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## **THE EFFECT OF EMOTIONAL INTELLIGENCE OF STAFF ON ORGANIZATIONAL COMMITMENT AT INDUSTRIAL GROUP OF AZIN KHODRO**

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### **ABSTRACT**

Regarding changes of current era and with the entering of organizations into knowledge-oriented economy, human resource has got special importance than other resources of the organization. In fact human capital is the strategic and the most fundamental way for increasing efficiency and effectiveness of an organization. The goal of this research is considering the effect of emotional intelligence on organizational commitment. Emotional intelligence has been considered in 2 dimensions of personal and social capabilities and organizational commitment in 3 affective, continuance and normative commitments. Statistical society of the research is consisting of middle managers, supervisors of Azin khodro group. Statistical society has been chosen based on Cochran formula. Data of research were collected based on questionnaire and have been analyzed through structural equations and Pearson correlation. The result showed that there is meaningful correlation between emotional intelligence and organizational commitment and only there isn't meaningful correlation between personal capabilities and normative commitment.

**Keywords:** *Continuance Commitment, Normative Commitment, Affective Commitment, Personal Commitment, Social Commitment*

### **INTRODUCTION**

Regarding changes of current era and by the entering of knowledge-oriented economy, human resources have got especial importance than other resources of an organization. In fact human capital is the most vital strategic and fundamental element for increasing efficiency of an organization and leads to development of an organization. Human resource committed to goals and values of an organization is not only a factor for excellence of an organization toward another organization but it is counted as a constant competitive excellence for many organizations (Cakir & Ada, 2008).

Scat and Zhaf (1999) identified that the main origin of competitive excellence for organizations is sacrificing, quality, commitment and ability of workforce. In fact nowadays organizations are successful that have powerful and committed staff. Staff who emphasize client-orientation and increase of benefits and improve systems and work process (Panaccio & Vandenberghe, 2012). Nowadays many researchers are going to understand different effective factors on commitment of staff toward organizations and also profitability of their maximum ability. In between emotional intelligence as a relating variable with management of their emotions and making effective relationship with others has got our attention. In relationship with the importance of subject of emotional intelligence, Berko and Veloin de estimated that 90% of our actions are emotional and only 10% of our actions are done based on thought and logic. Also Salovei and Miyer (1990) believed that firstly there is emotion and then thought. In other word in relationship with a phenomenon, firstly emotion shapes and then reasonable cause is estimated. Also emotional intelligence is intelligence use of emotions and feelings that encompasses a set of skills and personal attributes that usually these characteristics are called intangible skills or interpersonal or intrapersonal skills. Some scientists believe that for better performance of organizations human should have emotional benefit besides intelligence benefits. In other words, cognitive intelligence is not sufficient for achieving success and may people with high emotional intelligence have more ability in

## **Research Article**

achieving success (Rezaeian and Koshtekar, 2008). The importance of these subjects is the main motivation of current research that is formed with the goal of considering the function of emotional intelligence on organizational commitment. For this purpose we put the main concentration of research on staff that has key function at current organizations.

### **Literature Review**

#### *Organizational Commitment*

Considerable set of papers has devoted to organizational commitment. Basically there are two procedures about organizational commitment. First procedure is organizational commitment as a personal intention or preference that an organization is committed. Secondly organizational commitment can be as a personal attitude toward an organization that is a reflection of the degree of relationship of people and their identification. Although general definition of organizational commitment is a reflection of the relationship of a person with its organization but the most research about organizational commitment on staff and their experiment has been concentrated in an organization and try to perceive the relationship between staff and bosses. Therefore the research about organizational commitment and its result shouldn't limit staff in an organization but it should develop the level of relationship of staff with top managers. Increase of attention of organizational commitment leads to development of theories and different research (Cichy *et al.*, 2009).

Organizational commitment is generally explained as a general attitude of staff to an organization. Also it has been identified as the degree of identification and participation of staff in an organization. Buchanan (2000) identifies commitment as an affective interest in people for achieving goals and values of an organization Coock and Wall (2000) defines organizational commitment in thre factors: 1- identification of goals and organizational value and increase of organizational interest 2- investment on attempt of people for achieving organizational goal 3- request of an organization for remaining in an organization.

Commitment of staff toward an organization is very important because its behaviors such as organizational change and increases staff performance at dynamic and varied environment. Generally previous studies divide commitment into three personal, job and organizational groups. Personal factors encompass cases such as need to achieving goals, age, gender and education. Job factors encompass independence in responsibility and job challenges. Organizational factors include organization size, culture of an organization, and management system of human resource and tendency of top management team of an organization. There are other factors that are not placed in these groups. Such as special opportunities, chance of job enhancement, friends support, recognition, reliance and concentration on work (Reade and Lee, 2012).

Allen and Meyer (1990) have considered three kinds of organizational commitment that has been paid attention in many studies related to organizational commitment. These dimensions are: affective commitment, continuance commitment and normative commitment. Difference between these three kinds of commitments is in the psychological nature of each element of organizational commitment. In the following each dimension will be considered completely.

#### *Affective Commitment*

People having strong affective commitment remains in an organization because they want to be in an organization. Affective commitment means affective interest to an organization that by meeting expectations and needs of staff increases. This interest occurs due to identification of goals and values of an organization. In other word staff is loyal to an organization and they choose not to remain in an organization because their demand is remaining in an organization. One reason that they want to remain in an organization is that their need is met about work and staff are satisfied (Larsen *et al.*, 2012).

#### *Continuance Commitment*

People having continuance commitment remain in an organization because they need. In other word commitment is remaining in an organization because cost of leaving an organization is a lot. Cost such as investment on new resources or lack of proper replacement. Continuance commitment is one performance of finished cost of leaving an organization. In other word, people feel commitment to an organization because they feel that they should remain in an organization. This kind of commitment without

## **Research Article**

considering social identity level, work plan, pension and other advantages of an organization. Any factor that increases finished cost can be a kind of criteria for continuance commitment. This cost can be in relationship with an organization or job and can be independent of an organization and in relationship with members. People, who think their current job helps achieving goals of an organization, pay more costs (Weng *et al.*, 2010).

### **Normative Commitment**

People having strong normative commitment remain in an organization because they feel that they should remain. Normative commitment is a kind of feeling of force in an organization in which staffs feel they should remain in the organization. Normative commitment is a kind of psychological interest of staff to an organization they is based on social experience and emphasizes more on force. Staff with high normative commitment remains in an organization because they believe that this is the best action. Normative commitment has been established based on norms. On the other hand this group of staff believes that an organization is developing and if they remain in an organization they will grow (Weng *et al.*, 2010).

Briefly increase of studying in the field of normative commitment is another attitude to this reality that multiple dimension of normative commitment can predict different organizational results. Therefore in different researches it is searching different dimensions of organizational commitment. As staff is getting old in an organization they are more committed to an organization. Continuance theory predicts that staff in an equal organization with different age range has different commitments. That is with the increase of age, the degree of their commitment increases.

Staff with stronger normative and affective commitments in an organization, save organizational values in the organization (Jones and Mcintosh, 2010). As it was explained, in the view of researchers various factors can be effective on organizational commitment. These factors are various. One of the main effective factors on organizational commitment is emotional commitment. In the following dimensions of emotional intelligence will be explained.

### **Emotional Intelligence**

In 1996 Daniel Golman by distributing his famous book, played significant function at generalizing the concept of emotional intelligence. In 1998 regarding the findings of previous researchers he described emotional intelligence' emotional intelligence is another type of intelligence that is based on identification of emotions and using them for making proper decisions in life". In other word, emotional intelligence demotes ability of favorable management of manners, mental situation and controlling tensions and in fact it is a factor that during failure at achieving goal makes a person motivated and hopeful (Ashforth & Humphrey, 1995).

Generally capabilities of emotional intelligence of Golman model is explained in the form of four types of public and general abilities as below that cases 1 and 2 are considered under the title of personal skills and cases of 3 and 4 under the title of social skills:

- 1- Self-awareness:** ability of perceiving emotions and their positive and negative points
- 2- Self-management:** ability of managing states, and tensions and their internal capabilities
- 3- Social awareness:** ability of correct perception of people and groups
- 4- Management of relations:** The ability of creating favorable reaction in others

In current research for identification of emotional intelligence of staff and its dimensions this model is used. In the view of Golman, emotional ability means the acquired ability based on emotional intelligence that leads to significant performance in field work. In other word, amount of emotional intelligence determines the potential ability for acquiring applied skills. In his viewpoint, the discrimination between personal ability and performance is the work place.

Generally people who are more intelligent emotionally are optimistic and have characteristics that enable them to concentrate solution instead of reason (who is to blame). Since any organization have its own problem and may lead to the feeling of failure and frustration, people with high emotional intelligence know that the organization is not responsible for all their unfavorable emotions. Such people when are located in positive emotional state, are able to control negative emotional states that have destructive

**Research Article**

consequences. They know that how to prevent inefficient emotions and how to take step in the direction of decreasing it. Such people are not stimulated from negative exchange but they are stimulated regarding the degree of their emotional dependency to an organization (Rezaeian and Koshtehkar, 2008).

**Research Hypothesis**

H1: Emotional intelligence has meaningful relationship with organizational commitment.

H1-1: personal skill has meaningful relationship with affective commitment.

H1-2: personal skill has meaningful relationship with continuance commitment.

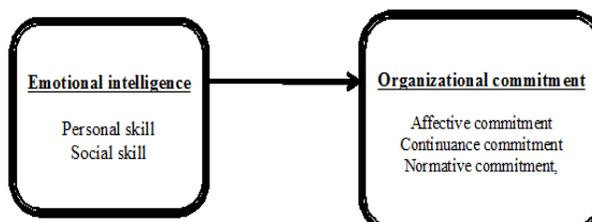
H1-3: personal skill has meaningful relationship with normative commitment.

H1-4: social skill has meaningful relationship with affective commitment.

H1-5: social skill has meaningful relationship with continuance commitment.

H1-6: social skill has meaningful relationship with normative commitment.

Regarding introduced subjects and considered hypothesis, conceptual model of research are written as below and in the following it is discussed and tested:



**Figure 1: Conceptual model of research (Rezaeian & Koshtehkar, 2008)**

**MATERIALS AND METHODS**

**Methodology**

Current research regarding goal is applied and regarding method it is descriptive-surveying. Statistical society of the research are all middle managers and supervisors of Azin khodro industrial group. Based on presented statistics by Azin khodro industrial group, total number of administrative staff in this section is 200 people. For determining the number of statistical sample of current research Cochran formula has been used that 126 people were chosen as final sample of the research. Tools of required data collection include 21 questions. For testing emotional intelligence and its parameters Golman questionnaire (2001) and for testing organizational commitment and its dimension measurement scale of Allen and Mayer (1990) will be used. For measuring superficial and content validity of the questionnaire, viewpoint of professors and specialist have been used. Therefore its problems were identified and necessary reformations has been done. For considering reliability of the questionnaire Cronbach alpha coefficient was used that the result has been shown in table 1:

**Table 1: Result of reliability of research questionnaire**

Raw	Variable	Degree of alpha
1	Affective commitment	0.844
2	Continuance commitment	0.902
3	Normative commitment	0.832
4	Personal capabilities	0.770
5	Social capabilities	0.819
6	Total commitment	0.842
7	Total emotional intelligence	0.802

**Method of Data Analysis**

In this research after certainty of the normality of data (through Kolmogorov-smirnov test) for testing main hypothesis of the research structural equation modeling has been used in this way that the relationship between affective intelligence and organizational commitment has been tested through standard

**Research Article**

coefficient and t-statistics with Lisrel software has been tested and based on it the ration of approving or rejecting hypothesis has ben decided.In order to test subordinate hypothesis of the current research pearson correlation has been used. For considering measurment model of the variables factor analysis technique and fitting indices have been used.

**RESULTS AND DISCUSSION**

**Research Findings**

**Descriptive Statisitc of the Sample**

Regarding the result of analysin collected data, it is observed that gender of 27 percent of respondent were female and 69 percent were male; also 4 percent didn't answer this question. Education of 7.9 percent of respondents was under diploma, 8.7 percent diploma, 17.5 percent secondary assistance, 53.2 percent bachelao and 9.5 percent M.A and higher education; also 3.2 percent haven't answered this question. Age of 2.4 percent of respondent was less than 20 years, 79.4 percent between 20-40 years, 15.1 percent between 40-60 percent, 1.6 percent more than 60 years also 1.6 percent haven't answered to this question. Duration of cooperation of 31.7 percent of respondent was under 5 years, 27.8 percent between 5-10 years, 13.5 percent between 10-15 years and 7.1 percent above 15 years with considering companies also 19.8 percent haven't answered to this question.

**Considering Research Hypothesis**

When the use of confirming factor analysis for accurity of the applied model in order to measure each variable of the researchhas been proved, by using structural equation model the relationship between main variables of the research has been considered. For testing main hypothesis of the research basic model of the reesearch in standard mode and meaningful number is used. Regarding the basic model of the research in meaningful ness number mode the degree of t-statistics between two variables of emotional intelligence and organizational commitment is 3.94 and since it is located out of the range (-1.96 & 1.96) main ypothesis is confirmed. Regarding standard coefficient it can be said that the degree of relationship between emotional intelligence and organizational commitment is 0.57.

For considering subordinate hypothesis pearson correlation test is used that the result of conidering each hypothesis has ben shown in table 2.

**Table 2: Result of considering subordinate hypothesis**

Variables	n	R	R <sup>2</sup>	Sig	Conclusion
Personal skill and affective commitment	126	0.329	0.108	0.000	Hypothesis approved
Personal skill and continuance commitment	126	0.192	0.036	0.031	Hypothesis approved
Personal skill and normative commitment	126	0.122	0.014	0.174	Hypothesis rejected
Social skill and affective commitment	126	0.459	0.21	0.000	Hypothesis approved
Social skill and continuance commitment	126	0.287	0.082	0.001	Hypothesis approved
Social skill and normative commitment	126	0.406	0.164	0.000	Hypothesis approved

**Fitting Research Model**

**Table 3: Result of indices of fitting research model**

Test name	It fits if	Result of test in model
RMSEA	Less than 0.08	0.071
$\chi^2$	Equal or less than 5	3.13
$d_f$		
(GFI)	Bigger than 0.9	0.96
(NFI)	Bigger than 0.9	0.93
(NNFI)	Bigger than 0.9	0.90
(CFI)	Bigger than 0.9	0.93

### Research Article

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(RMR)	Near zero	0.018
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The following table identifies kinds of fitting indices and meaningful model. Generally some indices are used for assessing fitting of the model but usually for confirming the model, using 3-5 indices is sufficient. The result shows proper fitting of the research model with collected data.

#### Conclusion and Suggestion

Based on the result of considering hypothesis of the research some suggestions are presented for improvement of the situation of organizational commitment of Azin khodro industrial group as below:

Among subset of affective commitment attention to the problems of an organization has the least t-statistics. Therefore it seems that affective dependency of staff in an organization is not to the degree that they know organization's problem as their problem. It is suggested that top managers in an organization have more satisfaction and the feeling of satisfaction is achieved through meeting the needs of a person to achieve more affective commitment.

Among subset of continuance commitment leaving an organization has the least t statistics and not having much cost has the highest t-statistic for leaving an organization. If an organization wants to increase continuance commitment in an organization, it should enhance cost of leaving an organization so that people leave the organization harder. For example top managers can set long-term contracts with staff that has financial commitment for the people. Leaving an organization has the least t statistics usually. This problem can be dangerous for an organization and the organization is faced with the decrease of force at once. In normative commitment besides creating legal barriers like contract, cultural problems should be paid attention. Managers should provide environment for staff that can not leave an organization easily and due to ethical problems.

Among subset of personal capabilities in emotional intelligence self-awareness of personal abilities has the least mean. Managers during specific courses can explain the degree of personal abilities exactly so that they become active in Azin khodro group regarding awareness of their abilities.

Among subset of social capabilities in emotional intelligence in discrepancies has the least t-statistics. It is suggested top managers pay more attention to the decrease of discrepancies. They should form groups of team thought and surveying and decrease available discrepancies between people.

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