

## EMOTIONAL INTELLIGENCE: THE ENGINE OF TRUST AND INNOVATION IN THE MOST TRUSTED COMPANIES

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### Abstract

*In the face of fierce competition and rapid change, organisations are becoming increasingly aware that their long-term success depends not only on financial performance, but also on their ability to adapt and be resilient in the face of evolving challenges. In this sense, we bring to attention some ways in which EI (emotional intelligence) can support the development of values such as trust in the organizational culture and in this way, can support continuous innovation in companies. The integration of EI into the organizational culture is an important pillar in building an innovative and sustainable organization. The present study is focused around two main ideas, namely highlighting the increasing importance of EI in the literature and analyzing an international ranking (World Most Trustworthy). Based on WMT it aims to deduce whether and to what extent there is a direct relationship between EI and the level of trust in a company that could explain the performance achieved by such organizations.*

**Key words:** emotional intelligence; innovation; leadership; organizational culture; trust.

**JEL Classification:** O01

### INTRODUCTION

The world we live in today presents a very different reality from yesterday. The change we are witnessing is driven by rapidly evolving technologies and the constant demands of the market to transform. Under these conditions, an organisation's ability to adapt and innovate becomes essential to its long-term survival and success. In this context, integrating emotional intelligence (EI) into organisational culture can provide a strategy for companies aiming to remain competitive and thrive in today's business environment.

While innovation is most often associated with advances in technology and process issues, it is important to recognise that social innovation also exists and that both categories rely on the creativity of human resources. The ability of employees to navigate interpersonal relationships and to successfully manage relationships with colleagues is a factor underpinning the innovation process. In this context, the role of EI becomes evident, which is the ability to understand and manage both one's own emotions and those of others.

In this context this paper investigates the impact of integrating emotional intelligence into organisational culture and how this can catalyse the process of innovation and sustainable development. To this end, a bibliometric analysis according to the keyword criteria will be brought to the attention, with the idea of bringing to the fore how emotional intelligence is gaining a place in the business environment and growing as a topic of interest in the corporate agenda. As a result of this analysis will be highlight the potential influence of EI in leadership work, optimizing team communication and collaboration as well as promoting a healthy and motivating work environment.

It will also analyze the influence of an emotion-oriented approach on decision-making processes (all so-called rational decisions have an emotional underpinning) and how emotional intelligence can contribute to creating an organisational culture where creativity is encouraged and innovation is valued. Research will be deepened by presenting a ranking by the World's Most Trustworthy Company of the trustworthiness of companies in 23 industries. The companies ranked at the top will be selected, and a correlation will be proposed between their declared values and the elements of emotional intelligence that can be found among these aspects valued by the organization.

### I. THEORETICAL BACKGROUND OF LITERATURE REVIEW AND BIBLIOMETRIC ANALYSIS

The literature that has addressed the topic of emotions was initially aimed at disciplines such as philosophy and then psychology. Regardless of the branch that studied them, social, clinical or non-clinical the discipline of psychology held the monopoly in terms of researching the topic of emotions. The early 1990s was a revolutionary point in this respect, with the contribution of psychologists John Mayer and Peter Salovey, who proposed an

intelligent way of managing them by introducing the term emotional intelligence. They theorised and contributed to the definition of this construct, thus bringing to the fore a new way of looking at the world through a dual approach to this concept (emotional and cognitive).

Although they admitted that their perspective is not original and drew inspiration from Gardner's work on Multiple Intelligences, the two psychologists argued that monitoring one's own emotions and the ability to discriminate between them has the capacity to support and guide thinking (Salovey & Mayer, 1990: p. 189). They believed that an effective combination of the two components of personality, the cognitive and the emotional systems, would not only remove the sabotage between them, but also make them mutually supportive, thus marking a constructive intersection (Mayer & Salovey, 1995: p. 197).

A look back to the origin of this idea brings to mind a combination of the elements of interpersonal and intrapersonal intelligence proposed by Gardner (2018: p.121). The ability to notice a change in the mood of others (interpersonal intelligence) and the ability to self-awareness through understanding a wide range of emotions (intrapersonal intelligence) are the framework on which Salovey and Mayer built the concept of emotional intelligence. Independently of their views, psychologists Bar-On and Parker (2008: p.364) have proposed their own model of social-emotional intelligence, consisting of intrapersonal and interpersonal competencies that, combined together, lead to effective social behavior.

The concept of emotional intelligence was accepted by the scientific world thanks to the efforts of Salovey and Mayer but its popularization outside academic frontiers was due to Goleman (1995: p.15). His and other researchers' work on this topic has focused on issues such as self-awareness, self-control, social awareness, relationship management skills (Goleman, 1995: p.19, Bradberry, 2023: pp.50-53, Chernis & Adler, 2023: pp.13-29; Igboke et al., 2023: p.43) and self-control (Goleman et al., 2005: p.75). It was also he who revealed the impact of emotional intelligence on the business world and made known the statement of the management magazine Harvard Business Review, which appreciated the concept as a revolutionary perspective that will open new horizons (Goleman, 2021: p.9).

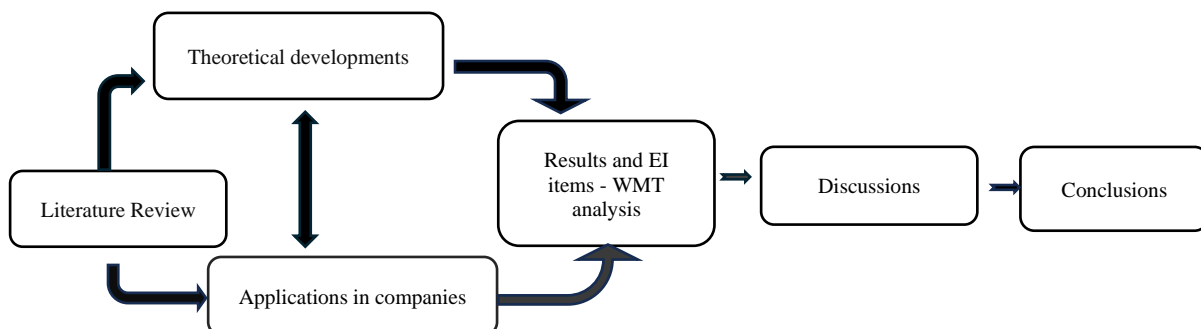
These authors have contributed to the recognition and understanding of the importance of emotional intelligence in a variety of areas, from education and leadership to mental health and professional success. Thus, they have helped to consolidate the concept of emotional intelligence as a field of study in its own right that has found application in various aspects of life.

Regarding the term organisational culture, it is a set of beliefs, values and norms that a particular group has identified and developed to address and resolve issues in the workplace. These assumptions were discovered, invented or developed in the group's learning process and have been validated through their effective functioning in the past (Schein, 1983: p. 1). Due to the positive results obtained from their integration and assimilation into organizations, they have been validated and then passed on to new members of the organization. In this way, the practiced values were seen as the correct way to perceive, think and feel about those issues and these basic assumptions became part of the organizational culture, influencing individual and collective behavior and decisions within the organization.

The study was based on 2 hypotheses:

*H1* – Over the last two decades there has been a huge increase in interest in EI and management concepts such as leadership, culture, innovation, and all assessments show that this trend will continue in the future.

*H2* – Each of the 5 components of EI can directly/indirectly support the introduction of positive values such as trust into the organizational culture, which in turn supports innovation and sustainable development of the organization. The studies to date show that EI can become a factor in transforming organizational culture, but this remains dependent on the influence of other factors such as the type of leadership, the period the company is going through, political or socio-economic factors, existing market trends, etc.



**Figure 1.** The flow chart of the entire study.

Source: prepared by author



Due to the increasing interest in a particular topic, it will be the focus of attention of many researchers who, wishing to deepen their research, will use in their search's words specific to the field under investigation, words that will be labeled keywords (Olvera et al., 2018). This type of keyword search is also the most common, since the keywords specific to a discipline will return the most representative answers for the subject addressed.

In order to perform the bibliometric analysis, the Web of Science (WoS) database collection was consulted, and the following search equation was used: Subject: "emotional intelligence". Then, the search was refined by document type "Article" and "Article review" category "Business" and "Management" by "most cited" articles and resulted in 1,720 papers. Of these, only those related to leadership were selected from the top 20 results (Annex 1). The time period resulting from these selections ranged from 1999 to 2019 and the large number of articles shows that interest in EI and leadership activity has grown exponentially.

Figure 2 shows that the most widely used of the keywords is the concept "emotional intelligence", represented by the larger, centred, red circle. At the same time, there are a number of returned terms that are specific to the business environment, i.e. management, workplace, behavior, decisions, decisions, innovation, impact, consequences, etc. These terms are not individual but have a built in relationship with EI (Emotional Intelligence) which is the key word, a relationship that is called the node. The consistency of the nodes between EI (emotional intelligence) and other business-specific keywords is weaker or stronger depending on the thickness of the link shown by the figure. Each keyword is representative of a certain portion of a topic, therefore the colour of the circle representing it covers a specific theme (cluster). A link is thus made between these nodes, through a co-appearance in the same material, while the thickness of the link shows how many times they appear together concurrently.

The conclusion that emerges from this bibliometric analysis is that there is interest in making a correlation between IE and managerial practices in organisations. Terms specific to the business world (management, workplace, behaviour, decisions, innovation, impact, consequences) have built relationships with IE, in that they have found their place together in various researches that have aimed at employee performance and work process efficiency.

### III. RESEARCH RESULTS

#### 4.1 The building blocks of IE – implications

Change is an inevitable and constant process in every individual's life that involves moving from a familiar and comfortable zone to a new, unknown one. This process is present in all areas of life, whether personal or professional concerns. In order for a company to remain relevant to its customers, there is a constant need to re-evaluate and redirect the business, and thus to change (Drucker, 2001: p.16). Workplaces are spaces where unexpected events such as changes in the socio-economic environment or changes of a technological nature come without prior warning. Depending on the context and level of awareness, change can be perceived in different ways. Employees with high emotional intelligence will see it as an opportunity for growth, improvement and innovation, while employees with low EI will see it as a threatening challenge and view it with concern. Regardless of how it is perceived, change can have a significant impact on individuals, organisations and society as a whole.

**Table 1.** The role of EI in managing change and sustainable development

No.	Elements of EI	How to manifest in change management
1.	Self-awareness	Awareness of one's own emotions is the ability to identify the emotion that is being felt at a given moment. Depending on its polarity, one can bring the emotional information into conscious awareness and manage it effectively (negative emotions need to be investigated further).
2.	Emotion regulation	The ability to alchemise a negative emotion by transforming it into a positive or at least neutral one. Helps maintain emotional balance and manage emotional reactions to change effectively.
3.	Empathy and understanding others' perspectives	Empathy involves the ability to understand (cognitive empathy) and feel (emotional empathy) what those around us feel. This becomes essential in managing change and promoting sustainable development. By cultivating empathy, leaders and team members can create an environment in which all participants are listened to and understood, which facilitates adaptation to change and the ability to develop sustainable solutions.
4.	Social skills - Effective communication, collaboration	In the context of change and sustainable development, communication and collaboration are essential elements in an organisation. They help to build relationships of trust and respect, which facilitates collaboration between the parties involved in an action and promotes the exchange of ideas and innovative solutions. Effective communication is an element of EI and encourages cooperation.
5.	Resilience and adaptability	The ability to cope with failure, learn from it and adapt to change is important in managing change and promoting sustainable development. EI helps develop emotional resilience (the ability to return to an emotionally stable state after a potentially disruptive situation) and cognitive flexibility, enabling individuals and organisations to adapt quickly to change and remain effective in the face of challenges.

Source: prepared by the author on the basis of EI elements identified by Goleman (1995)



As a result of the aspects presented, it is essential that within each organisation there is a leader or supreme authority with the ability to make quick decisions and enforce compliance. In critical situations that arise due to rapid change, each employee must know that they can count on a clear command and hierarchical structure that ensures collective survival and success (Drucker, 2012: p.11). Although it was generally agreed that good decisions are made on the basis of logical reasoning, emotions are an indispensable element in making optimal decisions and a support in coping with change (Caruso & Salovey, 2004: p.9).

Studies have shown that the higher the hierarchical position, the greater the ability to emotionally influence a group (Kelly et al., 2001: p.99). By appealing to EI, managers can keep themselves emotionally stable in situations that may create panic, are inspired to seek and find additional information in order to reorganize in the face of changes that occur, and the new is not perceived as a threat. These managers have made a habit of reflecting and taking the time to analyse the stimuli coming from the external environment and only then choosing how to respond in a new situation. Effective managers are flexible in their thinking and actions, they are not reluctant to change, on the contrary they are adept at it (Segal, 1999: p.145).

Due to the importance that leaders have in an organization, it can be argued that their role is also to facilitate the creation of the conditions that enable innovation by introducing new practices and processes that support this action. New elements have the potential to create resistance from employees used to a certain routine at work. Repetitive processes create comfort and predictability, and the appearance of a new practice can be resisted because change can bring a sense of anxiety and fear. The leader's role is to introduce the elements of novelty in a way that allows employees to question the effectiveness of present practices, open up to new ones, make sense of them and even excite them (Vaccaro et al., 2012: p.39).

The Emotional Intelligence (EI) perspective in change management and sustainable development is increasingly recognised as essential in a world characterised by complexity and accelerating change. The role of EI in this context is to develop the emotional skills needed both to manage change effectively and to sustain professional performance (Dasborough, 2022: pp. 2-3).

From what has already been analysed in the study, H1 is confirmed as an interest in exponential growth from a theoretical point of view.

#### 4.2. WMT (World Most Trustworthy Company) ranking analysis

To find the world's most trustworthy companies, Newsweek and global data research firm Statista conducted an extensive survey of more than 70,000 participants, gathering 269,000 ratings of companies that people trust as customers, investors and employees. They listed 1,000 companies in 21 countries and 23 industries from February to May 2023. The WMT+ based assessment based on AR (Annual Report) 2023 is summarized in Table 2:

**Table 2.** Summary by WMT (World Most Trustworthy) in 2023

No.	Company name, country, sector	Ranking position	Values reported by the company in AR 2023	Observations and interpretations
1.	Samsung, South Korea, Appliances and Electronics,	1/40	People (Quite simply, a company is its people), Excellence, Change, Integrity, Co-prosperity.	EI: Focus on human resources and human virtues.
2.	BCA, Indonesia, bank	1/67	Customer focus, Teamwork (Interaction and synergy, based on deep understanding toward others and oneself, to achieve organization purposes), Integrity, Continuous Pursuit of Excellence.	EI: collaboration, self-understanding and understanding of others, virtues.
3.	Adtalem Global Education, USA, Business & Professional Services	1/28	Our Mission: We provide global access to knowledge that transforms lives and enables careers. Vision: To create a dynamic global community of lifelong learners who improve the world. Purpose: We empower students to achieve their goals, find success and make inspiring contributions to our global community.	EI: encouraging the achievement of potential.
4.	Samsung SDS, South Korea, Conglomerate	1/15	The mission of Samsung is: Supporting people to be their best (On the basis of human resources & technologies).	EI: creating an environment where potential is fulfilled.
5.	Etex, Belgium, Construction	1/22	Our purpose, Inspiring Ways of Living, underpins everything we do. We want to inspire people around the world to build living spaces that are safe, sustainable, smart and beautiful.	-
6.	Howdens, UK, Consumer Goods	1/52	We do what we say, and we rely on each other to do exactly that, every single day.	EI: Integrity-aligning what I say with what I do.

7.	Transalta, Canada, Energy & Utilities	1/55	Customer needs: We meet our customers' needs for safe, low-cost and reliable clean electricity. Shareholder value: We increase shareholder value through our portfolio of high-quality electricity facilities that deliver stable and predictable cash flows. Our people: We acquire, develop, nurture, and maintain a talented workforce that operates with a focus on excellence.	EI: creating a work environment conducive to the development and retention of valuable employees.
8.	Nationwide Buildind Society, UK, Financial Services & Investment	1/62	Value-Helping more members achieve their financial ambitions and providing better value to our members. Attracting, developing and retaining talent. We look to recruit the right people with the right skills and values.	EI: recruitment and selection of staff that aligns with company values (development, growth).
9	Ottogi, South Korea, Food & Beverage	1/82	Corporate philosophy-Mission statement-better <i>quality</i> , higher <i>nutrition</i> and <i>advanced food</i> , we contribute to the improvement of the diet of the human race.	
10	TescoTesco,UK,Grocery &Convenience Stores	1/16	Our core purpose: Serving our customers, communities and planet a little better every day. We treat people how they want to be treated: Work as a team, Trust and respect each other, Listen, support and say thank you, Share knowledge and experience.	EI: collaboration (teamwork), listening and support.
11	Cochlear, Australia, Health Care & Life Science	1/53	Our Mission: We help people hear and be heard. We empower people to connect with others and lead a fulfilling life.	-
12	Samsung Life Insurance, South Korea, Insurance	1/31	Our business concept is rooted on human nature - the love for family; Values: Customer, Pofessional, People, Challenge,Communication.	EI: good communication.
13	Fanuc,Japan, Machines & Industrial Equipment	1/36	From the viewpoint that human resources are most vital for mid-to-long term growth, improvements in the work environment and motivation of employees are considered important topics to be addressed. In addition, looking towards the future, FANUC strongly invests in human capital to employ necessary people and educate employees. Through such efforts, human capital is continuously enriched.	EI: growth and development of employees.
14	Cemento y Concreto Moctezuma, Mexico, Materials & Chemicals	1/63	We consider the Well-being of Other Groups: "The sustainable development satisfies the needs of the present, without compromising the capacity of future generations to satisfy their own needs".	
15	Nintendo, Japan, Media & Entertainment	1/25	Originality, Flexibility (We must respond flexibly to changes by thinking outside the box and not simply relying on common sense or what has worked in the past.), Sincerity (accumulating trust can create great change.)	EI: adaptation to change, flexibility.
16	Deceuninck, Belgium, Real Estate & Housing	1/18	Trust: we trust each other mutually and embrace transparency; Top Performance: we say what we do and do what we say; Entrepreneurship: we make decisions and take ownership.	EI: alignment between what I say and what I do, integrity.
17	M&S, UK, Retail	1/73	Our Vision: We know the retail industry is changing. At M&S we're excited to be leading the way. It means we're changing how we work and offering exciting opportunities where curiosity is valued.	EI: enthusiasm for change.
18	Naver, South Korea, Software & Telecommunications	1/43	NAVER's competitive edge, TEAM NAVER, is made up of domestic and international divisions in various fields that work as a team to achieve constant challenges and growth.	EI: teamwork, cooperation, growth and development.
19	Samji Electronics, South Korea, Technology Hardware	1/38	Conord, Truthful,Creative - Growth to through substantial management.	EI: encouraged growth from top level.
20	Tod's, Italy, Textiles, Clothing & Luxury Goods	1/48	Welfare, protection and valorisation of people and their uniqueness; Traceability and sustainable supply chain; Protection of the environment and ecosystems Ecodesign and circularity; Solidarity towards communities and territories; Supporting the cultural and artistic heritage.	EI: employee empowerment.
21	JR Central , Japan, Transport, Logistics & Packaging	1/41	A Corporate Philosophy that is realized through the thinking and actions of each individual—Contributing to the creation of a sustainable society (We, deepening mutual understanding and respecting each individual, will strive to create a company at which employees find job satisfaction and in which they take pride).	EI: respect for the personal values of each individual.

22	IHG Hotels & Resorts, UK, Travel, Dining & Leisure	1/29	Our purpose of True Hospitality for Good being the hotel company of choice for guests and owners; and introduced new behaviours to sharpen our mindset for success and accelerate our growth by capitalising on what we have built.	EI: openness to new ways of thinking and new habits.
23	Brembo, Italy, Vehicles & Components	1/63	Ethics, quality, valorisation, proactivity and belonging are the 5 principles covered by the Brembo Value Card, the tool used to indicate definitions and behaviour that corresponds to each of the company's corporate set of values.	EI: pro-active, value and ethical behaviour.

Source: Prepared by the author based on WMT

The analysis based on AR and WMT rankin shows aspects such as:

- There is no direct relationship between trust level and company performance in the sense that some companies that are extremely well known at the international level (Apple, Inte, Microsoft, Amazon, etc.), may or may not be found in this ranking;
- Only some of these companies are included in the Boston Consulting Group's study of the top 50 most innovative companies in the world (most of them are from the USA);
- Based on the AR it appears that these companies included in the WMT express trust and 2-3 other key values and that together suggest that their leadership focuses on EI (it is not possible to quantify, however, to what extent EI then supports over time the increase in trust and the development of other positive values);
- Explicit use of EI provides a potential direction in leadership in attempting to build a culture that supports top organizational performance, with the observation that not all companies at the top of their field value this ability (the "Comments" column in the table is not completed for these companies);
- Even though emotional intelligence is not explicitly mentioned in company values, elements of it are found in what Mayer and Salovey have termed mixed models of E : understanding and personal growth, understanding oneself and creating good relationships with others (Mayer et al., 2012: p. 404), relationship management (Bradberry & Greaves, 2009: p.38), behaviour improvement (Goleman, 1995: p.15), open communication (Goleman, 1995: p. 242). In these circumstances, it can be concluded that IE is an important value in the portfolio of values declared by the leading companies in their industry.

#### IV. DISCUSSIONS AND INTERPRETATIONS

##### *4.1 Potential role of IE in leadership*

Lately, a growing number of researchers have turned their attention to emotional intelligence in a desire to make a connection between it and the innovation process in organisations. Studies conducted so far have revealed the role of EI both in leadership activity, which has the potential to lead to new ideas, and in achieving positive team outcomes through collaboration between employees.

What has been consistently looked for in research on leadership has been to identify those qualities that make a manager a great leader. Following this path, several elements were identified, but the vast majority of the information centres in the area of leadership, motivation and directing team enthusiasm towards a common goal. Other aspects identified were the ability to listen attentively, honestly and with a willingness to understand what is being communicated, the ability to be self-aware and empathetic to the situations presented, the consequences of these actions being the healing and growth on a personal level (capacity for awareness, spiritual development) as well as professionally (persuasion, foresight) of subordinates (Barbuto et al., 2006). A leader who is self-aware and interested in the growth and development of themselves and their subordinates has the ability to develop mature relationships first with themselves and then with their team (Mayer et al., 2012: p.404). The self-awareness he has access to through developing EI allows him to not see focusing on emotions as a weakness or vulnerability (Caruso & Salovey, 2004: p.13) because he is aware that emotions do not sabotage the cognitive process but, on the contrary, are a supporter of it (Mayer et al., 2008: p. 504).

Other studies mention leader intelligence (Judge et al., 2004), and the ability to create a climate of trust and cooperation, in which ideas have flexibility (Segal, 1999: p. 145), so that change is not perceived as a threat (George, 2000), as well as conscientiousness and the ability to influence others (Müller & Turner, 2010).

##### *4.2. Other potential implications of IE for firm-level innovation and development*

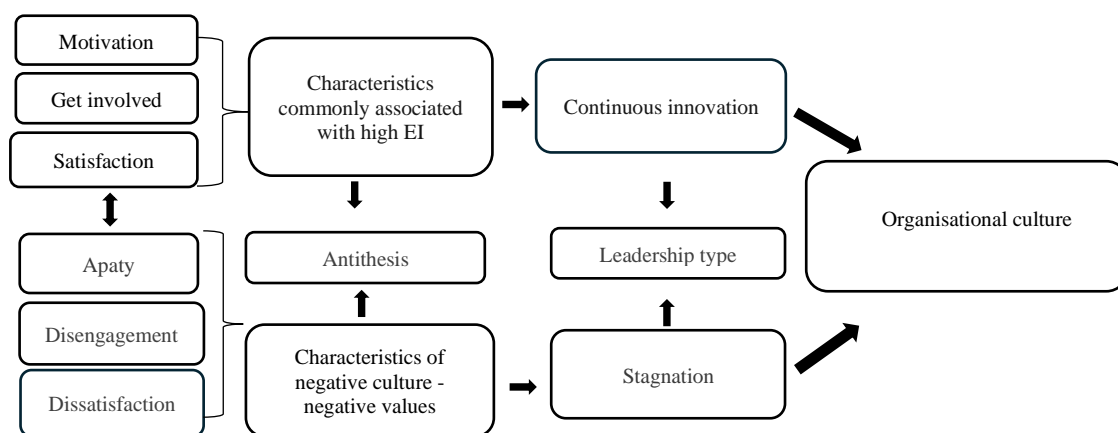
Innovation is considered as a process of introducing new ideas, concepts, products, services or processes that add value and contribute to the progress of an organization, or society in general. An innovative element can also result in an improvement of the current situation (product or process) and has the potential to make a difference between competing firms. Innovation thus becomes a fundamental element because it offers a different

way of solving a problem from the usual perspective. The purpose of an innovative element is to increase the efficiency of the organisation, either by reducing the resources used to obtain a unit of profit or by increasing the result obtained by using the same amount of resources.

In a market economy it is necessary to create these new ideas (Somech & Drach-Zahavy, 2013), leading to the generation of new revenues through innovative products and services. But as not every new idea is an innovation (Downs & Mohr, 1979: p.388), it remains up to the leader to "see" the innovative potential in every new concept that employees emit. Under the leadership of a leader with EI, each employee has the opportunity, to come up with one or more ideas, which will be evaluated, modified or combined with others given by colleagues. In the end, the ideas that will have the greatest potential and will be considered the most suitable for the organisation will be implemented (Zhou & George, 2003). Selecting one idea over another idea proposed by another colleague can create tension, which can lead to negative emotions such as frustration and irritation. In this way you can see how an emotionally intelligent leader understands the emotions that employees experience in this situation and has the inspiration to channel them into creating opportunities to improve an idea, not sabotage it. In addition, he can help subordinates whose ideas have not been selected not to view another colleague's win as a personal defeat and to share in the team's joy of having an innovative idea. At the same time, a leader who is self-aware focuses on what that employee did well and how his or her idea can be improved, not just on giving negative feedback (Goleman, 2016: p.67).

An interesting point made by researchers was the idea that creative potential is a specific aspect of all people, and that as employees they should be guided in the direction in which it manifests itself (Jing & George, 2003). It was also considered that a leader whose emotional intelligence is high has the ability to identify this potential in each employee and "awaken" it. When the ability to be creative is triggered, it influences the innovative climate, which becomes conducive to the creation of new ideas. This occurs due to the fact that a combination of the creativity of team members leads to the creation of a climate conducive to the emergence of innovative ideas and increased cooperation between them by reducing the potential for conflict (Somech & Drach-Zahavy, 2013: p.1). Avoiding conflict by appealing to emotional intelligence helps employees to manage their emotions because it gives them the tools for a direct and constructive conversation and does not put them in a position to passively avoid clarifying an issue (Bradberry & Greaves, 2009: p.38).

A leader who is interested in how employees feel and prioritizes their emotional well-being is rewarded by their active and constant involvement in the organization's activities, as a result they become more effective (Eva et al., 2019). Also, when the leader shows a genuine interest in employees' well-being, they feel that they are listened to and that their concerns are taken seriously. This can create a climate of trust and support in the team, where even the timidiest employees are more open to expressing their ideas. As a result, they will become more motivated to get involved in the activities and the results will reflect this through innovative products/services. Research has found that there are a number of "positive factors" and by antithesis some negative factors can be identified, which are reflected on the innovativeness in firms (directly or indirectly). Their analysis would partly explain the potential influence of the level of EI that the CEO and his team have on the type of leadership applied, which consequently, is then reflected on the values at the core of organizational culture. Figure 3 shows this influence schematically, and the table that follows this figure provides details on how these factors influence innovation in firms.



**Figure 3.** Potential influence of EI on leadership and organisational culture

Source: prepared by the author after Bradberry & Greaves (2009), Drucker (2001) and Goleman (1995)

To facilitate understanding of Figure 3, the table below shows how these positive and negative emotions can influence innovation in firms.



**Table 3.** "Positive" and "negative" factors that influence innovation in firms

No.	Type of emotion	How emotion influences the employee at work
1.	Motivation	Motivation refers to the ability to manage your emotions to achieve your goals - clear goals, maintaining discipline and enthusiasm in difficult situations
2.	Involvement	The ability to be present and engaged in workplace activities and the ability to connect with others in an authentic and empathetic way
3.	Satisfaction	The state of contentment and happiness resulting from emotional and mental achievement and fulfillment due to the alignment of one's goals and values with those in the job description
4.	Apathy	A state of indifference/lack of interest and emotional involvement that can affect a person's ability to connect with others and achieve personal and professional goals.
5.	Disengagement	Emotional and then physical withdrawal from performing once satisfying work tasks
6.	Discontent	Discomfort or dissatisfaction with various aspects of work or the work environment

Source: prepared by the author after Bradberry & Greaves (2009), Drucker (2001) and Goleman (1995)

High emotional intelligence in a leader has the potential to help improve the bonds between team members and as a result of unifying their goals and objectives, increase the sense of appreciation for the importance of activities and how to act/react in the workplace (George, 2000). It is also necessary for leaders to focus not only on the economic and financial responsibilities that have them but to extend this responsibility to the social area, to employees (Drucker, 2001: p.10).

An important element in the emotional portfolio of a leader who is interested in developing innovative skills in employees is empathy (Goleman, 2005: p.9; Goleman, 2018: p.7; Segal, 1997: p.98; Yeung, 2012: p.74). From his leadership position he has the ability to understand the different views of his team members and harmonize them. He can also understand the emotions an employee feels in different contexts because the first reaction to a new situation is the emotional one (Bradberry & Greaves, 2009: p.20) and, through his position of authority, support him in the process of regulating emotions. In addition, he is genuinely interested in the personal and professional growth and development of his subordinates and is dedicated to helping them discover, understand and realize their potential (Barbuto et al., 2006). Other elements mentioned are that the leader is open to dialog, has patience with each employee and creates an environment where each employee feels seen, understood and accepted (Vaccaro, et al., 2012), because he is aware that motivation and communication are primarily social skills (Drucker & Maciariell, 2008: p.9). As a result of the listed attributes, he will be aware of everything that happens in the organization because subordinates will not tend to cosmetize or hide less pleasant events for fear of a possible negative reaction from him (Goleman et al., 2005: p.116).

A leader's high level of empathy not only benefits subordinates, it can also help to understand the needs and desires of customers. Using empathy in this way can lead to the development of innovative products or services that meet their expectations effectively. Also, the ability to manage and resolve conflict can encourage team collaboration and creativity, which can stimulate the innovation process. EI has the ability to temper the negative emotions that group members experience when involved in conflict at work.

The development of empathy leads to the acceptance that there is a point of view different from theirs, which for the transmitter has the same validity as their own, personally (Yeung, 2012: p.89). As a result, they will not have defensive reactions when an idea is challenged, will not see it as an attack on the person, and will be patient to listen. Training attention to listen without interrupting what a colleague has to say in a sincere desire to understand what they want to communicate is also a specific aspect of emotional intelligence. These are just a few examples of emotional leadership that foster the creation of a space where individuals with different values and principles can coexist and create innovative ideas, such as an organization (De Wit et al., 2012).

## V. Conclusions

This paper has presented the concept of EI and the potential role that this skill can have as a result of its integration into managerial practices. In this regard, two approaches to the concept have been proposed, one theoretical and one practical. For the theoretical part a synthesis of the literature was presented to familiarize the reader with the elements that define the concept of EI and a bibliometric analysis to bring to attention the large number of researches that have made a correlation between EI and the business environment. To support the practical aspect of this concept, a personal interpretation of the relationship between elements of EI (mixed models) and the leading position of some companies, realized in a top by trust level, was presented. In this sense, a possible aspect that has the potential to position a company in a leading position, if it would incorporate the concept of EI in its practices, was brought to attention.

Although no universally valid approach has yet been identified for a company to achieve performance in its field of activity, it can be appreciated that integrating IE into management practices may be a way worthy of consideration. Supplementing the organizational culture with attributes that value collaboration among employees

and focus on creating relationships where acceptance of different points of view is the norm are just a few aspects that could help reposition a company as a top performer in its industry.

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**Annex 1. The role of emotional intelligence in leadership activity**

No.	Author, year	The theoretical framework	Research questions/ Hypotheses/ purpose	Analyze results and conclusions	Implications for practice
1	<a href="#">Wong &amp; Law, 2017</a>	Leader EI and its effects on employee performance -emotional intelligence influences leader performance -supporters say EI affects a person's physical and mental state.	Emotional intelligence correlates positively with job performance, job satisfaction, job organisational commitment and job performance and is moderated by degree of emotional work required by the job.	The results show that leader EI correlates positively with job satisfaction and extra-role behaviour of employees. EI influences job satisfaction, job performance and organisational commitment only for those jobs/professions where this skill is a plus and can be valued.	Ways to manage emotions in work relationships- Organisations have sent their employees to various EI training offered by managers. Supporters of the concept argued for the benefits of hiring employees with high levels of EI, but it is important to ensure that employees' EI levels are matched to job requirements.
2	<a href="#">George, 2000</a>	The paper addresses and explores the multitude of ways in which emotional intelligence can contribute to leadership effectiveness	How and why leaders with EI have (or don't have) positive influences on employees and organisations; Do effective leaders possess certain emotional capacities, as well as can they possess certain cognitive capacities?	Emotional intelligence can help develop a compelling vision for groups or organisations in several ways. Emotional intelligence and effective leadership: - Developing a collective sense of purpose and goals; - Instilling in employees' knowledge and appreciation for the importance of activities and behaviours at work.	Emotional intelligence has the potential to contribute to effective leadership in multiple ways. (Developing a collective sense of purpose and goals; Instilling in employees knowledge and appreciation for the importance of activities and behaviours at work)
3	<a href="#">Eva et al., 2019</a>	The concept of assertive leadership (differences from other approaches): values-based leadership, in addition the author offers a new definition of assertive leadership	How to understand and define assertive leadership in the leadership?	The assertive leader focuses on those who follow the leader reaching their full potential. The leader empowers employees to handle tasks and decisions on their own. Employees desire to engage in behaviors that help co-workers, customers and the organization	Assertive leadership is particularly well suited for organisations seeking long-term growth profiles designed to benefit all stakeholders (as opposed to focusing on short-term profits for shareholders only). Practitioners need to understand that assertive leadership has an indirect influence on organisational outcomes.
4	<a href="#">Fisher &amp; Ashkanasy, 2000</a>	The role of emotions in organizations - the relationship between mood at work and job satisfaction, the manifestation of anger in work relationships, perceptions and effects of emotional work, emotional intelligence in selection interviews, and the effects of sadness and anger of leaders on employees	Is displaying friendly emotion is emotional labor or is it acting? Is the employee genuine or experiencing dissonance when they don't conform to the organization's rules of displaying friendliness?	People who experience a negative state much of the time will indeed have a disconnect when asked to manifest positive feelings. Anger is only allowed for individuals in positions of power. Superiors were most often angered by rule violations and incompetence on the part of subordinates. Colleagues, on the other hand, were angered by rule-breaking (not acting as they "should" or not doing their part of the job).	Emotional labour is difficult for people. In the vast majority of cases, however, organisations require positive (happy, friendly) emotions to be shown.
5	<a href="#">Barbuto &amp; Wheeler, 2006</a>	The paper focuses on the conceptualisation and measurement of the construct of assertive leadership - commitment to growing people and building community	Those who benefit from an assertive leader become healthier in turn, wiser, freer, more empowered, more likely to become assertive themselves in the future?	Leaders who demonstrate assertive leadership characteristics can contribute to the emotional health of employees and increase their wisdom.	Organisations that need more creativity, wisdom and intelligence need a selfless leader. Organisations can look for opportunities to recruit people who possess assertive leadership characteristics. Leadership development opportunities exist to improve managers' ability to serve.
6	<a href="#">Drach-Zahavy &amp; Somech, 2013</a>	The authors suggest that team composition (individual creative personality and functional heterogeneity) affects team creativity, which in	There is a positive relationship between individual creative personality and team creativity.	Team membership is an important tool for promoting team innovation. When team members are shown individuals with high creative skills, as well as diverse	We advise managers to invest effort in designing the composition of the team and not to rely solely on individual characteristics, such as a creative

		turn promotes innovation implementation depending on the team's innovation climate	The climate for innovation (vision, participatory safety, task orientation and support for innovation) shapes the relationship between team creativity and team innovation implementation.	individuals in different organisational roles, with new types of information and diverse points of view, they will show a stronger connection to team creativity.	personality, but also to integrate functional diversity into the conditions for selecting individuals for teams. More importantly, however, the results presented raise a particular management challenge: teams seem to be able to generate a large number of creative ideas only if they operate in a suitable environment.
7	<a href="#">Judge et al., 2004</a>	Meta-analysis was used to highlight the results of studies that examined the relationship between intelligence and leadership. The link between intelligence and workplace performance. Intelligence was the only attribute that is seen as a critical characteristic that all leaders must possess.	Leader intelligence will be positively correlated with perceptions of leader effectiveness. Intelligence-leadership correlations will be higher when intelligence is assessed perceptually rather than with paper-and-pencil tests. Intelligence-leadership correlations will be lower when the leader is stressed and less directive (more participative).	Studies that measured intelligence based on perceptions had much higher correlations than those that used a paper-and-pencil measure of intelligence. Based on cognitive resource theory, it is more important to select or place intelligent individuals in leadership positions when stress levels are low and the leader has the ability to be directive. Cognitive intelligence alone does not guarantee effective leadership, other personality traits are needed (Big 5).	It is important to remember that Cognitive Intelligence alone does not guarantee effective leadership, other personality traits are needed (Big 5). Teams don't like it when the leader is substantially smarter than they are - they don't give their full potential, because of the sense of inferiority they feel.
8	<a href="#">Goleman, 1998</a>	Effective leaders have high emotional intelligence. EI plays an important role and is directly linked to professional performance.	What are the IE elements and how do they help an effective schip leader?	1. Self-Awareness- Recognize how their own emotions affect them personally and others and as a result work performance 2. Emotional self-regulation- Biological impulses drive our emotions-they don't panic, seek additional information, prepare for changes, the new is not a threat to emotional comfort 3. Passionate motivation to seek out challenges that will grow them, they love to learn and have the joy (pride) of doing good work, are open to exploring other options to get a job done 4. Empathy- Useful for teamwork, talent retention 5. Social skills- Friendly attitude with a good purpose, to help people on their personal journey, things that excite them, they go by the principle that good work is done as a team, with personal input from each member	EI development is needed at individual level, not team/collectivity level. There are not sufficient sessions/trainings, this is an intentional and continuing activity.

Source: Author compilation