

## Social Intelligence and Employee Turnover in Deposit Money Banks in Rivers State

**Eberechi Wikporo**

Department of Management, Faculty of Management Sciences, Rivers, State University, Nkpolu-Oroworukwo, PMB 5080, Port Harcourt, Nigeria

**Prof. K.B. Bagshaw**

Department of Management, Faculty of Management Sciences, Rivers, State University, Nkpolu-Oroworukwo, PMB 5080, Port Harcourt, Nigeria

**Abstract:** *The purpose of this study was to examine the relationship between social intelligence and employee turnover in deposit money banks in Rivers State. The study adopted a cross sectional research design that solicited responses from employees of 18 deposit money banks in Port Harcourt. A sample size of 165 was determined through the Taro Yamen formula for sample size determination and the simple random technique was used. After data cleaning, only data of 120 respondents were finally used for data analysis. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The findings revealed that there is a significant relationship between social intelligence and employee turnover in deposit money banks in Rivers State. Thereafter it was recommended that management should support and establish training programs aimed at improving workers sensitivity and social intelligence within the workplace. This would as observed enhance the nature of relationships and wellbeing of workers within the organization.*

**Key words:** *Social Intelligence, Employee Turnover, Social Information Processing, Voluntary Turnover and Involuntary Turnover*

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### INTRODUCTION

The attraction and retention of high-quality employees is more important today than ever before. A numbers of trends (globalization, increase in knowledge work, accelerating rate of technological advancement) make it vital that firms acquire and retain human capital. In human resources context, turnover can be viewed as the rate at which an employer gains and misplaces employees or how long employees tend to stay in a particular organization. Turnover is measured for individual companies and for their industry as whole (Turner, 2010).

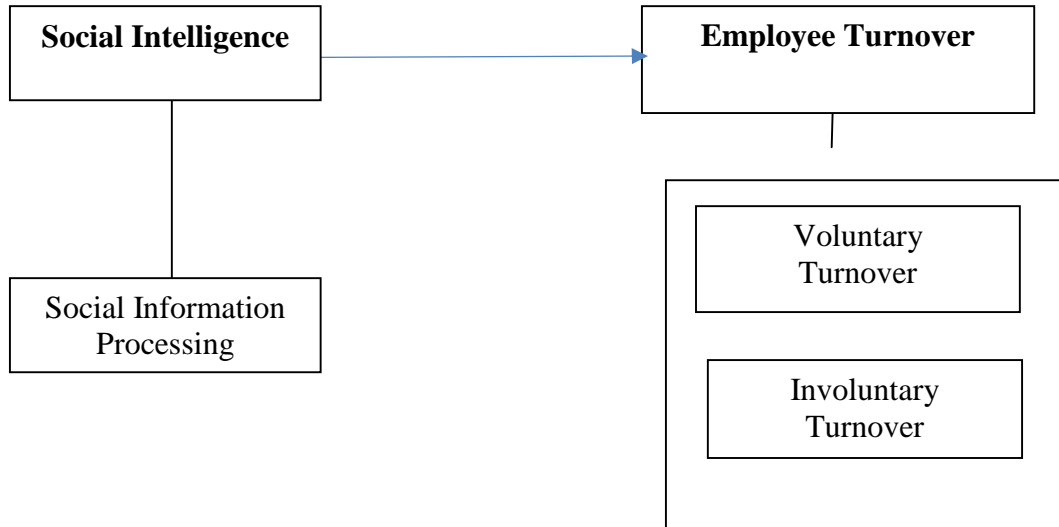
Social intelligence as one of the new areas in psychology, in the recent decades, owing to its appealing and widespread aspects has attracted the attention of psychologists, and psychiatrists, as well as other experts in various fields such as organization and management. Social intelligence is an inclusive term that embraces a wide range of skills and personal characteristics and usually refers to those interpersonal and intrapersonal skills that transcend specific areas of the previous knowledge such as intelligence and technical or professional skills (Rezayee, and Khalilzadeh, 2009). Today a lot of researchers intend to obtain deep insight about the factors effective in maximal use of the staff and managers' capabilities.

Social intelligence has been defined as the ability to establish relationship with others, intrapersonal knowledge, ability to judge about others' feelings, temperaments and incentives, effective social performance/function, ability to sympathize, and being skilled in decoding non-verbal signs. One of the main factors in advancement of a live and dynamic organization is its human force. Because human force is considered as the main source of every organization, the organizations should program to make optimal use of it. As a matter of fact, today those organizations are successful and can achieve their goals that have strong and committed human force, accentuate customer-orientedness and profitability rise, and regularly improve their systems and processes (Hsien, 2008). Making optimal use of available human force is related to having aware, qualified and adroit/ skilled managers. The complicatedness of society process, increase of competition, advancement of science and technology and consequently the increase of demands and the development of organizations require that efficient and skilled managers be employed to manage organizations' affairs. This point which is related to the issue of human force can provide background for improving profitability through removing barriers, meeting necessary requirements, gathering efficient human force, and the required material resources. After adequately combining and coordinating them, they achieve those goals via making optimal use of them.

Muhammad and Umar (2012) in their work examined the influence of job burnout on intention to stay in the organization: mediating role of affective commitment among workers in Lahore city, Pakistan and found that; emotional exhaustion have significant effects on employees' intent to stay in the organization directly and through the mediation of affective commitment. Kumar et al (2012) examine the influence of organizational culture, organizational commitment and person organization fit towards turnover intention in fast food industries of Malaysia. Their findings revealed that organizational culture and organizational commitment, organization person fit has an impact on turnover intention in fast food Industry. This study departs from previous studies as it seeks to examine the relationship between social intelligence and employee turnover in Deposit Money Banks in Port Harcourt.

More so, the following research questions guided the study:

- i. What is the relationship between social information processing and voluntary turnover in deposit money banks in Port Harcourt?
- ii. What is the relationship between social information processing and involuntary turnover in deposit money banks in Port Harcourt?



**Fig.1 Conceptual Framework for the relationship between social intelligence and employee turnover.**

**Source: Desk Research (2020)**

## LITERATURE REVIEW

### Theoretical Foundation

#### Social Learning Theory

Social learning theory focuses on modeling as the primary source of learning. Research has demonstrated that given the right conditions, modeling can take place online. More modern research in the area of neuroscience might explain social learning through the activation of mirror neurons (a variety of brain cells) that sense both movement and feelings of another and prepare us to imitate the move and feel with them (Goleman, 2007). Social skills, and by extension social intelligence, are dependent upon mirror neurons, and by further extension, social learning theory. Little information exists about how social learning in a distance environment affects social intelligence. This research will provide some clarity in that area. Goleman's Social Intelligence Goleman (1990) came across an article in an academic journal by two psychologists, John Mayer and Peter Salovey, who offered the first formulation of a concept they called "emotional intelligence," which was a departure from the prevalent view of intelligence at the time, which was the idea that life success was influenced by other components besides intellectual ability. In 1995, Goleman supported the theory with updated research in his 10<sup>th</sup> anniversary edition (Goleman, 2005). Goleman explains how his view of emotional intelligence is based on a set of human capacities within us as individuals that he characterizes as crucial. His theory of social intelligence developed from the theory of emotional intelligence, as an extension beyond the individual to include interaction with others (Goleman, 2007). 30 As detailed in the section on the historical development of social intelligence, social intelligence is not a new concept, dating back to Dewey in 1909. Goleman could be seen as a researcher who stood on the

shoulders of giants, modernizing and expanding upon the existing research on social intelligence as well as developing a theory of social intelligence.

### **Social Intelligence**

Social Intelligence (SI) is the ability to get along well, with others, and to get them to cooperate with you. Sometimes referred to simplistically as people skills, SI includes an awareness of situations and the social dynamics that govern them, and knowledge of interaction styles and strategies that can help a person achieve his or her objectives in dealing with others. It also involves a certain amount of self-insight and a consciousness of one's own perceptions and reaction patterns. Social Intelligence, at its most basic level, is the ability of humans to interact with each other effectively. Applied in the context of today's business environment, Social Intelligence is what a company needs to maintain meaningful, productive relationships with its current and potential customers, employees, partners, and any other relevant group interacting with the organization—as well as with each other—through social channels,

The concept of social intelligence has generated a lot of argument amongst scholars in social and management sciences. The psychometric view of social intelligence was originated from Thorndike (1920). In his work, he divided intelligent into three forms namely; abstract intelligent, mechanical intelligence and social intelligence. Thorndike defined abstract intelligence as the ability to understand and management of concepts and abstract ideas, Mechanical intelligence refers to the ability to understand and manage concrete targets (objects) within personal environments. Moss and Hunt (1927) defined social intelligence as the 'ability to get along with others'. Vernon (1933) in his work, viewed social intelligence as the person's "ability to get along with people in general, sol technique or ease in society, knowledge of social matters, susceptibility to stimuli from other members of a group, as well as insight into the temporary moods or underlying personality traits of strangers". Wechsler (1958) argue that; social intelligence is just general intelligence applied to social situations".

### **Social Information Processing:**

This describes social interaction within current cognitive processes: the awareness and acceptance of social situations, the defining and setting of targets, the searching of feedback or social solutions, the taking of optimal decisions, the implementation of chosen action, while at the same time observing its effectiveness (Silvera et al., 2001; Friborg et al., 2005; Gini, 2006) in (Sudraba et al, 2014). Social information processing (SIP) theory is broadly concerned with the mental processes used by individuals to create a behavioral response during social interactions (Crick and Dodge 1994). The theory suggests that all individuals go through six sequential processing steps, which are relatively independent of each other, during their processing of a social situation, to arrive at a decision.

These steps include: (1) attention to social cues, characteristics of intent, goal generation, accessing scripts of past behavior from memory, (2) decision making, and (3) enacting the decision through behavioral responses (Dodge and Rabiner 2004; Zelli et al. 1999). Adding to the complexity of this decision-making process is that emotions are hypothesized to occur with each sequential step and, therefore, play a vital role in each decision (Crick and Dodge 1994; Dodge 1991; Dodge and Rabiner 2004).

## **Employee Turnover**

Employees' turnover is a much studied phenomenon Shaw et al. (1998). But there is no standard reason why people leave organization (Ongori, 2006). 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). 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: Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover Woods, (1995) cited in Ongori, 2006. This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of reason. Now days, the issue of employee turnover has become a major concern for many organizations and it occurs when employees leave their job.

According to Arokiasamy, (2013), cited in Fanaye (2017) when an employee leaves the organization, it may have a variety of effects that is not only on organization interest but also on the employee him/herself and the society. Suleiman & Som (2013) cited in Asamoah and Eugene (2016) asserted that turnover is expensive since organization has to spend a lot of money to advertise, recruit, select and hire new employees. After a lot of effort has been made in recruitment, training and development, employees leave the establishment for other jobs. And turnover intention is the crucial stage before the actual turnover occurs.

## **Voluntary Turnover**

According to Kazi and Sadeh (2011), employee turnover can be categorized as involuntary and voluntary turnover. Voluntary turnover refers to termination initiated by employees (Armstrong, 2010). In other words, it depends on the decision of employee due to various reasons that are perceived by employees. Noe (2006) posits that when employees leave organizations at their own discretion, it is referred to as voluntary turnover. It is initiated by the choice of an employee. A similar definition is given by Egan (2005) stating that an instance of voluntary turnover reflects an employee's decision to leave an organization, whereas an instance of involuntary employee turnover or a discharge reflects an employer's decision to terminate the employment relationship.

However, Carmeli (2003) explains that modeling turnover in this manner can vary significantly from an employee viewpoint to that of the employer. Long et al. (2002) supported that an employee whose performance is below average may be forced out of an organization with threats of firing or with unattractive hours or assignments, yet if the employee initiates the terminations himself, they are recorded as voluntary. Staw (2007), voluntary employee turnover can be caused by lack of job satisfaction, alternative job opportunities as well as job stress. When looking at voluntary turnover, it is important to consider attractions such as available alternatives. However, voluntary employee turnover can be predicted and in turn be controlled.

## **Involuntary Turnover**

Involuntary turnover are beyond the control of management, it happens when an employee has no choice in the termination process. It can result from different situations like, dismissal, retirement, health issue, etc. Involuntary employee turnover according to Booth and Hamer (2007) is a

discharge that reflects an employer's decision to terminate the employment relationship. Griffeth (2003) reported that involuntary employee turnover includes death, retirement and dismissal. Boxall and Purcell (2003) further explained that turnover initiated by an employee such as resigning to take care of a terminally ill family member should also be considered as involuntary turnover since it involves reasons over which the employee has no control. Carmeli (2003) also defines involuntary turnover as the need to cut costs, downsize or restructure due to reasons which are independent of the affected employee(s).

This represents a decision or choice made by the employer. Chiu and Francesco (2003) think that the distinction between voluntary and involuntary turnover is important but not straightforward. Employees leaving organizations may wish not to disclose the real reasons for leaving as they are dependent on the organization for future reference.

### **Relationship between Social Intelligence and Employee Turnover**

Managers need to develop their social intelligence so that they can be able to get along well with their employees and make them cooperate with them. Managers with high social intelligence will be highly effective than the one whose social intelligence is low. Managers represent the image of the organization, and therefore the employees' attitude to work depends on the impression they perceive from their superiors. Employee intention to remain on their job is directly proportional to the behavior and intelligent their manager/s display in the workplace, Hotel managers that exhibit presence potentials like confidence, self-respect and self-worth while carrying out assignment tend to be imitated by their subordinate and seen as a role model. Hotel managers must be socially aware of every situation in the organization by understanding the social context that influences behavior, and choose the best behavioral strategies that are most likely to be successful. To have a good situational awareness in the workplace managers need to respect employees' interest.

Bank managers must develop their ability to express themselves clearly, use language effectively, explain concepts clearly and persuade their subordinates with good ideas that will encourage them to stay on their job instead of using harsh words that will drive employees' away from the organization. The introduction of employees' into the banking industry will not make them to be effective without a proper induction that will help them to understand the philosophies, policies and culture of the organization. Managers need to be socially intelligent about the benefits of induction and training. Because when induction process is completed, the employees are likely to be effective in their various jobs and this in effect will have a positive influence on the organizational success. Induction is followed by continuous training which can either be on-the-job or off-the-job training. On-the-job training occurs when employees' are trained while they are on their jobs in the organization; while off-the-job training refers to when they are taken outside their organization for seminars, conferences, and workshops that will develop their skills and abilities to be efficient and effective. These will have a positive remark in the lives of the employees' and thus; they will not think of quitting their present jobs to look for another elsewhere but remain with their organization.

The study postulates the following hypotheses to be tested:

**Ho<sub>1</sub>:** There is no significant relationship between social information processing and voluntary turnover in deposit money banks in Port Harcourt.



**H<sub>02</sub>:** There is no significant relationship between social information processing and involuntary turnover in deposit money banks in Port Harcourt.

## METHODOLOGY

The study adopted the cross-sectional survey in its investigation of the variables. Primary data was sourced through structured questionnaire. Data was generated from 147 workers within the regional offices of the deposit money banks in Rivers State. A total of 7 hypotheses were tested in the study, with 6 being bivariate and tested using the Spearman's rank order correlation and the 7<sup>th</sup> being multivariate and tested using the partial correlation coefficient. The research instrument was validated through by experts as provided by supervisors vetting and approval while the reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring coefficients above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Statistics. The tests were carried out at a 95% confidence interval and a 0.05 level of significance.

## DATA ANALYSIS AND RESULTS

Table 1: Association between social information processing and employee turnover

		Information	Voluntary	Involuntary
Information	Correlation	1	-.672**	-.777**
	Sig. (2-tailed)		.000	.000
	N	147	147	147
Voluntary	Correlation	-.672**	1	.927**
	Sig. (2-tailed)	.000		.000
	N	147	147	147
Involuntary	Correlation	-.777**	.927**	1
	Sig. (2-tailed)	.000	.000	
	N	147	147	147

Source: Research data, 2020

### **Social information processing and voluntary turnover**

The relationship between social information processing and voluntary turnover is revealed to be significant given the observed correlation: -0.672 and a p-value of .000 which is less than 0.05. The correlation value shows a strong and significant relationship between both variables. The hypothesis of no relationship is rejected based on the decision rule of  $P < 0.05$ . We therefore reject the null hypothesis and restate that the social information processing is significantly associated with employee voluntary turnover.

### **Social information processing and involuntary turnover**

The relationship between social information processing and involuntary turnover is revealed to be significant given the observed correlation: -0.777 and a p-value of .000 which is less than 0.05. The correlation value shows a strong and significant relationship between both variables. The hypothesis of no relationship is rejected based on the decision rule of  $P < 0.05$ . We therefore reject the null hypothesis and restate that the social information processing is significantly associated with employee involuntary turnover.

## **DISCUSSION OF FINDINGS**

The results from the test of hypotheses revealed that there is a significant positive relationship between social intelligence and employee turnover in deposit money banks in Rivers State. The result of the analysis on the relationship between the dimensions of social intelligence and the measures of employee turnover revealed that social intelligence is significantly associated with employee turnover in the deposit money banks in Rivers State. The results imply that practices which reflect social intelligence such as social information processing social awareness and social skills contribute to reducing (given that the relationships are negative in nature) the employee turnover of the organization. Hartman's (1998) reiterates this point in his observation that the practice of social intelligence within the framework of the organization can be considered as being an effective way of addressing workplace issues and controlling for conflict and grievance within the organization. This view is further corroborated by Goleman's (2000) assertion that social intelligence reflects the individual's maturity levels and confidence in self which in turn impacts on their relationships with others within the organization. These are necessary for driving healthier levels of relationships within the workplace and for establishing outcomes of work stability and the reducing of turnover (voluntary or involuntary within the organization).

The implications of these findings are that the practice of social intelligence within the organization stimulates and drives a more sensitive and responsible workforce and improves the decision-making features of the leaders. This follows the assertion of Moreira (1999) that the practice of social intelligence is important to the wellbeing and conduciveness of the workplace and serves as a supportive framework that integrates interpersonal relations and exchanges within the organization. According to Moreira (1999) it can be used as a tool in bridging the divide between leadership expectations and workers attitudes and thereby advancing increased tolerance and understanding within the workplace. Similarly, the finding corroborates the assertions of Hartman (1998) who affirmed that social intelligence offers the worker an effective means of communicating and interacting with co-workers, supervisors and subordinates, such that empathy and regard for the position and situations of others are taking into account; this as evidenced further influences the choices and decisions of the workers in the organization.

## **CONCLUSION AND RECOMMENDATIONS**

The finding from our analysis reveals a significant correlation between social intelligence and employee turnover as well as a significant level of moderation from organizational culture on the study variables. The analysis also showed that practices related to social intelligence (social information processing, social awareness and social skills) were substantial and well appreciated by participants in the respective organizations. Therefore, based on these observations and the results of the hypotheses which revealed significant associations between both variables; the following assertions and conclusions are hereby proffered that the practice of social information processing by workers enhances their appreciation of others within the organization and also affords them a sense of responsibility towards others within the workplace wherein they are able to function and as such their tendency for turnover is reduced in their respective deposit money banks in Rivers State.

The study thus recommends that management should support and establish training programs aimed at improving workers sensitivity and social intelligence within the workplace. This would



as observed enhance the nature of relationships and wellbeing of workers within the organization.

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