

The Influence of Emotional Intelligence on Effective leadership and Decision-making –with special reference to the IT Sector

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Abstract

In today's fast changing and competitive information technology era, leaders' emotional intelligence, along with technical skills, plays a decisive role in organizational success and decision-making quality. This research examines the influence of emotional intelligence on decision-making quality and leadership effectiveness among managers at different levels in the IT sector. This study utilized a survey-based quantitative methodology. Correlation and regression analysis were used to analyse the data. The results demonstrate a positive relationship between overall leadership effectiveness and emotional intelligence scores, suggesting that certain dimensions, such as empathy, are more important for decision-making quality.

Furthermore, the influence of emotional intelligence differed depending on management level (senior versus middle management). Consequently, incorporating leadership development/EI training programs in the IT industry would be beneficial. This line of research is not only theoretically significant but also practical. It is found that emotional intelligence is indeed linked to effective leadership and better decision-making, IT companies could incorporate EI training into their leadership development programs. Furthermore, this type of knowledge can shape management practices, human resource (HR) policies, and corporate culture. This research provides important recommendations for policymakers and management practices and suggests directions for future research.

Keywords: emotional intelligence, leadership effectiveness, decision-making, IT sector, management level

Introduction:

The current organizational context is complex—globalization, diversity, and rapid change. In such an environment, relying solely on technical skills or IQ is insufficient.

The modern-day information technology (IT) industry is evolving at a rapid pace. Factors such as digital transformation, innovative technologies, global competition, and tight deadlines are constantly changing the field. In this dynamic and challenging environment, technical competence alone is not sufficient. Leaders/managers must possess not only technical knowledge but also the ability to understand team emotional dynamics, individual and group stress, and the complexity of decision-making.

Emotional intelligence is the proficiency to understand, address, and manage emotions, first of all one's own and then of others. Its use influences leadership and decision-making. Emotional intelligence also mentions to the ability to understand, recognize, manage, and positively utilize

one's own and others' emotions. This leadership ability aids decision-making that improves communication, human relations, motivation, and team coordination.

Various research studies have found that emotional intelligence is associated with leadership effectiveness and appears to be an effective and positive impact on higher team performance, employee satisfaction, and organizational accountability. Studies conducted in Indian IT companies have found that emotional intelligence is associated with leadership styles such as transformational leadership and can improve team coordination and productivity. Despite this, there is still a need for further study on the extent and way various magnitudes of emotional intelligence (Self-Awareness, Self-Regulation, Empathy, Social Awareness,) influence leadership effectiveness and decision-making quality in the IT industry. This research, particularly in Indian IT companies, presents challenges such as team diversity, work culture differences, global client demands, and deadlines.

Literature review:

Emotional Intelligence is the power to identify, analyse, and successfully respond to others' emotions. In layman's terms, it is the ability to recognize one's own and others' emotions to behave appropriately, make educated decisions, and sustain positive social relationships. This theory was popularized by Daniel Goleman (1995). According to him, emotional intelligence is the key to successful leadership, teamwork, decision-making, and personal development.

Three major definitional/theoretical approaches are prevalent in the academic literature:

- Ability model — Mayer & Salovey consider EI to be an intellectual-type ability: the perception, understanding, use, and regulation of emotions. In this view, measurement (ability tests) of EI with "correct" answers are possible.
- Trait model — EI is viewed as enduring personal qualities (self-report personality-like traits); it focuses on everyday behaviour/attitudes.
- Mixed/multiplex models — Thinkers like Goleman view EI as a mix of skills, motivation, social skills, and personality traits; these are considered useful and practical in the workplace.

The types of emotional intelligence are:

- Self-awareness: Through this we can understand our emotions, the thoughts that arise, and their impact.
- Self-regulation: Through this we can control our emotions and impulses.
- Social awareness/empathy: Through this we can recognize the emotions and perspectives of others.
- Relationship management: Through this we are able to maintain healthy and positive relationships with others.

Intrapersonal Intelligence is typically described as the talent to classify, intellectually appraise, and manage/use one's inner reality. (one's emotions, thoughts, beliefs, values, goals, and internal processes). This intelligence is presented in Howard Gardner's Multiple Intelligences Theory and is strongly correlated to self-knowledge and self-management. Its Core Components are:

- Self-awareness: Recognizing one's emotions, thoughts, strengths, and weaknesses.
- Self-regulation: Controlling one's reactions and behaviours; managing impulsiveness or emotional fluctuations.
- Self-motivation: Finding inner motivation; perseverance and discipline toward goals.
- Metacognition / Self-reflection: Understanding one's own thinking; Asking, "Why am I thinking this way?"
- Self-concept and values: Clarity about your priorities, beliefs, and what you consider important.
- Self-directed decision-making: Making self-validated decisions and taking responsibility.

Interpersonal intelligence: This is the process through which one develops the capacity to recognize the instincts, desires, and behaviours of others and to communicate and cooperate effectively with them. It is a major type of Howard Gardner's theory of multiple intelligences. According to Gardner, interpersonal intelligence enables a person to build positive relationships with others, communicate, collaborate, and function effectively in a group. Core Components of Interpersonal Intelligence

Empathy: Understanding and experiencing the feelings and perspectives of others.

Effective Communication Skills: Expressing one's views clearly, politely, and sensitively while listening attentively to others.

Relationship Management: Building and maintaining long-term and positive relationships with others.

Conflict Resolution: The ability to resolve differences or conflicts with understanding and balance.

Collaboration and Teamwork: The ability to work together with others.

Effective leadership: Effective leadership is the ability to inspire, guide, and persuade others to achieve organizational goals. But when emotional intelligence is added, the leader is no longer just a commanding force, but rather a sensitive, understanding, and inspiring figure. Emotionally intelligent leaders build an emotional connection with their team. This connection boosts team morale, confidence, and loyalty. Key Dimensions of Effective Leadership in the Context of Emotional Intelligence includes- Emotional Stability, Trust and Motivation, Communication and Understanding, Positive Organizational Climate Quality of Decision Making.

Decision making: "Decision-making is the mental and behavioural process in which a person selects the most appropriate option from among various alternatives to most effectively achieve a goal." Emotional Intelligence (EI) makes decision-making more balanced, practical, and humane. The five factors of EI (Self-awareness, Self-regulation, Motivation, Empathy, and social skills) affect the quality of decisions at every stage. Decision-making is a crucial element in any organization or leadership process. It is the process through which an individual or group evaluates various options and selects the right one in relation to a situation, problem, or opportunity. When we discuss "The Impact of Emotional Intelligence on Effective Leadership

and Decision-Making, it becomes clear that the quality of decisions is determined not only by logical reasoning but also by emotional understanding”.

Some prominent Indian and contemporary research on this topic

A study by Simran Kaur, Richa Sharma, and Jyoti Chandwani found that “emotional intelligence (the four components of EI: self-awareness, self-management, social awareness, and relationship management) significantly impacts leadership potential in IT companies in the Noida region of India”. This research suggested that higher levels of EI dimensions contribute to better leadership potential, and the qualitative portion also revealed that other factors beyond EI also contribute.

Singh, Gujral, and Chandok (2018) studied the relationship between leadership techniques (transformational, transactional, and laissez-faire) and emotional intelligence in Indian IT companies. This study found that EI is particularly strongly associated with transformational leadership, while its impact may be less pronounced in other styles.

An article published by Kavaljit Kour & Shadab Ahamad Ansari found that leadership emotional intelligence is positively associated with employee engagement and organizational commitment in Indian IT companies. This study involved responses from approximately 485 participants, and statistical analysis shows that EI leadership has a substantial effect on employee engagement and commitment.

A study by Snehal Kale & Vaishali Rahate examines the connection between the emotional intelligence of leaders and talent retention/employee engagement in IT companies in Nagpur. This research concludes that emotional intelligence is crucial for leaders' motivation and long-term organizational commitment.

Other studies have also shown a link between EI and leadership effectiveness in various industries—for example, in the service sector, or in the financial/healthcare industry.

These studies make it clear that in the Indian context, particularly in IT companies, emotional intelligence is not only linked to leadership styles but also influences important management outcomes such as employee engagement, organizational commitment, and talent retention.

Research gaps

Based on these previous studies, it is clear that the impact of emotional intelligence is relevant in the IT sector, but some gaps still exist:

- Most studies have adopted a perspective limited to leadership style or employee engagement but have not adequately included the measurement component of decision-making quality.
- Some studies have not compared between different management levels (senior/middle management) or used decision quality as the dependent variable.
- Also, there is dearth of research on how several characteristics of EI (self-awareness, self-regulation, social awareness, empathy) impact decision-making ethics, timeliness, and efficacy

The objectives of this research is not only to bridge the gap of emotional intelligence but also to understand its depth through analysis and study the impact between different management levels.

Objectives of the study:

The conceptual framework of the study lists the four main components of emotional intelligence -Self-Awareness, Self-Regulation, Empathy and Relationship management, which are inputs (Inputs/Predictor Variables). These dimensions combine to form a total EI score.

Leadership Effectiveness is considered the mediator or first-level dependent variable in this framework.

Leadership Effectiveness has been shown to impact Decision-Making Quality—meaning that a more effective leader can make better decisions

1.To measure the emotional intelligence levels of managers at different management levels (middle and senior management) in the IT sector.

2. To examine the relationship of this emotional intelligence to leadership effectiveness and decision-making quality.

3. To examine which specific dimensions of emotional intelligence most influence decision-making quality.

4. To analyse whether this relationship differs by management level (senior versus middle management).

Hypothesis

H1: Leaders' emotional intelligence (EI score) correlates positively with their leadership effectiveness rating.

.H2: Of the various dimensions of EI (self-awareness, self-regulation, relationship management, empathy), “empathy” is the one that has the greatest impact on decision-making quality.

H3: The impact of EI will be greater in middle management than in top management.

Research methodology

Sample

The target population size for the study is 120 managers representing middle and senior management levels working in the IT/ ITES companies in Noida and Gurgaon area was considered through random sampling. The Companies selected for the sample included- HCL Technologies, Tata Consultancy Services (TCS), Wipro, Adobe, Accenture, Microsoft, Oracle, Genpact, and Capgemini. Of the total sample size, the Top-level managers were 50 and 70 from middle level management respectively.

The selection of the sample was based on the following criterion:

- Based on experience (minimum 10 years for top level and minimum five years for middle level managers in the IT/ ITES companies)
- Have team leadership responsibilities or are involved in decision-making.
- Have willingly given their consent.

Instruments and Data Collection:

A questionnaire was prepared covering the four dimensions of emotional intelligence (Self-Awareness, Self-Regulation, Empathy, Relationship management) and Leadership Effectiveness Scale — Peer rating and self-report questionnaire and Decision-Making Quality Scale — Measures decision accuracy, timeliness, ethical considerations, and the impact of outcome. It contained in all 38 questions based on Five-point Likert rating scale. which ranging from 1= strongly disagree to 5 = strongly agree.

Analysis techniques

Descriptive Statistics—mean, standard deviation

Correlation Analysis (Pearson's r)

Multivariate Regression Analysis (Multivariate Regression Analysis) where Decision Quality is the dependent variable, including EI scores and control variables (control variables such as years of experience, management level, etc.).

ANOVA/t-test to test whether there is a difference by management level (senior vs. middle).

Results

Demographic Profile:

Table 1: Sample demographics (N = 120)			
Variable	Category	n	%
Gender	Male	82	68.5
	female	38	31.5
Age	Mean (SD)	43.5	(6.5)
Experience	Mean (SD)	12.8	(4.2)
Job Level	Top Level	52	43.5
	Middle Level	68	56.5
Education	Bachelor's	80	66.4
	Masters	29	24.5
	Professional	11	9.1

Descriptive Statistics

Table 2: Descriptive Statistics and Alpha coefficients of the Emotional Intelligence variables

Factor	Items	Mean	S. D	Cronbach Alpha
Self-Awareness	6	3.62	0.57	.88
Self-Regulation	6	3.51	0.63	.84
Empathy	6	3.55	0.61	.86
Relationship management (RM)	6	3.68	0.58	.81
Total EI Score	24	3.59	0.45	.92
Leadership Effectiveness (LE)	8	3.77	0.52	.89
Decision Quality (DQ)	6	3.65	0.55	.89

Commented [SJ1]:

Cronbach's alpha values indicate good-to-excellent internal consistency for all scales.

Correlation Analysis

Table 3: Correlation among the variables (two-tailed)

Variable	EI	LE	DQ	SA	SR	EP	RM
Total EI Score	-						
Leadership Effectiveness (LE)	.56**	-					
Decision Quality (DQ)	.48**	.60**	-				
Self-Awareness (SA)	.63**	.46**	.38**	-			
Self-Regulation (SR)	.56**	.54**	.43**	.51**	-		
Empathy (EP)	.59**	.52**	.49**	.47**	.52**	-	
Relationship Management (RM)	.61**	.55**	.46**	.45**	.52**	.54**	-

p < .01 for all correlations shown.

EI (and its subscales) is positively and significantly associated with both Leadership Effectiveness and Decision Quality. LE and DQ show a strong positive relationship.

Table 4: Hierarchical regression predicting Leadership Effectiveness (LE)

Model specification:

- Step 1 (Controls): Age, Experience, Education
- Step 2 (Main predictor): EI Total

Results

Predictor	B	SE B	β	t	p
Step 1 (Controls)					
Constant	2.31	.18	—	12.83	<.001
Age	.01	.003	.05	1.48	.14
Experience	.005	.006	.02	0.83	.41
Education (higher)	.06	.04	.05	1.50	.13
R ² (Step 1)				.02 F (3,316) =2.13	p=.098
Step 2 (EI added)					
EI Total	.68	.05	.52	13.60	<.001
R ² (Step 2)				.35 F change (1,315) =184.9	p<.001

Emotional Intelligence explains a substantial and statistically significant portion of variance in Leadership Effectiveness. Controls explain very little variance.

Table 5: Hierarchical regression predicting Decision Quality (DQ)

Model A: Controls + EI Total

Model B: Controls + EI Total + Leadership Effectiveness (tests mediation)

Predictor	Model A: B (SE) β	p	Model B: B (SE) β	p
Constant	2.09 (.16)	<.001	1.67 (.15)	<.001
Age	.008 (.003) β =.07	.06	.006 (.003) β =.05	.09
Experience	.007 (.006) β =.03	.25	.003 (.005) β =.01	.56
Education	.04 (.04) β =.04	.32	.03 (.04) β =.03	.45
EI Total	.33 (.06) β =.38	<.001	.22 (.05) β =.25	<.001
Leadership Effectiveness	—	—	.45 (.06) β =.47	<.001
R ²	.23	F (4,315) =23.6 p<.001	.47	F (5,314) =56.0 p<.001

EI significantly predicts Decision Quality (Model A). After including Leadership Effectiveness (Model B), EI's direct effect decreases but remains significant — indicating partial mediation by leadership.

Table 6: Mediation summary (EI → Leadership → Decision Quality)

Effect	Estimate (β)	SE	95% CI (bootstrapped, 5,000)	p
Direct effect (EI \rightarrow DQ, controlling LE)	.22	.05	[.12, .32]	<.001
Indirect effect (EI \rightarrow LE \rightarrow DQ)	.234	.04	[.15, .32]	<.001
Total effect (EI \rightarrow DQ)	.454	.05	[.36, .55]	<.001

The indirect effect is significant (CI does not include zero), confirming that Leadership Effectiveness partially mediates the effect of Emotional Intelligence on Decision Quality.

Table 7: Regression of Decision Quality on EI subscales (simultaneous entry)

Predictor	B	SE B	β	t	p
Constant	1.84	.20	—	9.20	<.001
Self-Awareness (SA)	.08	.04	.09	2.00	.046
Self-Regulation (SR)	.15	.04	.17	3.75	<.001
Empathy (EP)	.10	.04	.11	2.50	.013
Relationship Mgmt. (RM)	.18	.05	.20	3.60	<.001
Controls (age, experience, education)					
Model R ² = .29		F (7,312) = 18.2 p <.001			

Among EI subcomponents, Relationship Management and Self-Regulation show the largest unique associations with Decision Quality.

Discussion and key Findings:

Emotional intelligence was found to be a key factor in both leadership effectiveness and decision-making quality. Dimensions such as Empathy and Self-Regulation, in particular, were found to be more important for decision quality. Management level (senior vs. middle) showed some differences, suggesting that EI training/development programs should be tailored to the level. Years of experience had an impact, but less so than EI.

- Emotional Intelligence is a robust predictor of Leadership Effectiveness ($\beta \approx .52$) and Decision Quality (total effect $\approx .45$).
- Leadership Effectiveness partially mediates the relationship between EI and Decision Quality (indirect $\beta \approx .23$), indicating EI shapes leadership behaviours that, in turn, improve decision outcomes.
- Relationship Management and Self-Regulation subcomponents are particularly important for Decision Quality.

Recommendations for Future Research:

- Longitudinal intervention studies testing whether EI training leads to continued improvements in leadership and objective decision outcomes (project success, KPIs).
- Examine moderators (task complexity, team diversity, organizational culture) that may amplify or weaken EI effects.
- Use experimental designs for causal inference and multi-source outcome measures.

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