

# Association Between EI and Turnover Intention on Job Performance in Banking Sector Pakistan

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## Abstract

The banking sector of Pakistan is a significant contributor to the country's economy. Emotional intelligence (EI) and retention of employees has been found to be an essential component in the banking sector's performance. Employees turnover intentions in different banks of Pakistan has affected the relationships between their colleagues and their customers. This paper aims to look at the relationship between EI and turnover intention on job performance of bank employees. A total of 190 questionnaires were distributed to employees in banking sector Pakistan. Out of 190, 169 questionnaires were collected back with a return rate of 89% percent from various banks in Peshawar and Lahore Pakistan. AMOS version 26 was used. The model was tested using a two-stage SEM methodology; first, the measurement model was used to assess the validity and reliability of the instrument, and then the structural model was estimated. The findings revealed that there was a positive and significant connection between EI and job performance, the relationship of turnover intention was found to be negative and significantly linked to EI. The results further show a positive but insignificant relationship between turnover intention and job performance. One implication is that organizations in the banking sector should prioritize the development of EI among their employees. This can be achieved through training and development programs that focus on improving emotional awareness, emotional regulation, empathy, and social skills. This study cannot be generalized because it was limited to Peshawar and Lahore in Pakistan.

**Keywords:** *emotional intelligence; turnover intention; job performance; employees; banks; Pakistan*

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## Introduction

Pakistan's banking industry makes a major economic contribution to the nation. It plays a critical role in mobilizing savings, facilitating investments, and providing financial services to individuals and businesses. The term "emotional intelligence" describes the capacity to recognize, comprehend, and control one's own and other people's emotions., and it has been shown to have a significant impact on job performance and employee retention. Studies have found that employees who possess high levels of emotional intelligence are more likely to be satisfied with their jobs, have better relationships with their colleagues, and experience less stress and burnout (Sheikh et al., 2019). On the other hand, employees experience more negative emotions such as frustration, anger, and anxiety with low levels of EI; which can lead to dissatisfaction and turnover intentions (Abbasi et al., 2019).

Employee turnover is a major concern in Pakistani enterprises (Reina et al., 2018). Organizations should try to limit employee turnover since recruiting and training new staff is an expensive endeavour. Furthermore, controlling employee turnover has an impact on organizational performance (Dharmawan et al., 2015). Over the years, the banking industry has made a significant contribution to the Pakistani economy. It not only supports the economy by providing jobs, but also by channelling funds to businesses and individual consumers. The banking industry has also aided the development of the agriculture sector and small businesses in the area (Mughal, 2015). Employee turnover is wreaking havoc on Pakistan's banking industry. In Pakistan, 35 percent of banks are experiencing high employee turnover, resulting in issues with the quality of service, customer attention, and feedback, all of which can only be supplied by personnel who are emotionally stable, talented, and motivated (Hassan, M., 2019). Workflow and team dynamics can be affected by high staff turnover, particularly when important roles go unfilled or when new hires take some time to acclimate and become fully productive. Customer service, project timeliness, and general organizational effectiveness may all be impacted by this.

The aim of this research is to investigate the relationship between EI and turnover on job performance. As a result, this study adds to the literature on EI, job performance, and turnover intentions. To the best of our understanding, the study has been conducted for the first time in Pakistan. that explores the role that turnover intentions have in influencing how EI and job performance are related.

## Methodology

Wong and Law (2002) designed an eleven-item questionnaire to assess the nature of emotional intelligence and were graded on a five-point Likert scale, with five being strongly agreed and one strongly disagrees. The four- items of job performance were self-developed and were graded on a five-point Likert scale, with five being strongly agreed and one strongly disagrees. The four-item Michigan (1975) assessment was used to assess the nature of turnover intentions. Using a 5-point Likert scale, the responses were rated.

All the respondents of the present study are employees who are working in different banks in Peshawar and Lahore. It uses a quantitative research strategy that emphasizes measurement in data collection and analysis.

The measurement and structural equation models were performed by using AMOS version 26. The gathered data was further explored using Structural Equation Modelling. The model was tested using a two-stage SEM methodology; first, before estimating the structural model, the measurement model was utilized to evaluate the instrument's accuracy and dependability (Schumacker & Lomax, 2010). The skewness-kurtosis method was employed to determine whether all the variables were normal by using SPSS 28 (Hair et al., 2010).

To first investigate the measurement model fit and then assess the measurement model's validity, a CFA was performed using the AMOS program 26. Meanwhile, structural model outcomes were found to be quite like the modified measurement model indicating the good fit model; based on the same criteria used to evaluate the goodness-of-fit for the proposed model.

## Results

According to the study's findings, there is a positive & significant relationship among EI, and work performance and the results supported the alternative hypothesis. It has been found that employees with higher EI are more able to handle the events that happen at work and, as a result, experience more job satisfaction than others who are unable to do so (Ceballos et al., 2017). Furthermore, it was noted that emotional intelligence is a critical factor in the success of individuals and organizations across various industries, including the banking sector. In the banking sector, employees with high levels of EI can effectively manage their emotions and those of their clients, resulting in better client satisfaction, increased customer loyalty, and

ultimately, improved business performance (Suliman & Al-Shaikh, 2020). Additionally, employees with high levels of EI were found to be better at resolving conflicts and managing difficult clients, which improved the overall quality of client interactions. The main factor predicting turnover intention, which results in a real turnover, is emotion. Employees that are emotionally intelligent understand negative emotions better, are highly adept at avoiding them and are aware of the adjustments that must be made to reduce feelings of irritation (Carmeli, 2003).

The results indicate a positive but insignificant correlation between turnover intention and job performance, rejecting the second hypothesis that turnover intention at work is detrimental to performance. While there is considerable research suggesting that high turnover intentions are negatively associated with job performance, there is also evidence of an insignificant relationship between these variables in some studies.

In the last hypothesis, the association among EI and turnover intentions among employees in banks in Pakistan have a significant inverse connection between EI and turnover intention. There is growing evidence to suggest that EI is negatively associated with turnover intentions among employees in banks.

## **Conclusion**

EI is a crucial factor in the banking sector's performance and retention of employees. According to the survey, employees with higher EI scores are more likely to perform better on the job, have fewer plans to quit, and have higher degrees of loyalty to the company as well as job satisfaction. It is common for crucial individuals who act as the backbone of a business to also be considering leaving. This can be riskier for the organization's advancement because individuals who are considering leaving will leave when they begin to get more value elsewhere.

The negative relationship between EI and turnover intentions suggests that organizations should prioritize the development of EI among their employees through training and development programs that focus on improving emotional awareness, emotional regulation, empathy, and social skills. Additionally, organizations should focus on creating a positive work environment that fosters positive interpersonal relationships among employees and between employees and supervisors.

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