

## **EMOTIONAL INTELLIGENCE AS THE NEW HR CURRENCY**

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**Abstract**—*In an era marked by speedy technological advancement, evolving workers expectations, and increase organizational complexity, Emotional judgement has appear as a critical currency in HR Management. Beyond technical skillful and intellectual capabilities, company are increasingly valuing employees' dimensions to recognize, and survive emotions—both the own & those of others. This paper explores Emotional Intelligence as a strategic HR asset that directly influences leadership effectiveness, staff dedication, combination, and organizational show. It examines the role of EI in key HR functions include hiring, talent development, talent administration, and leadership succession planning. By positioning Emotional observation as a expertise rather than a soft skill, the study highlights how emotionally smart office foster resilience, adaptability, ethical decision-making, and inclusive cultures. The abstract concludes by emphasizing the need for HR professionals to integrate EI frameworks into policies, assessments, and learning initiatives go through competitive advantage in the digital workspace.*

**Keywords:** *Emotional Intelligence, Talent Management, Leadership Effectiveness, Employee Engagement, Organizational Performance.*

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### **INTRODUCTION**

Organizations today operate in an environment characterized by constant change, diverse workforces, and heightened performance pressures. As automation and digital tools increasingly grasp technical tasks, the human elements of work—how people conversation, partnership & respond to challenges are more valuable than ever. In this shifting landscape, Emotional combination has gained recognition as a condemnatory resource and is increasingly sees as a new form of currency within HR Management. Emotional Intelligence refers to an unique ability to understand their own sensations, interpret the feelings of others, and manage emotional responses powerly in professional settings. Unlike conventional measures of intelligence or job-related talents, EI influences behavior, leadership style, and interpersonal bonds. Workers with higher emotional intelligence are more capable of managing pressure, resolving problems, adapting to change, and maintaining positive workspace relationships, all of which contribute directly to company effectiveness.

Human Resource functions are progressively expanding beyond administrative and operational roles to become strategic partners in organizational success. In this context, Emotional Intelligence has become a key consideration in talent acquisition, employee development, increase evaluation, and guidance succession planning. Organizations that rank emotional competencies are good positioned to cultivate occupied workers, ethical leaders, & inclusive workspace cultures. This paper examines Emotional Intelligence as the new HR currency, emphasizing its increasingly remarkable in modern company. It seeks to spotlight how integrating emotional intelligence into HR policies and practices can enhance employee well-being, strengthen leadership capability, and support sustainable organizational.

### **OBJECTIVE OF THE STUDY**

1. To examine the concept of Emotional Intelligence and its relevance in contemporary Human Resource Management practices.
2. To analyze the role of Emotional Intelligence in enhancing employee performance, engagement, and workplace relationships.
3. To understand how Emotional Intelligence influences leadership effectiveness and decision-making within organizations.

4. To explore the integration of Emotional Intelligence into key HR functions such as recruitment, training, performance appraisal, and talent development.
5. To assess the impact of Emotional Intelligence on organizational culture, adaptability, and long-term sustainability'

### **CONCEPT OF EMOTIONAL INTELLIGENCE AND ITS RELEVANCE IN CONTEMPORARY HUMAN RESOURCE MANAGEMENT PRACTICES**

Emotional Intelligence (EI) refers to an individual's capacity to recognize emotions, understand their causes, and manage emotional responses in a constructive manner. It involves awareness of one's own feelings, sensitivity to the emotions of others, and the ability to use this understanding to guide behavior, communication, and decision-making. Unlike technical skills or academic intelligence, emotional intelligence focuses on how people interact, cope with pressure, and build relationships within organizational settings.

From an HR perspective, Emotional Intelligence plays a significant role across multiple functional areas. During recruitment and selection, organizations are increasingly assessing emotional competencies such as empathy, self-control, and communication skills alongside technical qualifications. In training and development, EI-based programs help employees enhance interpersonal effectiveness, teamwork, and leadership capabilities. Performance management systems also benefit from emotional intelligence, as emotionally aware managers are better equipped to provide constructive feedback, resolve conflicts, and motivate employees.

### **ROLE OF EMOTIONAL INTELLIGENCE IN ENHANCING EMPLOYEE PERFORMANCE, ENGAGEMENT, AND WORKPLACE RELATIONSHIPS**

Emotional Intelligence plays a crucial role in shaping how employees perform, interact, and remain engaged within an organization. It influences not only individual behavior but also the quality of relationships and the overall work environment. Employees with high emotional intelligence are better able to understand their own emotional responses and regulate them in a way that supports effective job performance. This self-awareness enables individuals to remain focused under pressure, manage stress constructively, and respond calmly to workplace challenges, leading to consistent and improved performance.

In terms of employee engagement, emotional intelligence contributes significantly to motivation and commitment. Emotionally intelligent employees are more aware of their strengths, limitations, and emotional drivers, which helps them set realistic goals and maintain a sense of purpose in their work. Leaders and managers who demonstrate high emotional intelligence are able to recognize employee needs, provide meaningful feedback, and show empathy, thereby creating an environment where employees feel valued and supported. This emotional connection fosters trust and psychological safety, which are key drivers of engagement and discretionary effort. Workplace relationships are also strongly influenced by emotional intelligence.

### **INFLUENCE OF EMOTIONAL INTELLIGENCE ON LEADERSHIP EFFECTIVENESS AND DECISION-MAKING**

Emotional Intelligence plays a vital role in determining how effectively leaders guide, influence, and support their teams. Leadership today requires more than authority or technical expertise; it demands the ability to understand people, manage emotions, and respond thoughtfully to complex situations. Leaders with high emotional intelligence demonstrate strong self-awareness, which allows them to recognize how their emotions affect their behavior, communication style, and leadership approach. This awareness helps them maintain composure, especially during periods of uncertainty or pressure, thereby inspiring confidence among employees. Emotionally intelligent leaders are also skilled in empathy, enabling them to understand the feelings, concerns, and motivations of their team members. This empathetic approach strengthens trust and fosters open communication, allowing employees to feel heard and valued. As a result, teams are more likely to collaborate effectively, share ideas freely, and remain committed to organizational goals. Such leaders are better equipped to manage diverse teams, handle conflicts constructively, and promote a positive and inclusive work culture.

In the context of decision-making, Emotional Intelligence enables leaders to balance rational analysis with emotional awareness. Emotionally intelligent leaders are able to assess situations objectively while considering the emotional impact of their decisions on employees and stakeholders. This leads to more thoughtful, ethical, and sustainable decisions. By regulating emotional reactions such as stress, frustration, or bias, leaders can avoid impulsive judgments and instead adopt a measured and fair approach to problem-solving. Furthermore, Emotional Intelligence enhances adaptability and resilience in leadership.

## **INTEGRATION OF EMOTIONAL INTELLIGENCE INTO KEY HR FUNCTIONS**

The integration of Emotional Intelligence (EI) into Human Resource practices has become increasingly important as organizations recognize the value of emotional competencies in achieving sustainable performance. Rather than focusing solely on technical qualifications and experience, modern HR functions now emphasize emotional awareness, interpersonal skills, and adaptability as essential workplace capabilities.

- **Recruitment and Selection:**

In recruitment, Emotional Intelligence is incorporated by evaluating candidates' ability to communicate effectively, manage emotions, and demonstrate empathy and self-control. Behavioral interviews, situational judgment tests, and group discussions are commonly used to assess how candidates respond to stress, feedback, and interpersonal challenges. By selecting individuals with strong emotional intelligence, organizations enhance team compatibility, reduce workplace conflicts, and improve employee retention.

- **Training and Development:**

Training programs increasingly include Emotional Intelligence as a core developmental area. Workshops and coaching sessions focus on building self-awareness, emotional regulation, empathy, and social skills. These programs help employees improve teamwork, leadership readiness, and conflict management abilities. By developing emotional intelligence, organizations equip employees to handle change, work collaboratively, and perform effectively in emotionally demanding roles.

- **Performance Appraisal:**

Emotional Intelligence is also reflected in performance appraisal systems. In addition to evaluating task completion and results, organizations assess behaviors such as communication effectiveness, collaboration, leadership conduct, and emotional resilience. Managers with high emotional intelligence are better positioned to provide constructive feedback, manage performance discussions sensitively, and support employee growth. This approach leads to fairer evaluations and stronger employee-manager relationships.

## **IMPACT OF EMOTIONAL INTELLIGENCE ON ORGANIZATIONAL CULTURE, ADAPTABILITY AND LONG-TERM SUSTAINABILITY**

Emotional Intelligence has a significant influence on the way organizations function, grow, and sustain themselves over time. It shapes not only individual behavior but also the collective values, norms, and practices that define organizational culture. When emotional intelligence is encouraged and practiced across all levels of the organization, it creates a work environment characterized by trust, respect, and open communication. Employees feel psychologically safe to express ideas, raise concerns, and engage in constructive dialogue, which strengthens organizational culture and promotes positive workplace relationships.

Emotional Intelligence also enhances organizational adaptability in an era of rapid change. Organizations frequently face challenges such as technological advancements, market uncertainty, restructuring, and evolving employee expectations. Emotionally intelligent employees and leaders are better equipped to manage uncertainty, cope with stress, and respond positively to change. Their ability to regulate emotions and remain open-minded allows them to embrace new ideas, adjust strategies, and maintain productivity during transitions. This emotional resilience enables organizations to adapt more effectively to external and internal pressures.

## **IMPORTANCE OF EMOTIONAL INTELLIGENCE AS A STRATEGIC ASSET FOR COMPETITIVE ADVANTAGE**

Emotional Intelligence strengthens leadership effectiveness by enabling leaders to inspire trust, manage relationships, and guide employees through change. Leaders who demonstrate emotional awareness and empathy are better able to align individual goals with organizational objectives, motivate teams, and sustain high performance levels. Such leadership creates a strong internal environment where employees are engaged, committed, and willing to contribute beyond their formal job roles—an important source of competitive strength.

From a workforce perspective, Emotional Intelligence enhances collaboration, innovation, and problem-solving. Employees with high EI communicate more effectively, handle conflicts constructively, and work well in diverse teams. These capabilities improve decision-making quality and encourage the sharing of ideas, leading to innovation and

continuous improvement. Organizations that foster emotionally intelligent behavior are therefore more agile and responsive to market changes than their competitors.

Emotional Intelligence also contributes to superior customer relationships and organizational reputation. Employees who can manage emotions and empathize with others are more capable of delivering high-quality service and building long-term customer trust. This emotional connection strengthens brand loyalty and differentiates organizations in competitive markets where products and services are increasingly similar.

## **CONCLUSION**

Emotional Intelligence has clearly emerged as a vital element in contemporary Human Resource Management, redefining how organizations perceive and manage human capital. As workplaces become more complex and people-centered, the ability to understand, regulate, and respond to emotions has gained importance alongside technical skills and professional knowledge. Emotional Intelligence is no longer a supplementary quality but a core capability that influences individual effectiveness and organizational success. By integrating Emotional Intelligence into key HR functions such as recruitment, training, performance management, and leadership development, organizations are better positioned to build engaged, resilient, and high-performing workforces. Emotionally intelligent employees contribute positively to workplace relationships, collaboration, and adaptability, while emotionally intelligent leaders foster trust, motivation, and ethical decision-making. These factors collectively strengthen organizational culture and improve long-term performance outcomes.

Furthermore, Emotional Intelligence serves as a strategic asset that supports competitive advantage in modern organizations. Unlike tangible resources, emotional competencies are deeply embedded in people and organizational culture, making them difficult to replicate. Organizations that prioritize Emotional Intelligence experience higher employee satisfaction, reduced turnover, improved innovation, and sustainable growth. In conclusion, Emotional Intelligence has become the new HR currency in an era where human interactions, leadership quality, and employee well-being determine organizational success. Recognizing, developing, and embedding Emotional Intelligence within HR strategies is essential for organizations seeking to remain relevant, resilient, and competitive in the long run.

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