

The Role of Emotional Intelligence in Leadership and Decision-Making

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Abstract

Emotional intelligence (EI) has become essential for building effective leadership and decision-making abilities in today's dynamic and complex organisational context. The article examines the many studies on the subject of emotional intelligence's function in decision-making and leadership. This review emphasises how important emotional intelligence (EI) is for improving decision-making and leadership efficacy. Emotionally intelligent leaders, as demonstrated in the Infosys case study, foster positive organizational culture, employee engagement, and improved team performance. Emotional intelligence (EI) enhances leadership qualities including empathy, self-awareness, self-control, and social skills—all of which are essential for resolving conflicts, working with others, and being resilient. Training in EI can significantly improve managerial decision-making, productivity, and business outcomes. The findings emphasize the importance of tailoring interventions to specific EI domains, as understanding emotions enhances decision-making, while perceiving emotions supports interpersonal effectiveness, making EI a critical asset for sustainable organizational success.

Keywords: Emotional Intelligence, Leadership, Decision-Making, Self-Awareness, Empathy, Self-Control, Social Skills, Productivity, and Business Outcomes.

1 Introduction

The effectiveness and sustainability of an organisation are largely determined by leadership and decision-making in the fast-paced, constantly-evolving commercial sector. In the past, leadership

* ISBN No. - 978-93-49028-92-0

efficacy has been linked to qualities such as technical expertise, strategic vision, and charisma [1]. Recent research and real-world experiences, however, have demonstrated that emotional intelligence (EI) is equally, if not more, critical for "effective leadership and decision-making". The capacity to recognise and control one's own and others' emotions is known as emotional intelligence, and it plays a crucial role in how leaders engage with their teams, handle conflict, settle disagreements, and navigate intricate organisational dynamics [2]. The term "emotional intelligence" was introduced by Daniel Goleman's research, which consists of five essential components: "awareness of oneself, self-regulation, inspiration, compassion, and social skills" [3]. As the cornerstone of emotionally intelligent leadership, these elements support the creation of a healthy work environment, the growth of solid relationships, and the adaptive reaction to obstacles. For instance, a highly self-aware leader may recognise their emotional cues and respond thoughtfully rather than rashly to challenging situations [4].

A. Emotional intelligence and its Importance

The capacity for more adept emotion management is a sign of emotional intelligence. Additionally, emotional intelligence empowers us to resolve intricate emotional obstacles, much like mathematical intelligence permits us to resolve intricate numerical puzzles [5]. An essential element of this approach is the ability to recognise, comprehend, and react to emotions in a clear and meaningful manner. This approach utilises emotions as data. Being too sentimental or maintaining composure is not the point. It involves learning how to harness one's understanding of how emotions affect choices, relationships, and performance to live a more productive and satisfying life [6].

In the rapidly evolving world of today, emotional intelligence is not merely a desirable trait; it is an essential skill for effectively leading, navigating complexity, and constructing a meaningful life. Consistently, research indicates that enhanced performance, improved relationships, and increased well-being are associated with high emotional intelligence [7]. However, success on an individual basis is not enough. Emotionally intelligent companies report more employee engagement, lower employee churn, and better team performance. Furthermore, the demand is only increasing. Emotional intelligence provides a crucial road ahead from the rise in professional burnout to the worldwide mental health issues [8]. The exponential growth of artificial intelligence is hastening the transformation of various sectors by automating routine tasks and elevating the value of human qualities such as "empathy, connection, and purpose-driven leadership" [9]. At the same time, individuals are experiencing more emotional detachment and overload than before. The biggest research of emotional intelligence in the world, State of the Heart, reports that EQ scores have decreased over the last four years. The level of wellbeing has never been lower. In most industries, burnout is on the rise. Being compassionate isn't enough in this setting; emotional intelligence also involves being resilient, purposeful, and capable of handling adversity [10], [11].

B. Importance of Emotional Intelligence in Leadership

Building good connections in leadership roles, fostering cooperation, and creating a healthy work environment all depend on emotional intelligence (EI). Strong emotional intelligence enables leaders to

resolve problems, inspire and motivate their staff, and adjust to change [12]. Following are the ways in which emotional intelligence assists leaders in improving:

- **Effective Communication:** As a supervisor, it is imperative to possess effective communication skills. It is essential for leaders to be able to clearly and simply convey their vision, objectives, and demands to their team members. They must also be able to actively listen to and comprehend the opinions of their colleagues. Effective communication with team members is more probable among leaders who are emotionally intelligent, as they can modify their communication style to accommodate the audience. Additionally, they have the ability to read their coworkers' emotions and modify their communication style appropriately, which might result in more fruitful and satisfying exchanges [13].
- **Building Strong Relationships:** Effective leadership requires fostering close bonds with team members. Through their awareness of their team members' emotions and requirements, leaders who possess exceptional emotional intelligence may establish rapport and trust. Furthermore, they may create a constructive and encouraging work atmosphere that makes team members feel valued and appreciated. Increased motivation and productivity as well as more engagement and work satisfaction may follow from this [14].
- **Conflict Management:** In any organisation, effective leaders must exercise constructive and constructive conflict management. High emotional intelligence leaders are able to defuse heated circumstances by being serene and empathetic towards their team members at the same time. They could also discover win-win solutions that meet the demands of all parties involved by using their emotional intelligence. Stronger bonds and improved cooperation may arise from this [15].
- **Decision Making:** Successful leadership necessitates making sensible decisions. Emotional intelligence is a capacity that enables leaders to identify and comprehend their own emotions, thereby enabling them to make more informed and deliberate decisions. Using their emotional empathy, they may also take into account the needs and opinions of their team members while making decisions. It has the potential to result in more informed decisions that are better in alignment with the organization's fundamental values and objectives.
- **Motivating and Inspiring Team Members:** Team members may be inspired and motivated to accomplish their objectives by leaders who possess strong emotional intelligence. They may foster a pleasant and encouraging work atmosphere by using their capacity to identify and comprehend the emotions of their team members. Additionally, they may inspire their team members to go above and beyond in their professional activities by using their ability to build trusting connections and communicate clearly. Improved productivity, job satisfaction, and performance may result from this this [16].

C. Key Attributes of Emotional Intelligence for Decision Making

Effective decision-making that contributes to organisational success is facilitated by the emotional intelligence of an executive leader [17]. Here is a summary of the essential EQ qualities that help leaders make wise choices.

- **Self-Awareness:** Leaders who are self-aware are similar to self-experts. They have a thorough awareness of who they are, what they excel in, and where they may need assistance. They are also aware of when their own habits or beliefs may affect the choices they make. Leaders may improve their decision-making by better knowing themselves. In addition to improving their shortcomings, they may play to their strengths. Additionally, if they begin to base their judgements on their own prejudices, they may catch themselves [18].
- **Self-Regulation:** Leaders are not exempt from emotions, which are an indisputable aspect of the human experience. Self-regulation is not the act of suppressing emotions; rather, it involves the productive channelling of them, maintaining a balanced and focused perspective, even in the face of adversity. Making decisions in the C-suite requires the capacity to control emotions and impulses [19].
- **Motivation:** It is essential to maintain motivation when making intricate decisions. Throughout the decision-making process, leaders with high emotional intelligence (EQ) maintain their concentration and determination due to an internal drive. Motivation is the fuel that propels the voyage of leaders who possess a strong emotional intelligence (EQ). It gives individuals a feeling of purpose and direction by enabling them to establish specific objectives for both themselves and their teams. They are prepared to put in the work required to overcome challenges and succeed because they recognise the value of tenacity.
- **Empathy:** The influence of choices extends beyond the bottom line, as great leaders understand. Imagine being able to comprehend the impacts of a decision on the lives of employees, customers, and stakeholders, in addition to its financial implications. Here's when empathy is useful. In order to assess diverse perspectives and confront obstacles in an inclusive and empathetic manner, empathy is a valuable tool for C-suite executives. Companies that cultivate robust cultures of empathy experience decreased employee turnover rates, as indicated by a study conducted by Deloitte. A more engaging and gratifying work environment can be created by leaders who are adept at comprehending the perspectives of their employees.
- **Social Skills:** It is unusual for a C-suite executive to make effective decisions alone. Socially adept leaders are able to encourage candid dialogue within their groups, actively hear other points of view, and work well with others to achieve a consensus. At its core, social skills assist executives in the establishment of a collaborative and optimistic environment, in which all perspectives are considered in the pursuit of optimal business decisions.

2 Literature Review

(Riyaz & Prajapati, 2025)[20] The investigation pertains to the impact of empathy, “awareness of oneself, self-regulation, motivation, and social skills”—the fundamental components of emotional intelligence (EI)—on critical leadership elements, including conflict resolution, collaboration, decision-making, and employee engagement. According to research, executives with higher EI are more adept at handling difficult interpersonal situations, fostering favourable company cultures, and managing stress at work. The findings also indicate that contextual elements including organisational structure, cultural diversity, and challenges unique to a certain sector attenuate “the relationship between EI and leadership effectiveness”. There are still challenges in the development of standardised metrics for “emotional

intelligence (EI)" and the understanding of its function in a variety of organisational settings, despite the widespread recognition of the benefits of EI in leadership.

(Sambol et al., 2025) [21] Making good decisions is crucial for getting by in everyday life, and understanding the emotional and cognitive aspects that drive affective decision-making is crucial. In this investigation, emotional intelligence and affective decision-making are not only reflections of general cognitive abilities; they also serve a distinctive function in "strategic decision-making in emotionally charged environments". Emotional intelligence and BART performance, however, did not substantially correlate. These results underline how crucial it is to comprehend emotions while making strategic decisions and provide opportunities for further study to see if developing emotional intelligence might enhance affective decision-making tasks and provide significant advantages in practical settings.

(Kour & Ansari, 2024) [22] Emotional intelligence (EI) and its relationship to leadership effectiveness and organisational behaviour are the main goals of this research. The study's findings indicate that emotional intelligence plays a critical role in organisational behaviour and successful leadership. The results highlight how emotional intelligence improves several facets of employee happiness and organisational behaviour. The study also identifies areas for further investigation, such as intercultural differences, longitudinal questions, investigating moderating and intervening variables, creating treatments, and doing comparative analyses.

(Singh et al., 2024) [4] This article examines how emotional intelligence might enhance leadership effectiveness and facilitate informed decision-making. This study investigates how "social skills, empathy, self-awareness, and emotional control" are enhanced by emotional intelligence, which in turn promotes better leadership performance. It also explores how emotionally intelligent leaders tend to make more thorough and well-informed judgements that benefit the company. In a variety of organisational contexts, this article will underscore the importance of emotional intelligence as a critical capability for "effective leadership and decision-making", utilising research findings and real-world examples.

(Bahshwan, 2023) [23] This article concentrates on the fundamental components of emotional intelligence, which include "self-awareness, empathy, self-regulation, motivation, and social skills". The focus on emotional intelligence was essential for long-term leadership success since the regression analysis's tests revealed that social awareness was a strong predictor of the amount of years spent in a leadership role. Overall, the findings supported the development of emotional competences as a crucial step for current and future leaders, despite the fact that such connections between the variables were not expected. The research urges that emotional intelligence be included into leadership development and training programs and offers fresh perspectives on how emotional intelligence might be applied to leadership practice.

(Khalisah, 2023) [24] Examining the relationship between EQ and management performance in Malaysia was the aim of this study. 150 managers were surveyed about their effectiveness at work, personality type, and EQ. For Malaysian companies and their executives, the study's findings have

important ramifications. The results suggest that increasing administrators' emotional intelligence may lead to improved productivity and decision-making. This could potentially lead to enhanced organisational outcomes, such as increased productivity and profitability. However, the current study has several limitations, such as the use of self-report measures and a sample that only includes managers in Malaysia. According to the findings, managers may benefit greatly from having emotional intelligence, and companies would be wise to support their staff in developing these proficiencies.

(Rouissi, 2023) [25] The role of emotional intelligence (EI) adoption in career decision-making issues is examined in this article together with "the Bar-On Emotional Intelligence and Professional Decision-Making". Project managers at industries firms are given a survey as part of our quantitative approach. Many writers distinguish between mixed models, which view emotional intelligence (EI) as a complex concept that includes elements of motivation and personality as well as the ability to perceive, absorb, understand, and control emotions, and mental skill models, which focus on the ability to process affective information. According to the article's findings, emotional intelligence influences corporations' workers' or employers' decision-making process in a good way.

3 Research Gap

Despite extensive research on emotional intelligence (EI) in organizational settings, significant gaps remain in understanding its precise role in leadership and decision-making. The majority of the material currently in publication focusses on broad correlations rather than thoroughly examining the ways in which particular EI traits—like empathy, self-awareness, and emotional regulation—directly affect intricate decision-making processes under various leadership philosophies. Furthermore, most studies are context-specific, with limited cross-cultural or industry-diverse perspectives. Additionally, nothing is known about how Emotional Intelligence affects moral judgement and crisis management. Addressing these gaps is essential for developing more effective leadership models that integrate emotional intelligence as a core component of strategic decision-making.

4 Research Objective

- In this article study Emotional Intelligence and its importance.
- Study the Importance of Emotional Intelligence in Leadership.
- Study the various literature's work on role of emotional intelligence in leadership and decision-making.

5 Research Methodology

This review paper adopts a qualitative research methodology, utilizing secondary data and a comprehensive literature review to explore the role of emotional intelligence in leadership and decision-making. The study analyzes academic journals, scholarly articles, official reports, and case studies published between 2020 and 2025 to ensure a current and in-depth understanding of the subject. By synthesizing insights from organizational psychology, management studies, and leadership theory, the

paper critically examines how key components of emotional intelligence—such as self-awareness, empathy, and emotional regulation—affect leadership effectiveness and decision-making processes across diverse organizational and cultural contexts.

6 Conclusion

In this assessment, the critical role of emotional intelligence (EI) in the improvement of decision-making processes and the enhancement of leadership effectiveness is underscored. Enhancing employee engagement, promoting cooperation and resilience, and creating a good organisational culture are all greatly aided by the integration of emotional intelligence (EI) into leadership techniques. The Infosys case study serves as an illustration of how emotionally intelligent leadership can support long-term organisational success and catalyse meaningful transformation. Results indicate that critical EI competencies—including “self-awareness, self-regulation, empathy, motivation, and social skills”—are essential for enhancing team dynamics, facilitating productive communication, and resolving conflicts. Training managers in emotional intelligence has been shown to improve decision-making quality, resulting in increased productivity and business performance. Furthermore, the review underscores the importance of recognizing the distinct contributions of various EI domains. For instance, enhancing the ability to understand emotions may improve affective decision-making, while strengthening the ability to perceive emotions may support interpersonal relationships and team cohesion. As organizations navigate complex and evolving challenges, emotionally intelligent leadership emerges as a critical factor for achieving sustainable growth, adaptability, and competitive advantage. Tailored EI interventions and development programs should therefore be a strategic priority, enabling leaders to cultivate trust, promote psychological safety, and inspire high performance within their teams and broader organizational systems.

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