## RESEARCH ARTICLE

# EMOTIONAL INTELLIGENCE IN LEADERSHIP AND ITS IMPLICATIONS FOR CORPORATE SUSTAINABILITY AND EMPLOYEE WELL-BEING

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| Manuscript Info | Abstract |
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**Background:** Contemporary organizations face accelerated change and increasing mental health demands, which heighten the importance of leaders'socioemotional capabilities beyond technical expertise.
**Objective:** This article examines the strategic relevance of emotional intelligence (EI) in leadership and its implications for employee well-being,team productivity,organizational climate,and corporate sustainability—particularly within the social and governance dimensions of ESG.
**Methods:**The study adopts a qualitative, exploratory, and bibliographic design, supported by document analysis of institutional data and reports (e.g., social security and public health sources) and peer-reviewed literature.
**Results:** The reviewed evidence suggests that emotionally unprepared leadership is associated with toxic climates, increased burnout and absenteeism, and higher turnover, while emotionally intelligent leadership supports psychological safety, engagement, and performance.
**Conclusion:** EI emerges as a strategic leadership competency that can strengthen sustainable organizational outcomes by promoting healthier workplaces and more resilient performance over time.

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## Introduction:-

Over recent years, the organizational environment has been changing rapidly, driven by technological advances, increased competitiveness, and a constant need for adaptation.In parallel, data from Brazil's social security and health authorities indicate a substantial increase in employee leaves of absence due to emotional and mental health conditions such as burnout syndrome, generalized anxiety disorder (GAD), and depression (Ministério da Previdência Social, 2025; Ministério da Saúde, 2021). These trends have reinforced the widespread view that depression and anxiety are among the major health challenges of this century (World Health Organization [WHO], 2022).Such disorders directly affect team productivity and, consequently, can negatively impact organizational results (Gallup, 2024). The motivation for this study arises from this reality faced by many companies and from the author's direct professional experience. Emotional illness among professionals is often associated with a lack of leadership preparedness to manage human and emotional complexity in the workplace.Inflexible, authoritarian, or emotionally indifferent leadership styles have aggravated this context, highlighting the urgent need to prepare leaders for current corporate challenges (Tepper, 2000). In addition, the ability to adapt to the workplace changes

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experienced in recent years has become an organizational priority (Kouzes & Posner, 2017).The absence of emotional intelligence in leadership practice can create dysfunctional and suffocating work environments, resulting in lower productivity, higher turnover, and more frequent leaves due to emotional issues (Momeni, 2009).With the growing implementation of ESG (Environmental, Social, and Governance) policies, corporate sustainability has expanded beyond economic and environmental dimensions to include greater attention to the work environment and employees' mental health (Cherniss & Goleman, 2001).Accordingly, emotional intelligence has become one of the most valued and essential competencies for leaders today (Mayer & Salovey, 1997).Applying emotional intelligence to leadership can promote healthier and more supportive work environments, leading to more motivated, engaged, and productive teams; as a result, negative indicators tend to decrease (Gallup, 2024). Therefore, the central objective of this article is to explore and analyze the strategic importance of emotional intelligence in leadership practice, investigating how its development and effective application positively influence employees' emotional well-being, enhance team productivity, and consequently improve organizational outcomes, supporting corporate sustainability.

**Literature Review and Theoretical Framework:-**
This study is primarily grounded in foundational authors who conceptualized emotional intelligence as the ability to monitor one's own feelings and emotions, as well as those of others, and to use this information to guide thinking and action (Mayer & Salovey, 1997).

**Subsequently, the construct was popularized in the organizational context, with emphasis on five essential pillars (Goleman, 1998):**
Emotional self-awareness: recognizing one's emotions and their impacts.
Self-regulation: managing impulses and adapting to change.
Motivation: maintaining engagement and resilience in the face of challenges.
Empathy: understanding others' emotions and perspectives.
Social skills: building positive relationships and managing conflict.

In recent decades, organizations have been transforming rapidly due to technological advances; however, post-pandemic challenges, hybrid work, and mental health demands have required leaders to demonstrate enhanced emotional capabilities.Neuroscientific perspectives suggest that emotional intelligence is associated with the prefrontal cortex, a region linked to emotional regulation and decision-making (Mayer & Salovey, 1997). In addition, Kahneman's (2011) dual-system theory (fast vs. slow thinking) helps explain how impulsive or emotionally dysregulated decisions - often adopted under pressure - may compromise organizational climate and increase team stress. This helps clarify why leaders with high emotional intelligence tend to be more effective in people management and in achieving results.The relationship between emotional intelligence and leadership has been widely studied, with evidence indicating that emotionally intelligent leaders can reduce conflict (Druskat & Wolff, 2001) and improve decision-making (Goleman, 1998).

A Gallup (2024) study with more than 500 executives reported that leaders with high emotional intelligence can perform up to 20% better on productivity and organizational climate metrics. The study also indicates that emotional intelligence may be a stronger predictor of leadership effectiveness than IQ or technical skills.Organizational productivity is directly linked to employees' emotional well-being. Research indicates that: (a) organizations with emotionally intelligent leaders have 34% less turnover (Cherniss & Goleman, 2001); (b) teams led by emotionally intelligent managers can be up to 31% more productive (Momeni, 2009); and (c) employees in emotionally healthy environments show greater creativity and resilience (Amabile & Kramer, 2011).A study highlighted that the most productive teams were those with high psychological safety, fostered by empathic and communicative leaders (Google, 2016).Recent literature points to two leadership styles that directly affect employees' mental health: authoritarian leadership and democratic leadership. The following sections summarize key characteristics and impacts of each style.Authoritarian leadership, characterized by a directive, centralized, and often coercive approach, has been associated with negative work environments, particularly regarding employee well-being. Although it may deliver immediate results in urgent situations, it tends to produce harmful consequences when sustained.

In this context, authoritarian or destructive leadership is directly associated with increased occupational stress, burnout, and absenteeism (Skogstad et al., 2007). Abusive behaviors such as humiliation, excessive control, and lack of support generate toxic environments that harm employees' mental health, reducing motivation and engagement

and increasing turnover and stress-related leaves of absence.The concept of abusive supervision describes sustained hostile verbal and nonverbal behaviors by leaders (without physical contact) and has been correlated with emotional exhaustion, lower job satisfaction, and turnover intentions (Tepper, 2000).Studies on burnout emphasize that organizational factors - such as lack of recognition, excessive workload, and perceived injustice - contribute significantly to professional exhaustion; abusive leadership amplifies these factors because employees do not feel heard or valued, strengthening helplessness and demotivation (Maslach & Leiter, 1997).Research on workplace bullying also indicates that authoritarian, abusive, and punitive leadership styles can catalyze such behaviors. Repeated negative criticism, unattainable targets, and rigid monitoring can contribute to depression and anxiety and increase occupational sick leave (Einarsen et al., 2007).

Evidence also suggests that destructive leadership affects collective trust and team cohesion, reducing creativity and proactivity - elements essential to organizational performance (Chiaburu et al., 2011). Therefore, authoritarian leadership is intrinsically linked to higher stress,burnout,and absenteeism,directly affecting productivity.Conversely, democratic leadership promotes a more collaborative and dialog-oriented environment in which the leader acts as a facilitator. Employees are encouraged to participate in decisions through active listening and the exchange of ideas and perspectives, which can enhance morale and support mental health at work.Early research on leadership styles indicates that democratic leadership is associated with greater team-member satisfaction, better organizational climate, and higher performance. In democratic contexts, workers tend to show more creativity, responsibility, and commitment to group goals (Lewin et al., 1939).Emotional intelligence is one of the pillars sustaining democratic leadership. Emotionally intelligent leaders can recognize and manage their own emotions and understand and positively influence others' emotions. These skills are essential for building healthy relationships, preventing unnecessary conflicts, and maintaining team emotional balance, even under pressure.

Self-awareness, self-regulation, motivation, empathy, and social skills distinguish leaders who master these competencies, enabling more effective management and creating environments of trust, mutual support, and respect, which promote psychological well-being (Goleman, 1998).Boyatzis and McKee (2005) reinforce that resonant leadership, sustained by emotional intelligence, can inspire and energize teams, reducing stress and strengthening interpersonal relationships while increasing productivity.In democratically led and emotionally intelligent environments, employees feel valued, heard, and recognized. Such management supports psychological safety and trust, which are critical for mental health at work. Moreover, sharing power and responsibility can enhance organizational results by increasing commitment, innovation, and productivity (Kouzes & Posner, 2017).Therefore, democratic leadership grounded in emotional intelligence is an effective alternative for building healthy organizational environments, supporting employee well-being and collective performance by reducing stress, preventing burnout, and decreasing absenteeism.Current organizational challenges related to productivity and competitiveness have reinforced the need to develop emotionally intelligent leaders, particularly in environments characterized by pressure for results and extended work hours.According to the WHO (2022), Brazil has one of the highest prevalences of anxiety disorders worldwide, with direct impacts on work-related leaves. The International Labour Organization (ILO) reports that mental disorders account for up to 12% of global medical leaves (ILO, 2022).

In parallel, corporate sustainability agendas have expanded with the consolidation of ESG criteria. Within the social pillar, employee well-being, diversity, inclusion, psychological safety, and human-centered management practices are increasingly considered essential for long-term sustainability. In this context, emotional intelligence emerges as a strategic leadership competency, enabling empathy, active listening, emotional balance, and a human-development orientation - elements aligned with ESG principles and the United Nations Sustainable Development Goals (United Nations, 2015).Organizations that foster emotional intelligence in leadership may reduce turnover and absenteeism, improve organizational climate, increase engagement and productivity, strengthen corporate reputation, and attract investors and talent aligned with sustainable values (Cherniss & Goleman, 2001).Within contemporary organizations, Human Resources (HR) has shifted from an operational function to a strategic and transformative role. Among its most critical responsibilities is developing emotionally intelligent leaders who can promote well-being, engagement, and high performance without neglecting employees' mental health.Through structured leadership development programs - learning pathways, mentoring, coaching, structured feedback, and behavioral assessments - HR can directly support the formation of leaders prepared for the human challenges of management.
Resonant leadership, as described by Boyatzis and McKee (2005), is frequently highlighted as an ideal model for organizational sustainability; it supports inspiration, open dialogue, and belonging, which are critical for retention and prevention of psychological illness.Gallup (2024) reports that organizations with cultures based on empathy and

active listening can achieve higher profitability and lower absenteeism, demonstrating the strategic value of integrating human-centered practices with performance logic.Beyond qualitative gains, investing in emotional intelligence through HR can yield tangible benefits, including reduced costs from mental health leaves, improved institutional reputation, attraction of talent seeking healthy environments, and improved decision-making and crisis management (Damasio, 1996).

## Methodology:-

To examine the increase in leaves of absence due to mental health disorders and how emotional intelligence applied to leadership styles can contribute to organizational sustainability and employees' emotional health, this study adopted a qualitative, exploratory, and bibliographic research design, grounded in document analysis of public data from Brazil's National Social Security Institute (INSS) and international organizations such as the WHO and ILO, covering the period from 2014 to 2024. The analysis followed an interpretive approach, seeking to establish relationships among leadership styles, emotional intelligence, mental health indicators, and productivity in the organizational environment. National and international studies available in books, scientific articles, and institutional reports were also used.
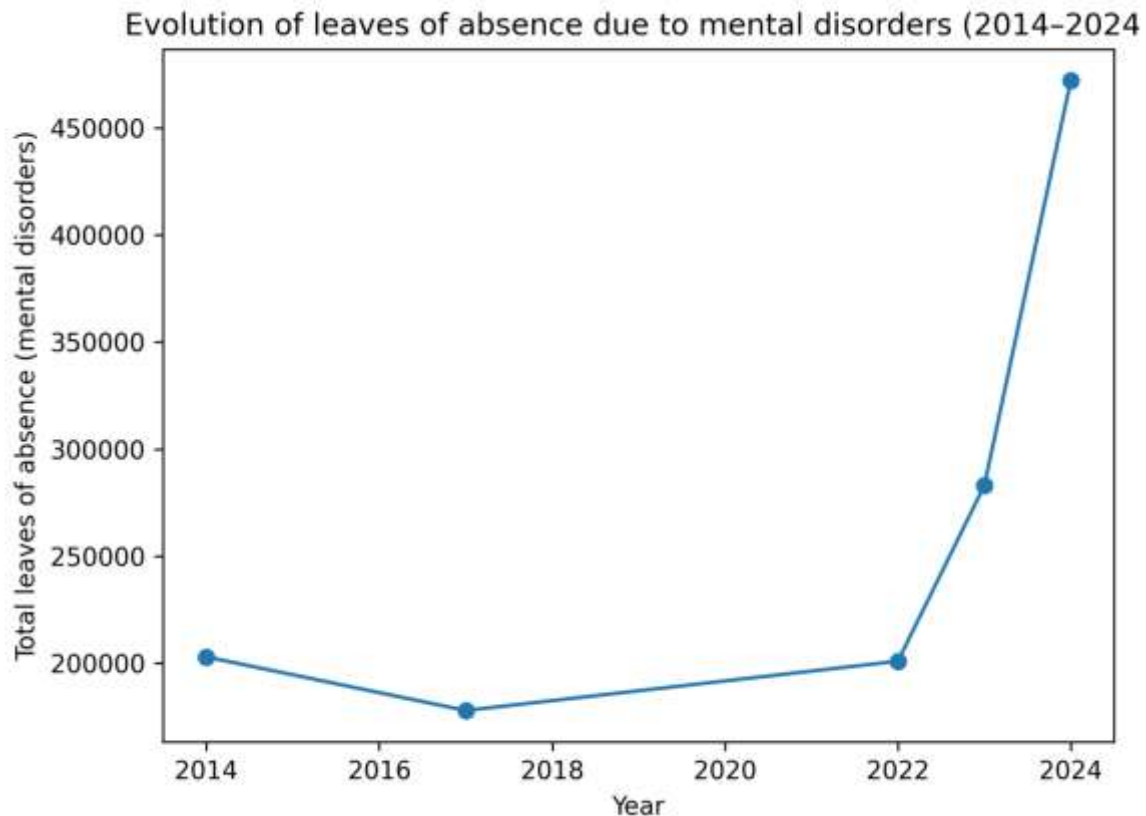
## Results:-

The institutional data reviewed indicate a pronounced increase in leaves of absence due to mental and behavioral disorders over the last decade. Table 1 summarizes selected values and predominant causes reported for the period 2014–2024.

**Table 1. Leaves of Absence Due to Mental Disorders in Brazil (2014–2024)**

| Year | Total leaves due to mental disorders | Main identified causes |
|---|---|---|
| 2014 | 203,000 | Anxiety disorders (32,000), depressive episodes |
| 2017 | 178,000 | General data on mental and behavioral disorders |
| 2022 | 201,000 | Stress reactions (28.6%), anxiety (27.4%), depressive episodes (25.1%) |
| 2023 | 283,000 | Anxiety disorders (80,276), depressive episodes (67,399), recurrent depressive disorder (32,892) |
| 2024 | 472,000 | Anxiety disorders (141,414), depressive episodes (113,604), recurrent depressive disorder (52,627) |

**Note. Sources:** Ministry of Social Security; Ministry of Labor and Employment; National Social Security Institute (INSS).

**Figure 1. Evolution of leaves of absence due to mental disorders in Brazil (2014–2024).**



**Figure 2. Leaves of absence due to mental disorders by year in Brazil (2014–2024).**

**International comparison: United States indicators:-**
To strengthen the international relevance of the analysis, selected U.S. indicators are presented below. Because administrative sick-leave systems differ across countries, U.S. measures are reported primarily as population and workforce mental health indicators and self-reported mentally unhealthy days. These measures should be interpreted as complementary (burden and productivity impact) rather than as a one-to-one equivalent of Brazil's INSS administrative leaves of absence.
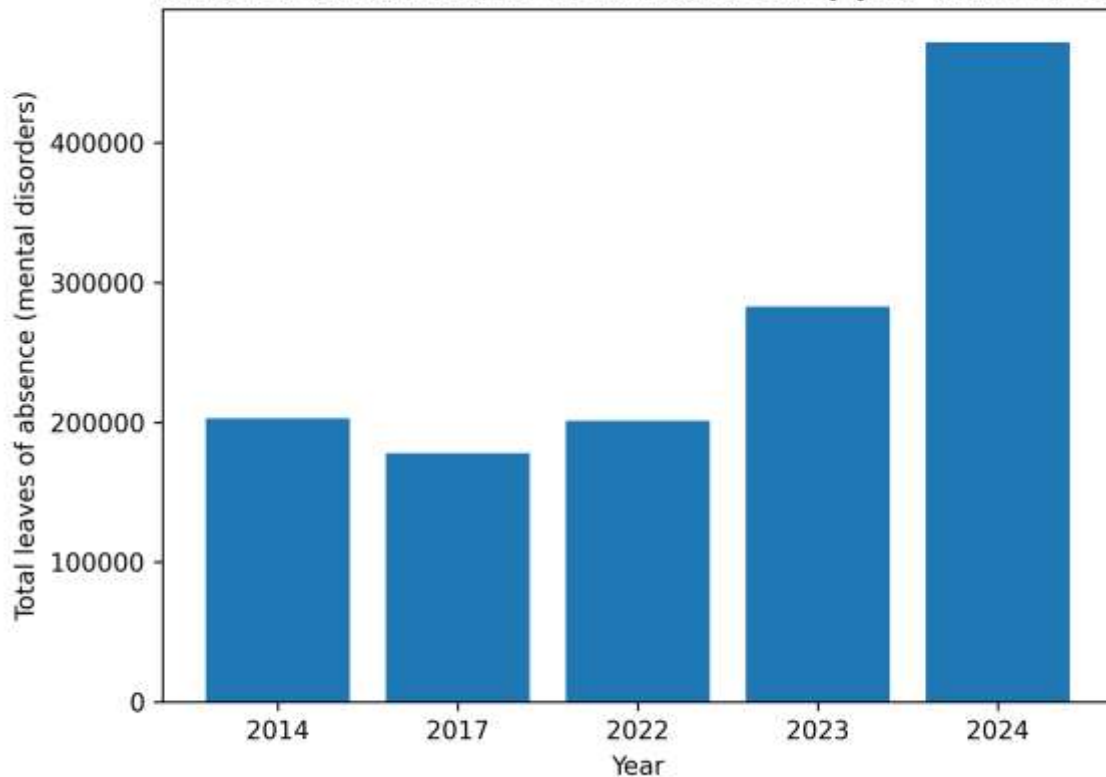
**Table 2. Selected U.S. mental health and work-related indicators (for international context):-**
Note. U.S. indicators are drawn from CDC/NCHS (NHIS), CDC/NIOSH analyses of BRFSS worker data, CDC Vital Signs reporting, and SSA SSDI statistical reporting.Taken together, these indicators reinforce the scale of mental health burden in the U.S. workforce and provide an international frame to interpret Brazil's administrative trends. In the Discussion section, the limitations of cross-country comparability and the implications for emotionally intelligent leadership and ESG-oriented people management are addressed.

| Indicator | United States (source/year) | Interpretation for comparison |
|---|---|---|
| Adults with regular feelings of anxiety | 12.1% (NHIS Early Release, 2024) | Population-level morbidity; not administrative leave. |
| Adults with regular feelings of depression | 4.8% (NHIS Early Release, 2024) | Population-level morbidity; not administrative leave. |
| Workers reporting lifetime diagnosed depression | 14.2% (BRFSS, 37 states, 2015–2019) | Workforceprevalence; supports burdencomparison. |
| Mean mentally unhealthy days (past 30 days) among workers with depression vs without | 9.5 days vs 2.2 days (BRFSS, 2015–2019) | Proxy for productivity loss and functional impact. |
| Poor mental health days among | 5 days in 2022 (vs 3 in 2018) | Sector-specific indicator; |

| health workers (past 30 days) | (CDC Vital Signs) | illustrates occupational impact. |
|---|---|---|
| Disability diagnostic group note | Depressive, bipolar, and related disorders are a leading disabling condition among SSDI beneficiaries who filed for workers' compensation/public disability (SSA SSDI report, 2024) | Administrative disability context; not short-term leave. |



Leaves of absence due to mental disorders by year (2014–2024)

**Discussion:-**

Comparability note: The Brazilian figures reported in this manuscript derive from administrative records of leaves of absence/benefit claims captured by the INSS, whereas the U.S. indicators presented for international context are primarily population and workforce measures of mental health burden and functional impact (e.g., NHIS prevalence estimates and BRFSS 'mentally unhealthy days'), alongside disability program statistics (SSDI). Because these data sources reflect different systems and measurement constructs, they are not directly equivalent on a one-to-one basis. Nevertheless, when interpreted as complementary lenses on burden and productivity impact, they converge in indicating the scale and organizational relevance of mental health challenges and the importance of emotionally intelligent leadership and ESG-aligned people management.Overall, the literature and institutional indicators converge on a consistent pattern: leadership behavior and the emotional climate created by leaders are materially associated with employee well-being and organizational functioning.Authoritarian, abusive, or emotionally indifferent leadership styles are frequently linked to elevated occupational stress, emotional exhaustion, reduced job satisfaction, and stronger turnover intentions. These dynamics can translate into higher absenteeism and productivity losses.By contrast, democratic and human-centered leadership approaches—supported by emotional intelligence competencies such as empathy, self-regulation, and social skills—are associated with higher psychological safety, stronger engagement, and healthier team functioning.From a sustainability perspective, these findings align with ESG expectations, especially the Social and Governance pillars, which increasingly emphasize psychological safety, ethical leadership, and responsible people management as determinants of long-term resilience.

## Conclusion:-

This study indicates that emotional intelligence is not only a desirable competency but a strategic necessity for organizations. Drawing on authors such as Goleman (1998), Boyatzis and McKee (2005), and Cherniss and Goleman (2001), leadership practice is directly linked to employees' psychological well-being (including leaders themselves), sustainable productivity, and long-term organizational health. In crisis contexts, adaptive leadership becomes a determinant factor for organizational survival; emotionally intelligent leaders tend to adapt with greater agility and empathy, sustaining team engagement amid uncertainty (Dignam et al., 2022).The statistical data presented by Brazil's social security system and international organizations such as the WHO and ILO highlight an alarming increase in leaves of absence due to mental disorders. These indicators suggest a persistent gap between discourse about well-being and day-to-day leadership practices in many organizations. Environments led by authoritarian, punitive, and emotionally unprepared leaders may generate a destructive cycle of illness, absenteeism, and financial losses, as evidenced in prior studies (Chiaburu et al., 2011; Maslach & Leiter, 1997; Ministério da Previdência Social, 2025).

Conversely, evidence indicates that emotionally intelligent leadership can enable high performance with emotional balance, engagement with empathy, and innovation in psychologically safe environments (Damasio, 1996; Gallup, 2024; Goleman, 1995). This requires a shift away from rigid hierarchical models toward a mindset that recognizes people as the organization's primary asset.Human Resources should move beyond an operational role and assume strategic leadership in human development, including continuous socioemotional training programs and robust evaluation of leadership behaviors that may be normalized or concealed. Such efforts should prioritize capacity building over punishment, addressing entrenched paradigms and biases that shape leadership behavior.The ESG agenda and the United Nations Sustainable Development Goals can be integrated into leadership and management practices. Neglecting the social pillar - particularly emotional well-being and psychological safety - can have not only operational consequences but also legal, reputational, and strategic impacts.Leadership models such as servant leadership reinforce the role of the leader as a facilitator aligned with emotional intelligence and genuine care for people (Van Dierendonck, 2021). Maintaining abusive leaders in decision-making roles represents a high-risk organizational choice, leading to losses that extend beyond financial outcomes, including talent loss, reduced innovation, constrained creativity, and weakened belonging.In contrast, organizations that invest in human capital and emotionally intelligent leadership are better positioned to build ethical, sustainable, and competitive workplaces that attract professionals seeking psychologically healthy environments for career development.

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