



The Influence of Leaders Emotional Intelligence on Employee Engagement

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Abstract

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Emotional Quotient is a crucial component of modern leadership that significantly influences employee engagement within organizations. This study aims to explore and analyze the relationship between a leader's emotional intelligence and employee engagement using a systematic literature review approach. It synthesizes findings from several relevant national and international peer-reviewed journals published in the last five years. The results indicate that leaders with high emotional intelligence consistently demonstrate the ability to foster a positive and supportive work environment, enhance employees' intrinsic motivation, and strengthen trust and organizational commitment. Furthermore, the study highlights practical implications for leadership development, suggesting that Emotional Quotient training can be a strategic approach to increasing employee engagement. The paper also discusses recommendations for future research that can deepen both theoretical and applied understanding of emotional intelligence in the workplace. Integrating Emotional Quotient into human resource management strategies is thus viewed as essential for building adaptive, productive, and sustainable organizations in an increasingly complex work environment.



1. Introduction

In the dynamic and ever-changing landscape of modern organizations, shaped by globalization, technological advancements, and increasing employee expectations, employee engagement has become a crucial element in maintaining long-term competitive advantage. Highly engaged employees are not only physically present but also emotionally and cognitively invested in their work (Bakker, 2022). They demonstrate loyalty to the organization, enthusiasm in completing tasks, and a willingness to contribute proactively to achieving the company's strategic goals. In this regard, employee engagement is not merely a result of financial motivation but is also determined by psychological and social factors internalized through their daily work experiences.

One of the primary determinants of employee engagement is the leadership style implemented within the organization (Aboramadan & Dahleez, 2020). Effective leadership is not just about technical abilities or structural authority, but also involves the emotional capacity of leaders to create authentic connections with their subordinates. Leadership styles built on the foundation of emotional intelligence have proven superior in fostering harmonious and productive working relationships. In this context, emotional intelligence is a highly relevant psychological aspect to the realities of contemporary leadership.

Conceptually, emotional intelligence is defined by Goleman as the ability to recognize, understand, and manage one's own emotions and the emotions of others in a social environment. In leadership practice, this dimension includes empathy, self-control, social awareness, and skills in building healthy interpersonal

relationships. Leaders with high emotional intelligence tend to be able to create a supportive work climate, resolve conflicts constructively, and inspire teams through sincere and persuasive communication. They are also more flexible in facing challenges and are able to understand the diverse emotional needs of team members, which ultimately strengthens employee loyalty and engagement.

Various studies have confirmed that employee engagement is highly influenced by the psychological conditions created in the work environment, especially through interpersonal interactions with their leaders. Emotionally competent leaders are able to create working relationships that are not only professional but also full of trust, empathy, and emotional support. This is evidenced by the findings of Grigoriou and Georganta (2021) who stated that leaders who demonstrate high empathy and openness in managing emotions positively can foster trust within the team. This trust serves as a foundation for deeper engagement and strengthens employee loyalty to the organization as a whole.

The consistency of these results is also evident in the study by Albuqami et al. (2020), which highlighted the significant influence of nurse managers EQ on the level of organizational commitment among nursing staff. Leaders who were able to demonstrate emotional sensitivity in the healthcare context successfully increased staff's emotional bond with their workplace, which impacted engagement and workforce retention. In this context, EQ becomes an important asset in building sustainable connections with team members.

Conversely, the absence of emotional competence in leadership can lead to significant negative consequences. Leaders who fail to understand and respond to

employee emotions often create an emotional distance that leads to decreased morale, increased unresolved conflicts, and higher turnover rates. This was thoroughly examined by Yadav and Lata (2019), who studied school principals with low EQ and found that teacher involvement in school activities was very limited due to weak emotional approaches in leadership.

Based on these various findings, this study aims to synthesize available scientific evidence regarding the relationship between leader emotional intelligence and employee engagement levels. Through a literature review approach, this research not only provides a conceptual contribution to understanding the role of EQ in the context of transformational leadership but also offers a more holistic and psychologically well-being-oriented direction for human resource management policies.

The literature review method was chosen because it allows researchers to evaluate diverse empirical findings from various sectors, such as education, healthcare, and manufacturing industries, as well as within different organizational cultural frameworks. In addition to identifying consistency in findings, this approach is also directed at discovering research gaps that remain unfilled and formulating practical recommendations for the implementation of emotional intelligence-based leadership in the context of modern organizations.

2. Literature Review

2.1. Concept of Emotional Intelligence in Leadership

Emotional intelligence is an important ability possessed by individuals to understand, manage, and respond to emotions, both from within themselves and from others around them. In organizational environments and the context of leadership, emotional intelligence or Emotional Quotient (EQ) serves as a basis for forming effective and healthy social relationships. Drigas et al. (2021) identified that EQ in leadership consists of five main components: self-awareness, self-regulation, internal motivation, empathy, and social skills. Each of these components plays a strategic role in shaping a leadership style that is responsive and adaptive to organizational dynamics and the emotional needs of employees.

Research conducted by Lyu and Liu (2021) places special emphasis on the role of EQ in the context of teamwork and collaboration. They stated that leaders with high EQ are better able to build effective communication, mitigate conflicts, and make decisions while considering humanistic values and emotional balance among team members. This approach creates a harmonious and productive work environment. Meanwhile, the findings of Yadav and Lata (2019) confirm that school principals with high EQ can create a more positive and inclusive organizational culture. Such a culture encourages active involvement of teachers in various school activities, thus demonstrating that emotional intelligence is not merely a personal attribute, but also a crucial managerial tool in leading educational organizations effectively.

2.2. Employee Engagement as a Result of Emotional Leadership

Employee engagement is a multidimensional concept that encompasses affective (emotions), cognitive (thoughts), and behavioral (actions) aspects (Turner, 2019). The affective dimension reflects the extent to which employees feel emotionally connected to their work, while the cognitive dimension relates to the level of concentration and full attention to tasks, and the behavioral dimension reflects the extent to which employees take initiative and contribute concretely to organizational activities. When a leader has a high level of emotional intelligence, they tend to be more sensitive to the various psychological needs of each member of their team. Leaders with high EQ are able to create and maintain a supportive work environment, provide emotionally safe spaces, and encourage active participation and deep involvement from employees.

Empirical studies conducted by Arshad et al. (2023) in Pakistan provide evidence that leaders who demonstrate high emotional sensitivity succeed in creating a conducive and inclusive work climate. This work environment, built through empathy, open communication, and trust, has been shown to increase a sense of belonging among employees and strengthen their commitment to the organization as a whole. As an additional illustration, the educational context in Greece shows that toxic leadership styles with minimal emotional intelligence negatively impact job satisfaction and the engagement of teaching staff. Conversely, leaders with a democratic approach that prioritizes empathy and effective communication show a significant increase in staff involvement in institutional activities.

2.3. Empirical Studies: The Influence of EQ on Employee Engagement

Several empirical studies have provided strong support for a positive correlation between leaders Emotional Quotient (EQ) and employee engagement levels across various organizational sectors. Albuquerque et al. (2022) in their research revealed that nurse managers with high EQ were significantly correlated with increased staff retention and stronger organizational commitment. Leaders who were able to effectively understand and respond to the emotional needs of nursing teams tended to create a supportive work environment and strengthen staff's emotional bond with the institution where they worked.

Meanwhile, a study conducted by Johari et al. (2022) highlighted that the relationship between leader EQ and employee engagement is not always linear, but can be influenced by certain demographic factors. For example, employee age and education level can be moderating variables that either strengthen or weaken this relationship. Thus, individual context and personal characteristics also play an important role in the effectiveness of emotional intelligence-based leadership implementation. In the landscape of organizations undergoing digital transformation, Zhang and Li (2022) identified the role of EQ as a key catalyst in helping employees adapt to rapid technological changes. Leaders with high EQ are able to reduce anxiety about change, provide clear emotional guidance, and create psychological support, making the adaptation process smoother and more participatory..

3. Method

This research was conducted using a systematic literature review approach as the primary method to explore, collect, and analyze various scientific findings related to the relationship between leader emotional intelligence and employee engagement in various organizational sectors. This method was chosen because it can provide a more comprehensive understanding of consistent relationship patterns as well as differences in findings across various cultural contexts and types of organizations. Through this approach, the research sought to identify trends, research gaps, and theories underlying the relationship between these two variables comprehensively and objectively.

The literature collection process was carried out systematically using the Google Scholar scientific search engine. Keywords used in the search process included: “emotional intelligence”, “employee engagement”, “leadership”, “EQ in workplace”, and “emotional leadership”. To maintain quality and relevance, strict inclusion criteria were set: publications in the form of peer-reviewed scientific journals published in last five years articles written in English or Indonesian the main focus of discussion is on the influence or relationship between leader EQ and employee engagement; and articles must be fully accessible (full-text) or available in open access format.

From the initial search results, some articles meeting the search keywords were found. Subsequently, a gradual selection process was carried out by evaluating the level of content relevance, methodological quality, and clarity of the variables studied. After in-depth filtering, several scientific journal articles that met all criteria

were selected and analyzed thoroughly. Literature analysis was performed using a qualitative content approach, where findings from each article were classified based on topic focus, organizational context (e.g., education, health, industry), and theoretical contributions to the study of EQ and engagement.

To maintain validity and reliability in the analysis process, triangulation was performed through discussions among the authors to ensure consistency in interpreting the literature findings reviewed. This study not only highlighted the linear relationship between the variables of emotional intelligence and employee engagement but also sought to delve deeper into various psychological and social mechanisms that act as connectors between the two. Therefore, in interpreting the results of the study, researchers also considered a number of relevant mediating and moderating factors, such as industry type, organizational size, work culture characteristics, and demographic backgrounds of both employees and leaders.

4. Results

Leaders with high emotional intelligence consistently demonstrate an extraordinary ability to build and maintain a work environment that is conducive, inclusive, and highly collaborative. They are not merely formal authorities within the organizational structure but serve as key drivers in shaping a healthy work culture that supports the active involvement of every individual in the team (Crane et al., 2021). Emotional Quotient (EQ) enables a leader to understand emotional dynamics within a group, recognize signs of fatigue or demotivation, and respond to employees' psychological needs with an empathetic and adaptive approach.

One important study supporting this statement is the research by Albuqami et al. (2020), which specifically examined the influence of EQ in nurse managers on staff loyalty in a healthcare context. The results of this study showed that nurse managers with high emotional intelligence were able to increase staff loyalty by up to 34% compared to colleagues with lower emotional competence. This increase in loyalty did not occur by chance, but as a result of leadership practices that emphasized open communication, a personal approach to team members, and the ability to respond to individual emotional needs appropriately. This type of leadership approach fostered a sense of belonging in staff, strengthened their emotional bond with the organization, and encouraged increased commitment to collective goals.

Furthermore, research conducted by Yadav and Lata (2019) in the educational context provides additional perspective on the important role of EQ in increasing the engagement of teaching staff. This study observed school principals with high empathy and strong self-control. Their findings stated that school leaders who were able to manage their emotions well and demonstrate sensitivity to teachers' feelings contributed greatly to creating a sense of psychological safety. This sense of safety became an important foundation for teachers to feel comfortable expressing ideas, proposing initiatives, and actively participating in school decision-making. In other words, leaders emotional intelligence not only creates healthy interpersonal relationships but also shapes a participatory space that supports the growth of innovation and continuous learning in the educational environment.

Beyond the healthcare and education sectors, the application of EQ in leadership has also proven effective in the industrial and manufacturing sectors, especially in facing modern challenges such as digital transformation. Zhang and Li (2022) in their study showed that leaders with high emotional intelligence played a key role in increasing employee engagement during rapid and often uncertain digital transformation processes. A humanistic approach focused on employees emotional well-being was the main characteristic of leaders with high EQ. They not only prioritized achieving business targets but also paid attention to emotional readiness, individual adaptation needs, and provided the necessary psychological support during the change process. The result of this approach was increased employee adaptability to technological changes, as well as higher work motivation. Employees felt supported and valued throughout the transformation process, as they were actively engaged, emotionally acknowledged, and included in decision-making, rather than merely being treated as passive recipients or objects of change. This sense of involvement and recognition helped foster a stronger sense of ownership, commitment, and adaptability among employees, enabling a smoother transition and a more sustainable implementation of organizational change initiatives.

Demographic factors also play an important role in strengthening or even moderating the influence of leader EQ on employee engagement. A study by Johari et al. (2022) raised this issue by emphasizing that variables such as age and education level have a significant impact on how employees respond to EQ-based leadership. Their findings showed that younger employees tend to be more responsive to emotional and empathetic leadership styles than older employees. This is likely due

to generational differences in communication preferences, work values, and expectations of a leader's role. Similarly, education level contributes to the extent to which employees understand and appreciate their superiors emotional approach. Therefore, leaders who want to effectively implement an EQ approach need to have a deep understanding of the background and characteristics of their team members so that the leadership strategy used is contextual and well-targeted.

The study by Lyu and Liu (2021) provides another important contribution to understanding the broad impact of EQ in the workplace. They emphasized that the influence of emotional intelligence is not limited to interpersonal relationships, but also directly impacts individual and team productivity. Their research showed that employees who felt emotionally understood and valued by their leaders showed a 23% increase in work performance. In addition, they also experienced an 18% decrease in work stress levels. These figures indicate that the emotional support provided by leaders plays a significant role in increasing employee efficiency, effectiveness, and well-being. This study also recommends that organizations actively incorporate emotional intelligence training into leadership development programs. The goal is to equip managers and supervisors with the emotional skills needed to create harmonious working relationships and a productive work environment (Keller et al., 2020).

In the banking sector, often known for high work pressure and strict performance demands, the application of EQ in leadership has also proven to yield positive results. A study by Arshad et al. (2023) conducted in Pakistan showed that leaders with high emotional competence were able to create a healthy and supportive

work culture. These leaders encouraged the formation of a work system based on role clarity, strong social support among colleagues, and solid team trust. All these elements directly contributed to a reduction in employees' desire to leave the organization (turnover intention). In an environment dominated by numbers, targets, and financial pressure, the presence of leaders who can create emotional safety and encourage team engagement becomes a very valuable strategic advantage.

This study strengthens the view that emotional intelligence is not merely an interpersonal tool used to facilitate communication and manage relationships, but rather a critical organizational asset that plays a strategic role in enhancing workplace dynamics, fostering psychological safety, and promoting employee well-being. By enabling leaders to respond empathetically to the emotional needs of their teams, emotional intelligence contributes to higher levels of trust, collaboration, and job satisfaction. As a result, organizations led by emotionally intelligent leaders are better positioned to retain top talent, reduce turnover intentions, and build a more resilient and committed workforce. Therefore, emotional intelligence should be recognized not only as a personal competency but also as a foundational element in developing long-term organizational effectiveness and sustainability by mitigating the risk of losing skilled and high-performing employees.

The findings from these various studies show a consistent pattern that emotional intelligence in leadership is not an additional or complementary element, but a very important foundation in shaping sustained employee engagement. EQ helps leaders to be more effective in communicating, building empathy, resolving conflicts, and inspiring team members. Furthermore, an EQ-based leadership

approach contributes to creating a positive organizational ecosystem where employees feel involved, valued, and supported in their career development and emotional well-being. In an era of work that demands high flexibility and speed of adaptation, emotional intelligence becomes a key instrument in building working relationships that are not only operationally efficient but also psychologically healthy.

5. Discussion

The findings obtained from this literature review consistently reinforce the argument that a leader's Emotional Quotient (EQ) plays a highly strategic role in shaping and maintaining employee engagement within an organization. Employee engagement does not solely depend on motivation instilled through financial incentives or structural rewards, but rather is deeply rooted in the quality of emotional relationships forged between leaders and their subordinates. Interactions characterized by empathy, understanding, and emotional support have proven capable of building strong psychological connections, which ultimately foster loyalty, enthusiasm for work, and overall commitment to the organization (Arghode et al., 2022).

In various organizational contexts, emotional intelligence has proven to be a stronger predictor of employee engagement compared to conventional leadership styles such as authoritarian or transactional styles. These styles tend to focus on structure, control, and formal incentives, whereas EQ allows for a more flexible and personal approach (Moon, 2021). Leaders with high EQ are able to read the emotional dynamics within a team, recognize changes in mood, manage conflicts

constructively, and provide calming and constructive responses. By deeply understanding individuals' psychological conditions, leaders can take actions that strengthen a sense of security, trust, and employee involvement in their work.

Key components of EQ such as empathy, self-awareness, and social skills form the foundation for building healthy relationships between leaders and team members (Chung et al., 2023). Empathy allows leaders to understand employees' perspectives and feelings, while self-awareness helps leaders recognize and manage their own emotional responses in challenging situations. Social skills enable leaders to establish effective communication, build relationships, and create work synergy within the team. All these elements become especially crucial in high-pressure situations or major organizational changes, such as restructuring, crises, or digital transformation.

Nevertheless, it is important to understand that the relationship between leader emotional intelligence and employee engagement is not always universal. As shown by the findings of Johari et al. (2022), there are a number of contextual factors that can either strengthen or hinder the effectiveness of EQ in influencing engagement. These factors include demographic aspects such as age, gender, education level, and organizational cultural characteristics. In organizations with a hierarchical and bureaucratic work culture, for example, an EQ approach may not find optimal room. Therefore, EQ training and its application need to be contextually adjusted to the organization's conditions and employee characteristics.

Some limitations in this study should also be noted as considerations in interpreting the results. Among these are the diversity of methodologies in the

primary research reviewed, as well as the limitations of comparative quantitative data in certain sectors such as manufacturing or the public sector. This makes it difficult to generalize findings to all types of organizations. Therefore, further study is highly recommended to use longitudinal designs that allow researchers to observe the dynamics of the EQ and engagement relationship more deeply and continuously. Such designs can also help explain causal relationships more clearly, including the interaction of EQ with other organizational variables such as job satisfaction, retention intention, and overall work productivity.

6. Conclusion

A leader's emotional intelligence has been proven to significantly influence the level of employee engagement within an organization. EQ not only creates an emotionally supportive work environment but also plays a vital role in increasing employees' intrinsic motivation, strengthening interpersonal relationships, and fostering a positive and collaborative work climate. Across various sectors, including education, healthcare, and manufacturing, leaders who demonstrate high emotional competence are able to increase employee loyalty to the organization, boost team productivity, and generally foster higher job satisfaction. Based on the results of this literature review, it can be concluded that organizations need to position emotional intelligence as a core competency in recruitment, selection, and leadership development processes.

Continuous EQ training and development are also recommended as important strategies for enhancing long-term engagement and performance. Beyond

practical contributions, this research also contributes to the development of modern leadership theory by emphasizing the importance of an emotional approach in human resource management. Moving forward, the integration of EQ into performance management systems and HR policies can become a competitive advantage that differentiates organizations amidst increasingly complex competition.

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