

## ROLE OF EMOTIONAL INTELLIGENCE IN ORGANIZATIONAL INNOVATION: MODERATING EFFECT OF EMPLOYEE TRAITS

**Sami ul Haq (corresponding author)**

MS Management Sciences, University Institute of Management Sciences, Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi, Pakistan

[Samikakar007@gmail.com](mailto:Samikakar007@gmail.com)

**Muhammad Saad Ullah**

Lecturer, Ibadat International University Islamabad

[saad.ullah@dms.iiui.edu.pk](mailto:saad.ullah@dms.iiui.edu.pk)

**Muhammad Rashid**

MS Management Sciences, University Institute of Management Sciences, Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi, Pakistan

[mrashidch247@gmail.com](mailto:mrashidch247@gmail.com)

### ABSTRACT

*In today's rapidly changing corporate environment, organizational innovation is critically crucial for success and establishing a competitive edge. Emotional intelligence is the ability to comprehend and successfully manage emotions, and it has a significant positive impact on corporate innovation. However, how a specific employee thinks and behaves may change how emotional intelligence affects innovation. The importance of emotional intelligence to innovation can vary depending on a variety of factors. These elements interact, supporting organizations in realizing that they must encourage the growth of emotional intelligence while also taking into consideration the unique features of individual employees to foster employee innovation, for this study data is collected from the banking sectors of Rawalpindi and Islamabad, which is quantitative and uses a sample size of 384. The finding of this study is, that emotional intelligence has a positive impact on organizational innovation, and employee traits also have a positive moderating effect on organizational innovation. the employee traits neuroticism and extraversion positively impact emotional intelligence and openness to experience quite negatively and conscientiousness and agreeableness have a strong negative impact on emotional intelligence.*

**Keywords:** Emotional Intelligence, Organizational Innovation, and Employee Traits.

### INTRODUCTION

In the rapidly shifting landscape of global business, the ability of organizations to innovate continuously is no longer a luxury but a necessity. Organizational innovation (OI)—defined as the implementation of new and useful ideas, products, services, or processes—is widely acknowledged as a key driver of competitive advantage, organizational adaptability, and long-term sustainability (Tidd et al., 2020; Damanpour & Aravind, 2012). While innovation was once viewed primarily through the lens of technology and R&D, current perspectives emphasize the critical role of human and psychological factors in fostering innovative capacity (Amabile, 1996; Anderson et al., 2014).

**Emotional intelligence (EI)**—the ability to identify, understand, regulate, and effectively use emotions in oneself and others—has gained significant attention as a determinant of individual and organizational performance (Goleman, 1998; Salovey & Mayer, 1990). In the context of innovation, EI enables individuals to collaborate, manage stress, navigate interpersonal relationships, and engage in creative problem-solving—skills that are crucial for generating and implementing innovative ideas (Kanesan et al., 2019; Carmeli et al., 2009). Research also suggests that emotionally intelligent leaders create psychologically safe

environments that support experimentation and learning from failure (George, 2000; Boyatzis et al., 2015).

However, the effectiveness of EI in driving innovation is not universal and may depend on **individual personality traits**. The **Five-Factor Model (FFM)**, also known as the Big Five, includes openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism—traits that explain broad patterns in behavior and emotional responses (Costa & McCrae, 1992; McCrae & Costa, 2020). For instance, individuals high in **openness to experience** tend to be imaginative and intellectually curious, making them more receptive to novel ideas (Zhao et al., 2010; Sung et al., 2009), while high **neuroticism** can lead to anxiety and emotional instability that hinder innovation (Judge et al., 2002; Gao et al., 2020).

The interplay between EI and personality traits is therefore essential to understanding how individuals behave in innovation-relevant situations. Despite this, **limited empirical research** has explored how employee traits **moderate the relationship between emotional intelligence and organizational innovation** (Zhou & George, 2003; Dong et al., 2022). Most studies treat these constructs independently, overlooking their potential synergies or conflicts. As a result, organizations may miss opportunities to align talent strategies with innovation goals.

In emotionally demanding sectors such as banking—characterized by customer-facing roles, fast-paced technological change, and a need for continuous service improvement—understanding these dynamics is particularly critical. Emotional intelligence is not only important for handling stress and building relationships but also for encouraging initiative and creativity in a tightly regulated environment (Alzoubi et al., 2021; Ruestow, 2008).

This study aims to fill the existing research gap by examining (1) the **direct effect of emotional intelligence on organizational innovation** and (2) the **moderating role of employee traits** within this relationship, drawing on the Big Five personality framework. Using quantitative data collected from employees in Pakistan's banking sector, this research provides empirical evidence to support more nuanced talent and innovation strategies.

The study's contributions are both theoretical and practical. Theoretically, it extends the literature on emotional intelligence and innovation by integrating personality as a contextual factor that can amplify or attenuate EI's effectiveness. Practically, it offers guidance for organizations seeking to recruit, develop, and retain employees who are not only emotionally intelligent but also dispositionally suited for innovation.

By understanding how personality traits interact with emotional intelligence, organizations can:

- Optimize hiring processes through personality and EI assessments.
- Tailor training programs to enhance both emotional and cognitive capabilities.
- Design workplace environments that support emotionally and psychologically diverse teams.
- Promote a culture of innovation grounded in emotional competence and individual differences.

Ultimately, this research underscores that innovation is not merely a structural or strategic phenomenon—it is a **deeply human process**, shaped by how individuals think, feel, and relate to one another.

## 2. Literature Review

### 2.1 Emotional Intelligence

Emotional Intelligence (EI) refers to an individual's ability to understand and regulate their own emotions, while also accurately interpreting and responding to the emotions of others (Peltier, 2011). It encompasses four key dimensions: self-awareness, self-management,

empathy, and relationship management (Tajpour et al., 2018). These competencies enable individuals to handle interpersonal relationships judiciously and empathetically, which is especially critical in today's dynamic work environments.

**Self-awareness** is the foundational component of EI. It involves the capacity to recognize and understand one's own emotions, thoughts, and behavior. Individuals with high self-awareness are aware of their strengths, limitations, emotional triggers, and behavioral responses, which enables them to make more informed and reflective decisions (Lage et al., 2022).

**Self-management** refers to the ability to control one's emotional reactions, manage stress, and remain composed and goal-oriented under pressure. It allows individuals to plan, prioritize, and execute tasks while maintaining emotional balance (Steiner et al., 2019). Effective self-management is associated with resilience and adaptability in the face of organizational challenges.

**Empathy**, often misunderstood as sympathy, is the ability to understand and share the feelings of others without necessarily having had the same experience (Sinclair et al., 2017). Empathetic individuals can anticipate others' needs and perspectives, facilitating better interpersonal dynamics and conflict resolution.

**Relationship management** entails the ability to maintain positive relationships through effective communication, conflict management, and influence. Individuals skilled in relationship management foster trust and collaboration, making them valuable in team settings (Khodyakov, 2014).

Collectively, these emotional competencies enhance not only individual performance but also the innovation potential of organizations. Employees with high EI contribute to a psychologically safe work environment where creative thinking and risk-taking are encouraged, thereby fostering organizational innovation (Goleman, 1998; Singh & Sharma, 2021).

## 2.2 Employee Traits

The **Five-Factor Model (FFM)** of personality, also known as the Big Five, identifies five core personality dimensions: openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism (Soto et al., 2013). These stable traits influence how individuals perceive, react to, and manage emotional experiences, thereby shaping the effectiveness of emotional intelligence in driving innovation.

**Openness to experience** is characterized by imagination, intellectual curiosity, and receptiveness to novel ideas. Individuals high in openness are more willing to embrace change, experiment with new approaches, and engage in creative thinking—traits that strongly complement emotional intelligence in promoting innovation (Gatzka et al., 2018; McCrae & John, 1992). Conversely, those low in openness prefer structure and routine and may resist innovative practices (Costa & McCrae, 1992).

**Agreeableness** reflects traits such as trust, kindness, and empathy. Highly agreeable individuals foster cooperative environments and avoid conflict, making them adept at maintaining harmony in teams. Their interpersonal sensitivity can enhance emotional intelligence, leading to improved collaboration and innovation (Soto & John, 2017). However, low agreeableness may result in competitiveness and interpersonal friction.

**Conscientiousness** involves responsibility, organization, and goal-directed behavior. Conscientious individuals are reliable, self-disciplined, and capable of following through on long-term projects. When paired with EI, this trait contributes to structured problem-solving and innovation implementation (Soto & John, 2017). Research shows that conscientiousness is positively correlated with job performance and persistence.

**Extraversion** is associated with sociability, assertiveness, and enthusiasm. Extraverts often thrive in collaborative settings and are effective communicators. Their tendency to seek stimulation and engage with others makes them well-suited for team innovation initiatives, especially when supported by emotional intelligence (Bakker et al., 2012).

**Neuroticism**, or emotional instability, is marked by anxiety, moodiness, and vulnerability to stress. High neuroticism may undermine the benefits of emotional intelligence by impairing emotion regulation and interpersonal effectiveness (Tokarz et al., 2022). However, with appropriate coping strategies, even individuals high in neuroticism can contribute to innovation by identifying potential risks and fostering vigilance.

Understanding how these traits interact with emotional intelligence offers a more comprehensive view of individual differences in organizational innovation. Organizations that account for personality traits when leveraging EI can better harness the diverse strengths of their workforce.

### 2.3 Theoretical Framework

The theoretical framework underpinning this study integrates **Human Capital Theory** (Schultz, 1960; Becker, 1964), which posits that investments in employee capabilities—such as emotional intelligence—enhance organizational productivity, and **Trait Theory**, which emphasizes the role of enduring personality characteristics in shaping behavior (Allport, 1931; McCrae & Costa, 2020).

In this framework, **Emotional Intelligence** is the **independent variable**, influencing **Organizational Innovation** as the **dependent variable**. The **Big Five personality traits** serve as **moderators**, either amplifying or attenuating the effect of EI on innovation outcomes. For instance, openness may enhance the creativity fostered by EI, while neuroticism may limit it due to emotional volatility

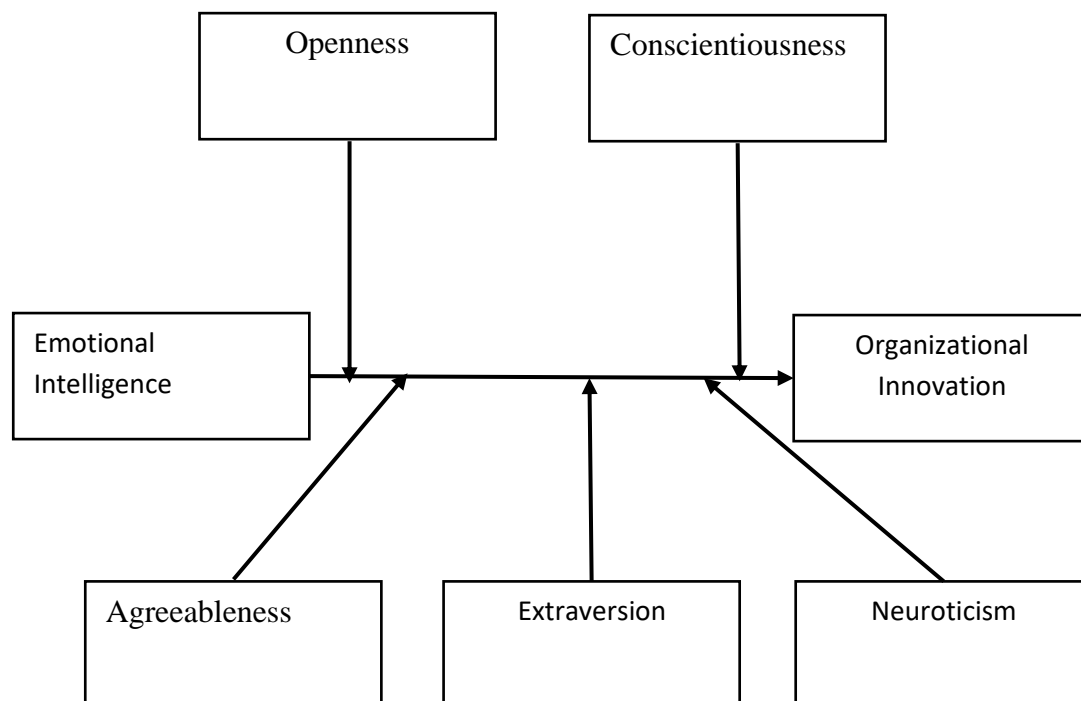


Figure 2.1: Framework

## 2.4 Hypotheses

- **H1:** Emotional Intelligence has a positive effect on Organizational Innovation.
- **H2:** Openness to Experience positively moderates the relationship between Emotional Intelligence and Organizational Innovation.
- **H3:** Conscientiousness positively moderates the relationship between Emotional Intelligence and Organizational Innovation.
- **H4:** Extraversion positively moderates the relationship between Emotional Intelligence and Organizational Innovation.
- **H5:** Agreeableness positively moderates the relationship between Emotional Intelligence and Organizational Innovation.
- **H6:** Neuroticism positively moderates the relationship between Emotional Intelligence and Organizational Innovation.

## 3. Research methodology

Research methodology is a systematic, theoretical analysis of the procedures used in a field of study. It is the theoretical examination of the corpus of methods and principles linked with a field of knowledge. In the context of this study, the methodology describes the exact procedures and techniques utilized to find, select, process, and analyze data regarding the variable under analysis.

### 3.1 Research Design

All questionnaires were distributed by responsible individuals inside the organization who had easy access to the respondents. Responsible personnel were those who were well-organized and knowledgeable with organizational procedures. The writers of this work identified these responsible people and instructed them in the study's approach. They were introduced by their managers as people who could connect researchers with the organization and had access to additional respondents. The completed questionnaires were returned immediately to the authors by responsible individuals. A survey methodology will be employed.

### 3.2 Research Philosophy

Positivism is an appropriate research theory for this particular topic. This strategy is perfect since it concentrates on quantifiable and observable phenomena, making it possible to use empirical data to examine how emotional intelligence affects organizational innovation. Openness, conscientiousness, neuroticism, extroversion, and agreeableness are some of the personality qualities that the study uses statistical approaches like correlation analysis and structural equation modeling to examine objectively. To produce trustworthy and broadly applicable conclusions regarding how

### 3.3 Research Variable

In this study, three types of variables include dependent variable, independent variable, and moderating variable. The dependent variable is organizational innovation, the independent variable is Emotional Intelligence, and the moderating variable is Employee trait.

### 3.4 Research Nature

The nature of the study is correlational. It explains the causes and effects and the relationship between Emotional Intelligence, Organizational Innovation, and Employee Traits.

### 3.5 Population of The Study

The population is the employees of bank sectors from the twin cities of Pakistan Islamabad and Rawalpindi.



### 3.6 Sampling Technique

Non-probability sampling technique, purposive sampling is used for this data. because it allows researchers to deliberately select participants who have specific qualities relevant to the study. For example, researchers can select employees noted for their innovative contributions or those with demonstrated strong emotional intelligence. Focusing on individuals who meet these criteria allows the study to produce more meaningful and insightful data on how emotional intelligence and certain employee attributes influence organizational innovation. This tailored strategy ensures that the sample is directly related to the study's aims, adding depth and significance to the findings.

### 3.7 Sampling Size

The sample size of the study is 384. Krejcie and Morgan's table reveals that a sample size of 384 is sufficient for researching the function of emotional intelligence in organizational innovation while taking into account the moderating effect of employee attributes. This sample size enables the study to capture a diverse range of opinions and experiences, making the results more accurate and applicable to a variety of settings. By incorporating 384 people, the study may better investigate how emotional intelligence and diverse employee attributes interact and drive organizational creativity, yielding valuable and generalizable insights (krejice et al., 1970).

### 3.8 Research Instrument

Table 3.1: Research Instrument

Variable name	Scale	Items
Emotional Intelligence	Adopted, 16-item WLEI scale proposed by Wong and Law (2002).	16
Organizational Innovation	Adopted Zahra's (1996) five items that cover the innovation aspects of Zahra's measurement scale.	05
Employee Trait	Developed by Mowen and Spears (1999).	26

### 3.9 Data Collection

The data is collected through a questionnaire consisting of various items of the Emotional intelligence (16) scale by wang & Law, organizational innovation (5) Zahra's (1996) scale, and employee traits (26) Developed by Mowen and Spears (1999). All questions will be close-ended questions with the use of a five-point Likert scale consisting of strongly disagree to strongly agree (disagree, neutral, and agree,). All questionnaires will be distributed and collected by hand and online from the banks in Islamabad and Rawalpindi.

### 3.10 Analytical Technique

Smart PLS and SPSS are used to analyze data. Structural Equation model techniques are applied to Reliability and validity checks to measure the goodness of measurements. All hypotheses are tested empirically.

## 4. RESULTS AND DISCUSSION

To perform data analysis in this study reliability, descriptive statistics, and correlation have been Performed, as to obtain results analysis of data is done. Data analysis in this study is performed to find out the role of Emotional Intelligence (EI) in Organizational Innovation (OI) along with the moderating effect of employee traits (ET).

#### 4.1 ASSESSMENT OF MEASUREMENT MODEL

A measurement model is a crucial part of Structural Equation Modeling (SEM) since it specifies the link between latent variables and their observable indicators. It focuses on how well the observed variables reflect the hidden constructs. Confirmatory Factor Analysis (CFA) is often used to validate the latent variable factor structure in the measurement model.

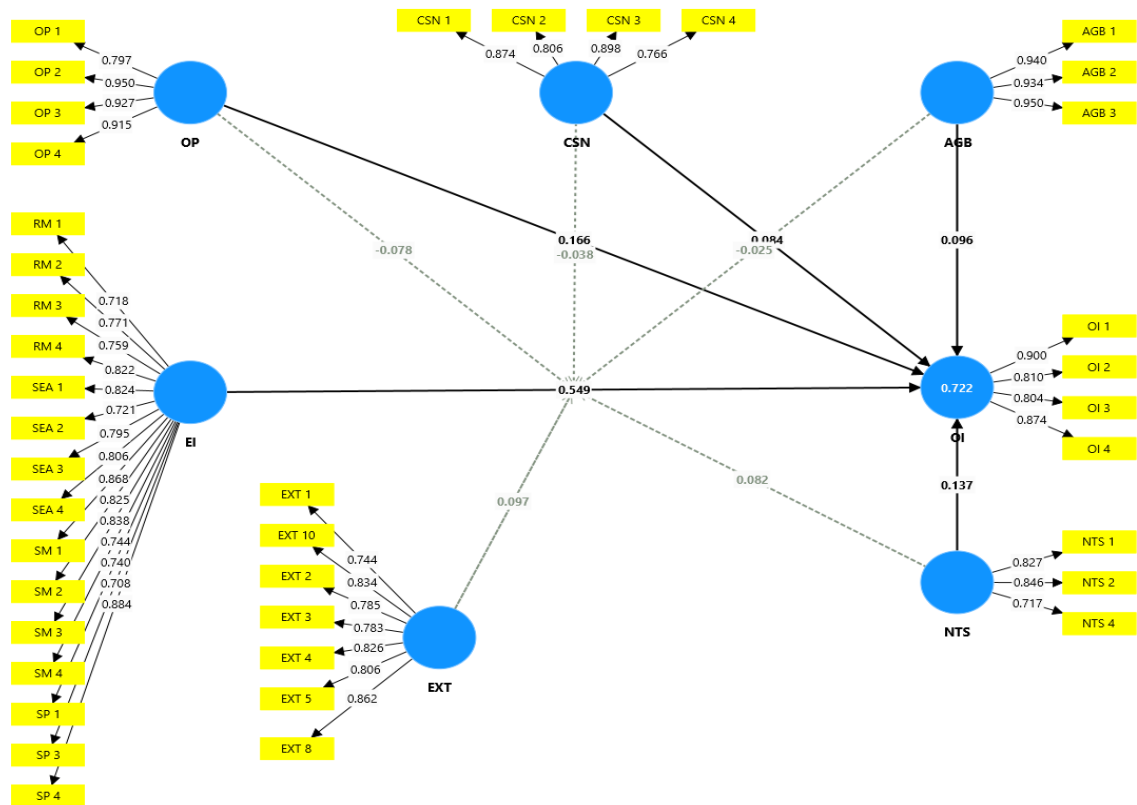


Figure 4.1: Measurement Model

Table 4.1: Final measurement model

	Cronbach's alpha	Composite reliability (roh_a)	Composite reliability(roh_c)	Average variance extracted (AVE)
EI	0.957	0.962	0.961	0.624
AGB	0.935	0.936	0.959	0.886
OP	0.923	0.966	0.944	0.809
EXT	0.892	0.904	0.917	0.650
OI	0.869	0.878	0.911	0.719
CSN	0.857	0.862	0.904	0.702
NTS	0.720	0.711	0.840	0.683

#### 4.2 Convergent Validity

Convergent validity is a type of validity that analyzes how well two or more measures of the same construct correlate with one another. In other words, convergent validity investigates whether alternative approaches to measure a specific idea or feature provide similar results. This form of validity is crucial in research since it contributes to determining the correctness and reliability of data collection measures. Convergent validity is important in research because it ensures that the measurements used address the same underlying construct. If many measures of a construct are highly associated, it indicates that they all

measure the same thing. This boosts confidence in the findings and enables researchers to draw more accurate conclusions.

#### 4.3 Cronbach's Alpha

A scale's or test item's internal consistency or reliability can be gauged using Cronbach's Alpha. It evaluates the degree of group relatedness among a set of elements. Better dependability is indicated by a higher value. **Cronbach's Alpha** is above 0.7.

#### 4.4 Composite Reliability

A metric used to evaluate the dependability of latent constructs is called Composite Reliability (roh\_a). It is comparable to Cronbach's Alpha but typically yields a more precise estimate, particularly in SEM. Composite Reliability (roh\_a) is above than 0.7.

#### 4.5 Composite Reliability (roh\_c)

The latent construct indicators' consistency is assessed using Composite Reliability (roh\_c). Since it takes into account the various outer loadings of the indicators, it is favored above Cronbach's Alpha in SEM. Composite Reliability (roh\_c) is above than 0.7.

#### 4.6 Average Variance Extracted (AVE)

AVE quantifies the degree of variation that a construct captures in comparison to the degree of variation brought about by measurement error. Greater AVE values show that the concept accounts for a larger portion of the variation in its indicators than does error. The average variance extracted is above 0.7. As indicated by high Cronbach's Alpha and Composite Reliability (roh\_a and roh\_c) values, the results demonstrate that all constructs (EI, AGB, OP, EXT, OI, CSN, and NTS) display good to exceptional reliability and internal consistency. Every construct's AVE value is higher than the permissible cutoff point of 0.5, meaning that the corresponding constructs account for a sizable percentage of the variance in the indicators. This implies that the constructs are well-defined by their indicators and that the measurement methodology is trustworthy.

#### 4.5 HETEROTRAIT-MONOTRAIT RATIO (HTMT)

Table 4.2: Heterotrait-Monotrait ratio (HTMT)

	AGB	EI	CSN	EXT	NTS	OI	OP
AGB							
EI	<b>0.302</b>						
CSN	0.196	<b>0.365</b>					
EXT	0.308	0.873	<b>0.387</b>				
NTS	0.132	0.166	0.216	<b>0.172</b>			
OI	0.191	0.35	0.465	0.757	<b>0.319</b>		
OP	0.220	0.141	0.270	0.189	0.138	<b>0.342</b>	

When using structural equation modeling, one way to evaluate discriminant validity is to calculate the Heterotrait-Monotrait ratio (HTMT). The level of distinction between a construct and other constructs is indicated by discriminant validity. Discriminant validity is generally deemed good when the HTMT value is less than 0.85, and some problems may arise when the value is greater than 0.90. Since the HTMT values are much below the 0.85 criterion, most pairs of constructs show high discriminant validity. Nonetheless, a few pairs approach or surpass this cutoff, indicating regions in which discriminant validity may be problematic.

EXT <-> EI (0.841): This value indicates that emotional intelligence (EI) and extroversion (EXT) are related yet still show acceptable discriminant validity. It is also quite close to the 0.85 threshold. OI <-> EI (0.835): There is a substantial correlation between Organizational Innovation (OI) and Emotional Intelligence (EI), as evidenced by the high HTMT values of both. It is still below the 0.85 cutoff, indicating good discriminant validity, though. OI <->



EXT (0.724): Although it is still within acceptable bounds, this is another relatively high HTMT result that shows a strong correlation between Organizational Innovation (OI) and Extroversion (EXT).

With the majority of values falling considerably below the threshold, the HTMT results generally support the discriminant validity of the constructs in the model. Given that some dimensions such as organizational innovation, emotional intelligence, and extroversion have greater HTMT values than others, it is important to investigate the links between these and other constructs. This result is consistent with theoretical predictions that suggest a close relationship between organizational innovation-specific personality traits and emotional intelligence.

#### 4.6 STRUCTURAL EQUATION MODEL

Structural Equation Modeling (SEM) is a comprehensive statistical technique for testing and estimating causal links based on empirical data. It combines features of component analysis and multiple regression analysis to investigate complex correlations between observable and latent variables. This is an overview of SEM and its main components.

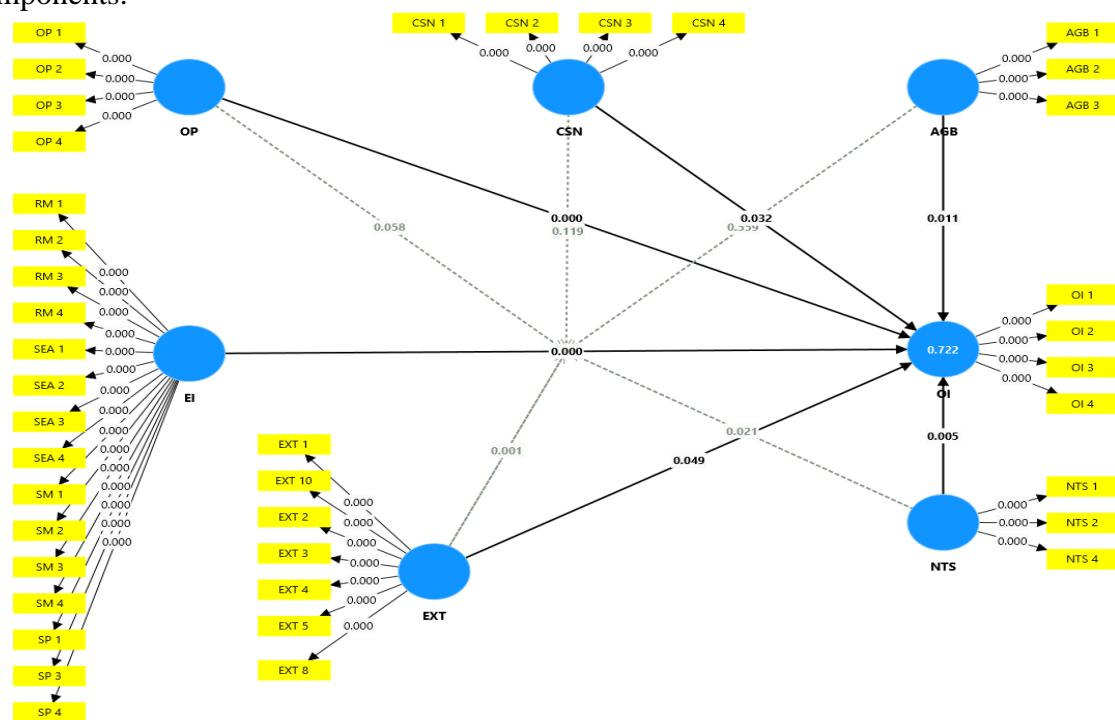


Figure 4.2: Structural model  
4.7 Path Coefficient

Table 4.3: Path coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
AGB -> OI	0.096	0.097	0.038	2.535	0.011
CSN -> OI	0.084	0.087	0.039	2.148	0.032
EI -> OI	0.549	0.553	0.070	7.879	0.000
EXT -> OI	0.103	0.092	0.052	1.970	0.049
NTS -> OI	0.137	0.138	0.048	2.835	0.005
OP -> OI	0.166	0.158	0.037	4.431	0.000
CSN x EI -> OI	-0.038	-0.038	0.025	1.559	0.119

AGB x EI -> OI	-0.025	-0.026	0.043	0.585	0.559
OP x EI -> OI	-0.078	-0.075	0.041	1.895	0.058
NTS x EI -> OI	0.082	0.075	0.035	2.310	0.021
EXT x EI -> OI	0.097	0.099	0.029	3.378	0.001

In a structural equation model, path coefficients are used to interpret the direction and intensity of interactions between components. The original sample (O), sample mean (M), standard deviation (STDEV), T statistics ( $|O/STDEV|$ ), and P values for various associations are all included in the data that is supplied. **AGB -> OI** (Agreeableness -> Organizational Innovation). Organizational innovation and agreeableness have a positive association, as seen by the positive path coefficient. This correlation is statistically significant, as shown by the T statistic being over 1.96 and the P value being below 0.05. **CSN -> OI** (Contentiousness -> Organizational Innovation). With a P value of less than 0.05 and a T statistic above 1.96, this link is also positive and statistically significant. **EI -> OI** (Emotional Intelligence -> Organizational Innovation). Given that the P value is somewhat below 0.05 and the T statistic is barely approaching the 1.96 threshold, this positive connection is only marginally significant. **EXT -> OI** (Extroversion -> Organizational Innovation). The low P value and high T statistic support the strong positive link indicated by the path coefficient, which also suggests that the relationship is highly significant. **NTS -> OI** (Neuroticism -> Organizational Innovation). The T statistic and P value show that this association is statistically significant, while the path coefficient points to a positive relationship. **OP -> OI** (Openness to Experience -> Organizational Innovation). A strong and substantial positive link is indicated by the low P value, high T statistic, and positive path coefficient.

#### 4.8 Moderating Effect on Emotional Intelligence

CSN x EI -> OI. Although the relationship is not statistically significant (T statistic < 1.96, P value > 0.05), the negative route coefficient indicates a negative moderating influence.

AGB x EI -> OI this negative path coefficient is not statistically significant. OP x EI = OI According to this, there may be a slightly non-significant negative moderating effect (P value is near 0.05). NTS x EI -> OI This shows a statistically significant positive moderating impact. EXT x EI -> OI the positive moderating effect is statistically significant (**P value:** 0.001). The path coefficients show that Organizational Innovation (OI) is significantly positively impacted by the majority of personality traits, including Agreeableness (AGB), Contentiousness (CSN), Emotional Intelligence (EI), Extroversion (EXT), Neuroticism (NTS), and Openness to Experience (OP). Organizational innovation is most directly impacted by emotional intelligence (EI).

Mixed results are found in the moderating effects of emotional intelligence on the associations between organizational innovation and personality factors. For Neuroticism and Extroversion, there are positive and substantial moderating effects; however, there are negative and insignificant effects for Agreeableness, Contentiousness, and Openness to Experience.

Overall, the results indicate that while emotional intelligence and personality traits both independently support organizational innovation, emotional intelligence's moderating effect differs depending on the personality trait.

## 5. DISCUSSION

The first objective of the study is: To analyze the relationship between emotional intelligence and organizational innovation.

Emotional intelligence (EI) has a substantial impact on organizational creativity by promoting a happy work atmosphere, improving communication, and increasing cooperation. Leaders and employees with high EI can better understand and control their own and others' emotions, resulting in enhanced conflict resolution, higher motivation, and a culture that encourages innovative thinking. This emotional awareness and management contribute to the development of trust and openness, both of which are required for innovative ideas to grow and be effectively implemented inside an organization. This objective has one hypothesis.

H1: Emotional Intelligence has a positive impact on Organizational Innovation.

The result of this hypothesis showed a positive relationship between emotional intelligence with organizational innovation. the hypothesis is consistent with (Tajpour, et al., 2018). (Andrabi,et al.,2020), (Ziaei, et al.,2022) and (Jegerson, D., et al .,2024).studies.

The second objective of the study is To assess the moderation role of employee traits on the relationship of Emotional intelligence and organizational innovation.

Assessing the moderating function of employee attributes in the relationship between emotional intelligence (EI) and organizational innovation entails investigating how human characteristics such as openness to experience, conscientiousness, agreeableness, extroversion, and neuroticism affect this dynamic. Employee characteristics can either enhance or reduce the influence of EI on innovation. Employees who are open to new experiences and highly flexible, for example, may improve EI's favorable benefits on creativity by being more willing to accept change and provide creative ideas. Employees with low adaptability, on the other hand, may resist new efforts, thus reducing the innovative benefits that high EI leaders and coworkers provide to the firm. This objective has 06 hypotheses.

H2: Openness to experience positively moderates the relationship between Emotional Intelligence and Organizational Innovation.

The result of this hypothesis Openness to experience negatively moderates the relationship between Emotional Intelligence and Organizational Innovation. the hypothesis is consistent with (Aziz, et al.,2017) and (Greenidge, et al.,2014) study.

H3: Conscientiousness positively moderates the relationship between Emotional Intelligence and Organizational Innovation.

The result of this hypothesis Openness to Conscientiousness negatively moderates the relationship between Emotional Intelligence and Organizational Innovation. the hypothesis is consistent with (Zhao et al., 2006) and (Sung et al., 2009) study.

H4: Extraversion positively moderates the relationship between Emotional Intelligence and Organizational Innovation.

The result of this hypothesis Openness to Extraversion positively moderates the relationship between Emotional Intelligence and Organizational Innovation. The hypothesis is not consistent with (Aziz, et al.,2017, consistent with (Greenidge, D., et al.,2014), (Dehghanan, H., et al., 2014) ) and (Dong, et al.,2022).

H5: Agreeableness positively moderates The relationship between Emotional Intelligence and Organizational Innovation.

The result of this hypothesis Agreeableness negatively moderates the relationship between Emotional Intelligence and Organizational Innovation. The hypothesis is consistent with (Walters 2021) and (Jafri,2020) and not consistent with (Aziz, et al.,2017) and (Dong, et al.,2022) study.

H6: Neuroticism positively moderates the relationship between Emotional Intelligence and Organizational Innovation.

The result of this hypothesis Openness to experience positively moderates the relationship between Emotional Intelligence and Organizational Innovation. The hypothesis is consistent with (Gatzka, T., et al., 2018), (Zhao, H., et al., 2006), (Dong, et al., 2022) and study.

This study examines the relationship between emotional intelligence and organizational innovation using different statistical tools like smart pls and SPSS. The study also tested the moderating effect of employee traits between emotional intelligence and organizational innovation. The result of this study showed a positive relationship between emotional intelligence with organizational innovation and a moderating effect of employee traits on organizational innovation. However, the moderating effect of employee traits on emotional intelligence is showed positive as well as negative effects. Extraversion and Neuroticism has shown positive effects and openness to experience, agreeableness and Conscientiousness have shown negative effects on employee traits and emotional intelligence.

The data analysis's findings emphasize the critical role that emotional intelligence plays in fostering organizational innovation and highlight the substantial contributions made by those with high emotional intelligence to the creation and application of novel concepts and procedures inside businesses. Furthermore, the study shows that this link is further influenced by a number of personality qualities, including conscientiousness, agreeableness, neuroticism, extroversion, and openness to new experiences. Interestingly, there is a positive and significant moderating effect between neuroticism and extroversion, suggesting that higher degrees of neuroticism or extroversion can increase the effect of emotional intelligence on innovation. On the other hand, conscientiousness, agreeableness, and openness to new things have less of a moderating influence. This suggests that whereas these characteristics are important, their impact varies and might not always increase the contribution of emotional intelligence to organizational innovation. The study's overall findings highlight the complex relationships between personality traits and emotional intelligence which promote the development of an innovative culture within organizations. These insights can be used to improve innovation strategies by developing emotional intelligence and understanding personality dynamics in targeted ways.

## 6. LIMITATION

Although there is strong evidence linking personality traits, emotional intelligence (EI), and organizational innovation, there are a number of vital limitations to take into account. First, the particular context of the research, such as concentrating mostly on particular industries or geographic areas, like Rawalpindi and the banking sector in Islamabad, may limit the generalizability of the findings. This restricts wider application in various organizational contexts. Furthermore, there is a chance of bias because people may not always accurately reflect their emotional talents or qualities when using self-report assessments to evaluate EI and personality traits. Furthermore, different organizational cultures, leadership philosophies, and external market situations may have different effects on the intricate interactions between EI and personality traits that division innovation, which calls for more thorough research. Additionally, although conscientiousness and openness are positive personality traits that are positively correlated with innovation, other traits like neuroticism or agreeableness may have negligible or mixed effects. This suggests that further research is needed to determine how these traits manifest in various innovation contexts. Last but not least, it is difficult to conclusively determine the causal directionality between personality traits, innovation and EI since it is not evident whether improved innovation results from greater EI or vice versa. It will be crucial to investigate various organizational contexts and employ rigorous research approaches to overcome these constraints to further

our knowledge and develop useful solutions for encouraging organizational creativity and innovation.

The study emphasizes the importance of EI in supporting organizational innovation, as well as the strong relationship between EI and personality traits such as extroversion and neuroticism. These findings suggest that firms should prioritize the development of EI alongside specific traits of personality in order to foster a culture that encourages innovation. Future research should explore additional variables, mediators etc influencing EI on OI.

## 7. CONCLUSION

This study concludes by highlighting the critical roles that personality traits and emotional intelligence (EI) play in fostering organizational innovation (OI) in the banking industries in Rawalpindi and Islamabad. Being competitive in this market requires being able to adjust to changing customer needs and market circumstances. The characteristics that make up emotional intelligence such as empathy, self-control, self-awareness, and interpersonal skills—become important indicators of organizational innovation. Higher EI people are better able to overcome obstacles, make wise choices, and encourage an entrepreneurial and creative culture inside their firms. Extraversion and conscientiousness exhibit strong positive relationships with both emotional intelligence and organizational innovation, out of the Big Five personality qualities that have been studied: neuroticism, agreeableness, openness to experience, and conscientiousness. This implies that those who are gregarious and diligent have a higher chance of making valuable contributions to creative projects. Complex relationships between personality factors and emotional intelligence are also revealed by the study. Strong positive moderating effects are shown by neuroticism and extraversion, suggesting that these characteristics enhance the influence of emotional intelligence on organizational innovation. On the other hand, agreeableness and openness to experience have varying or negligible moderating effects, which highlights the variety of ways in which different personality qualities affect the link between OI and EI. All things considered, including personality and emotional intelligence tests in company management plans can boost innovation initiatives. Through the identification of individuals possessing high emotional intelligence (EI) and attributes that align with them, such as conscientiousness and extraversion, businesses can cultivate conditions that support ongoing innovation and evolution. This study adds a significant understanding of how these variables interact to influence organizational results, especially in sectors where quick adaptability is necessary to stay competitive.

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