

The impact of leader's emotional intelligence on employee organizational behavior: Mediating role of employee motivation

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Abstract

Organizational leaders need to recognize the cognitive characteristics of effective leadership. This paper demonstrates the impact of leaders' emotional intelligence on employee organizational behavior. Existing literature highlights the need to explore the mechanism by which a leader's emotional intelligence influences employee optimistic behavior. Thus, the aim of this research is to find out the role of a leader's emotional intelligence on employee retention, personal development and organizational commitment in insurance sectors in Pakistan. A survey has been organized to gather the data from managers and employees from the five insurance sectors. The data was collected through a questionnaire by using simple random sampling. A total of 206 questionnaires were considered out of 220 for the data analysis in different branches. Data analysis was carried out by using Partial Least Square (PLS) 3.27. Results reveal that the leader's emotional intelligence plays a positive role in employee

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behavior and employee motivation strengthens the relationship between a leader's emotional intelligence and employee behavior.

Key words: Leaders emotional intelligence, Employee motivation, retention, Personal development, Organization commitment.

1. INTRODUCTION:

Organizations are facing multiple challenges that stem from the fact that many business sectors are downsizing or restructuring themselves to compete in the market (Colombo et al, 2012). Organizations in developing economies demonstrated that leadership can influence the organization toward success or failure, depend on their strategic decision (Finkelstein et al., 2009). Leadership involves inaugurating one's own as a role model for others by gaining their trust and confidence for motivation and encouragement (Bass, 1998). Accordingly, previous studies have identified that leadership is a critical factor for organization success. But few researches have observed the diverse significance of leadership and focused on the challenges that impact the practice of leadership (Bryman, (1999). Practice can be the assessments and standards of leaders by which they identified the loopholes of employees within a diverse business environment (Lumby & Morrison, 2010). Diversity brings challenges for the leaders in organization and management. Research suggested that diversity possesses several management problems such as how to lead their organizations on these concerns. Accordingly, diversity may challenge current mainstream leadership theories as they identify organizational and cultural dimensions (Chen & Van Velsor, 1996). Consequently, one can argue that developing skills and attributes of managing and motivating diverse employees fall in the domain of leadership Due to the diverse characteristics of today's workforce (Fisher et al., 2000). The leaders who work with employees of dissimilar ethnic backgrounds need to identify cultural differences that may influence the behaviors of employees (Mumford et al., 2007). Consequently, leader's intellectual traits in term of emotional intelligence possess a strong role to create an optimistic and conducive working environment for employees (Atwater & Yammarino, 1993).

Previous research has revealed that feelings, sentiment, and emotions play a vital role in the leader's perception (Pescosolido, 2002). Emotionally intelligent leaders influence the employees to achieve standard performance for the organization (Kulkarni et al., 2009). Numerous theorists have anticipated that leader's emotional intelligence and employee performance in altered contexts, and have examined various factors that enhance and shrink employee attitude and behavior (Le Blanc & González-Romá, 2012). Research explored that a leader's emotional intelligence is one of the most fundamental factors concerning how leaders manifest their emotions and influence employees, as each interaction among leaders and employees involves emotions (Kulkarni et al., 2009). Different study found the potential impact of emotionally intelligent leaders varied considerably by employee retention (Nowack & Learning, 2008), employee development (Langley, 2000), and organizational commitment (Nikolaou & Tsaousis, 2002).

This research is based on a developing country i.e. Pakistan. The insurance sector in Pakistan has been trying to meet the challenges. The administration has been trying to stimulate and consolidate the organization's position as an emerging market in the region. As Triandis (1989) strongly demonstrated that diversity has an important influence on human behavior. Therefore this study investigates the direct relationship of a leader's emotional intelligence with employee motivation, employee retention, personal development and organizational commitment. Secondly, we investigate whether employee motivation plays a mediating role between the leader's emotional intelligence and employee retention, personal development and organizational commitment. Further, this study will ensure the success level of the insurance sectors in different cities in Pakistan. Accordingly, in this research, we address the question of how a leader's emotional intelligence potential may impact employee behavior and actions which create an optimistic environment that support and encourage employee toward the organization. Moreover studies exploring the mediating role of employee motivation in the relationship between a leader's emotional intelligence and employee behavior. In specific, we indicate that emotional intelligence will enable leaders to stimulate, inspire, and support vision among employees in organizations. Leadership plays a vital role to encourage

and satisfy the employee. Then we provide a brief overview of theorizing and research on emotional intelligence. We propose the mechanisms or directions by which leaders' emotional intelligence can influence and boost the organizational employee.

2. LITERATURE REVIEW AND HYPOTHESIS:

2.1 Leadership in organization:

The leadership capability in organizations consistently increases since 1990s. Several major factors create this necessity. Leaders can influence organizational outcomes either positively or negatively depending by implementing their strategic decision (Bertrand and Schoar, 2003). In this present era leadership abilities and skills are essential for managers to develop their level according to the standard objectives (Deming, 1985). In recent years organization structure is frequently moving toward complexity. The obvious problem a leader facing is, “How do I motivate my team employees?” Interestingly, various research identifies that this problem may lead toward in the wrong track. For example, in a research 135,000 employees from 40 organizations determined that inquiring such a problem may be counterproductive (Sirota et al., 2013). According to” (Sirota et al., p. 15), “most individuals join a new organization with enthusiasm, eager to perform, commitment for contribution, to feel gratified of their job and their organizations”. This recommends that for organizational leaders, motivation approach may be better obliged by focusing on explicit team tasks (Ambrose & Kulik, 1999). Leadership theories clarify the behavioral patterns of leaders/managers in terms of commitment, consideration, initiating and executing structure (Fleishman and Harris 1962).

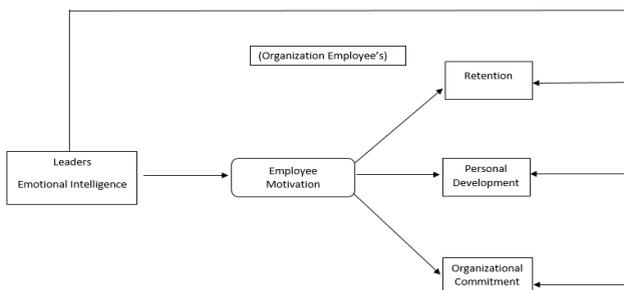


Figure 1. Conceptual model

Several leadership approaches are tested for employee motivation e.g. One management approach that has been confirmed to enhance employee motivation is the participative leadership style (Ellemers et al., 2004). Burns in 1978 described the leadership approach as a practice that drives the optimistic behavior of employee toward a mutual set of objectives.

2.2 Emotional intelligence and Leadership:

The rapid development and globalization of business has increased a large number of complex projects in different sectors. The challenges related to these developments are substantial. Every project is specifically a "first of its kind" (Sauser et al., 2009), by managing such projects, the emotional role has been emphasized recently as a dominant factor (Lindebaum and Jordan, 2014). There is a lot of theoretical perspective that has been described by researchers that are applicable worldwide to support the role of leader's emotional intelligence. Fullan (2002) study explained that leaders who are emotionally intelligent and are conscious about employee's feelings can help to solve the complicated problems. The role of Emotional intelligence has dynamic in the project organization. Emotions and feelings enable administrators and employees to perform better in their work environment (Wolfe & Caruso, 2004). Goleman (1998) described that the role of emotional intelligence is very vital in any organization. He suggests that emotionally intelligent leaders can resolve complex issues and increase the chances of attaining project goals effectively.

Dulewicz and Higgs's (2000) study explained that leaders who possess a high level of Emotional Intelligence capabilities are more successful. Weisinger in (1999) research provides the same suggestion. Cooper and Sawaf (1887) show that those individual who possesses a high level of Emotional Qualities are capable to lead more effectively, where Brackett et al., (2004) also discusses that people having a high level of Emotional Qualities are more flexible and adaptable in work environment. Cooper and Sawaf (1998) explained in their studies and highlight the role of feeling and emotions in work surroundings and clarified that emotional intelligence can help to improve our work environment and the relationship with other individuals. Ashkanasy & Dasborough (2003) debated that leader's

emotional intelligence is a fundamental core of organization which stimulate employee's performance at workplace (Goleman, 1998, Solvey and Mayor, 2000, Weinberger, 2002). Accordingly, emotional intelligence develops the intellectual capabilities of leaders which helps in the improvement of employee's motivation that lead toward standard job performance at the workplace (Ganji, 2011).

2.3 Leadership and employee motivation:

Organizations are struggling to get a competitive edge by identifying a potential leadership talent. Currently regardless of organization size, technology and marketplace there is a challenge of employee retention. To sustain these chains a sturdy and positive link should be created that help to maintained employees in their organizations. The success of all organization mainly depends on employees' performance their efforts, engagement, commitment, practice and determination. Thus, employee motivation is a significant matter because leadership capabilities include the talent to motivate their employees as one of the critical task (Naile & Selesho 2014).

Theory and research has been focused to determine what combination of attributes develops leader's potential skills that attain employees (Popper and Mayseless, 2007). Dries and Pepermans (2012) tested a model for that includes four quadrants: learning agility, analytical skills, drive and developing leadership. However this model does not cover the extent of employee motivation [38]. Popper and Mayseless (2007) suggest that there is a need for employee motivation. Motivation may be a dominant element in leadership development skills (Chan and Drasgow, 2001). Leadership decisions are directly associated with employee perception and organization objectives. According to Chao et al. (1994), leadership decisions are significantly related to employee motivation and satisfaction towards job (Manzoor, 2012). Leadership Empowerment for employee motivation leads toward a continuous development, satisfaction and organizational growth (Smith, B, 1997). Sanderson (2003) believed that leadership empowerment creates inspiration and energy in workforce to perform their task competently. (Kuo & Lee, (2011) suggested that optimistic leadership empowerment constantly generate excessive courage to employee devotion and trustworthiness toward the organization and improving level of motivation (Manzoor,

2012). The excellence of a leader's relationship with their employee is a supreme element of employee motivation. It helps to create and maintain a professional, optimistic and respectful attitude, so employees are feasible to adopt a parallel approach with their peers and enjoy their task. In management and leadership approaches, employee motivation plays a dominant role for job satisfaction of the employees (Gary 1996).

According to Webster's New Collegiate Dictionary, a motive is "something a need or desire that causes a person to act". "Motivate, in turn, means "to provide with a motive," and motivation is defined as "the act or process of motivating". Accordingly, motivation is a technique of presenting a purpose that origin an individual to capture specific accomplishment (Manzoor, (2012). Butkus & Green (1999) Agreeing motivation means to move, impulse or stimulus for fulfilling objectives. Fundamentally performance depend on several mechanisms such as performance evaluations, employee motivation, satisfaction level, benefits and rewards, compensation, Training and development and other, but employee motivation is a crucial factor that highly influence employee job performance. Reflecting on the debates about motivation, it is obvious that individual's personality are very complicated and are composed of a large number of traits. With motivation and inspiration, these encouragements are both natural and developed from our environment and impacts (Gary 1996).

H1: Leader's emotional intelligence has a positive impact on Employee motivation.

2.4 Leaders Emotional Intelligence and employee Retention:

Recently turnover intention is deliberated as one the main issue that organizations faced. Many scholars have argued the concern of employee turnover intention. Meanwhile, some of scholars have observed employee's retention dependent variable, considering employee purposes to stay in the organization for long period (Mitchell, MacKenzie, Styve & Gover, 2000). The employee retention concept can be stated as perspective or view of the organization to motivate and maintain their employees for long duration. Previous research suggested that employee retention is crucial concern around the world and majority of the organizational experts are not focusing

how to retain their employee (Juhdi, Pa'wan & Hansaram, 2013). And because of frequent turnover organizational problems creates in term of task and objectives. Employ retention is directly connected with emotionally intelligent leader's. As, Momeni (2009) highlighted that the emotional intelligence of leaders influences the outcomes such as progressing in employee performance and reducing the employees' turnover rates consequently, enhancing employee's retention. In addition, the emotional intelligence has an adverse impact with undesirable outcomes like stress, slack behavior, and employee turnover intention (Frank, Finnegan & Taylor, 2004). Meanwhile, Stephens (2007) has argued that leaders' emotional intelligence influences employee turnover. Hence, the following hypothesis was considered:

H2: Leader's emotional intelligence has a positive impact on Employee Retention.

2.5 Leaders Emotional Intelligence and employee Personal Development:

Past studies on leader's emotional intelligence in the workplace have shown a significant role on employee personal development. Leadership with having emotional intelligence is considered a main factors that creating a dynamic working environment for employee and enhance their potential growth. Hogan et al. (1994) stated that emotional intelligence leaders encouraging employees to devote themselves for the mutual benefit such as organizational goals and personal development. According to Hochschild, (2012) leadership Guidance is one of the sentimental aspects at workplace that could enhance employee's skills, attitude and behavior toward organizational task. Previous leadership research demonstrated those emotionally intelligent leaders are potently related to their organization effectiveness. Emotionally intelligent leader are well aware of employee feelings, such as stress or depression, because they are more precisely sensitive to owns emotions and feelings; and required better supportive role for employees (Bass, 1990). Social interaction theory state that, if a leader gives psychological provision to employees, such as approval, inspiration, respect and attention, employees will bounce back with stronger commitment and deliver standard results which is essential for personal as well as

organizational development (Hollander, 1979). Thus, leader emotional intelligence endorses organizational employees to deliver better output which is a positive sign for organization progress as well as for employee's development. Hence, we propose that:

H3. Leader's emotional intelligence has a positive impact on employee personal development.

2.6 Leader's Emotional Intelligence and employee organizational commitment:

Recently, the organizational employee Commitment has one of the dominant areas of interest among scholars. Employee commitment means the devotion and concentration of workforce towards the organizational goals. Nikolaou & Tsaousis (2002) research discovered that emotional intelligence possess a stronger relationship with employee organizational commitment (Angle and Perry, 1981). Likewise, Qureshi et al, (2015) Research reveals a substantial positive impact of leader's emotional intelligence on employees' with their organizational commitment. Salami (2008), conducted a research to explore the relationship among leader's emotional intelligence and employee commitment in an organization. Results proved that emotionally intelligent leaders significantly influence the employee commitment toward organization. Hence, as the organizations management look at potential approach to assist their employees for organization commitment by gaining competitive advantage, therefore we propose that:

H4. Leader's emotional intelligence has a positive impact on employee organizational commitment.

2.7 Employee Motivation and its effect:

The effects of employee motivation are current examined. Igalens and Roussel (1999) proved that employee motivation has direct influence on several factors (e.g. employee retention, peer support, personal development) which lead toward organization goal. Herzberg's observation is that employee motivation lead toward satisfaction (Tietjen and Myers, 1998). The dominant aspect is the impact of employee motivation, Frey (1997), argues the effect of motivation can increase employee enhancement traits and work morale. Having examined motivation impacts, our attention moves to focus three

employee-determination factors. , which encourage the job satisfaction more efficiently that lead toward organizational goal (Deci and Ryan, 2008).

2.7.1 Employee Retention:

Employee Retention is a technique for motivating the employees to stay in organization for long period of time (Griffeth & Hom, 1995). The major challenge that organizations are currently facing is not only handling their human capital but also holding them, which apparently depend on numerous aspects. These dynamics were based on the employee motivation which were discussed in studies conducted by Mtttoi, (2013); Patgar & Kumar (2015). Employee retention is a systematic approach that encourages and motivates employees to remain employed in organization. Intelligent leaders always know how to fascinate and keep his employees. Though there are many strategies that keep employees connected but motivation approach boost the employee's retention. Employee Retention is a primary source to reduce the turnover and recruitment cost (Alkandari & Hammad, 2009). As Bibi, Ahmad, & Majid (2016) suggested that employees are the valuable and significant sources for any organization. Akila (2012) claimed that employee retaining is very favorable for all the organizations. Past Research revealed that switching an old employee with a fresh one increases operating costs in the form recruitment, training and development (Dess & Shaw, 2001). Denton (1992) indicated that creating a motivating environment for employees are a major tool for sustaining them. Similarly, according to Mendonsa (1998), motivating tools such as, benefits and rewards provide inspiration for employee to achieve targeted task; however, there are several many significant factors and the foundation of these factor is a motivational approach that retain employees in the organization. From the above discussion, it can be determined that in past research employee retention in organization has been studied, Thus, based on the beyond discussion, the following query are developed:

H2 (a): The relationship between leader's emotional intelligence and employee retention is mediated by employee motivation.

2.7.2 Personal development:

Organizations frequently concentrating on employee skills and abilities, innovation, training and development (Garvey and Williamson, 2002). By doing so, their aim is to encourage and retain competent employees (McDowall and Fletcher, 2004). Many organization implemented employee's personal development approaches to undertake learning activities and in order to enhance their job performance (Greene and Miller, 1996). According to Bandura (1977), "self-development concept reflects individual's beliefs in their own value." There are a various factors that stimuli the individual's self-esteem, and personal development. Moreover research suggested that self-development may be connected with a task based self-esteem. Higher self-development of employee is associated with worthy outcomes, leading toward employee job satisfaction and performance (Judge & Bono, 2001). It has been proved that employee performance is based on their personal development skills that are connected to their skills and ability to adapt to innovative technologies in the workplace environment, Hill (1987) Research has proved that employees perform more efficiently if they receive backup support from their colleagues, supervisors or managers that encourage and motivate them. According to Oldham and Cummings (1996) managements support encourage the employees to undertake task effectively which can build the employees personal skills and abilities. More specifically, in sum, previous study has shown that motivated employees in organizations work efficiently accomplish their task and acquire the standard outcomes that comfort them to improve their personal skills and abilities for self-development.

H3 (a): The relationship between leader's emotional intelligence and employee Personal development is mediated by employee motivation.

2.7.3. Organizational Commitment:

Organizational commitment is "the comparative strength of an employee's identification with and participation in a particular organization" (Steers 1977, p. 46). The organizational commitment occurs when employee's norms and values are considered worthy (Hall, Schneider, and Nygren 1970). According to Robison, (2010) organizational commitment can be defined as a situation when an

employee is aligned with an organization's objectives. Angle & Perry, (1981) argued that if an individual had a good attachment with their organization, it will decrease the turn over risk. There are some factors such as job responsibilities, Job independence, support, benefits and rewards, career development chances, promotion, etc. which help to motivate the employee are most probably enhancing employee organizational commitment (Robison, 2010). Meyer et al. (2004) observed that commitment is a fundamental element that is based on motivation. Besides, scholars suppose that committed employees make an influence on any organization based on motivation (Pool and Pool, 2007). Also, firms that guarantee to improve the employees' satisfaction level, motivation and self-esteem may identify long-term benefits and success in terms of employee's reliability, efficiency, and employee retention (Kim et al., 2005). As a consequence, employee commitment play a vital role to create a fruitful business environment that will stimulate inspiration at the workplace (Pool and Pool, 2007). Therefore employee commitment is directly connected with organization success.

H4 (a): The relationship between leader's emotional intelligence and employee organizational commitment is mediated by employee motivation.

3 METHODOLOGY:

3.1 Samples and Data Collection:

The samples or population refers to the intact group of individuals, events, or things of curiosity that the scholar wishes to examine and can make conclusions according to the sample statistics (Sekaran and Bougie (2013). This study targets the managers and employees and of the five insurance sectors, Pakistan. A cross-sectional based questionnaire is used in this study. The primary data was collected from five sectors of insurance company located in Temergara, Chitral, Mardan, Peshawar and Islamabad (Pakistan) from May 2018 to July 2018. The four branches were located in same province and one branch was considered in capital city of Pakistan. The survey was distributed to 48 managers including top, middle and lower order and 220 employees from different sectors. The survey was conducted with the help of the 5-point Likert scale ranging from 1 (strongly disagree)

to 5 (strongly agree). The survey was divided into two main sections. Section one was grounded on the respondent's profile including, gender, age, marital status, qualification and experience. Section two second was based on the key scale items of each variables. The participants are informed to fill it privately and guarantee their self-assuredly. We gathered complete feedback from a total of 40 managers and 166 employees, the responding rates was approximately 83.3 and 75.4 per cent, respectively. The rest of the response were incomplete or half-filled or inappropriate and considered neglected from the survey. In our sample size, the majority of managers and employees (84.4%) were male, due to the cultural aspect of the targeted area. The age of managers and employees ranges from 28 to 60 and 18 to 60 respectively.

3.2 Demographic Analysis:

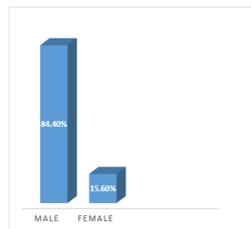
Following graphs classifying the demography characteristics of participants. Contestants were mostly male (84.4%), and (15.5%) were female. (26.6%) participants had done university degree or above, (49.5%) had completed college degrees, (23.7%) had passed senior high school and junior high school level. (56.7%) age of the participants were less than 36 years. About (90.2%) of the participants had less than 10 years of work experience in their specific position. According to marital status, (61.1%) were married, and (38.8%) were single or separated or divorced. In term of job position, (19.4%) consisted of Leaders/ Managers and (80.5%) were employees.

Demographic graph characteristics of respondents (N = 206)

Respondent's Gender Percentage

Graph 1 represents the respondent's gender percentage.

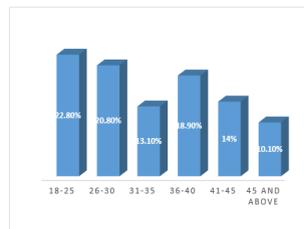
Graph 1: Gender



Respondent Age Percentage

Graph 2 represents respondent's age percentage.

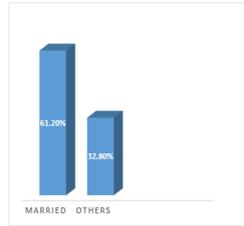
Graph 2: Age



Respondent's marital percentage.

Graph 3 represents marital percentage.

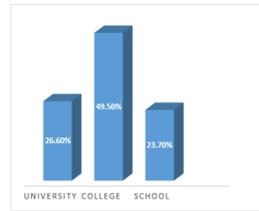
Graph 3: Marital Status



Respondent's Qualification Percentage

Graph 4 represents the respondent's qualifications percentage.

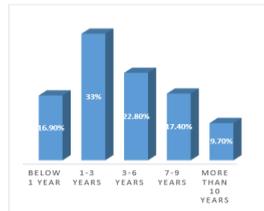
Graph 4: Qualification



Respondent's Experience Percentage

Graph 5 represents the respondent's experience percentage.

Table 5: Experience



3.3 Instrumentation Constructs:

For the case of leader emotional intelligence, the current study adapted the scale developed by (Chowdhury, 2014), with regards to dependent variables Nyamekye, (2012), Maksić, (2016), and Nidadhavolu, (2018)'s instrument was used to assess employee retention, personal development and organization commitment. Whereby, Chowdhury (2014) study was deployed to study the mediation of employee motivation in the relationship between leaders' emotional intelligence and employee behavior. Respondents were required to respond through 5-point likert scale

3.4 Factor Analysis test:

Cronbach's alpha and composite reliability were measured to determine the reliability of the instrument. Overall the individual item loadings, six-items from leaders' emotional intelligence scale, five-items from employee motivation scale, and fifteen-items from dependent variables were found to be in the range of 0.57 to 0.90, hence satisfy the minimum requirement of 0.50 so it's acceptable. Cronbach's alpha values found to be in the range of 0.77 to 0.88 satisfy the minimum requirement of 0.70. The composite reliability

ranges above 0.7 and average variance extracted (AVE) values fell in the range of 0.50 to 0.54 which satisfying the minimum criterion of 0.50 [83]. Table 1 provides more details in this regard

Table 1. Measurement model

	Items	Loadings	AVE	CR	R-square
Leader’s Emotional Intelligence			0.6	0.89	
	LEI1	0.57			
	LEI2	0.82			
	LEI3	0.82			
	LEI4	0.82			
	LEI5	0.77			
	LEI6	0.79			
Employee Motivation			0.56	0.86	0.594
	EM1	0.77			
	EM2	0.75			
	EM3	0.62			
	EM4	0.77			
	EM5	0.80			
Employee Retention			0.65	0.9	0.518
	ER1	0.78			
	ER2	0.84			
	ER3	0.86			
	ER4	0.83			
	ER5	0.71			
Employee Personal Development			0.53	0.85	0.739
	EPD1	0.77			
	EPD2	0.82			
	EPD3	0.82			
	EPD4	0.65			
	EPD5	0.57			
Employee Organizational Commitment			0.68	0.91	0.809
	EOC1	0.62			
	EOC2	0.78			
	EOC3	0.89			
	EOC4	0.90			
	EOC5	0.90			

4 RESULTS:

We tested our hypothesis by using smart PLS (3.27). To estimate the direct impact and mediating effect, we run bootstrapping analysis (MacKinnon et al., 2002; Preacher and Hayes, 2008). The Bootstrapping analysis signifies a resampling process that involves frequently estimating the indirect impact in each dataset. We applied 5000 to run bootstrap samples.

4.1 Regression Analysis:

For regression analysis, partial least square method was used to find out the direct relationship between the Emotional intelligence Leadership (IV) with employee motivation (MV), Employee Retention, Personal Development and Organization commitment. Hypothesis 1 indicated that leader's emotional intelligence have a direct positive and significant relationship with employee motivation ($\beta = 0.445$; $t = 6.77$) at 95% confidence level. Therefore our observation proved support for Hypothesis 1.

Hypothesis 2 suggested the direct relationship between leaders EI and employee retention. The result is significant to support our hypothesis ($\beta = 0.204$; $t = 5.21$) and thus, Hypothesis 2 is accepted. Leader's emotional intelligence was employed to predict the direct relationship with personal development (Hypothesis 3). As shown in Table 3, there is a positive and significant relationship ($\beta = 0.204$; $t = 5.21$). Thus, we accepted Hypothesis 3. The result of Hypothesis 4 indicated that leader's emotional intelligence and organization commitment have direct positive and significant relationship ($\beta = 0.203$; $t = 5.20$) at 95% confidence level. Thus, Hypothesis 4 was accepted as shown in table 2.

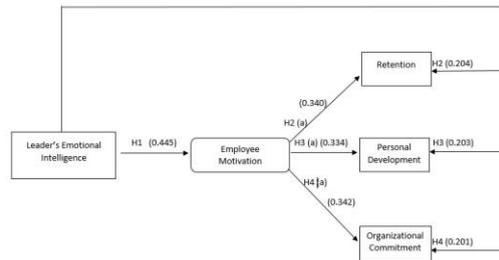
Table 2 represents Regression Analysis

Predictor	Std Beta	Std Dev	T Statistics	P value
Leader's EI ->Employee Motivation	0.445	0.066	6.77	0.00
Leader's EI -> Employee Retention	0.204	0.038	5.21	0.00
Leader's EI -> Personal Development	0.203	0.037	5.20	0.00
Leader's EI -> Organization Commitment	0.201	0.035	5.17	0.00

* $p < .05$, ** $p < .01$

4.2 Mediation Analysis:

The Preacher and Hayes multiple regression analysis with bootstrap of sample 5000 was employed as recommended in literature (Preacher & Hayes, 2004; Lockwood, & Williams, 2004).



Accordingly, the results of our hypothesis H2 (a) indicated that employee motivation play a partial mediating role between leader’s EI and employee retention ($\beta = 0.340$; $t = 6.07$) that support to control employee turnover intention and hence hypothesis H2 (a) is accepted. The results outcomes proved that Employee motivation play a partial mediating role between leader’s EI and personal development ($\beta = 0.334$; $t = 7.02$), and leader’s EI leadership with employee organization commitment ($\beta = 0.342$; $t = 6.04$) at 95% confidence level, and hence hypothesis H3 (a) and H4 (a) are accepted as shown in the table 3.

Table 3 represents mediation analysis

Predictor	Std Beta	Std Dev	T Statistics	P value
LEI =>EM => Employee Retention	0.340	0.045	6.07	0.00
LEI => EM => Personal Development	0.334	0.048	7.02	0.00
LEI => EM => Organization Commitment	0.342	0.046	6.08	0.00

* $p < .05$, ** $p < .01$

5 DISCUSSION:

The current study attempted to determine the direct relationship of leaders’ emotional intelligence on employee motivation, retention, personal development and organizational commitment. Secondly to examine the indirect impact of leaders emotional intelligence on retention, personal development and organization commitment followed by the mediation of employee motivation in this relationship. The results have emphasized notable role and influence of leaders’ emotional intelligence towards employee behavior. The findings indicated that during performing work task employees need authority

leaders to be emotionally talented and capable to provide a better working atmosphere that motivates their employees, consequently employees will stay for long period of time, and can develop their individual skills and abilities which they can exploit for the organizational objectives and goals.

The findings of present study provide support of H1 which hypothesizes that leaders emotional intelligence is significantly related to employee motivation. The findings have parallel to the empirical results of Goleman et al. (2002). They suggested that leaders' strong emotional intelligence can assist them to be effective in the organization and encouraging individuals to give the anticipated outcomes. Consequently, the findings have also determined that leaders emotional ability can significantly enhance employees overall behavior and attitude. Similarly, the present study supported the hypothesis H2, H3, H4 which suggested that leader's emotional intelligence have a positive impact on employee retention, personal development and organization commitment. Our findings is consistent with the results of other scholars (Jordan and Troth 2011; Wong and Law, 2002). They emphasize the relationship of leader's emotional intelligence with employee turnover intentions, suggesting that leader's emotional intelligence has a significant impact on enhancing employee retention. Pastor, (2014) study discovered that there is a positive correlation between leaders emotional intelligence and employee performance, that facilitate to solve issues and deliver desirable outcomes and hence a positive sign for employee development. From the outcomes of current study, it supports the results of Prati (2004) as he stated that Emotional Intelligence encourage organization employee significantly and lead them to commit their self for organization goal. With regard to indirect impact, it is confirmed mediation of employee motivation in the relationship between leaders' emotional intelligence on employee retention, development and organization commitment play a partial role but provide a reasonable strength to variables. This recommends that when leaders have emotional intelligence, they identify the feelings of their employees at workplace and encourage them which boost their motivation level, as a result employees feel satisfaction that lead them to retain in the organization, learn and experiencing

new things to develop their skills and pledge owns self for the organization.

Consequently our findings suggest that in order to retain, developed and commit employees for organization, leaders must capitalizing their emotional intelligence to increase motivation level of employees. The result has emphasized that motivated employees are satisfied with their work and capitalize leaders' emotional intelligence to attain organizational goals. Thus, employee motivation play a significant role for organizations and as well as for employees.

5.1 Implications for Practice:

The present study has vital implications for leaders in the organization, mostly for leaders in the project based organization and more commonly other management positions in different organization of Pakistan. The leader specific conduct hypothesized to affect the employee behavior in the organization. Leader emotional intelligence can help to create and maintain a calm and positive work environment that give motivation to employees, and lead towards loyalty, progress and full devotion toward their organization to accomplish the organization goals. This exclusive research identifying the importance of emotional intelligent leaders behaviors that motivate employee who can progress and utilize the leader's behaviors for their own benefit and achieving the anticipated results. The higher level of motivation gives a foundation to standard performance and productivity.

5.2 Limitations and Scope for Future Research:

The outcomes of the current study have certain limitations. The research is carried out in a developing country Pakistan, where organization is grooming. Due to the limited resources and time, the primary data were collected from six branches which covered only one province and capital city. This research could not be carried out in other province cities. We consider several avenues for future study. First, to examine the relationship between different ranks of managers and employees' perceptions, and its significances for employee outcomes. Secondly, to examine these connections with a longitudinal approach. Accordingly, the current study only

investigated the context across the insurance sectors in Pakistan hence, future research may focus to analyze comparable context in other business organizations. Similarly, there is a possibility for further improving the framework by including new independent variables to examine their relationship with employee's outcomes behavior. Concerning to leaders, numerous aspects such as temperament, organization structure, and style of leadership and employees values may also be taken into consideration to realize how they reflect with employee behavior.

5.3 Conclusion:

In conclusion, the current attempted to identify the role of leader's emotional intelligence towards employee retention, personal development and organization commitment. The Study also examined the mediation of employee motivation in this relationship and found a significant mediation results. The present study has determined that leaders' emotional intelligence play a dynamic role on employee's behavior whereby, employee motivation mediates this relationship in the insurance sectors in Pakistan.

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