ABSTRACT

As socialization theories continue to impact studies based on human behaviour, terms such as emotional intelligence have begun to emerge as valuable areas of study. Emotional Intelligence of leaders or managers can be identified as a potentially important variable. It was felt that the leaders with high emotional intelligence would be able to recognize and regulate emotions in themselves and in others creating a more conducive work environment or organizational climate which would improve employee engagement and in turn organizational commitment.

High employee turnover is one of the biggest challenges faced by Indian organizations today across all industries. Next to IT industry, it is the pharmaceutical industry which is facing the challenge of extremely high employee turnover. Companies take a deep interest in their employee turnover rate because it is a costly part of doing business. High employee turnovers imply low employee commitment towards the organization.

In view of the above mentioned facts, the present research was an attempt to determine relationship between emotional intelligence of leaders, and organizational commitment in order to reduce employee turnover rates of subordinates. Employee engagement and organizational climate were two other constructs under study. The research work was focused on sales personnel in pharmaceutical industry in India.
Literature review shows that there are hardly any studies conducted in above mentioned area for Indian pharmaceutical industry. The present research was an attempt to bridge up the research gap and add to empirical research in the field.

It was felt that this study would in turn help organizations from pharmaceutical industry in India in getting better understanding of reason for employee turnover and could be useful in reducing employee turnover.

The study was conducted on 459 employees from four different pharmaceutical companies in India. The sample represents only the sales employee from these pharmaceutical companies from all over India. About 85% of the sample consisted of employees in age group of 20 to 40 years of age. The survey was conducted using the survey questionnaire specially designed for this purpose. Regression, Pearson correlation and ANOVA were the statistical techniques used for data analysis.

The analysis of data showed that emotional intelligence of the leader was related significantly with all constructs under study namely organizational commitment, intention to quit, employee engagement and organizational climate. Emotional intelligence of the leader had a high positive relation with Organizational commitment and employee engagement of group and moderately high positive correlation with organizational climate of group. Also it had a high negative relation with Intention to quit.

On basis of the above mentioned results, it can be concluded that emotional intelligence of leaders is the key influencing factors on organizational commitment and intention to quit of subordinates.
The leaders who are emotionally intelligent have a better ability to understand needs of their subordinates and their emotions (empathy for subordinates). Their ability to understand and control their own emotions (self awareness) is also high. As a result they are able to generate a positive and conducive work environment (organizational climate). Also such leaders are able to give the subordinates the quality of work they enjoy the most. When one gets work of liking, one feels more attachment towards the work and workplace. Due to this there is a better ‘emotional bond’ between superior and subordinate with respect to the workplace (employee engagement). High employee engagement results in better organizational commitment and in turn reduced employee turnover.

In view of the empirical research evidence in current study, the organizations from pharmaceutical industry would gain from including emotional intelligence testing as a part of recruitment screening especially for leadership positions. The organizations can conduct training programs for present leaders for improving emotional intelligence.

In conclusion, this study has provided insights into, and suggested some potential modifications to, personnel selection and training programs for Pharmaceutical Sales personnel. It is now up to Pharmaceutical Industry to use these findings and adjust their recruitment and training of frontline employees.