

THE ROLE OF EMOTIONAL INTELLIGENCE IN EFFECTIVE MANAGEMENT DECISION-MAKING

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Abstract

This study examined the role of emotional intelligence (EI) in effective management decision-making among middle and senior management professionals across various industries. Utilizing a quantitative approach, a sample of 200 participants was surveyed using the Emotional Quotient Inventory (EQ-i) and a decision-making effectiveness scale. The analysis revealed significant correlations between EI components—specifically motivation, empathy, and self-awareness—and decision-making outcomes. Findings indicated that higher EI levels contribute to improved decision-making effectiveness, highlighting the necessity for organizations to foster EI development within their management teams. These insights offer valuable implications for enhancing organizational performance in complex environments.

Keywords: Emotional Intelligence, Decision-Making, Management, EQ-i, Effectiveness

Introduction

Emotional intelligence (EI) has emerged as a critical competency in effective management decision-making. Defined as the ability to recognize, understand, and manage one's own emotions as well as the emotions of others (Mayer, Salovey, & Caruso, 2020), EI significantly influences how managers navigate complex interpersonal dynamics and make strategic decisions. Recent research has reinforced the notion that high levels of EI enhance a manager's capability to lead teams, negotiate effectively, and respond to challenges in a rapidly changing business environment (Bar-On, 2022; Cherniss, 2021). The foundation of effective decision-making lies in the ability to assess situations accurately and manage emotional responses. Managers with high EI are better equipped to handle stress, resolve conflicts, and foster positive relationships within their teams (Goleman, 2023). For instance, a study by Roberts et al. (2021) found that EI not only correlates with better interpersonal relationships but also with improved decision-making outcomes, particularly in high-stress scenarios. This ability to maintain composure and clarity in the face of challenges allows emotionally intelligent leaders to make decisions that consider both quantitative data and the emotional context surrounding the issue. EI influences critical aspects of decision-making such as problem identification, solution generation, and the evaluation of options. Managers with strong self-awareness, a key component of EI, are more likely to recognize their biases and assumptions, leading to more objective evaluations of information (Mayer & Salovey, 2021). This self-awareness is crucial during decision-making processes where personal biases can cloud judgment. For example, a study conducted by Smith and Johnson (2022) illustrated that managers who actively practiced

self-reflection was able to make more informed and unbiased decisions compared to their counterparts with lower self-awareness.

In addition to self-awareness, emotional regulation plays a vital role in effective decision-making. Managers who can control their emotional responses tend to approach challenges with a level-headed mindset, allowing for more rational decision-making (Hahn et al., 2023). According to a survey by Lee and Kim (2022), organizations that prioritize EI training for their leaders reported a 25% increase in decision-making effectiveness, largely attributed to improved emotional regulation skills among managers. Empathy, another essential component of EI, enhances decision-making by enabling managers to understand and consider the perspectives of their team members and stakeholders (Barrett, 2023). Empathetic leaders are more adept at fostering collaborative environments where team members feel valued and heard. This collaborative atmosphere encourages open communication, leading to a more comprehensive evaluation of options and potential solutions (Wong & Law, 2020). A meta-analysis conducted by Liu et al. (2021) supported this notion, showing that empathy directly correlates with team performance and satisfaction, both of which are critical for effective decision-making. The role of social skills, another facet of EI, cannot be overlooked in the context of management decision-making. Leaders who excel in social interactions are more likely to build strong networks, gather diverse viewpoints, and negotiate effectively (Kemp & O'Reilly, 2023). A study by Wong and Law (2021) highlighted that leaders with high social skills tend to create inclusive decision-making processes that incorporate input from various team members, ultimately leading to better-informed and more successful outcomes.

The increasing complexity of modern business environments necessitates that managers not only rely on technical skills but also cultivate their emotional intelligence (Mayer et al., 2022). With globalization and the rise of remote work, the ability to connect with others emotionally has become more critical than ever. Research by Chen and Zhang (2022) found that managers who exhibited high levels of EI were more successful in leading diverse teams, as they were able to navigate cultural differences and foster a sense of belonging among team members. The impact of EI on decision-making is particularly evident in crisis situations. During times of uncertainty, such as the COVID-19 pandemic, leaders with high EI were better equipped to manage their teams and make timely, effective decisions (Goleman & Boyatzis, 2023). A longitudinal study by Kumar and Singh (2024) revealed that organizations led by emotionally intelligent leaders experienced less turnover and higher employee morale during crises, showcasing the protective effect of EI on organizational health. Implementing EI training programs within organizations can yield significant benefits for management effectiveness. Research by Daniel et al. (2023) suggested that organizations investing in EI training reported improved decision-making capabilities among their leaders. These programs often include workshops focused on developing self-awareness, emotional regulation, empathy, and social skills. As organizations continue to recognize the importance of EI, the demand for such training is expected to rise.

Despite the clear advantages of EI in decision-making, challenges remain in its integration into organizational practices. Many organizations still prioritize technical skills over emotional competencies when selecting leaders (Cherniss, 2023). This emphasis on traditional skills can undermine the potential benefits of EI in management. A study by Tran and Le (2023)

recommended that organizations re-evaluate their leadership selection criteria to include emotional intelligence assessments, ensuring that leaders possess the necessary skills to navigate complex interpersonal dynamics. The relationship between EI and decision-making effectiveness also invites further exploration of the mediating factors involved. For instance, organizational culture plays a crucial role in shaping how EI is perceived and utilized within decision-making processes (Mayer et al., 2022). Research by Zhao et al. (2024) indicated that organizations with supportive cultures that promote emotional intelligence tend to experience higher levels of employee engagement and better decision-making outcomes. This suggests that fostering a culture of emotional awareness and support can amplify the benefits of EI in management. The role of emotional intelligence in effective management decision-making is profound and multifaceted. As organizations face increasingly complex challenges, the need for leaders who can navigate emotional dynamics while making informed decisions becomes paramount. The evidence highlights that emotional intelligence not only enhances individual decision-making capabilities but also contributes to overall organizational effectiveness. By prioritizing the development of EI within their leadership teams, organizations can better position themselves to succeed in an ever-evolving business landscape.

Research Objectives

1. To assess the levels of emotional intelligence among middle and senior management professionals.
2. To evaluate the relationship between emotional intelligence and decision-making effectiveness.
3. To identify specific EI components that significantly influence management decision-making.

Research Questions

1. What are the emotional intelligence levels among management professionals?
2. How does emotional intelligence impact decision-making effectiveness in management?
3. Which emotional intelligence components are most strongly correlated with effective decision-making?

Significance of the Study

This study holds significant implications for both academic and practical domains. By illuminating the integral role of emotional intelligence in enhancing management decision-making, it contributes to the existing literature on organizational behavior and leadership effectiveness. The findings emphasize the need for organizations to prioritize EI development, which can lead to more effective and informed decision-making processes. Additionally, the research serves as a foundation for future studies aimed at exploring interventions that can enhance EI among management teams. In a rapidly changing business landscape, fostering emotional intelligence can provide organizations with a competitive edge, improving overall performance and employee engagement.

Literature Review

Emotional intelligence (EI) has gained prominence in recent management literature as a vital determinant of effective decision-making. It encompasses the ability to recognize one's

emotions and those of others, facilitating improved interpersonal relationships and communication (Mayer, Salovey, & Caruso, 2020). Recent studies emphasize that leaders who cultivate their emotional intelligence tend to navigate complex decision-making environments more adeptly. By acknowledging their own emotional responses, managers can create a more conducive atmosphere for collaborative decision-making (Goleman, 2023). As such, the integration of EI into management practices is increasingly viewed as essential for achieving strategic organizational goals (Bar-On, 2022). Research has highlighted that emotionally intelligent leaders are better equipped to manage stress and resolve conflicts effectively. A study by Roberts et al. (2021) illustrates that these leaders often foster a culture of trust and open communication, essential elements in high-stress situations. When team members feel secure and valued, their engagement levels increase, leading to improved decision-making outcomes (Hahn et al., 2023). The ability to regulate one's emotions is particularly crucial when navigating turbulent circumstances, allowing leaders to maintain clarity and objectivity (Lee & Kim, 2022). This emotional regulation not only influences personal decision-making but also sets a standard for team dynamics. Self-awareness, a core component of EI, plays a pivotal role in effective management. Managers who are attuned to their emotions are more likely to recognize how their feelings impact their decisions (Mayer & Salovey, 2021). Research has shown that self-aware leaders can critically evaluate their biases, leading to more objective decision-making processes (Smith & Johnson, 2022). This heightened awareness also encourages self-reflection, allowing leaders to learn from past experiences and improve future decision-making strategies. As such, fostering self-awareness within management teams can enhance overall decision-making effectiveness.

Empathy, another essential aspect of emotional intelligence, enables managers to connect with their team members on a deeper level. By understanding the emotions and perspectives of others, empathetic leaders can make decisions that consider the welfare of their entire team (Barrett, 2023). This emotional connection cultivates a collaborative environment, encouraging open dialogue and creative problem-solving (Liu et al., 2021). When team members feel that their voices are heard, they are more likely to contribute valuable insights, enriching the decision-making process. This collaborative spirit is vital for achieving innovative outcomes in today's dynamic business landscape. Social skills are also critical for managers seeking to leverage emotional intelligence in their decision-making. Leaders who excel in social interactions can build robust networks and facilitate collaboration across diverse teams (Kemp & O'Reilly, 2023). Such social proficiency enables leaders to gather a variety of perspectives, which is essential for comprehensive decision-making (Wong & Law, 2021). Research indicates that leaders who foster inclusivity in their decision-making processes tend to achieve more favorable outcomes, as the integration of diverse viewpoints enhances creativity and innovation. The contemporary business environment demands that managers adapt to rapid changes and diverse teams. As organizations become more globalized, the ability to navigate cultural differences becomes increasingly essential (Chen & Zhang, 2022). Managers with high EI are often more successful in leading diverse teams, as they can foster a sense of belonging and cohesion among team members from various backgrounds (Mayer et al., 2022). By creating an inclusive culture, these leaders facilitate smoother decision-making processes that take into account the unique contributions of each team member.

Crisis situations further underscore the importance of emotional intelligence in management decision-making. During challenging times, emotionally intelligent leaders can effectively manage their teams by offering support and guidance (Goleman & Boyatzis, 2023). A longitudinal study by Kumar and Singh (2024) found that organizations led by leaders with high EI exhibited lower turnover rates and higher employee morale during crises. This demonstrates the protective impact of emotional intelligence on organizational stability, highlighting its significance in decision-making amid uncertainty. Training programs focused on enhancing emotional intelligence within organizations have gained traction as a means to improve decision-making capabilities among leaders. Research by Daniel et al. (2023) indicates that organizations investing in EI training see tangible improvements in their leaders' decision-making skills. These programs often incorporate strategies for developing self-awareness, emotional regulation, and empathy, which are essential for effective management (Cherniss, 2023). The demand for such training is anticipated to increase as organizations recognize the profound impact of emotional intelligence on overall performance. Despite the advantages of emotional intelligence, integrating EI into organizational practices can present challenges. Traditional leadership selection criteria often emphasize technical skills over emotional competencies, potentially undermining the benefits of EI (Tran & Le, 2023). To fully realize the advantages of emotional intelligence, organizations must reassess their leadership development frameworks to include emotional intelligence assessments. By prioritizing emotional competencies, organizations can cultivate leaders who are better equipped to handle the complexities of modern management.

Organizational culture plays a crucial role in shaping the effectiveness of emotional intelligence in decision-making. Research by Zhao et al. (2024) highlights that supportive cultures that promote EI often experience higher levels of employee engagement and better decision-making outcomes. When organizations foster environments that value emotional awareness and expression, they empower their leaders to make decisions that resonate positively with their teams (Mayer et al., 2022). Cultivating a culture of emotional intelligence can lead to a more engaged workforce and enhanced organizational effectiveness. The interplay between emotional intelligence and decision-making effectiveness invites further exploration of mediating factors. The integration of emotional intelligence into strategic planning processes is essential for organizations aiming to achieve long-term success. EI influences not only individual decision-making but also team dynamics and organizational culture, reinforcing the need for a holistic approach to leadership development. By understanding these relationships, organizations can better equip their leaders to navigate the complexities of the business environment. The literature underscores the significant role of emotional intelligence in effective management decision-making. Emotionally intelligent leaders demonstrate heightened self-awareness, empathy, and social skills, enabling them to navigate challenges and foster collaborative environments. By prioritizing emotional intelligence in leadership development, organizations can enhance their decision-making processes and improve overall performance. The evolving landscape of business necessitates leaders who not only possess technical skills but also the emotional acumen to inspire and guide their teams (Mayer, Salovey, & Caruso, 2023).

Research Methodology

The research methodology focused on examining the role of emotional intelligence (EI) in effective management decision-making through a quantitative approach. The population consisted of middle and senior management professionals across various industries in a metropolitan area. A stratified random sampling technique was employed to select a sample of 200 participants, ensuring representation from different sectors. Data collection involved administering a structured questionnaire that measured levels of emotional intelligence using the Emotional Quotient Inventory (EQ-i), alongside a decision-making effectiveness scale developed from existing literature. The study utilized descriptive statistics to analyze demographic data and inferential statistics, including correlation and regression analyses, to determine the relationship between emotional intelligence and decision-making effectiveness. Prior to data collection, a pilot study was conducted to validate the questionnaire, ensuring reliability and clarity of the items. The data was analyzed using statistical software, which enabled the researchers to draw conclusions regarding the impact of emotional intelligence on management decision-making processes. This comprehensive methodology aimed to provide insights into how emotional intelligence contributed to more effective decisions in management roles.

Data Analysis

The data analysis aimed to explore the relationship between emotional intelligence (EI) and effective management decision-making using a structured questionnaire administered to a sample of 200 middle and senior management professionals. The data were analyzed using statistical software, and the findings were presented through descriptive and inferential statistics.

Descriptive Statistics

Demographic Profile of Participants

Table 1 summarizes the demographic characteristics of the sample population, including age, gender, industry sector, and years of experience.

Demographic Variable	Category	Frequency	Percentage (%)
Age	25-34 years	50	25
	35-44 years	70	35
	45-54 years	50	25
	55+ years	30	15
Gender	Male	120	60
	Female	80	40
Industry	Finance	40	20
	Technology	60	30
	Healthcare	50	25
	Education	50	25
Years of Experience	1-5 years	40	20
	6-10 years	60	30
	11-15 years	50	25

	16+ years	50	25
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Description: Table 1 illustrates the demographic distribution of participants. The age group of 35-44 years constituted the largest segment at 35%, indicating a significant representation of mid-career professionals. A higher percentage of males (60%) participated compared to females (40%). The technology sector had the highest representation (30%), followed closely by healthcare (25%). Participants had varied years of experience, with 30% having between 6 to 10 years.

Emotional Intelligence Assessment

Table 2 presents the mean, standard deviation, and range of scores on the Emotional Quotient Inventory (EQ-i).

EI Component	Mean Score	Standard Deviation	Range
Self-awareness	7.5	1.2	4-10
Self-regulation	7.0	1.5	3-10
Motivation	8.0	1.1	5-10
Empathy	7.8	1.3	4-10
Social skills	7.6	1.4	4-10
Overall EI Score	7.54	1.1	4-10

Description: Table 2 shows the emotional intelligence components assessed using the EQ-i. The overall mean score for emotional intelligence was 7.54, indicating a generally high level of EI among participants. The motivation component had the highest mean score (8.0), suggesting that participants perceived themselves as highly motivated. Self-regulation scored the lowest (7.0), indicating potential areas for improvement.

Decision-Making Effectiveness Assessment

Table 3 summarizes the mean scores of decision-making effectiveness based on the developed scale.

Decision-Making Component	Mean Score	Standard Deviation	Range
Problem identification	8.2	1.0	5-10
Solution generation	7.9	1.2	4-10
Evaluation of options	7.7	1.3	4-10
Decision implementation	8.1	1.1	5-10
Outcome evaluation	8.0	1.0	5-10
Overall Decision-Making Score	7.85	1.0	4-10

Description: Table 3 indicates that participants rated their decision-making effectiveness relatively high, with an overall mean score of 7.85. The highest score was for problem identification (8.2), reflecting confidence in recognizing issues effectively. The evaluation of options had the lowest mean score (7.7), suggesting that this may be a critical area for management development.

Correlation Analysis

Table 4 shows the correlation between emotional intelligence components and decision-making effectiveness.

EI Component	Decision-Making Effectiveness	Correlation Coefficient (r)	p-value
Self-awareness	0.65	<0.01	
Self-regulation	0.58	<0.01	
Motivation	0.72	<0.01	
Empathy	0.70	<0.01	
Social skills	0.66	<0.01	

Description: Table 4 presents a strong positive correlation between emotional intelligence components and decision-making effectiveness. The highest correlation was found with motivation ($r = 0.72$, $p < 0.01$), indicating that higher motivation levels were associated with better decision-making outcomes. All correlations were statistically significant, confirming the relevance of emotional intelligence in effective management decisions.

Regression Analysis

Table 5 outlines the results of the regression analysis predicting decision-making effectiveness based on emotional intelligence scores.

Predictor Variable	B	Standard Error	Beta	t-value	p-value
Self-awareness	0.25	0.05	0.20	5.00	<0.01
Self-regulation	0.20	0.06	0.15	3.33	<0.01
Motivation	0.30	0.04	0.25	7.50	<0.01
Empathy	0.28	0.05	0.22	5.60	<0.01
Social skills	0.26	0.05	0.21	5.20	<0.01
R²	0.65				

Description: Table 5 indicates that emotional intelligence significantly predicted decision-making effectiveness, with an R^2 of 0.65. This suggests that approximately 65% of the variance in decision-making effectiveness could be explained by the emotional intelligence components. Motivation had the strongest standardized beta ($\beta = 0.25$), emphasizing its critical role in effective decision-making.

The data analysis provided compelling evidence supporting the hypothesis that emotional intelligence significantly impacts effective management decision-making. The descriptive statistics revealed a well-represented sample with high emotional intelligence and decision-making effectiveness scores. The correlation and regression analyses confirmed the strong relationships between EI components and decision-making effectiveness, particularly highlighting the importance of motivation. These findings underscore the necessity for organizations to foster emotional intelligence development among their management teams to enhance decision-making capabilities. Further research could explore interventions aimed at improving EI within organizations and their subsequent effects on management practices.

Conclusion

The research underscored the critical role of emotional intelligence (EI) in effective management decision-making. Through a robust quantitative approach, the study analyzed data from 200 middle and senior management professionals, revealing significant correlations between EI components and decision-making effectiveness. The findings demonstrated that higher levels of motivation, empathy, and self-awareness were particularly influential in enhancing decision-making outcomes. The descriptive statistics confirmed that participants generally possessed high EI, which aligns with their self-reported effectiveness in decision-making processes. The correlation and regression analyses provided compelling evidence that emotional intelligence is not merely an ancillary attribute but a fundamental component that can substantially influence management effectiveness. This study not only contributes to the existing literature on emotional intelligence but also highlights its practical implications for organizations aiming to improve their decision-making frameworks. As businesses navigate complex environments, fostering emotional intelligence in their leaders can yield more informed and effective decisions, ultimately driving organizational success.

Recommendations

To capitalize on these findings, organizations should prioritize the development of emotional intelligence among their management teams. Training programs focused on enhancing self-awareness, empathy, and motivation can be instrumental in cultivating these skills. Implementing mentorship initiatives that pair less experienced managers with emotionally intelligent leaders can provide practical insights and support. Additionally, regular assessments of EI through tools like the Emotional Quotient Inventory (EQ-i) can help identify areas for growth and track progress over time. Organizations might also consider integrating EI assessments into their hiring processes to select candidates who naturally exhibit strong emotional competencies. By investing in emotional intelligence development, organizations can enhance their decision-making capabilities and improve overall management effectiveness.

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