations and fulfils an

important explanatory role in organizational research (Whetten, 1989). This research therefore provides general support for Mobley et al.'s (1979) theory of the turnover process, which suggest that perceptions of the work environment influence employees' affective responses (e.g., job satisfaction and organizational commitment), which in turn lead to withdrawal decisions. Specifically, we can see that the experience of shared norms and practices which make up the OEI climate actually increase employee levels of job satisfaction, as well as levels of affective commitment toward the organization, which then both contribute toward lowering turnover intentions.

In terms of the magnitude of the results, we find that OEI has a moderate to high impact on the employee attitudes of affective commitment and job satisfaction, which is highly acceptable in organizational research (Conner & Norman, 1996). The results are especially strong if we consider that OEI focuses on the wider organizational domain of climate and does not take into account other local level experiences of the job, role, line manager, and team domains, which are typically measured in organizational climate (see Da Camara, 2013). In turn, the findings show that both affective commitment and job satisfaction combine to have a high impact on intention to leave. As a result, this research provides support for the critical role of OEI in employee retention and suggests that organizations should encourage emotionally intelligent behaviors in order to reduce the costly and damaging effects of employee turnover and increase organizational performance. The research model in this chapter therefore extends previous research by Da Camara (2013) in which the mediation of the OEI – turnover intentions relationship by organizational emotional appeal could only explain a low amount of variance in intention to leave (17%) in the not for profit sector.

In addition, the current mediated research model also explains a much higher level of variance than OEI can explain in intention to leave directly (19%). In effect, the mediated model represents a combined  $R^2$  increase of 28%. However, there is a notably stronger mediating role for job satisfaction than affective commitment in this research, which indicates that the impact of OEI on turnover intentions is explained largely by its impact on job satisfaction. Given that intention to leave is likely to be affected by a host of other individual and external factors, such as confidence, personal and financial career investments, and job market conditions these are important results for the understanding of turnover intentions in organizations.

A likely explanation for the relative weakness of the relationship between affective commitment and intention to leave in the charity



organization is that the emotional identification of employees is based more on the social mission of the charity rather than their actual experience of working in the organization. Thus, while job satisfaction directly explains how employees are feeling about their job and is likely related to whether they wish to stay or leave the emotional identification with a charity is not solely dependent on the employee's assessment of the job experience and prevailing work-based climate. In other words, charity workers may have withdrawal intentions and still have a high level of emotional identification with the organization, because of its social mission and potential brand recognition in the marketplace. Conversely, charity workers may intend to stay in an organization and be highly satisfied with their job but still have correspondingly lower levels of affective commitment since the latter is driven more by the actions of the organization toward completing its social mission and its brand recognition. In this research, the latter scenario is more likely to have played out amongst the sample organization's employees as affective commitment had much lower scores than job satisfaction. In either scenario, however, the relationship between affective commitment and intention to leave is likely to be quite weak.

Overall, the findings show that OEI has a very strong impact on job satisfaction with a lesser but still significant impact on affective commitment. As such, this chapter contributes to a gap in research on the *organizational* approach to OEI and helps to explain how OEI impacts turnover intentions through the development of attitudinal constructs, such as job satisfaction and organizational commitment often associated with employee motivation and happiness (cf. Carr et al., 2003; Fisher, 2010; Mount et al., 2006; Parker et al., 2003; Patterson et al., 2004; Podsakoff et al., 2007). This chapter therefore answers the call by Fisher (2010) to undertake further research in job satisfaction and organizational commitment as mediating variables carrying the effect of new happiness-enhancing interventions, such as OEI, to performance outcomes. However, further research is required to establish the generalizability of these results to organizations in different sectors.

### *Practical Implications*

The study presented in this chapter indicates that climate or culture change programs focused on the development of OEI would be an effective way of developing positive behaviors amongst employees which can maximize job satisfaction and organizational commitment and, in turn, lower turnover

intentions in organizations. A climate or culture change program focusing on the development of OEI could include the following objectives and activities based on the underlying dimensions of OEI.

#### *Self-Awareness*

Ensuring that the organization monitors and attends to the emotions and feelings of employees about all aspects of the business; as well as ensuring that the organization can identify and learn from its mistakes by encouraging employees and senior managers to discuss feelings about actions or decisions and reflect on behaviors.

#### *Emotional Resilience*

Promoting a relaxed and trusting atmosphere in which managers and employees can discuss negative issues openly and engage in constructive criticism, which in turn increases the organization's ability to absorb failures and recover from setbacks.

#### *Motivation*

Making the short-term and long-term direction and strategy of the organization clear to all employees and communicating an attractive vision for the organization in which employees understand how they can add value in their roles and contribute to success.

#### *Interpersonal Sensitivity*

Supporting the development of interpersonal and "soft skills" amongst managers and employees; and, prioritizing the discussion of people issues when performance problems arise.

#### *Influence*

Allowing employees at all levels to influence the decision-making process and contribute their opinions, ideas, and suggestions about how things should work. Also, developing a culture where senior managers welcome challenges to prevailing ideas and policies from employees lower down in the hierarchy.

#### *Intuitiveness*

Encouraging a flexible approach to work and decision-making in which the role of intuition is valued and employees are given the freedom to take risks and follow their "gut" instinct where necessary.

*Conscientiousness*

Ensuring that organizational behavior, especially that of senior leaders, is in line with the espoused values and rhetoric of the organization (i.e., “walking the talk”) and that integrity is rewarded amongst employees.

For the charity organization examined in this research it is clear that a focus on increasing levels of Influence, by allowing employees to participate more in organizational decision-making, and Motivation, by making the long-term direction and strategy of the organization clearer to employees, would be the actions that could increase OEI more quickly in the short-term. However, given that overall OEI was only just above the average level, any of the activities described under the other elements of OEI are deemed relevant for improving the overall level of OEI in the eyes of employees. It is expected that increasing the level of OEI would have a strong positive impact on job satisfaction which in turn would have a strong impact in reducing intention to leave in this organization.

*Limitations of the Research*

As with any research, the results of this research should be interpreted with caution in view of several limitations (Tan & Lim, 2009). For example, the cross-sectional nature of this research means that any inferences about causality cannot be confirmed empirically. Thus, although the direction of relationships in the proposed research model is based on previous theory in organizational behavior, it is possible that the relationship between perception and affect can demonstrate elements of reverse causation (James & James, 1989).

There are also important limitations connected to the self-report method of data collection in this research study. Researchers have identified the possibility of common method variance (CMV) in studies which use the same method to collect data on all variables. Although the results of Harman’s one-factor test reveals that CMV is not a likely explanation for the findings in this study, the issues related to single-source data should not be ignored.

Moreover, the existence of positive or negative respondent bias can influence research models based on the cognitive, affective, and conative (behavioral) components of attitudes. Thus, a positive or negative overall evaluation (or attitude) can create a “halo effect” which underlies responses on a variety of theoretically distinct variables that measure perception, affect and behavioral intention.

Further limitations apply to the research in terms of the context of a single organization in the not-for-profit sector. The relationship a charity organization has with its employees may vary substantially from similar relationships in the private or public sector.

This research is also limited to one country as all the participating organizations were located in the United Kingdom. The United Kingdom is an individualistic culture with relatively low power distance (Hofstede, 2001) and employees may be more inclined to assess the behavior of the organization and its managers in determining their own attitudes and intentions toward the organization. In countries with more collectivist cultures and higher levels of power distance, it is likely that normative social pressures may emphasize adherence to the organization and, in particular, the line manager which could lessen the overall impact of OEI on the attitudes and behaviors of employees.

#### *Recommendations for Future Research*

Given the results of this research undertaken in a charity organization, future research should be undertaken to investigate the application of the proposed research model in the private and public sectors. Furthermore, given that happiness at work has been described as having satisfaction, commitment, and engagement components (see Fisher, 2010), the current research model could be extended to include employee engagement as an additional mediator of the relationship between OEI and intention to leave, as well as other individual-level work outcomes (e.g., organizational citizenship behavior, psychological well-being, cooperation, compliance, advocacy, and job performance).

Researchers could apply the current research model to organizations in different countries, particularly in cultures which have what Hofstede (2001) describes as high “power-distance” and strongly “collectivistic” norms (e.g., Sub-continental and Eastern Asia), as opposed to the low “power-distance” and “individualistic” culture of the United Kingdom.

Future researchers may also want to investigate the relationship of OEI with individual levels of EI amongst individuals in organizations, along the lines of previous research by Higgs and Dulewicz (2002) and Menges and Bruch (2009). For example, future researchers could further explore the relationship between collective organizational EI, OEI as the overall perception of organizational behavior (as in this research) and affective commitment and job satisfaction. Such research could shed further light on

whether OEI is related to levels of individual EI in organizations, as proposed by Menges and Bruch (2009) and Higgs and Dulewicz (2002). This type of research could further investigate the relationship between individual EI, organizational EI, and employee attitudes, such as organizational commitment and job satisfaction.

Future research could also separate the measurement of different components of the proposed research model over time in order to make more accurate inferences of causality (Tan & Lim, 2009). Longitudinal research is better able to establish the relationships of cause and effect between variables over time and can also be linked to data on actual employee performance and behavior in organizations. Critically, in order to eliminate the possibility of common method bias future researchers should also look to validate the current research model with actual employee turnover and absenteeism data. Research of this nature would allow for further testing of the predictive validity of OEI in relation to organizational performance.

Intention to leave is commonly impacted by factors other than the work environment and work attitudes, such as the accumulated investment which employees have in their organizations, both in terms of financial and monetary schemes (i.e., stock options, healthcare plans, and pension arrangements) and their relationships with colleagues. Similarly, other external variables measuring employees' assessment of job market opportunities and perceived ability to secure employment are also likely related to commitment and intention to leave. Future researchers could therefore test the moderating impact of variables such as continuance commitment, which captures the impact of perceived investments in the organization and perceived lack of alternatives on the relationship between OEI and intention to leave.

## CONCLUSION

Following earlier work by Da Camara (2013), the chapter contributes to a wider understanding of how OEI impacts on important individual-level work outcomes, such as turnover intentions, through the mediating impact of employee attitudes focusing on the job and organizational levels. The result of this cross-sectional research undertaken in a UK charity show that a larger amount of variance in intention to leave is explained by a model which includes affective commitment and job satisfaction (than one without); and that the role of job satisfaction is actually much stronger than

that of affective commitment in explaining turnover intentions. It is suggested that affective organizational commitment in a charity context is likely to be dependent on a range of factors which are unrelated to organizational climate per se, such as the social mission of the organization and its brand within society. The chapter provides strong support for the impact of OEI on employee job satisfaction and the consequent role of job satisfaction in driving down turnover intentions. Further research applying the model to other industry sectors and contexts is called for to investigate the potential generalizability of these results within the not-for-profit, public, and private sectors.

## LIST OF ABBREVIATIONS

AFFCT	Affective Commitment
CONSC	Conscientiousness
ER	Emotional Resilience
INFL	Influence
INT	Intuition
IS	Interpersonal Sensitivity
ITL	Intention to Leave
JOBSAT	Job Satisfaction
MOT	Motivation
OEI	Organizational Emotional Intelligence
SA	Self-Awareness

## NOTES

1. Employees were asked to report on the EI ability of their immediate supervisor in the organization.

2. In this research, the median number of employees per organization was 132, ranging from organizations with as little as 18 or as many as 4,503 employees. Participating companies were from the services sector (52% of the sample), manufacturing (28%), trade (15%), and finance and insurance (5%).

3. The U.S. Office of Personnel Management (OPM) is a civilian psychological research center in the U.S. federal government, which is supported by the Consortium for Research on Emotional Intelligence in Organizations (CREIO), an U.S. based organization founded by Cary Cherniss and Daniel Goleman.

4. Menges and Bruch (2009) also measured organizational performance using subjective measures for organizational performance and an objective measure for involuntary absence, controlling for company size in their results.

5. These items were measured on a 7-point Likert agreement scale.

6. *Ibid.*
7. OEI was rated on a 5-point Likert agreement scale.
8. *Ibid.*
9. *Ibid.*
10. *Ibid.*
11. *Ibid.*
12. *Ibid.*
13. *Ibid.*
14. *Ibid.*

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## APPENDIX

**Table A1.** Questionnaire Items and Constructs.

Construct/ Code	Item
Organizational Emotional Intelligence (OEI)	
Conscientiousness	
CONSC1	What the organization states and what it does are the same.
CONSC2	Integrity is rewarded.
CONSC3	Senior managers behave in a way which matches the organization's stated values.
Emotional Resilience	
ER1	There is a high level of trust between individuals.
ER2	People are generally relaxed.
ER3	Failures are seen as learning opportunities.
Influence 21	
INFL1	It is accepted to say what you think.
INFL2	Senior managers welcome challenges to ideas and policies.
INFL3	Influence is based on your position in the organization. (Reverse item)
Intuition	
INT1	Flexibility in approach to work is valued.
INT2	Individuals feel free to act without interference.
INT3	Intuition is valued in this organization.
Interpersonal Sensitivity	
IS1	Learning and development programs cover both "hard" and "soft" (e.g., interpersonal skills) topics.
IS2	"Soft" skills (e.g., interpersonal skills) training programs are highly valued.
IS3	When performance problems arise managers discuss people issues as an integral aspect.

**Table A1.** (Continued)

Construct/ Code	Item
Motivation	
MOT1	People around here know how they add value.
MOT2	People around here are highly focused on their objectives.
MOT3	The appraisal and reward system values the achievement of long-term goals as well as short-term successes.
Self-Awareness	
SA1	People are encouraged to discuss their feelings about problems or decisions.
SA2	We learn from our mistakes in this organization.
SA3	People are regularly asked how they feel about actions or decisions.
Affective Commitment	
AFFCT1	I would be very happy to spend the rest of my career in this organization.
AFFCT2	I really feel as if this organization's problems are my own.
AFFCT3	I do not feel a strong sense of "belonging" to my organization.
AFFCT4	I do not feel "emotionally attached" to this organization.
AFFCT5	I do not feel like "part of the family" at my organization.
AFFCT6	This organization has a great deal of personal meaning for me.
Job Satisfaction	
JOBSAT1	Generally speaking, I am very satisfied with this job.
JOBSAT2	I am generally satisfied with the kind of work I do in this job.
Intention to Leave	
ITL1	It is likely that I will search for a job in another organization.
ITL2	It is likely that I will leave this organization within the next year.
ITL3	I seldom think of quitting this job. (Reverse item)