CHAPTER 2

LITERATURE REVIEW

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2.1 Introduction

Emotions play a very critical role in our life . The construct of Emotional Intelligence today is one of the most frequently researched topics in organizational study especially in context of Human Behaviour . Emotional intelligence refers to the ability to recognize and regulate emotions in ourselves and others (Goleman, 1998). One of the most applied constructs which emotional intelligence has been associated with is that of leadership. Goleman posits that leaders high in emotional intelligence are key to organizational success; leaders must have the capacity to sense employees' feelings about their work environments, to intervene when problems arise, to manage their own emotions in order to gain the trust of the employees, and to understand the political and social conventions within an organization In addition, a leader has the capacity to impact organizational performance by setting a particular work climate.(Goleman 2001) . Concept of organizational commitment has attracted considerable attention over recent years and has become a central objective of research in human resource management. This is in part due to the vast number of works that have found relationships between organizational commitment and attitudes and behaviours in the workplace (Porter et al., 1974, 1976; Koch and Steers, 1978; Angle and Perry, 1981).High rates of employee turnover result in greater inefficiencies in organizations as they must bear the costs associated with hiring and training new employees ,as well as cost of lost productivity when experienced workers leave .This is especially true in organizations where the organizational capital is primarily intellectual that is where employee knowledge skills

and abilities form the basis for services and deliverables of the organizations and high rates of turnover may lead to reduced productivity and reduced competitiveness. (Balfour and Neff 1993)

Employee engagement, also called worker engagement, is a business management concept. An engaged employee is one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers their organization's interests. According to Scarlett Surveys, "Employee Engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization which profoundly influences their willingness to learn and perform at work".(scarlett 2001) Thus engagement is distinctively different from employee satisfaction, motivation and organisational culture. Employee engagement Recent media coverage has focused on the meaning of "engagement" and how to make employees more engaged. By definition, employees feel engaged when they find personal meaning and motivation in their work, receive positive interpersonal support, and operate in an efficient work environment. So, what brought engagement to the forefront, and why is everyone interested in it? Most likely, the tight economy has refocused attention on maximizing employee output and making the most of organizational resources. This is a move in the right direction because when an organization focuses attention on its people, it's making an investment in its most important resource.. A composite definition, derived from these various approaches to employee engagement, could read as follows: Employee engagement is a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or co-workers that, in turn, influences him/her to apply additional discretionary effort to his/her work.

Organizational climate Perhaps one of the most important and significant characteristics of a great workplace is its organizational climate. Organizational climate, while defined differently by many researchers and scholars, generally refers to the degree to which an organization focuses on and emphasizes, Innovation, Flexibility, Appreciation and recognition , Concern for employee well-being, Learning and development, Citizenship and ethics, Quality performance, Involvement and empowerment and Leadership.

Retaining employees remains a primary concern for many organizations during days of intellectual property, for intellectual capital has become a critical component of wealth creation. In Human Resource (HR) research and practice, employee retention or turnover, involves the question of organization employee movement. Research in this area by the mainstream Organizational Behavior School has evolved to the research of factors affecting employee turnover. The positive or negative influences from these factors may either result in employee retention or turnover (Zhang 2005).Studies on the voluntary turnover model have attracted much attention amongst academic and practitioners for a long time, making voluntary turnover of knowledge and management talents two major research dimensions (Eriksson, 2001; Potter and Timothy, 2003). The obvious loss of an organization's talent has inspired researchers and practitioners alike to identify the factors that enable organizations to promote effective talent retention and organization performance (Dalton et al., 1982; Allen and Grifferth, 1999; Lee et al.,2004).

The present study is aimed at finding relationship between constructs mentioned above in Indian Pharmaceutical Industry.

2.2 Emotional Intelligence

2.2.1. Overview

Emotional intelligence (E.I.) refers to the ability to recognize and regulate emotions in ourselves and others (Goleman, 2001). Peter Salovey and John Mayer, who originally used the term "emotional intelligence" in published writing, initially defined emotional intelligence as 'A form of intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions (Salovey & Mayer, 1990). Later, these authors revised their definition of emotional intelligence and defined it as The ability to perceive emotion, integrate emotion to facilitate thought, understand emotions, and to regulate emotions to promote personal growth (Mayer & Salovey, 1997).

Another prominent researcher of the emotional intelligence construct is Reuven Bar-On, the originator of the term "emotion quotient". Possessing a slightly different outlook, he defines emotional intelligence as being concerned with understanding oneself and others, relating to people, and adapting to and coping with the immediate surroundings to be more successful in dealing with environmental demands (Bar-On, 1997).

Though the construct of EI was initially proposed by Salovey and Mayer (1990), but it was Goleman (1995) who has popularized the concept. Goleman defined EI as, "the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationship (Goleman 1998)

Traditional measures of intelligence, although providing some degree of predictive validity, have not been able to account for a large portion of the variance in work performance and career success. As Goleman (1998) states, "When IQ test scores are correlated with how well people perform in their careers the highest estimate of how much difference IQ accounts for is about 25 percent (Hunter & Hunter, 1984; Schmidt & Hunter, 1981). A careful analysis, though, suggests that a more accurate figure may be no higher than 10 percent and perhaps as low as 4 percent" (Sternberg, 1997).

EI has been found to be an important predictor of various enviable organizational outcomes, such as job performance, job satisfaction, organizational citizenship behaviour, and organizational commitment (Carmeli, 2003; Kafetsios &Zampetakis, 2008 , Lenaghan, Buda, & Eisner, 2007; Sinha & Jain,2004; Sy, Tram, & O'Hara, 2006, Rathi and Rastogi 2009).

2.2.2 Emergence of Emotional Intelligence

The earliest roots of emotional intelligence can be traced to Darwin's work on the importance of emotional expression for survival and, second, adaptation. In the 1900s, even though traditional definitions of intelligence emphasized cognitive aspects such as memory and problem-solving, several influential researchers in the intelligence field of study had begun to recognize the importance of the non-cognitive aspects. For instance, as early as 1920, E.L. Thorndike used the term social intelligence to describe the skill of understanding and managing other people.

Similarly, in 1940 David Wechsler described the influence of non-intellective factors on intelligent behavior, and further argued that our models of intelligence would not be

complete until we can adequately describe these factors. In, Howard Gardner's (1983) Frames of Mind: The Theory of Multiple Intelligences introduced the idea of multiple intelligences which included both interpersonal intelligence (the capacity to understand the intentions, motivations and desires of other people) and intrapersonal intelligence (the capacity to understand oneself, to appreciate one's feelings, fears and motivations). In Gardner's view, traditional types of intelligence, such as IQ, fail to fully explain cognitive ability. Thus, even though the names given to the concept varied, there was a common belief that traditional definitions of intelligence are lacking in ability to fully explain performance outcomes.

The first use of the term "emotional intelligence" is usually attributed to Wayne Payne's doctoral thesis, A Study of Emotion: Developing Emotional Intelligence from 1985. However, prior to this, the term "emotional intelligence" had appeared in Leuner (1966). Greenspan (1989) also put forward an EI model, followed by Salovey and Mayer (1990), and Daniel Goleman (1995). The distinction between trait emotional intelligence and ability emotional intelligence was introduced in 2000. A brief history of how the concept of Emotional Intelligence developed is given in table 2.1

Table 2.1   A brief history of emotional intelligence

1930	Edward Thorndike describes the concept of "social intelligence" as the ability to get along with other people.
1940	David Wechsler suggests that affective components of intelligence may be essential to success in life
1950	Humanistic psychologists such as Abraham Maslow describe how people can build emotional strength
1975	Howard Gardner publishes The Shattered Mind, which introduces the concept of multiple intelligences
1985	Wayne Payne introduces the term emotional intelligence in his doctoral dissertation entitled "A study of emotion: developing emotional intelligence; self-integration; relating to fear, pain and desire (theory, structure of reality, problem-solving, contraction/expansion, tuning in/coming out/letting go).
1987	In an article published in Mensa Magazine, Keith Beasley uses the term "emotional quotient." It has been suggested that this is the first published use of the term, although Reuven Bar-On claims to have used the term in an unpublished version of his graduate thesis.
1990	Psychologists Peter Salovey and John Mayer publish their landmark article, "Emotional Intelligence," in the journal Imagination, Cognition, and Personality
1995	The concept of emotional intelligence is popularized after publication of psychologist and New York Times science writer Daniel Goleman's book Emotional Intelligence: Why It Can Matter More Than IQ

2.2.3 Conceptualization of Emotional Intelligence

During the first half of the 20 th century Intelligence Quotient (IQ) tests were considered adequate measures of intelligence. Society linked IQ scores to an individual's potential for success in life . As early as 1920 Thorndike hypothesized that true intelligence was composed of not only an academic component, hut also emotional and social components. In 1967 Guilford presented a view of intelligence as a multifaceted construct composed of one hundred and twenty different types of intelligence. Shanley, Walker, and Foley (1971) hypothesized that social intelligence was distinct from academic intelligence, but they found little empirical evidence to support social intelligence as a separate construct. Salovey and Mayer (1990) suggested social intelligence had heen defined too broadly. They investigated emotional intelligence, as a specific aspect of social intelligence. Salovey and Mayer (1990) defined emotional intelligence as the "ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's own thinking and actions" They suggested that emotional intelligence would be easier to distinguish from academic intelligence.While society has traditionally placed a great deal of weight on academic intelligence, Bar-On (1997) argued that emotional and social intelligences were better predictors of success in life. The more recent writings and research of Gardner (1983, 1993,1999), Sternherg (1985),Sternherg and Wagner (1986), and Wagner and Sternherg (1985) have added support to the concept of multiple intelligences. Gardner has proposed a model of at least 8 types of intelligence including spatial, musical, intrapersonal, interpersonal, bodily—kinesthetic, naturalistic, and the traditional academic intelligence: linguistic and logical-mathematical. Sternherg's theory (1985) identifies three types of mental abilities: analytical intelligence, creative

intelligence and practical intelligence. Riggio, Murphy and Pirozzolo (2002) propose these multiple forms of intelligence are possessed by effective leaders and allow these leaders to respond successfully to a range of situations. Most recently the interest in leadership and intelligence has been increased by the popular writings of Daniel Goleman (1995, 1998). Other authors (Cooper & Sawaf, 1997; Feldman, 1999; Weisinger, 1998) have contrihuted to the construct of emotional intelligence and its importance in the workplace. Zaccaro (1996, 1999, 2001) emphasized the important role of social intelligence in organizational leadership by developing a model of organizational leadership that identified

Each theoretical paradigm conceptualizes emotional intelligence from one of two perspectives: ability or mixed model. Ability models regard emotional intelligence as a pure form of mental ability and thus as a pure intelligence. In contrast, mixed models of emotional intelligence combine mental ability with personality characteristics such as optimism and well-being (Mayer, 1999). Currently, the only ability model of emotional intelligence is that proposed by John Mayer and Peter Salovey. Two mixed models of emotional intelligence have been proposed, each within a somewhat different conception. Reuven Bar-On has put forth a model based within the context of personality theory, emphasizing the co-dependence of the ability aspects of emotional intelligence with personality traits and their application to personal well-being. In contrast, Daniel Goleman proposed a mixed model in terms of performance, integrating an individual's abilities and personality and applying their corresponding effects on performance in the workplace (Goleman, 2001).

 Currently, there are three main models of EI:

- Ability EI model

- Mixed models of EI (usually subsumed under trait EI)

- Trait EI model

Different models of EI have led to the development of various instruments for the assessment of the construct. While some of these measures may overlap, most researchers agree that they tap different constructs.
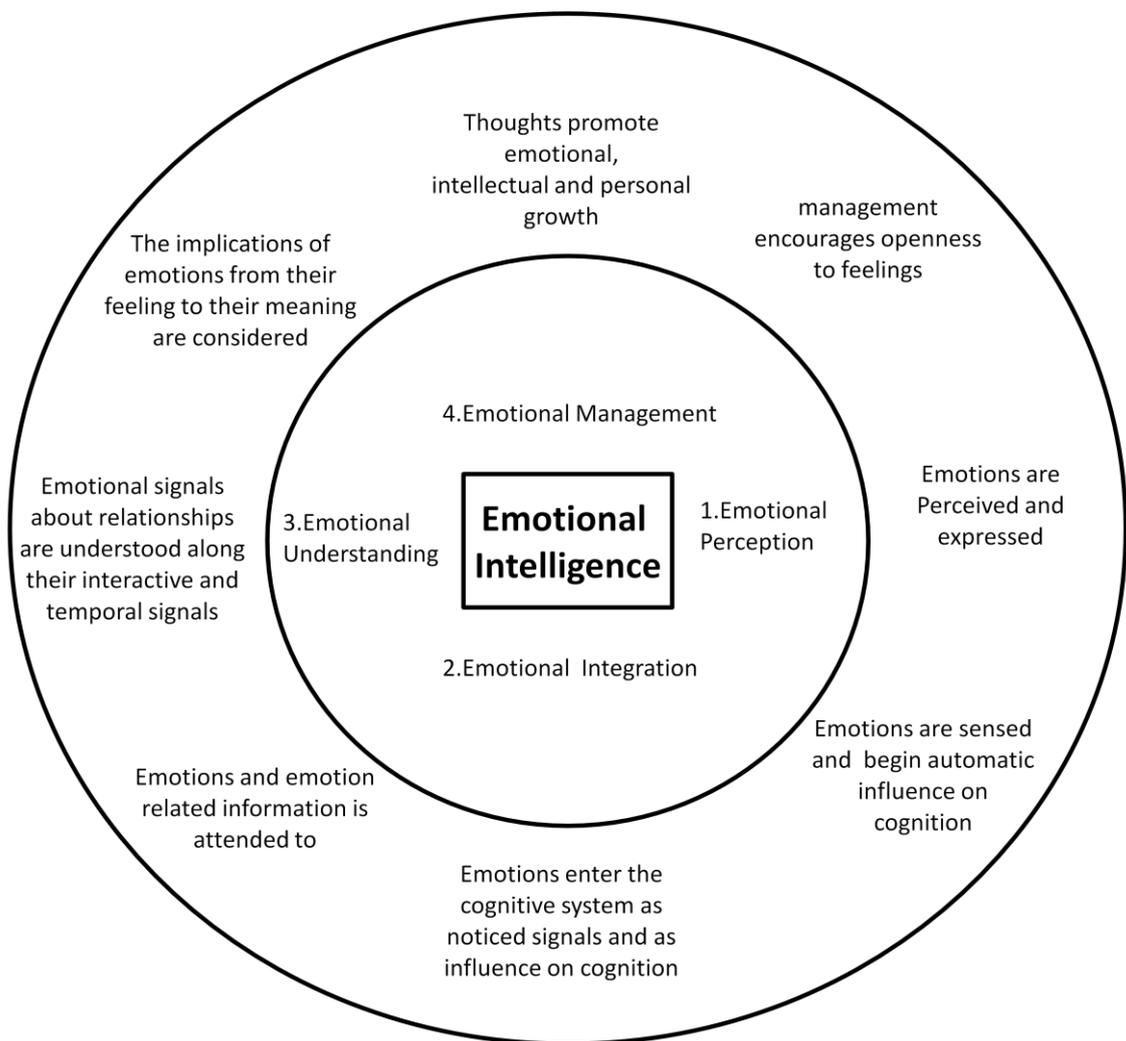
2.2.3.1 Salovey and Mayer : Ability Model of Emotional Intelligence

Peter Salovey and John Mayer first coined the term "emotional intelligence" in 1990 (Salovey & Mayer, 1990) and have since continued to conduct research on the significance of the construct. Their pure theory of emotional intelligence integrates key ideas from the fields of intelligence and emotion.

Mayer and Salovey's conception of emotional intelligence is based within a model of intelligence, that is, it strives to define emotional intelligence within the confines of the standard criteria for a new intelligence (Mayer, Salovey, Caruso, & Sitarenios, 2003). It proposes that emotional intelligence is comprised of two areas: experiential (ability to perceive, respond, and manipulate emotional information without necessarily understanding it) and strategic (ability to understand and manage emotions without necessarily perceiving feelings well or fully experiencing them). Each area is further divided into two branches that range from basic psychological processes to more complex processes integrating emotion and cognition. The first branch, emotional perception, is the ability to be self-aware of emotions and to express emotions and

emotional needs accurately to others. Emotional perception also includes the ability to distinguish between honest and dishonest expressions of emotion.

Figure 2.1   Mayer and Salovey's (1997) four-branch model of emotional intelligence

Thoughts promote emotional, intellectual and personal growth

management encourages openness to feelings

The implications of emotions from their feeling to their meaning are considered

4.Emotional Management

Emotions are Perceived and expressed

Emotional signals about relationships are understood along their interactive and temporal signals

3.Emotional Understanding

Emotional Intelligence

1.Emotional Perception

2.Emotional Integration

Emotions are sensed and begin automatic influence on cognition

Emotions and emotion related information is attended to

Emotions enter the cognitive system as noticed signals and as influence on cognition

The second branch, emotional assimilation, is the ability to distinguish among the different emotions one is feeling and to identify those that are influencing their thought processes. The third branch, *emotional understanding*, is the ability to understand complex emotions (such as feeling two emotions at once) and the ability to recognize transitions from one to the other. Lastly, the fourth branch, *emotion management,* is the ability to connect or disconnect from an emotion depending on its usefulness in a given situation (Mayer & Salovey, 1997). A depiction of this four-branch model is illustrated in Figure 2.1, which outlines the four branches and the corresponding stages in emotion processing associated with each branch.

Salovey and Mayer's conception of EI strives to define EI within the confines of the standard criteria for a new intelligence. Following their continuing research, their initial definition of EI was revised to "The ability to perceive emotion, integrate emotion to facilitate thought, understand emotions and to regulate emotions to promote personal growth."

The ability-based model views emotions as useful sources of information that help one to make sense of and navigate the social environment. The model proposes that individuals vary in their ability to process information of an emotional nature and in their ability to relate emotional processing to a wider cognition. This ability is seen to manifest itself in certain adaptive behaviors. The model claims that EI includes four types of abilities:

- Perceiving emotions – the ability to detect and decipher emotions in faces, pictures, voices, and cultural artifacts—including the ability to identify one's own emotions. Perceiving emotions represents a basic aspect of emotional intelligence, as it makes all other processing of emotional information possible.

- Using emotions – the ability to harness emotions to facilitate various cognitive activities, such as thinking and problem solving. The emotionally intelligent person can capitalize fully upon his or her changing moods in order to best fit the task at hand.

- Understanding emotions – the ability to comprehend emotion language and to appreciate complicated relationships among emotions. For example, understanding emotions encompasses the ability to be sensitive to slight variations between emotions, and the ability to recognize and describe how emotions evolve over time.

- Managing emotions – the ability to regulate emotions in both ourselves and in others. Therefore, the emotionally intelligent person can harness emotions, even negative ones, and manage them to achieve intended goals.

The ability EI model has been criticized in the research for lacking face and predictive validity in the workplace.

2.2.3.2.Bar-On: A Mixed Model of Emotional Intelligence

The director of the Institute of Applied Intelligences in Denmark and consultant for a variety of institutions and organizations in Israel, Reuven Bar-On developed one of the first measures of emotional intelligence that used the term "Emotion Quotient". Bar-On's model of emotional intelligence relates to the *potential* for performance and success, rather than performance or success itself, and is considered process-oriented rather than outcome-oriented (Bar-On, 2000). It focuses on an array of emotional and social abilities, including the ability to be aware of, understand, and express oneself, the ability to be aware of, understand, and relate to others, the ability to deal with strong
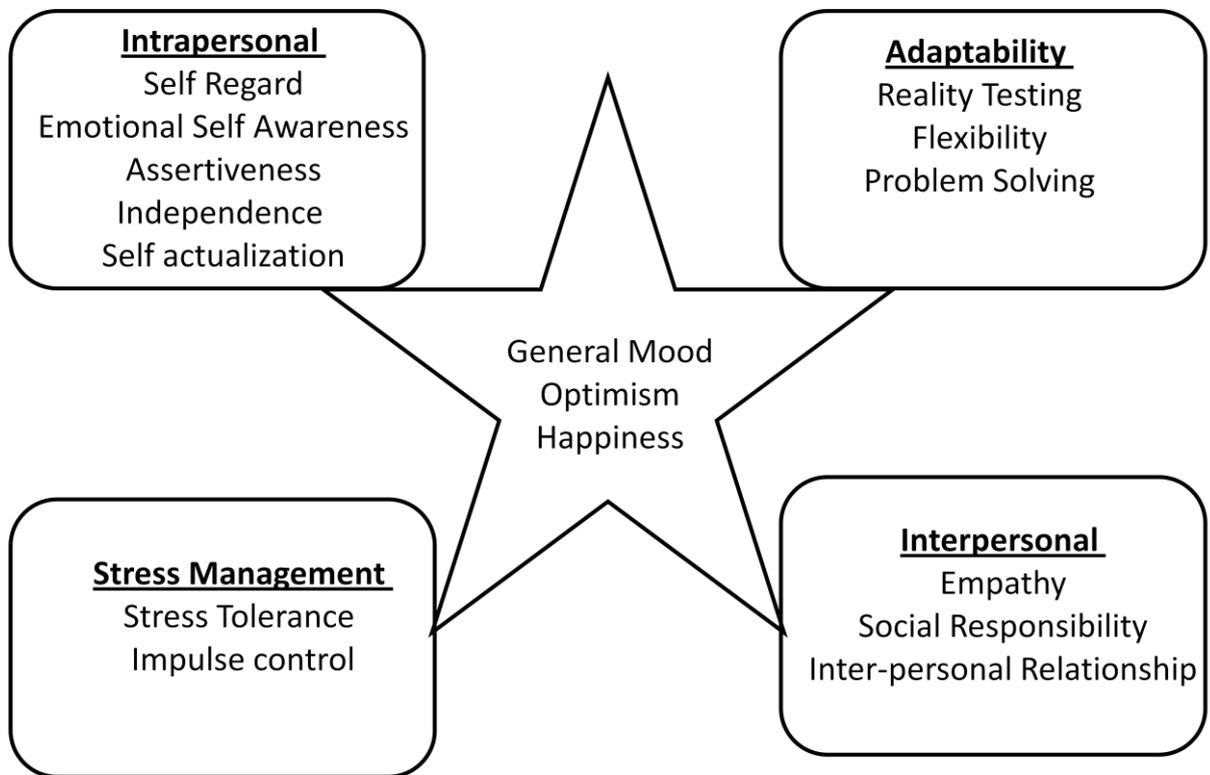
emotions, and the ability to adapt to change and solve problems of a social or personal nature (Bar-On, 1997). In his model, Bar-On outlines 5 components of emotional intelligence: intrapersonal, interpersonal, adaptability, stress management, and general mood. Bar-On posits that emotional intelligence develops over time and that it can be improved through training, programming, and therapy (Bar-On, 1997).

Bar-On (1997) defines emotional intelligence as being concerned with effectively understanding oneself and others, relating well to people, and adapting to and coping with the immediate surroundings to be more successful in dealing with environmental demands. Bar-On posits that EI develops over time and that it can be improved through training, programming, and therapy. Bar-On hypothesizes that those individuals with higher than average EQs are in general more successful in meeting environmental demands and pressures. He also notes that a deficiency in EI can mean a lack of success and the existence of emotional problems.

Table 2.2 Emotional Intelligence Scale by Bar-on (1997)

Scale	Description of the scale
Intrapersonal EQ	
Self Regard (SR)	Is the ability to be aware of understand ,accept and respect oneself
Emotional Self Awareness (ES)	Is the ability to recognize and understand one's emotions
Assertiveness(AS)	Is the ability to express feelings beliefs and thoughts and to defend one's rights in a non destructive manner .
Independence(IN)	Is the ability to be self directed and self controlled in one's thinking and actions and to be free of emotional dependency
Self Actualization (SA)	Is the ability to realize one's potential and to do what one wants to do enjoy doing and can do
Interpersonal EQ	
Empathy (EM)	Is the ability to be aware of
Social Responsibility (RE)	To demonstrate oneself as a cooperative contributing and constructive member of one's own social group
Interpersonal Relations	Is the ability to establish and maintain mutually satisfying relationships that are characterised by Emotional closeness ,intimacy and giving and receiving affection
Stress Management E Q	
Stress Tolerance (ST)	Is the ability to withstand adverse events ,stressful situation and strong emotions without falling apart by actively and positively coping with stress
Impulse Control (IC)	Is an ability to resist or delay an impulse ,drive or temptation to act and to control one's emotions
Adaptability EQ	
Reality testing (RT)	Is ability to assess correspondence between what is experienced internally and subjectively and what exists externally and objectively
Flexibility (FL)	Is the ability to adjust ones feelings thoughts and behaviour to changing situations and conditions
Problem Solving (PS)	Is the ability to identify and define personal and social problems and to generate and implement potentially effective solutions
General Mood EQ	
Optimism (OP)	Is the ability to look on the brighter side of life and to maintain positive attitude even in face of adversity
Happiness (HA)	Is the ability to feel satisfied with one's life ,to enjoy with oneself and others and to have fun and positive emotions

Figure 2.2 Emotional Intelligence Model by Bar-on (1997)

Intrapersonal
Self Regard
Emotional Self Awareness
Assertiveness
Independence
Self actualization

Adaptability
Reality Testing
Flexibility
Problem Solving

General Mood
Optimism
Happiness

Stress Management
Stress Tolerance
Impulse control

Interpersonal
Empathy
Social Responsibility
Inter-personal Relationship

Emotional Intelligence Model by Bar-On

Problems in coping with one's environment are thought, by Bar-On, to be especially common among those individuals lacking in the subscales of reality testing, problem solving, stress tolerance, and impulse control. In general, Bar-On considers emotional intelligence and cognitive intelligence to contribute equally to a person's general intelligence, which then offers an

indication of one's potential to succeed in life. However, doubts have been expressed about this model in the research literature (in particular about the validity of self-report as an index of emotional intelligence) and in scientific settings it is being replaced by the trait emotional intelligence (trait EI) model discussed below.

2.2.3.3 Goleman: A Mixed Model of Emotional Intelligence

Daniel Goleman, a psychologist and science writer who has previously written on brain and behaviour research for the New York Times, discovered the work of Salovey and Mayer in the 1990's. Inspired by their findings, he began to conduct his own research in the area and eventually wrote *Emotional Intelligence* (1995), the landmark book which familiarized both the public and private sectors with the idea of emotional intelligence. Goleman's model outlines four main emotional intelligence constructs. The first, self-awareness, is the ability to read one's emotions and recognize their impact while using gut feelings to guide decisions. Self-management, the second construct, involves controlling one's emotions and impulses and adapting to changing circumstances. The third construct, social awareness, includes the ability to sense, understand, and react to other's emotions while comprehending social networks. Finally, relationship management, the fourth construct, entails the ability to inspire, influence, and develop others while managing conflict (Goleman,1998)

Figure 2.3 Daniel Goleman's Model of Emotional Intelligence

	Self Personal Component	**Others** Social Component
Recognition	**<u>Self Awareness</u>** Emotional Self awareness Accurate self awareness Self Confidence	**<u>Social Awareness</u>** Empathy Service Orientation Organizational Awareness
Regulation	**Self Management** Self control Trustworthiness Conscientiousness Adaptability Achievement drive Initiative	**Relationship Management** Developing others Influence communication Conflict Management Leadership Change catalyst Building Bonds Team work and collaboration

Goleman includes a set of emotional competencies within each construct of emotional intelligence. Emotional competencies are not innate talents, but rather learned capabilities that must be worked on and developed to achieve outstanding performance.

Goleman posits that individuals are born with a general emotional intelligence that determines their potential for learning emotional competencies. The organization of the competencies under the various constructs is not random; they appear in synergistic clusters or groupings that support and facilitate each other (Boyatzis, Goleman, & Rhee, 1999). The constructs and competencies in Goleman's model fall under one of four categories: the recognition of emotions in oneself or others and the regulation of emotion in oneself or others.

The model introduced by Daniel Goleman focuses on EI as a wide array of competencies and skills that drive leadership performance. Goleman's model outlines four main EI constructs:

1. Self-awareness – the ability to read one's emotions and recognize their impact while using gut feelings to guide decisions.

2. Self-management – involves controlling one's emotions and impulses and adapting to changing circumstances.

3. Social awareness – the ability to sense, understand, and react to others' emotions while comprehending social networks.

4. Relationship management– the ability to inspire, influence, and develop others while managing conflict.

Goleman includes a set of emotional competencies within each construct of EI. Emotional competencies are not innate talents, but rather learned capabilities that must be worked on and can be developed to achieve outstanding performance. Goleman posits that individuals are born with a general emotional intelligence that determines their potential for learning emotional competencies. Goleman's model of EI has been

criticized in the research literature as mere "pop psychology" (Mayer, Roberts, & Barsade, 2008).

2.2.3.4. Petrides and colleagues :Trait EI model

Petrides and colleagues (Petrides, 2009) proposed a conceptual distinction between the ability based model and a traitbased model of EI. Trait EI is "a constellation of emotional self-perceptions located at the lower levels of personality". In lay terms, trait EI refers to an individual's self-perceptions of their emotional abilities. This definition of EI encompasses behavioral dispositions and self perceived abilities and is measured by self report, as opposed to the ability based model which refers to actual abilities, which have proven highly resistant to scientific measurement. Trait EI should be investigated within a personality framework. An alternative label for the same construct is trait emotional self-efficacy.

The trait EI model is general and subsumes the Goleman and Bar-On models discussed above. The conceptualization of EI as a personality trait leads to a construct that lies outside the taxonomy of human cognitive ability. This is an important distinction in as much as it bears directly on the operationalization of the construct and the theories and hypotheses that are formulated about it.

2.2.4 Leadership and Emotional Intelligence

One of the most applied constructs which emotional intelligence has been associated with is that of leadership. The leadership literature has produced countless theories

outlining which characteristics compose the most effective leader, however, current academic research in the area describes two distinct types of leaders: transformational and transactional (Mandell & Pherwani, 2003). The transformational leader stimulates interest among colleagues, inspires a different outlook on the work, generates an awareness of the goals of the organization, develops others to higher levels of ability, and motivates others to consider the interests of the group over their own interests. Along these lines, transformational leadership is said to be comprised of the following four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass & Avolio, 1994). Alternatively, the transactional leader is one whom rewards (or disciplines) staff on the basis of their performance. They emphasize work standards, task completion, and employee compliance while relying heavily on organizational rewards and punishments to influence employee performance (Bass & Avolio, 1994).

Researchers investigating the effects of transformational and transactional leadership have found that transformational leadership predict higher ratings of effectiveness and satisfaction (Hater & Bass, 1988), higher group performance (Keller, 1995), and higher amount of effort on the part of subordinates (Seltzer & Bass, 1990) compared to transactional leadership. Researchers in the area of leadership have likewise proposed that effective transformational leaders must possess social and emotional intelligence. These elements are considered critical to inspire employees and to build strong relationships. Research comparing emotional intelligence and transformational leadership has consistently found positive correlations between the two constructs. In a study examining transformational leadership and emotional intelligence in 32

individuals in management positions, Mandell and Pherwani (2003) found that level of emotional intelligence (as measured by the Bar-On Emotion Quotient Inventory) was significantly related to transformational leadership style (R = .50).

Goleman (2001)posits that leaders high in emotional intelligence are key to organizational success; leaders must have the capacity to sense employees' feelings about their work environments, to intervene when problems arise, to manage their own emotions in order to gain the trust of the employees, and to understand the political and social conventions within an organization (Goleman, 2001). In addition, a leader has the capacity to impact organizational performance by setting a particular work climate. Goleman outlines six distinct leadership styles and how they affect the climate of the organization (see table 2.3). Each style is characterized by a number of the emotional intelligence competencies outlined in Goleman's model, and each may be effective in an organizational setting, depending on the situation at hand.

Research has found that the most effective leaders integrate four or more of the six styles regularly, substituting one for another more appropriate style depending on the leadership situation. This has been found to be the case in studies of insurance companies, where leaders were adept at all four of the positive styles of leadership, and at schools, where heads of schools who used four or more of the leadership styles experienced superior performance among students compared to comparison schools. Performance was poorest in those schools were only one or two styles of leadership were used (Hay/McBer, 2000).

Different studies have explored the association between organizational commitment and productivity, commitment, and effectiveness. Some studies have supported links between styles of management and training and organizational commitment . These studies also support the effect of manager's moods on organizational commitment . Among these studies, Goleman looked at the effect of 6 management styles on organizational commitment and revealed the strongest relationship between emotional intelligence and organizational commitment . Since styles of management that have different effect on organizational commitment are driven from different emotional intelligence factors, it seems possible that different emotional behaviours give rise to different management styles and different perceptions of organizational commitment . The study reported in this article was aimed at determining whether the emotional intelligence of mangers was the main factor in creating great organizational commitment. (Momeni 2009)Leading organizations reported Emotional Intelligence competence is positively connected to overall organizational performance and emotional intelligence is positively associated with highly effective leaders.

Daniel Goleman's groundbreaking work on emotional intelligence and effective leadership informs us that highly effective leaders typically exhibit a critical mass of strength in a half dozen or so emotional intelligence competencies (Goleman, Boyatzis, & McKee, 2001, p. 39).

These are grouped in one of the four personal or social competence domains. Goleman et.al. (2002) tells us that a resonant leader, stems not just from leaders' good moods or ability to say the right thing, but also from whole sets of coordinated activities that comprise particular leadership styles .(please refer table 2.3)

Table 2.3 leadership style and impact on organizational climate (Goleman 2001)

	Coercive	Authoritative	Affiliative	Democratic	Pacesetting	Coach
When Appropriate	In crisis kick start turnaround or with problem employees	When change requires new vision ,when clear direction is needed d	To heal rifts in a team or to motivate during stressful times	To build consensus or to get valuable inputs from employees	To get quick results from a highly competent and motivated team	To help an employee improve performance or develop long term strengths
Objective	Immediate compliance	Mobilize others to follow a vision	Create Harmony	Build commitment through participation	Perform task to a high standard	Build strength for the future
Impact on Climate	Strongly negative	Most Strongly negative	Highly positive	Highly positive	Highly negative	Highly positive
EI competencies	Drive to achieve Initiative Emotional Self control	Self confidence Empathy Change catalyst	Empathy Building Bonds Conflict Management	Collaboration Team leadership communication	Conscientiousness, drive to achieve ,Initiative	Developing others ,empathy ,emotional self awareness

Highly effective leaders apply all of the above styles given the context of the situation. It is common to see a highly effective leader flex his/her leadership style numerous times if the situation merits changes in leadership styles. A leader's effectiveness has a direct impact on the organization's climate. 30% of an organization's performance is attributed to climate and leaders impact 70% of the climate . Divisions with high Emotional Intelligence outperformed annual earnings goals by 20% (Haygroup, 2002).

High emotional intelligence can be beneficial in many areas of life. However, the application of its usefulness has been most frequently documented in the professional

workplace. Cherniss (2000) outlines four main reasons why the workplace would be a logical setting for evaluating and improving emotional intelligence competencies:

1. Emotional intelligence competencies are critical for success in most jobs.

2. Many adults enter the workforce without the competencies necessary to succeed or excel at their job.

3. Employers already have the established means and motivation for providing emotional intelligence training.

4. Most adults spend the majority of their waking hours at work.

A strong interest in the professional applications of emotional intelligence is apparent in the way organizations have embraced Emotional Intelligence ideas. The American Society for Training and Development, for example, has published a volume describing guidelines for helping people in organizations cultivate emotional intelligence competencies which distinguish outstanding performers from average ones .As previously noted, considerable research in the emotional intelligence field has focused on leadership, a fundamental workplace quality. Even before research in the area of Emotional Intelligence had begun, the Ohio State Leadership Studies reported that leaders who were able to establish mutual trust, respect, and certain warmth and rapport with members of their group were more effective (Fleishman and Harris, 1962). This result is not surprising given that many researchers have argued that effective leadership fundamentally depends upon the leader's ability to solve the complex social problems which can arise in organizations (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000).

The cost-effectiveness of emotional intelligence in the workplace has been an area of interest. Several studies have reported the economic value of hiring staff based on emotional intelligence.

2.2.5 Emotional Intelligence of Leader in workplace

Leaders influence group emotions by setting the emotional standards. Leaders can give recognition or withhold it. Leaders can criticize constructively or destructively. Leaders can offer support or turn a blind eye to people's needs. Leaders can guide and give a sense of clarity and direction in their work or not. Leaders can invite group members to participate with their ideas or not. Leaders can give open and honest information or hide the truth. Leaders can practise what they preach or not. Leaders can express the group's vision and mission in ways that make people identify with them or not. But not every formal leader is necessarily the emotional leader of a group. When the formal leader lacks credibility people may choose an emotional leader whom they trust and respect, and this emotional leader will then be the one who shapes the group's emotional reaction. This can happen when someone has been appointed a leader for other reasons than leadership competencies like kinship or professional skills, without having the necessary people skills. CEO's with bad people skills often have a second in command with good people skills .(Buckingham,Hoffman 1999)

A leader's ability to manage own moods and affect the moods of others is not a private matter.It has a direct impact on business results, since the leader's emotions and moods dramatically influence the quantity and quality of the work people do. In the past it was easier for formal managers to focus on hard issues, on bottom line results and ignore

their behavior and the effect it would have on those they were leading. Today we know that the mood and tone of leaders have an enormous impact on those they lead. The leaders' mood and tone can drive people towards anger, hostility, apathy or towards optimism, commitment and pride (Buckingham,Hoffman 1999) .Major surveys, like the Gallup survey quoted by Marcus Buckingham and Curt Hoffman in their book First Break All the Rules (1999) suggest that50-70 percent of the factors influencing how employees perceive the organizational climate can be traced to the moods, behavior and actions of one person, their immediate superior. The immediate manager highly influences the conditions that determine people's ability to perform at their best, and thus the economic outcome. Managers spreading bad moods are bad for business. Managers spreading good moods promote business success.

The ability of a leader to drive his team into an enthusiastic and cooperative mood can determine its success. But when emotional conflicts take energy and focus away from the tasks at hand, the performance of the team will suffer. In his study of 139 different business units a total of 5,589 employees within the service sector in US, Europe, Mexico and Asia, described in the book Practice What You Preach, David Maister (2001) supports the conclusions of Buckingham & Hoffman that there is a casual link between the profitability of a company and how well the employees enjoy their work and the working climate. Maister claims that among the top factors predicting profitability are the issues of trust an respect. Statistical analyses of the data collected showed that when trust and respect between management and employees are high, financial performance predictably goes up. The most profitable units shared some of the same characteristics: Individual managers acted in the interest of their group, not just in their own interest. People's personal potential was being fulfilled, according to those

who were being managed. There was a high degree of loyalty and commitment, driven by individual managers. Compensation systems were being equitably managed. The study also showed that management success is mostly about the personality of the individual manager for an operating unit; optimistic and enthusiastic leaders retained their people more easily than leaders who displayed negative moods. In units where turnover was high people tended to leave their immediate leaders, not the company.

Emotional intelligence is very important in leadership roles, as leaders need everyone to do their jobs as effectively as possible and this requires a high degree of interpersonal effectiveness. Studies show that high emotional quotient differentiates average from superior performers, which can be critical for leadership positions. A brief account of studies citing the role of emotional intelligence in leadership behaviour is mentioned below:

Cooper and Sawaf (1997) cited that 7% of leadership success is attributable to intellect; 93% of success comes from trust, integrity, authenticity, honesty, creativity, presence and resilience. Leaders with high levels of emotional intelligence positively apply social skills to influence others, create strong relationships with clients and employees, and are effective motivators by controlling their emotions and understanding their weaknesses (Feldman, 1999; Noyes, 2001; Chastukhina, 2002). Barling, Slater and Kelloway (2000) examined the relationship between emotional intelligence and transformational leadership. Their research findings showed that emotional intelligence is associated with three aspects of transformational leadership (namely, idealized influence, inspirational motivation, and individualized consideration), and contingent reward. In contrast, active

and passive management by expectation, and laissez-faire management were not associated with emotional intelligence.

Due to the social complexity of today's organizations, Dearborn (2002) suggests managers with high emotional intelligence may be more capable of getting more output from less people and recognizing the nuances of dynamic situations while creating positive outcomes. Elias, Arnold and Hussey (2003) claim effective leadership is a combination of traditional intelligence (intelligence quotient) and emotional intelligence. They compare intelligence quotient to the raw material of knowledge and emotional quotient to the ability to turn knowledge into action. Those leaders who possess a strong set of interpersonal skills and can distinguish what approach is best to use for any given situation are most likely to be successful in their positions (Dyer, 2001). Such skills needed for effective leadership include empathy, heightened awareness, insight, and the ability to give feedback (Bass, 1985).Mandell and Pherwani (2003) examined the predictive relationship between emotional intelligence and transformational leadership style, the gender differences within each construct, and interaction effects between gender and emotional intelligence. The study established that emotional intelligence significantly predicts transformational leadership style. A significant difference was also found between the emotional intelligence scores of male and female managers. Gender, however, did not predict a transformational leadership style over and above emotional intelligence. These results indicate that emotional intelligence can be used to identify leaders who demonstrate positive transformational leadership qualities. Webb (2004) examined the extent to which emotional intelligence is related to transformational leadership within mentoring relationships. One hundred and twelve faculty members responsible for mentoring doctoral students were assessed

on the various dimensions of emotional intelligence. Transformational leadership ratings for each professor were provided by the doctoral student(s) who were advised by him or her. The results indicated that emotional intelligence can predict several aspects of transformational leadership, including charisma and inspirational motivation. Srivastva and Bharamanaikar (2004) examined the relationship of emotional intelligence with leadership excellence, success and job satisfaction. The results showed that emotional intelligence significantly correlates with transformational leadership and success. An emotionally intelligent person is more successful in all spheres than a person who possesses less emotional intelligence skills. Punia (2005) conducted a study on 250 executives in the National Capital Region Delhi, and found that leaders with higher emotional intelligence see changes as opportunities for betterment, and they cherish not stability but ongoing development of individual workers and of the organisation itself. Rosete and Ciarrochi (2005) established a link between emotional intelligence and workplace measures of leadership effectiveness, using an objective measure of performance and a 360o assessment tool. The research results showed that executives higher on emotional intelligence are more likely to achieve organizational outcomes and be considered as effective leaders by their subordinates and direct manager.

Alon and Higgins (2005) opined that with the current rise of globalization, both emotional and cultural intelligence has become important for cross-cultural leaders to excel. Global leaders can make the best use of emotional intelligence and maximize success when they understand and work within diverse foreign environments. This multiple intelligence framework helps to clarify adaptations to implement in leadership development programs of multinational firms.

Rego, Sousa, Cunha, Correia, and Saur (2007) examined the relationship between leaders' emotional intelligence and creativity of their teams. A sample of 138 top and middle managers from 66 organizations operating in the European Union was analyzed. Emotional intelligence was assessed by a self-report scale consisting of six dimensions: understanding one's emotions, self-control against criticism, self encouragement (use of emotions), emotional self-control (regulation of emotions), empathy and emotional contagion, understanding other people's emotions. The results revealed that emotionally intelligent leaders behave in ways that stimulate the creativity of their teams. Singh (2007) investigated the relationship between emotional intelligence and leadership effectiveness among 340 software professionals of a large company in India. Emotional intelligence was found to be positively and significantly related to organizational leadership for both genders. The results revealed no significant differences between male and female software professionals in terms of emotional intelligence and overall leadership effectiveness. The relationship management aspect of emotional intelligence was found to be the most important predictor of leadership. The study laid emphasis on employees to develop their relationship skills in order to become effective leaders. Bal Subramanian, Ghatala and Nair (2008) conducted a study in Apollo Health City, Hyderabad to investigate the relationship of emotional intelligence with organizational leadership as well as the impact of emotional intelligence on leadership effectiveness. The findings suggested that management functions have undermined the importance of individual development, at the cost of technology and modernization. The study suggested that Apollo Hospital Group, Hyderabad, should specifically concentrate on improving the self-management and social awareness skills of the employees in order to maintain its position as the No 1 health care provider in India. Boyatzis and Ratti (2009)

in their study identified competencies that distinguished effective managers and leaders. Performance measures were collected as nominations from superiors and subordinates. Results revealed that emotional, social and cognitive intelligence competencies predict performance. More specifically, in the emotional intelligence competency cluster, effective executives showed more initiative, while effective middle level managers showed more planning than their less effective counterparts. Similarly, in the social intelligence competency cluster, effective executives were more distinguished in networking, self-confidence, persuasiveness and oral communication. These are all addressing assertive and influencing processes. Meanwhile, effective middle level managers distinguished themselves with empathy and group management. These appear to be key competencies in addressing internal processes, whereas effective executives seem to be focused on the external environment.

2.2.6 Emotional intelligence of leaders and organizational commitment

Abraham (1999) examined the relationship between emotional intelligence and two forms of organizational commitment – affective and continuance. She assessed over 79 professionals from three industries and reported that the emotionally intelligent employees were happier and more committed to their organisation. Abraham concluded that the social skills component of emotional intelligence leads to strong interpersonal relationships, which in turn influences employee commitment. It was found that Emotionally intelligent individuals are optimistic, a trait that enables them to focus on the resolution, rather than the reasoning (who is at fault). The work in any given organization imposes difficulties that may result in feelings of frustration. Emotionally intelligent individuals would know not to hold the organization responsible for every

feeling of frustration (Abraham, 1999), as they are adept at placing themselves in positive affective states, and able to experience negative affective states that have insignificant destructive consequences (Salovey and Mayer, 1989-1990).   This is especially true for senior managers who have to reconcile the feelings of frustration of conflicting interest groups within and outside the organization. Their mood and expression of emotions has a direct impact on subordinates .This can be done effectively only when they are able to place themselves in a positive state of mind .Thus high Emotional Intelligence of leaders results in high Organizational Commitment of subordinates .(Abraham 1999)

Different studies have explored the association between Organizational Commitment , styles of management and training . These studies also support the effect of manager's moods (Emotional Intelligence) on Organizational Commitment of subordinates. Among these studies, Goleman looked at the effect of 6 management styles on Organizational Commitment and revealed the strongest relationship between El and Organizational Commitment. Since styles of management that have different effect on Organizational Commitment are driven from different El factors, it seems possible that different emotional behaviours give rise to different management styles and different perceptions of Organizational Commitment. (Goleman 2001)

2.2.7 Emotional Intelligence of Leader and Employee Engagement

Buckingham and Coffman (1999) assert that the relationship that an individual has with his/her manager is the strongest influencer of his/her engagement. Reichheld (2001) agrees, saying outstanding loyalty (engagement) is the direct result of the words and deeds – the decisions and practices – of committed managers.

Recent research on the association between employee engagement and leadership given by managers suggests that the single most important contributor to the feelings of employee engagement, empowerment and satisfaction is based on the relationship they have with the leaders of the organization (Sheridan & Vrendenburgh, 1978; Ribelin, 2003; Eisenberger, Stinglhamber, Vandenberghe, Sucharski, Ivan & Rhoades, 2002; Rhoades, L., Eisenberger, R., & Armeli, S. (2001). A recent meta-analysis of over 7,939 business units in 38 companies explored the relationship at the business-unit level between employee satisfaction-engagement and the business-unit outcomes of customer satisfaction, productivity, profit, employee turnover, and accidents (Harter & Schmidt, 2002). Relationships, large enough to have substantial practical value, were found between unit-level employee satisfaction-engagement and these business-unit outcomes suggesting that management practices that affect satisfaction can have bottom line results on productivity and profit**.**

2.2.8 Emotional Intelligence of Leader and Organizational climate

The morale and emotional behavior of manager has an important effect on organizational climate . Research shows that more than 70% employees' perception of organizational climate results directly from a manager's morale and behavior which stimulates employees morale ,emotions and behavior .(six second consulting 2004)

.This means Emotional Intelligence of leaders has a direct influence on creating organizational climate for the organization.

Organizational climate can be understood to be perception of outward features of an organization's culture .That is employee's perception and attitude towards their organization at a given time is the organization's climate .Emotional Intelligence refers to understanding and recognition of oneself and others' abilities ,perception and attitudes .The Emotional intelligence of manager has a great influence on staff's perception and attitude that create organizational climate (Goleman Boyatzis Mckee 2001)

Lyman (2003) found that employees feeling about their workplace is the principal determinant of whether an organization is a great place to work or not ,topping policies ,organizational programs , financial situations ,and value of stock. she pointed out following three feelings of employees about the place where they work.

1. Feeling about the management ; Employee should trust the people for whome they work

2. Feeling about the job :employee should have pride in what he/she is doing

3. Feeling about other employees ;an employee should enjoy other people with whom he or she needs to work.

In fact Lyman (2003) found that among the components of employees' feeling about their workplace feeling about manager is the main facet that creates and improves organizational climate .In order to improve on organizational climate as perceived by subordinates successful managers eagerly try to do one or more of the following .The researcher has indicated the emotional Intelligence related competency in bracket .

Developing and improving face to face communication with employees and giving them enough information (Assertivenss)

Showing care for and respect to employees by expressing appreciation and gratitude ,involving juniors in problem solving ,being receptive to new ideas and caring about employee's problems.(Empathy)

Showing fairness through fair salaries, behaving towards employee as a family,being unbiased in recruitment and promotions, handling grievences seriously and fairly.(Relationship management)

Making jobs worthwhile and meaningful, encouraging teamwork, creating scenes where employee will feel proud of working for the organization, making work environment friendly through sincerity and sympathy and thus increasing loyalty of people   (Empathy)

More recently this fact was confirmed by research done by (Momeni 2009) on 130 employees in various car manufacturing organizations in Iran . She found that strong positive correlation exists   between Emotional Intelligence of Leader and Organizational climate as perceived by subordinates (r=.55) .The results of regression analysis show that amongst the emotional intelligence factors social awareness and self awareness have more influence on Organizational climate while among organizational climate factors credibility is most influenced by manager's Emotional Intelligence. (Momeni 2009)

The above confirms that there is a strong relationship between emotional Intelligence of leader and organizational climate .

2.2.9 Gender Differences in Emotional Intelligence

Competing evidence exists surrounding whether or not males and females differ significantly in general levels of emotional intelligence. Daniel Goleman (1998) asserts that no gender differences in E.I. exist, admitting that while men and women may have different profiles of strengths and weaknesses in different areas of emotional intelligence, their overall levels of E.I. are equivalent. However, studies by Mayer and Geher (1996), Mayer, Caruso, and Salovey (1999), and more recently Mandell and Pherwani (2003) have found that women are more likely to score higher on measures of emotional intelligence than men, both in professional and personal settings.

The discrepancy may be due to measurement choice. Brackett and Mayer (2003) found that females scored higher than males on E.I. when measured by a performance measure (the Mayer-Salovey-Caruso Emotional Intelligence Test). However, when using self-report measures such as the Bar-On Emotion Quotient Inventory (EQ-i) and the Self-Report Emotional Intelligence Test (SREIT), they found no evidence for gender differences. Perhaps gender differences exist in emotional intelligence only when one defines E.I. in a purely cognitive manner rather than through a mixed perspective. It could also be the case that gender differences do exist but measurement artifacts such as over-estimation of ability on the part of males are more likely to occur with self-report measures. More research is required to determine whether or not gender differences do exist in emotional intelligence.

2.3 Employee Engagement

2.3.1 Origins of engagement

Recent media coverage has focused on the meaning of engagement and how to make employees more engaged. By definition, employees feel engaged when they find personal meaning and motivation in their work, receive positive interpersonal support, and operate in an efficient work environment.(Kahn 1990)

Most likely, the tight economy has refocused attention on maximizing employee output and making the most of organizational resources. This is a move in the right direction because when an organization focuses attention on its people, it's making an investment in its most important resource i.e .Human resource .The concept of engagement has naturally evolved from past research on high involvement, empowerment, job motivation, organizational commitment, and trust. All these research streams focus on employees' perceptions and attitudes about the work environment. In some ways they are variations on the same fundamental issue.

2.3.2 Definition Of Employee Engagement

Although there is a great deal of interest in engagement, there is also a good deal of confusion. At present, there is no consistency in definition, with engagement having been operationalized and measured in many ways.

Kahn (1990) was the first researcher to define Employee Engagement .He defines employee engagement as "the harnessing of organization members' selves to their work

roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (Kahn 1990)

The cognitive aspect of employee engagement concerns employees' beliefs about the organisation, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organisation and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organisational role.

Most often employee engagement has been defined as emotional and intellectual commitment to the organisation (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004). Although it is acknowledged and accepted that employee engagement is a multi-faceted construct, as previously suggested by Kahn (1990), Truss et al (2006) define employee engagement simply as 'passion for work', a psychological state which is seen to encompass the three dimensions of engagement discussed by Kahn (1990), and captures the common theme running through all these definitions. Some other researchers have defined Employee engagement in following manner

*Harter, Schmidt and Hayes (2002) define employee engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work"

* Lucey, Bateman and Hines (2005) interpret the Gallup Engagement Index as measuring "how each individual employee connects with your company and how each individual employee connects with your customers" They call the opposite of this emotionally unemployed.

* DDI (2005) uses the definition "The extent to which people value, enjoy and believe in what they do" DDI also states that its measure is similar to employee satisfaction and loyalty.

* Fleming, Coffman and Harter (2005) (Gallop Organization researchers) use the term committed employees as a synonym for engaged employees.

  Whilst   it is acknowledged that employee engagement has been defined in many different ways, it is also argued the definitions often sound similar to other better known and established constructs such as 'organisational commitment' and 'organisational citizenship behaviour' (OCB) (Robinson et al 2004). Thus Robinson et al (2004) defined engagement as 'one step up from commitment'. As a result, employee engagement has the appearance of being yet another trend, or what some might call "old wine in a new bottle".

Broadly the definitions revolve around either one or two of the following concepts :-
The Corporate Leadership Council (2004), Blessing White (2005), and Smythe (2005) emphasize satisfaction and commitment (both cognitive concepts) and their impact on how hard an employee is willing to work. Blessing White (2005) also identifies retention as one of these behavioural outcomes.
A second group focuses on the emotional attachments. Bates (2004) and Gubman (2004) both generally refer to engagement as a heightened emotional attachment to

one's work, organization, manager, or co-workers. Baumruk (2004) straddles the cognitive and emotional approaches by defining engagement as "the state in which individuals are emotionally and intellectually committed."

Finally, a third group focuses primarily on the behavioural outcomes, regardless of the causes. Towers Perrin (2003) (2005), Shaffer (2004), refer to engagement as the employee's willingness to expend discretionary effort on the job. Walker Information (2005) places the emphasis on an employee's commitment to staying with his/her company.

2.3.3.Drivers of employee engagement

Over the past few years, the major research studies identify eight different organizational factors that drive employee engagement.

1) Trust and Integrity – this driver applies to the degree to which the employee feels that members of the management team are concerned about the well-being of their employees, tell the truth, communicate difficult messages well, listen to employees and then follow through with action, and demonstrate the company's expressed goals and values through their own personal behavior. Reichheld (2001), Bates (2004), Baumruk (2004), Corporate Leadership Council (2004), Gubman (2004), Drizin (2005), and Towers Perrin-UK (2005), and Walker Information (2005).

2) Nature of the Job – this driver refers to the day-to-day content and routine of the employee's job and the degree to which he/she derives emotional and mental stimulation from it. This includes opportunities to participate in decision-making and

autonomy. The Conference Board (2003), Towers Perrin (2003), Bates (2004), Gubman (2004), Drizin (2005), and Towers Perrin-UK, and Walker Information (2005).

3) Line-of-Sight Between Individual Performance and Company Performance – this driver refers to how well the employee understands the company's goals, is aware of its overall performance, and, most importantly, knows how his/her individual contribution impacts this performance. Towers Perrin (2003), Bates (2004), Baumruk (2004), Corporate Leadership Council (2004), Drizin (2005), and Smythe (2005).

4) Career Growth Opportunities – this is the degree to which an employee feels that there are future opportunities for career growth and promotion within the company and, to a lesser degree, is aware of a clearly-defined career path. Towers Perrin (2003), Bates (2004), Baumruk (2004), Gubman (2004), and Towers Perrin-UK (2005).

5) Pride About the Company – this refers to the amount of self esteem that an employee derives from being associated with his/her company. This driver has been linked to behaviors such as recommending the company to prospective customers and employees. Towers Perrin (2003), Bates (2004), The Corporate Leadership Council (2004), Towers Perrin-UK (2005), and Walker Information (2005)

6) Co-workers/Team Members – this driver recognizes the significance of the influence that an employee's colleagues have on his/her level of employee engagement. The

Conference Board (2003), Towers Perrin (2003), Gubman (2004), Towers Perrin-UK (2005).

7) Employee Development – as opposed to career growth opportunities, this driver refers to the degree to which an employee feels that specific efforts are being made by their company or manager to develop the employee's skills. The Conference Board (2003), Baumruk (2004), Towers Perrin-UK (2005), and Walker Information (2005).

8) Personal Relationship with One's Manager – this is the degree to which an employee values the relationship that he/she has with his/her direct manager. This does not refer to professional or job-related aspects of their relationship. The Conference Board (2003), Bates (2004), Gubman (2004), and Towers Perrin-UK (2005).

While each study focused on some drivers more than others, generally the Corporate Leadership Council (2004) demonstrated that the emotional drivers such as one's relationship with one's manager, and pride in one's work had four times greater impact on discretionary work effort than did the rational drivers, such as pay and benefits. This appears to support the research conducted four decades ago by Frederick Hertzberg (1966) in which he showed that "hygiene factors" such as good pay, benefits, and working conditions do not serve to motivate employees, but their absence causes dissatisfaction. Correspondingly, an employee's sense of achievement, opportunity for advancement, and recognition by one's manager were shown to be "motivation factors," which lead to greater satisfaction with one's overall job experience.

2.3.4 Employee engagement and demographic variables

The Corporate Leadership Council (2004) concluded that "commonly used segmentation techniques based on tenure do not predict engagement." However, both the Conference Board (2003) and Baumruk (2004) report that companies experience a "honeymoon" in which new employees' engagement remains high for the first two years of employment, dips, then rebounds after five years of service.

Research conducted by Walker Information (2005) on the topic of employee retention demonstrated a parallel pattern with tenure, which appears to support Baumruk's findings. Their study revealed that, when asked whether they intended to remain employed with their current employer for at least the next two years, 29 percent of employees with less than one year of service indicated that they intended to stay, compared to 42 percent of those employees who had six or more years of service.

Baumruk explains that the high level of engagement in the early years of an employee's tenure is explained by the novelty of a new job and the learning opportunities it presents. As these wear off, the engagement level drops, and turnover begins to take its toll, leaving a higher proportion of highly engaged employees among those in the higher-tenure ranks. Age has an ancillary connection to tenure with one's company. While today's employees change their jobs, companies, and even careers more frequently than in the past, older employees tend to have been employed by their current company longer than younger ones.

Towers Perrin (2002) found that the drivers for choosing a new job were strikingly similar to those that drive engagement and, more significant to this review, the relative

importance of each driver was different for people of different ages. They reported that younger workers (under age 44) indicated that challenging work and learning and development opportunities were highest in importance to them, while older workers (over 44) were more concerned about having their contributions to their company's performance recognized and rewarded. Further, Harris Interactive (2005) found that 37 percent of workers under age 35 agreed with the statement, "a great deal of my pride comes from my work," while 59 percent of respondents over age 55 agreed.

These studies together represent evidence that 1) employee engagement may be a factor in driving length of service and 2) the drivers that influence engagement may shift as the employee ages.

2.3.5 Role Of Leaders in Influencing Employee Engagement

Researchers and writers agree that the role of an employee's direct manager is the key to influencing his/her level of employee engagement. In fact, Buckingham and Coffman (1999) assert that the relationship that an individual has with his/her manager is the strongest influencer of his/her engagement. Reichheld (2001) agrees, saying "outstanding loyalty (engagement) is the direct result of the words and deeds – the decisions and practices – of committed managers." The researchers agree. The Corporate Leadership Council (2001) confirms Buckingham and Coffman's assertion, concluding that the employee-manager relationship is, in fact, the most powerful driver of the employee's engagement. Further to this they reported that employees' views about their relationship with their company were largely the same as their views about their relationship with their immediate manager.

Specifically, a personal (as opposed to professional) relationship with one's direct manager has emerged as one of the key drivers of employee engagement across a handful of studies. Crabtree (2004), for example, reported that 14 percent of highly engaged employees agreed with the statement: "This person and I have one of the strongest personal relationships in my life," when describing their manager. In contrast, only 1 percent of disengaged employees agreed.

In addition to the clear impact of building and sustaining personal relationships with employees, the research also reveals that first-line managers have a clear role in influencing two other drivers of employee engagement as well. In the Towers Perrin (2003) study 63 percent of employees rated their immediate manager as "fair" or "poor" at including them in decisions that affect their job, and therefore adversely affecting the driver of "Content of the Job." Towers Perrin also found that 40 percent of employees felt that their direct managers cared about their individual well-being, while 27 percent felt that senior-level managers were too distant from them to even make an assessment about whether they cared about employees or not. This result highlights the unique role of first-line managers in impacting the "Trust and Integrity" driver.

Bates (2005) believes that the reason that the role of direct managers is increasingly seen as significant in driving engagement is that first-line managers and supervisors reside at the point of contact of the changing relationship between companies and employees. The nature of employment, he explains, has shifted in the post-industrial era from one of "paternalism" to one of "partnership." This partnership replaces the traditional ideas of strictly authoritarian styles of leadership with ones that feature an emotional bond between the manager and employee that includes shared values, goals,

mutual caring, and respect. Regardless of the reason, there is a strong consensus, born out in the research, that first-line managers are crucial to driving employee engagement.

2.3.6 Employee Engagement and Turnover Intention

Beginning in 2003, studies began to demonstrate a direct measurable relationship between employee engagement and the intention of employees to leave their company. Towers Perrin (2003) reported that 66 percent of highly-engaged employees reported that they had no plans to leave their company, while only 3 percent of them were actively looking or had made immediate plans to leave. This compared to 12 percent and 31 percent, respectively, for disengaged employees. Towers Perrin (2005) re-enforced this finding by reporting that 59 percent of engaged employees intended to remain with their employer. Parenthetically, Towers Perrin reasoned that the drop from 2003 to 2005 was due to improvements in the job market.

Studies then began to examine employee engagement and actual turnover behaviours. The Conference Board (2003) initiated this research, identifying a negative .43 correlation between a company's level of employee engagement and their voluntary turnover rate. The Corporate Leadership Council (2004) also found that highly engaged employees were 87 percent less likely to leave their companies than their disengaged counterparts.

The Corporate Leadership Council (2004) also sought to link turnover to the specific drivers of employee engagement. They found that, while engagement is driven dominantly by emotional factors (as noted above), the decision to leave a company was

linked nearly equally to both emotional and rational factors, such as better pay and benefits. : (Kuller et al.2008)

Towers Perrin (2005) has contributed to the examination of the connection between engagement and turnover by identifying the key drivers that inspire employees to remain with their company.

These drivers are: (Kuller et al.2008)

1. A manager who is inspirational and enthusiastic,

2. Opportunities to advance one's career in the current company,

3. The reputation of the company as a good employer, and

4. Salary and benefits.

Interestingly, these drivers for retention are generally parallel to the employee engagement drivers of Personal Relationship with One's Manager, Career Growth Opportunities, and Pride About the Company.

2.4 Organizational Commitment

Organizational commitment has an important place in the study of organizational behaviour. This is in part due to the vast number of works that have found relationships between organizational commitment and attitudes and behaviours in the workplace (Porter et al., 1974, 1976; Koch and Steers, 1978; Angle and Perry, 1981). Organizational commitment has been studied in the public, private, and non-profit sector, and more recently internationally. Early research focused on defining the concept and current research continues to examine organizational commitment through two popular approaches, commitment-related attitudes and commitment-related behaviours.

In today's world full of uncertainties ,the practice of having a career dedicated to just one company is almost non existing. Mobility is the key word for majority of present workforce and perhaps will remain so in future generations to come .On the other hand ,the organizations invest lot of money and time in process of acquiring and training their workforce and consider the employees as most valuable asset .The employees become very important also because of the fact that in today's competitive world - the service provided by the company is the key differentiating factor from the customer's perspective . The service is provided by people .Thus the sales and service people of the company become the critical factor in deciding future of the organization.

2.4.1 Conceptualization of organizational commitment

Multiple definitions of organizational commitment are found in the literature. Organizational commitment, as an attitude, has been defined as the relative strength of and individual's identification with, and involvement in, a particular organization (Mowday et al., 1979; Allan and Meyer, 1990). This definition, reflecting an individual's affective commitment, represents a major approach to the study of organizational commitment (Meyer et al., 2002). Employees with strong organizational commitment continue employment with the organization because they want to do so (Ghani et al., 2004). In order to achieve organizational commitment, employers need to help their employees value involvement in the organization. The more the employee values being part of the organization, the more likely they are to stay with the organization. Meyer and Allen (1991) identified three types of commitment; affective commitment, continuance commitment, and normative commitment .Organizational researchers agree that a consensus has not yet been reached over the definition of organizational commitment (Scholl, 1981; Benkhoff, 1997a; Mowday, 1998; Suliman & Isles, 2000a, 2000b; Zangaro,2001). Bateman and Strasser (1984)state that organizational commitment has been operationally defined as "multidimensional in nature, involving an employee's loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership" (p.95).

Mowday, Steers, and Porter (1979) identified commitment-related attitudes and commitment-related behaviors. Porter et al. (1974) discuss three major components of organizational commitment as being "a strong belief in and acceptance of the

organization's goals, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership". Sheldon (1971) defines commitments as being a positive evaluation of the organization and the organizations goals.

Most scholars define commitment as being a bond between an individual (the employee) and the organization (the employer), though his own definition of commitment. Scholl (1981) indicates that the way organizational commitment is defined depends on the approach to commitment that one is adhering to. Accordingly the Organizational commitment is defined either as employee attitude or as force that binds an employee to the organization.

All important definitions of organizational commitment are given in table 2.4 below .

Table 2.4 Definitions of Organizational commitment

Researcher	Definition
Lee (1971)	Organizational Commitment is indemnification with the Organization.
Sheldon (1971)	Organizational Commitment is an attitude or orientation towards the organization which links or attaches the identity of the person to the organization.
Buchanan (1974)	A strong belief in acceptance of the organizational goals and value, willingness to exert considerable efforts, on behalf of the organization, and definite desire to maintain organizational membership.
Steers (1977)	Identification with and involvement in the organization.
Mowday et.al(1982)	Organizational commitment is the relative strength of individual's Identification with and involvement in the organization.
Morrow (1983)	Organizational commitment is the multidimensional concept that includes moral (internalization of values and goals of the organization) and calculative (desire to remain) components.
De Cotiis and Summers(1987)	Two dimensional construct centred on Organizational goals and values internalization and role involvement.
Porter.Strees,Mowday and Boulian(1974) Allen and Mayer(1996)	Identification with and involvement in the organization. They mention three characteristics of organizational commitment (1) strong belief in and acceptance of organization's goals and values, (2) a willingness to exert considerable efforts on behalf of the organization. (3) a strong desire to remain with the organization.
Cook and Wall (1980)	The concept of Organizational commitment refers to person's affective reactions to his employing organization. It is concerned with feeling of attachment to organization's values and goals ,one's role in relation to this and attachment to the organization for its own sake rather than for strictly instrumental values.

2.4.2 Approaches to organizational commitment

Organizational commitment is defined either as an employee attitude or as a force that binds an employee to an organization. According to Suliman and Isles (2000), there are currently four main approaches to conceptualising and exploring organizational commitment. There is the attitudinal approach, the behavioural approach, the normative approach and the multidimensional approach.

The attitudinal approach views commitment largely as an employee attitude or more specifically as a set of behavioural intentions. The most widely accepted attitudinal conceptualisation of organizational commitment is that by Porter and his colleagues who define organizational commitment as the relative strength of an individuals' identification with, and involvement in a particular organization (Mowday et al., 1979). They mention three characteristics of organizational Commitment (1) a strong belief in, and acceptance of, the organization's goals and values, (2) a willingness to exert a considerable effort on behalf of the organization, and (3) a strong intent or desire to remain with the organization. Within this frame work the the factors associated with commitment include positive work experience ,personal characteristics and job characteristics while the outcome includes increased performance ,reduced absenteeism and employee turnover .More recently Meyer and Allen (1991) have postulated that the attitudinal approach regards regards commitment as employee attitude that reflects the nature and quality of linkage between employee and the organization(Meyer and Allen1991) .They view attitudinal commitment as the way people feel and think about their organization.

The second approach refers to organizational commitment as behavior (Suliman and Isles,2000b,Zangaro 2001)This approach emphasizes on fact that employee continues his/her employment with an organization because investments such as time spent in organization, friendship formed ,pension benefits etc.tie the employee to the organization. Becker's (1960) Side bet theory forms foundation of this approach. He emphasizes that commitment only happens once the employee has recognized the costs associated with discontinuing association with the organization. This school views commitment as motivating force driving individual behaviour and tying individual to a specific organization (Swailes 2002)

The third approach is normative approach. This approach argues that congruency between employee goals and values and organizational aims make the employee feel obliged to his/her organization.(Becker, Randall and Reige l995).From this point of view the Organizational commitment has been defined as 'The totality of internalized normative pressure to act in a way which meets organizational goals and interests (Weiner,1982)

The last approach, the multidimensional approach is relatively new .It assumes that Organizational Commitment is more complex than emotional attachment ,perceived cost or moral obligation. This approach suggest that Organizational commitment develops because of the interaction of all these three components .Several studies ,according to Suliaman and Isles(200b)have contributed to this new concept. They give credit to Kelman (1958) for this multidimensional approach. Kelman linked compliance , identification and internalization to attitudinal change .Another

internalization is Etzioni (1988)who as sited by Zangaro (2001) described Organizational Commitment in terms of three dimensions moral involvement, calculative involvement and alliterative involvement .

Moral involvement is defined as positive orientation based on employee's internalization and identification with organizational goals. Calculative involvement is defined as either a negative or positive orientation of low intensity that develops due to an employee receiving inducement from the organization that match his/her contributions .Alienative attachment on the other hand is negative attachment .In this case individual feels lack of control on or ability to change the environment and therefore remain with the organization only because they feel that they have no other option.

Oreilly and Chatman (1986) also support the notion that Organizational Commitment should be a multidimensional construct .They call three dimensions of Organizational commitment as Compliance ,identification and internalization.

The most popular Multidimensional approach to Organizational Commitment is by Meyer and his colleagues .In 1984,Meyer and Allen based on Becker's sideline theory introduced the dimension of continuance commitment to the already existing dimension of affective commitment. In 1990 they added a third dimension, Normative commitment to their two dimensional model of Organizational commitment. In the present study organizational commitment has been defined as the relative strength of an individual's identification with, and involvement in, a particular organization (Mowday et al., 1982). Mowday et al. (1982) mention three characteristics of organizational commitment: (1) a strong belief in, and acceptance of, the organization's goals and values, (2) a

willingness to exert a considerable effort on behalf of the organization, and (3) a strong intent or desire to remain with the organization.

2.4.3 Components of organizational commitment

Meyer and Allen (1991)identified three types of commitment; affective commitment, continuance commitment, and normative commitment.

Affective Commitment

Affective Commitment is defined as the employee's positive emotional attachment to the organization. Meyer and Allen pegged Affective Commitment as the "desire" component of organizational commitment. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This employee commits to the organization because he/she "wants to". This commitment can be influenced by many different demographic characteristics: age, tenure, sex, and education but these influences are neither strong nor consistent

Porter et al (1974) further characterize affective commitment by three factors (1) "belief in and acceptance of the organization's goals and values, (2) a willingness to focus effort on helping the organization achieve its goal's, and (3) a desire to maintain organizational membership". Mowday et al (1979) further state that affective communication is "when the employee identifies with a particular organization and its goals in order to maintain membership to facilitate the goal" (p.225). Meyer and Allen

(1997) continue to say that employees retain membership out of choice and this is their commitment to the organization.

Continuance Commitment

Continuance commitment is the willingness to remain in an organization because of the investment that the employee has with "non transferable" investments. Nontransferable investments include things such as retirement, relationships with other employees, or things that are special to the organization (Reichers, 1985). Continuance commitment also includes factors such as years of employment or benefits that the employee may receive that are unique to the organization (Reichers, 1985). Meyer and Allen (1997) further explain that employees who share continuance commitment with their employer often make it very difficult for an employee to leave the organization.

Normative commitment

Normative commitment (Bolon, 1993) is the commitment that a person believes that they have to the organization or their feeling of obligation to their workplace. In 1982, Weiner discusses normative commitment as being a "generalized value of loyalty and duty". Meyer and Allen (1991) supported this type of commitment prior to Bolon's definition, with their definition of normative commitment being "a feeling of obligation". It is argues that normative commitment is only natural due to the way we are raised in society. Normative commitment can be explained by other commitments such as marriage, family, religion, etc. therefore when it comes to one's commitment to

their place of employment they often feel like they have a moral obligation to the organization (Wiener, 1982).

Meyer, Allen, & Smith (1993) say that the three types of commitment are a psychological state "that either characterizes the employee's relationship with the organization or has the implications to affect whether the employee will continue with the organization". Meyer et al (1993) continue to say that generally the research shows that those employee's with a strong affective commitment will remain with an organization because they want to, those with a strong continuance commitment remain because they have to, and those with a normative commitment remain because they fell that they have to. Meyer & Allen (1997) define a committed employee as being one "stays with an organization, attends work regularly, puts in a full day and more, protects corporate assets, and believes in the organizational goals". This employee positively contributes to the organization because of its commitment to the organization.

2.4.4 Desirable outcomes of organizational commitment

Employee commitment is important because high levels of commitment lead to several favourable organizational outcomes. Meta analyses indicate that commitment is negatively related to turnover (Cooper-Hakim & Viswesvaran, 2005), absenteeism (Farrell & Stamm, 1988), and counterproductive behaviour (Dalal, 2005) and positively related to job satisfaction (Cooper-Hakim & Viswesvaran, 2005), motivation (Mathieu & Zajac, 1990), and organizational citizenship behaviors (Riketta, 2002). Moreover, research studies have provided evidence of a positive correlation between organizational commitment and job

performance (e.g., Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989). Low commitment has also been associated with low levels of morale (DeCottis & Summers, 1987) and decreased measures of altruism and compliance (Schappe, 1998). Finally, non-committed employees may describe the organization in negative terms to outsiders thereby inhibiting the organization's ability to recruit high-quality employees (Mowday, Porter, & Steers, 1982). These findings have important implications for both organization theory and the practice of management.

2.4.5 Organizational commitment and intention to quit

Research on commitment outcomes examines focuses on intention to quit and absenteeism. In a study examining a group of nurses Somers (1995) found those nurses with lower levels of commitment had higher levels of absences and possibility of leaving the job . Blau and Boal (1987) studied a group of insurance workers and found also found that those employees who had higher levels of commitment had lower levels of absenteeism and turnover.

Retention of employee appears to be one of the most studied outcomes of organizational commitment. This is due to the numerous studies which have found a correlation between turnover and commitment (Porter et al, 1974; Meyer & Allen, 1997). Porter et al (1974) found that employees with lower levels of commitment were more likely to leave than their counterparts. Meyer and Allen (1997) argue that the different components of commitment relate to different types of outcomes, therefore continuance commitment may or may not relate to employee performance.

Research has also found that those employees who are committed to their profession also have higher levels of commitment to the organization. Baugh and Roberts (1994) found that those employees who were committed to both their organization and their profession had high levels of job performance.

Recently a study was conducted by Atif Anis et.al (2011) on 320 employees in Pakistani Pharmaceutical Industry in order to find impact of Organizational commitment on job satisfaction and organizational commitment in Pakistani Pharmaceutical Industry .The results of study show that positive and significant relationship exists between compensation, Supervisory Support, and organizational commitment. The results further conclude that organizational commitment has strong and positive relationship with employee job satisfaction and employee retention.

Apart from this there are hardly any studies available to find relationship similar to constructs under study in present research .

2.4.6. Leadership and organizational commitment

 Throughout the workplace employees must be given numerous opportunities to feel committed to the organization. Meyer & Allen, (1997), found that employees that have a good relationship with their immediate work group have higher levels of commitment. They discuss they idea that if employees are directly committed to their group, their commitment to the overall organization will be higher. Lio (1995) concluded that "workers' organizational commitment is significantly correlated to their perceived job security" (p.241).

Management styles can influence the commitment level of employees. Koopman (1991) studied how leadership styles affected employees and found those employees who favoured their manager's style also favoured the organization more. Though there was no direct connect between commitment, it could be argued that this would then affect their levels of commitment to the organization. Nierhoff et al (1990) found that the "overall management culture and style driven by the top management actions are strongly related to the degree of employee commitment" (p. 344). These correlations bring to light the importance of having strong managers and their roles in the overall organization.

Eisenberger et al (1990) discuss that those employee's who feel that they are cared for by their organization and managers also have not only higher levels of commitment, but that they are more conscious about their responsibilities, have greater involvement in the organization, and are more innovative. Managers and organizations must reward and support their employees for the work that they do because this perceived support allows for more trust in the organization.

Employee commitment reflects the quality of an Organization's leadership. Managerial research suggests a positive direct relationship between leadership behaviours and Organizational commitment .Transformational leadership is generally associated with desired organizational outcomes such as willingness of followers to expends extra efforts .(Bass 1985, and Bass 1990)A willingness to expend extra effort indicates some degree of commitment. They reported a positive relationship between Organizational commitment .(Tao et al 1998)

also found that supervisory behavior predicted internalization $R^2 = .180, \rho < .01$) In three separate studies Popper ,Mayseless and Castelnovo (2000) found that a positive correlation existed between transformational leadership and attachment of employee to the organization.Podsokoff .Mackenzie and Bommer (1996) found that leadership behaviours explained 48% of the variance in organizational Commitment and 55% of the trust .

Chiok Foong Loke (2001) studied the effect of leadership behavior on employee outcomes in Singapore .A high positive significant correlation was shown among Organizational commitment and leadership behaviours .The pearson coefficient ranged from .60 for enabling others to act and inspiring a shared vision to .84 for enabling others to act and modeling the way .

2.4.7.Organizational commitment and employee engagement

Earlier research shows that the terms employee engagement and organizational commitment have strong interlinks .The justification for this lies partially in their respective definitions .

Employee engagement has emerged as one way to measure a further alternative to measuring employee commitment to the organisation and as a way of creating a more effective workplace (Echols 2005).

Beginning in 2003, studies began to demonstrate a direct measurable relationship between employee engagement and the intention of employees to leave their company. Towers Perrin (2003) reported that 66 percent of highly-engaged employees reported that they had no plans to leave their company, while only 3 percent of them were actively looking or had made immediate plans to leave. This compared to 12 percent

and 31 percent, respectively, for disengaged employees. Towers Perrin (2005) re-enforced this finding by reporting that 59 percent of engaged employees intended to remain with their employer.

Studies then began to examine employee engagement and actual turnover behaviours. The Conference Board (2003) initiated this research, identifying a negative .43 correlation between a company's level of employee engagement and their voluntary turnover rate. The Corporate Leadership Council (2004) also found that highly engaged employees were 87 percent less likely to leave their companies than their disengaged counterparts. Few researcher's emphasize employees' cognitive connection to the work or organization and the subsequent behaviours that they demonstrate on the job. The Corporate Leadership Council (2004), Blessing White (2005), and Smythe (2005) emphasize satisfaction and commitment (both cognitive concepts) and their impact on how hard an employee is willing to work. Blessing White (2005) also identifies retention as one of these behavioural outcomes. Some researchers emphasize on the emotional attachments in employee engagement . Bates (2004) and Gubman (2004) both generally refer to engagement as a heightened emotional attachment to one's work, organization, manager, or co-workers. Baumruk (2004) straddles the cognitive and emotional approaches by defining engagement as "the state in which individuals are emotionally and intellectually committed."

Towers Perrin (2003) (2005), Shaffer (2004), refer to engagement as the employee's willingness to expend discretionary effort on the job. Walker Information (2005) places the emphasis on an employee's commitment to staying with his/her company.

All the above studies indicate that there is a strong positive relationship between employee engagement and Organizational Commitment .

2.4.8 Organizational climate and commitment

Harold P. Welsch (1981) studied effect of various personal and Organizational factors in a healthcare institution and found that participative climate, power, teamwork, reading professional journals, satisfaction with work and promotion opportunities, age, GS level, tenure, and length of professional employment are positively related to organizational commitment. Adela Mc Murray (2004)studied the relationship between organizational commitment and organizational climate in three large Australian automotive component manufacturing companies.. A significant correlation (.66) between organizational commitment and organizational climate was discovered . Mueller, Boyer, Price, and Iverson (1994) found that organizational commitment was positively correlated with job satisfaction (.787) and Somers (1995) reported that affective commitment and normative commitment correlated with intent to remain (.46 and .39; p = < .01, respectively). Wallace (1995) concluded that perceived opportunities for career advancement and rewards were identified as leading indicators of organizational commitment in corporatist law firms, although job satisfaction correlated the strongest with organizational commitment (.356; p = < .001) of all variables considered. More recently, Yoon and Thye (2002) found that job satisfaction and perceived organizational support were both positively correlated with organizational commitment (.60 and .62, respectively) and that job satisfaction and perceived organizational support are correlated with each other (.61) and are of equal importance in the development of organizational commitment with workers. Gormely ,Denise Kolesar (2005) found that Organizational climate subscales of consideration, intimacy, and production emphasis were positively related to affective, continuance, and

normative organizational commitment (p ≤ .05)   D'Cruz(1997) also found Strong correlation between organizational commitment and climate in Malaysian Cement Industry .

More recently ,Chaturvedi(2007) studied the impact of job experience and organizational climate on organizational commitment in Telecom Industry in Indian context . The study revealed positive correlation between job experience and organizational climate and a strong positive correlation between favourable organizational climate and organizational commitment. All the above studied indicate that there is a strong positive relationship between Organizational Climate and Organizational Commitment .

2.4.9 Measuring organizational commitment in sales personnel

Among researchers who study organizational commitment in the sales force, there seems to be a general tendency to adhere to Porter et al.'s (1974) definition, which views commitment as an affective construct, and to use the Porter et al. scale as it was initially designed, which means calculating an overall commitment score (uni dimensional instrument). Unlike specialists in organizational behaviour, most of these researchers do not look at the uni dimensionality or multidimensionality of the 'Organizational commitment questionnaire' the only exception being Bashaw and Grant (1994). Although Agarwal and Ramaswami (1993) and McNeilly and Russ (1992) seem to view organizational commitment as a multidimensional concept, they calculated an overall commitment score in their empirical phase. Given the divergence between conceptual and empirical applications of the 'Organizational commitment questionnaire', the

present study tests the 'Organizational commitment questionnaire's factor structure as a

single factor for sales force in pharmaceutical industry.

2.5 Organizational Climate

Organizational climate is defined as a global impression of one's organization and personal impact of the work environment, which influences the individual's work behaviors, perception of employees toward their organization, linked to work and job related attitudes   (Pritchard & Karasick, 1973; Litwin & Stringer, 1968; Taguiri & Litwin, 1968;), it also reflects workers' emotional responses to the characteristics of the work environment (Glisson & James, 2002; James, Hater, Gent, & Bruni, 1978; James & Sells, 1981). Since the construction of the concept (Lewin, Lippitt & White, 1939) organizational climate had gone through many inspections and changes in conceptualization. Sometime term mixed with organizational culture, yet climate has a different meaning − it describes aspects of the environment that are consciously perceived by organizational members (unlike culture, which covers mostly unconscious parts).   Culture represents actual situations; climate is the perception of it. Organizational culture and climate are both crucial characteristics of organizations that influence employees' attitudes (Aarons & Sawitzky, 2006; Carmazzi & Aarons, 2003; Glisson & Hemmelgarn, 1998). More positive organizational climates also predict more positive work attitudes (Glisson & James, 2002; Morris & Bloom, 2002). There are various approaches of organizational climate which can be classified as: structuralist /objectivist, subjectivist, interactive.   (Moran & Volkwein, 1992; Ashforth, 1985, Forehand & Gilmer, 1964; Powell & Butterfield, 1978; Moran & Volkwein, 1992; Furnham & Gunter, 1993; Schneider & Hall, 1972; Johnston, 1976; James, Joyce and Slocum, 1988, Ashforth, 1985, Joyce & Slocum, 1984;Keys & DeCottis, 1991). Organizational climate has several dimensions, for example: structure, responsibility,

risk, reward, warmth and support,(Litwin and Stringer 1968), conflict and approval rating for actions, (Furnham & Gunter, 1993; DeCottis and Summers1987).Apart from organizational work environment, organizational climate is very much influenced by the social interactions of the individual (Rousseau,1988).

2.5.1 Conceptualization and definition

The concept of organizational climate has been assessed by various authors, of which many of them published their own definition of organizational climate

Organizational climate is a set of properties of the work environment, perceived directly or indirectly by employees, that is assumed to be a major force in influencing employee behavior. (Organizational Behavior & Management, 8th Ed., Ivancevich, Konopaske, and Matteson)

Organizational climate, however, proves to be hard to define. Furthermore there are several approaches to the concept of climate, of which two in particular have received substantial patronage: the cognitive schema approach and the shared perception approach.

The first approach regards the concept of climate as an individual perception and cognitive representation of the work environment. From this perspective climate assessments should be conducted at an individual level.

The second approach emphasizes the importance of shared perceptions as underpinning the notion of climate (Anderson, & West, 1998; Mathisen & Einarsen 2004). Reichers and Schneider (1990) define organizational climate as "the shared perception of the way things are around here" (p. 22). It is important to realize that from these two approaches,

there is no "best" approach and they actually have a great deal of overlap. Organizational Climate (sometimes known as Corporate Climate) is the process of quantifying the "culture" of an organization. Researchers Hart, Griffin, Wearing & Cooper (1996) have pursued the shared perception model of Organizational Climate. Their model identifies the variables which moderate an organization's ability to mobilize its workforce in order to achieve business goals and maximize performance. Litwin and Stinger (1968) has given a macro perspective of analyzing the organization. According to them, "Climate can be defined as the perceived attributes of an organization and its sub-systems as reflected in the way an organization deals with its members, groups and issues". The emphasis is on perceived attributes and the working of sub-systems. This frame work emphasizes on motivational linkages and seems to be quite relevant for studying organizational climate.

Definitions

One of the earliest definitions of organizational climate was proposed by Forehand and Von Gilmer (1964). They viewed organizational climate to be comprised of qualities that discriminate one firm from another, that endure over time, and help to control actions of employees within the organization. Subsequent research from Tagiuri, Litwin, and Barnes (1968) build upon Forehand and Gilmer W.(1964) by adding the notion that climate should be described as the set of qualities that encompass the organization of inquiry. Beyond this, several researchers have proposed other definitions that place more weight on the environment, including things such as guidelines, actions, and the atmospherics (Argyris, 1958; Schein, 1992), while another group insists that leader and manager behaviour are most important (Fleishman, 1953;

McGregor, 1960). Moreover, another group of researchers focus on measurable outcomes (Forehand, 1964). Below is a brief listing of the differing definitions of organizational climate as shown by (Grant, 2002). Organizational climate is made up of perceived organizational properties intervening between organizational characteristics and behavior (Friedlander & Margulies, 1969). Organizational climate is a set of attitudes and expectations describing the organization's static characteristics and behaviour outcome and outcome-outcome contingencies (Campbell, et al., 1970). Individual perceptions of their organization are affected by characteristics of the organization and the individual (Schneider & Hall, 1972). Psychologically meaningful cognitive representations of the situation perceptions (James & Jones, 1974). Perceptions or interpretations of meaning which help individuals make sense of the world and know how to behave (Schneider & Snyder, 1975).

Individuals' cognitive representations of proximal environments... expressed in terms of psychological meaning and significance to the individual, an attribute of the individual, which is learned, historical and resistant to change (James & Sells, 1981). An assessed molar perception or an inference researchers make based on more particular perceptions (Schneider & Reichers, 1983). ('Organizational Climate') A generic term from a broad class of

organizational, rather than psychological, variables that describe the context for individual's actions (Glick, 1985). Organizational Climate is a concept reflecting the content and

strength of the prevalent values, norms, attitudes, behaviours and feelings of the people in an organization (McNabb & Sepic, 1995). As can be seen above, researchers attempt

to permit the definition of organizational climate be taken out of the context of inquiry. While it is complicated to propose an all purpose definition, it is possible to draw up the boundaries of the concept by ascribing to it certain characteristics. Tagiuri, et al. (1968) identified several aspects of climate that help to clarify the domain of the concept.

2.5.2 Dimensions of organizational climate

Climate is a particular configuration of situational variables. Its component elements may vary, however, while the climate may remain the same. It is the meaning of an enduring situational configuration. Climate has continuity, but not as lasting as culture. Climate is determined importantly by characteristics, conduct, attitudes, expectations of other persons, and by sociological and cultural realities. Climate is phenomenologically external to the actor who may, however, feel that he contributes to its nature. Climate is phenomenologically distinct from the task for both observer and actor. It is in the actor's or observer's head, though not necessarily in a conscious form, but it is based on characteristics of external reality. It is capable of being shared (as consensus) by several people in the situation, and it is interpreted in terms of shared meanings (with some individual variation around a consensus). It cannot be a common delusion since it must be veridically based on external reality. It may or may not be capable of description in words, although it may be capable of specification in terms of response. It has potential behavioural consequences It is an indirect determinant of behaviour in that it acts upon attitudes, expectations, and states of arousal, which are direct determinants of behaviour" (Tagiuri, et al., 1968).

The notion of organizational climate has been thought to have many dimensions to its makeup. These varying dimensions have been cause for much of the debate

surrounding the concept.   In the early 1970's, researchers proposed four main dimensions to organizational climate. These dimensions include autonomy, structure of the job, reward orientation of the employee, and the consideration, warmth, and support offered by the organization (Campbell, et al., 1970). Autonomy, as described by the researchers, was said to be the freedom of the person to be his/her own boss and keep extensive decision making power for himself / herself. The structure of the job refers to how the objectives and methods within the job are created and communicated to the worker by his/her superiors. Reward orientation suggests how motivated the worker is to perform his/her job, while consideration, warmth, and support, refers to the support, stimulation, and overall relationship quality perceived from one's organization (Campbell, et al., 1970). A meta-analysis of organizational climate by Koys and DeCotiis (1991) found that climate is a perception and not an assessment of their job satisfaction. They further asserted that climate is the internal atmosphere of the organization. In their analysis of the organizational climate literature, Koys and DeCotiis (1991) identified approximately 80 separate features. Through a reduction procedure, Koys and DeCotiis condensed the features from 80 to 45, and ultimately identified eight super-ordinate climate dimensions: 1) autonomy, 2) cohesion, 3) trust, 4) pressure, 5) support, 6) recognition, 7) fairness, and 8) innovation. Koys and DeCotiis (1991) finally concluded that organizational climate should be assessed at an individual level, and that each worker's observation can be expected to differ across the eight global categories.

2.5.3 Relationship between organizational climate and organizational commitment

Harold P. Welsch (1981) studied effect of various personal and Organizational factors in a healthcare institution and found that role conflict and role ambiguity are detrimental to commitment, while a participative climate, power, teamwork, reading professional journals, satisfaction with work and promotion opportunities, age, GS level, tenure, and length of professional employment are positively related to organizational commitment.

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2.5.4 Leadership and organizational climate

Attractive vision is created by a leader to bring change, (Ford and Ford, 1994) which influence the followers by understanding the true need of revolutionize. Transformational leader visualize the need of change in the organization and operate as per the climatic situation. , a leader might need to act in different ways within differing cultural contexts, in order to be transformational (Bass, 1997). Each components of transformational leadership are manifested differently in different organizational climate/ culture (Ardichvili & Gasparishvili, 2001), the success of change strategy of transformational leaders depended upon leaders' sensitivity to culture-specific complexities and nuances operating within their organizations (Singh and Bhandarker, 1990). Organizational culture through many challenges to transformational leaders, for example; is empowering employees, leveraging internal and external knowledge, synthesizing external information, and encouraging creativity, (Dess & Picken, 2000).

Transformational leadership has been examined from an organizational culture perspective which determined that effective models of leadership include excitement, creation of memorable visions, clear definition of the desired state, synchronization with team dynamics, empowerment of leadership throughout the organization, and charisma (Lapp, 1999). Climate, change agent leadership, and change process, all three influence the change and employees' response towards change, out of which transformational leadership plays an important role in guiding change (Elving, 2005;; Proctor & Dukakis, 2003; Poole, 2000; Horwitz & Neville, 1996; Phelan, 2005; Slack & Hinings, 1992). The transformational leader creates a culture that embraces change, can assemble and motivate a group with enough power to lead the change effort (Kotter, 1995; Brown & Eisenhardt, 1997). Leader uses his effective interventions after considering underlying needs and values of followers, which can be addressed by understanding employees' cultural background (Brown & Eisenhardt, 1997; Eisenbach et al., 1999; Kanungo and Jaeger; 1990).

2.6 Intention to quit

Studies of employee turnover from work organizations abound in the literature on organizational behavior (e.g. Mobley, 1982; Campion, 1991;Hom & Griffeth, 1995). According to Mitra, Jenkins and Gupta (1992) turnover is one of the most popular outcomes examined in organizational research, because it is related to an organization's bottom line in a competitive market. In this regard, Boshoff, Van Wyk, Hoole and Owen(2002) contend that organizations generally tend to prefer to have a stable work force. According to them it will therefore be of paramount importance to determine the variables that are involved in the intention to leave or remain with an organization.

2.6.1 Definition of intention to quit

Employees' turnover is a much studied phenomenon Shaw et al. (1998).But there is no standard reason why people leave organisation. Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment Abassi et al. (2000). Terms employee turnover and intention to quit have been used interchangeably in literature

Mellor, Moore and Loquet (2004) define intention to quit as the individual who may be thinking about quitting a job. Glissmege et al (2007) define intention to quit an organization as mediating factor between attitude affecting intent to quit and quitting an organization.

The term "turnover" is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by

the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy:

2.6.2 Personal Factors and intention to quit

There are several reasons why people quit from one organization to another or why people leave organization. The experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organization; and job dissatisfaction make employees to quit Firth et al. (2004). This clearly indicates that these are individual decisions which make one to quit. They are other factors like personal agency refers to concepts such as a sense of powerlessness, locus of control and personal control. Locus control refers to the extent to which people believe that the external factors such as chance and powerful others are in control of the events which influence their lives Firth et al. (2004). Manu et al. (2004) argue that employees quit from organization due economic reasons. Using economic model they showed that people quit from organization due to economic reasons and these can be used to predict the labour turnover in the market. Good local labour market conditions improve organizational stability Schervish (1983). Large organizations can provide employees with better chances for advancement and higher wages and hence ensure organizational attachment (Idson and Feaster 1990). Trevor (2001) argues that local unemployment rates interact with job satisfaction to predict turnover in the market. Role stressors also lead to employees' turnover. Role ambiguity refers to the difference between what people expect of us on the job and what we feel we should do. This causes uncertainty about what our role should be. It can be a result of misunderstanding what is expected, how to meet the expectations, or the employee thinking the job should be different Kahn

et al. Muchinsky, 1990. Insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions or duties may cause employees to feel less involved and less satisfied with their jobs and careers, less committed to their organizations, and eventually display a propensity to leave the organization (Tor et al., 1997). If roles of employees are not clearly spelled out by management/ supervisors, this would accelerate the degree of employees quitting their jobs due to lack of role clarity.

2.6.3 Organizational factors and intention to quit

Organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Alexander et al., 1994). Therefore, in situations where organizations are not stable employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement.

The imposition of a quantitative approach to managing the employees led to disenchantment of staff and hence it leads to labor turnover. Therefore management should not use quantitative approach in managing its employees. Adopting a cost oriented approach to employment costs increases labour turnover Simon et al. (2007). All these approaches should be avoided if managers want to minimize employee turnover an increase organizational competitiveness in this environment of globalization.

Employees have a strong need to be informed. Organization with strong communication systems enjoyed lower turnover of staff (Labov 1997). Employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process. That is employees should fully understand about issues that affect their working atmosphere (Magner et al. (1996). But in the absence openness' in sharing information, employee empowerment the chances of continuity of employees are minimal. Costly et al. (1987) points out that a high labour turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. All these factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelled out policies, no grievance procedures in place and thus employees decides to quit.

Griffeth et al. (2000) noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa. There are also other factors which make employees to quit from organization and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment Abassi et al. (2000).

2.6.4. Effects of employee turnover

Employee turnover is expensive from the view of the organization. Voluntary quits which represents an exodus of human capital investment from organizations Fair (1992) and the subsequent replacement process entails manifold costs to the organizations. These replacement costs include for example, search of the external labor market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit John (2000). Addition to these replacement costs, output would be affected to some extend or output would be maintained at the cost of overtime payment. The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (DeMicco and Giridharan, 1987; Dyke and Strick, 1990; Cantrell and Saranakhsh, 1991; Denvir and Mcmahon, 1992).Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth and Davis, 1993; Barrows, 1990). Hogan 1992, nearly twenty years ago the direct and indirect cost of a single line employee quitting was between $ 1400 and $4000. Turnover has many hidden or invisible costs Philips (1990) and these invisible costs are result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant. And all these affect the profitability of the organization. On the other hand turnover affects on customer service and satisfaction Kemal et al. (2002). Catherine (2002) argue that turnover include other costs, such as lost productivity, lost sales, and management's time, estimate the turnover costs of an

hourly employee to be $3,000 to $10,000 each. This clearly demonstrates that turnover affects the profitability of the organization and if it's not managed properly it would have the negative effect on the profit.

Research estimates indicate that hiring and training a replacement worker for a lost employee costs approximately 50 percent of the worker's annual salary (Johnson et al., 2000) – but the costs do not stop there. Each time an employee leaves the firm, we presume that productivity drops due to the learning curve involved in under-standing the job and the organization. Furthermore, the loss of intellectual capital adds to this cost, since not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets Meaghan et al. (2002). Therefore, if employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position. However, voluntary turnover incurs significant cost, both in terms of direct costs (replacement, recruitment and selection, temporary staff, management time), and also (and perhaps more significantly) in terms of indirect costs (morale, pressure on remaining staff, costs of learning, product/service quality, organizational memory) and the loss of social capital Dess et al. (2001).