

# LEADERSHIP'S EMOTIONAL INTELLIGENCE AND ITS DOWNSTREAM EFFECTS ON ENGAGEMENT AND TALENT RETENTION IN NAGPUR'S IT SECTOR

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## ABSTRACT

This study investigates how leadership emotional intelligence affects talent retention and employee engagement in Nagpur's IT industry. The relevance of emotional intelligence (EI) in influencing motivation, long-term commitment, and relationships at work is expanding as it is seen as a critical leadership quality. In order to determine how emotionally intelligent behaviors like empathy, self-awareness, and effective communication exhibited by leaders affect employees' experiences and decisions to stay with a company, the study uses a descriptive research design and questionnaire-based data collection from 150 employees across IT companies in Nagpur. According to the results, most workers believe that emotionally savvy leadership plays a big role in keeping them engaged and on board. Nonetheless, disparities in leadership approaches point to the necessity of more comprehensive and methodical programs for developing emotional intelligence. The study comes to the conclusion that, in a competitive talent market, investing in Emotional Intelligence (EI) training may improve workplace culture, increase employee happiness, and fortify organisational stability.

**Keywords:** Leadership, Emotional Intelligence, Employee Engagement, Talent Retention, Etc.

## 1. INTRODUCTION

The capacity of leaders to successfully manage both tasks and people has become more important than ever in today's competitive and dynamic organisational setting, particularly within the IT industry. One important factor influencing staff engagement and retention is a leader's emotional intelligence (EI), which is the ability to identify, comprehend, and control emotions in both oneself and others [Goleman \(1995\)](#). The IT industry in India, especially Nagpur, is in a unique situation due to the growing difficulties of worker mobility, talent shortages, and increased employee demands. A wide pool of talent has been drawn to the city by the IT infrastructure's fast expansion, but it has also made it more challenging to retain personnel. In this situation, a healthy workplace culture that increases

employee loyalty and happiness may be fostered via emotionally intelligent leadership.

A growing number of startups, mid-sized IT enterprises, and branch offices of large IT organisations are opening up shop in Nagpur, a burgeoning IT hotspot. Talent retention and staff engagement have emerged as key strategic concerns as the industry grows. Although pay and professional development are still important considerations, it is becoming increasingly clear that a leader's emotional intelligence and leadership style have a big impact on whether or not people decide to stay. Higher levels of engagement, productivity, and organisational commitment are more likely to be displayed by staff members who perceive their leaders to be emotionally supportive and valuable [Mayer et al. \(2004\)](#).

In the context of Nagpur's IT sector, this study aims to investigate the indirect impacts of leadership emotional intelligence on two crucial organisational outcomes: employee engagement and talent retention. By finding the emotional intelligence competences that have the most influence on creating engaged and devoted workforces, the research hopes to advance both theory and practice.

## **2. LITERATURE REVIEW**

### **2.1. EMOTIONAL INTELLIGENCE AND LEADERSHIP**

[Goleman \(1995\)](#) popularised the idea of emotional intelligence, arguing that exceptional leaders are distinguished from mediocre ones by their emotional intelligence as well as their cognitive intelligence. Self-awareness, self-control, motivation, empathy, and social skills are all components of emotional intelligence [Goleman \(2000\)](#). Emotional intelligence (EI) affects how leaders view and respond to work-related circumstances, handle stress, and develop bonds with others, all of which have an effect on team dynamics and output.

According to [Barling et al. \(2000\)](#), transformational leadership behaviours like personalised attention and inspiring motivation are more common among leaders with strong emotional intelligence. These behaviours are favourably correlated with employee engagement and retention. According to a [Prati et al. \(2003\)](#) emotionally savvy leaders help teams function more cohesively and employees have less plans to leave.

### **2.2. EMPLOYEE ENGAGEMENT**

The emotional and mental bond that workers have with their company and their job is known as employee engagement. Employees that are engaged are passionate about their work and show a dedication to the objectives of the company [Kahn \(1990\)](#). Research has indicated that a key predictor of employee engagement is leadership style, especially emotionally intelligent leadership [Ashkanasy and Daus \(2005\)](#).

Leaders are better able to provide an engaging workplace when they are aware of and sensitive to the emotional requirements of their staff, claim [Macey and Schneider \(2008\)](#). Leaders with emotional intelligence are better able to acknowledge accomplishments, give constructive criticism, and encourage candid communication, all of which boost staff morale and work satisfaction.

### **2.3. TALENT RETENTION IN THE IT SECTOR**

The IT sector has a high turnover rate because of its rapid technical improvements and project-based labour. It is becoming very difficult to retain

talented workers. Financial incentives and other traditional retention tactics are no longer adequate on their own. It is increasingly acknowledged that emotional elements, such as organisational culture and leadership conduct, are important retention drivers [Hausknecht et al. \(2009\)](#).

Several studies indicate a positive relationship between emotionally intelligent leadership and lower employee turnover. For instance, [Carmeli \(2003\)](#) discovered that emotional intelligence in managers improved staff retention and decreased fatigue. According to a research by [Lopes et al. \(2006\)](#), emotionally intelligent leaders provide a positive work atmosphere that boosts organisational commitment and decreases resignation intent.

## **2.4. NAGPUR'S IT LANDSCAPE AND LEADERSHIP CHALLENGES**

Emerging IT towns like Nagpur receive little academic attention, since the majority of current study is on metro areas like Bangalore, Hyderabad, or Pune. However, the need for emotionally intelligent leaders has increased as the city markets itself as a Tier-2 IT destination under the Maharashtra government's "IT/ITES policy." A workforce that is mostly made up of Gen Z and millennial professionals need leaders who are able to emotionally connect with people in addition to transactional leadership.

This study fills a significant research vacuum by examining how leadership emotional intelligence, staff engagement, and talent retention interact in Nagpur's IT environment. In order to improve human resource practices in the area, this study will identify certain emotional intelligence abilities that impact engagement and retention by examining the perspectives of leaders and workers.

## **2.5. OBJECTIVE**

This study's main goal is to investigate how leadership emotional intelligence influences employee engagement and talent retention in Nagpur's IT industry. The study specifically attempts to investigate how different aspects of emotional intelligence like self-awareness, self-regulation, empathy, motivation, and social skills displayed by leaders affect workers' emotional attachment to their jobs and their intention to stick with the company. It looks for the emotional intelligence skills that are most important for creating a supportive work environment that encourages loyalty and productivity. In the context of a rapidly expanding, cutthroat IT industry, the study also aims to examine how employees view emotionally intelligent leadership and how well it works to lower turnover and boost job satisfaction. The study also seeks to provide localised insights into leadership techniques that enable sustainable talent management in Tier-2 cities by concentrating on Nagpur's developing IT sector.

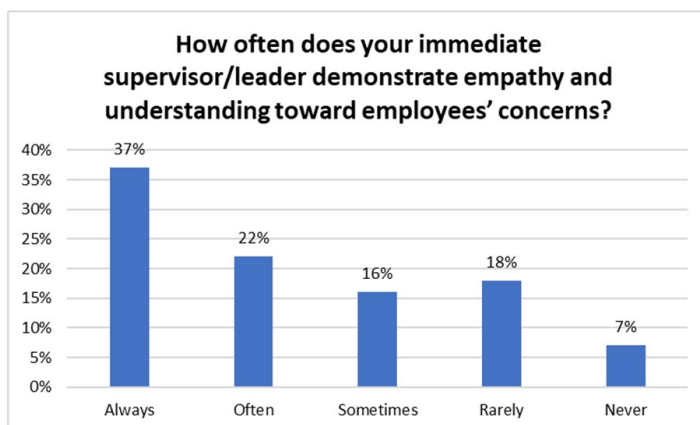
## **3. RESEARCH METHODOLOGY**

The influence of emotional intelligence in leadership on employee engagement and talent retention in Nagpur's IT industry is examined in this study using a descriptive research approach. Both closed-ended and Likert scale-based items measuring different aspects of emotional intelligence, engagement levels, and retention variables were included in the structured questionnaire used to gather the data. For the study, a sample of 150 respondents was chosen, including staff members from different IT firms with operations in Nagpur. Purposive sampling was the sample strategy used, focussing on employees directly supervised by

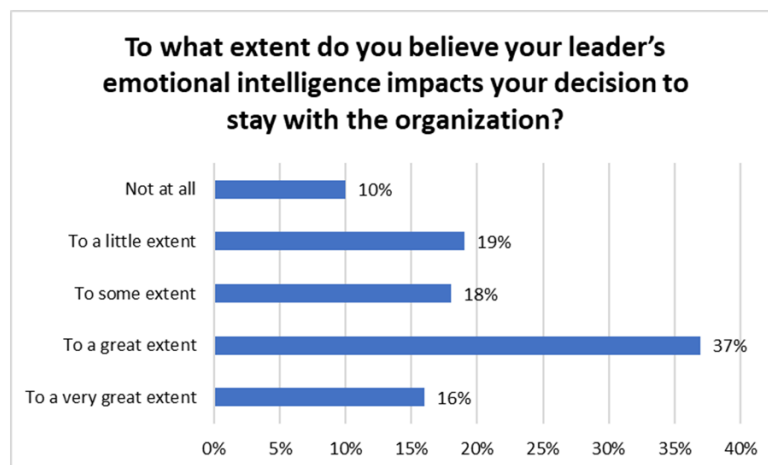
managers or team leaders to guarantee pertinent insights regarding leadership behaviours. In order to make significant inferences on the connection between leadership emotional intelligence and important organisational outcomes, the gathered data was statistically examined.

### 3.1. DATA ANALYSIS AND INTERPRETATION

In the IT industry, leadership emotional intelligence is essential for improving talent retention and employee engagement. Positive work environments are produced by emotionally intelligent leaders that build trust, communicate clearly, and listen to the needs of their team members. In a highly competitive business, this increases employee motivation and loyalty while lowering turnover.



According to the survey's findings, a sizable percentage of workers believe their immediate managers or leaders are sympathetic and understanding, with 37% saying this behaviour is displayed "always" and 22% saying it happens "often." According to this, almost 60% of respondents said their leaders consistently provide them with emotional support, which may boost morale and participation. However, 16% of workers say their bosses only "sometimes" or "never" demonstrate empathy, and a worrying 25% (18% "rarely" and 7% "never") think they do so seldom or never. This reveals a lack of emotional intelligence in certain leadership, which, if left unchecked, may affect employee retention and satisfaction.



The findings show that most workers acknowledge the impact of their leader's emotional intelligence on their choice to stay with the company, with 16% saying it affects them "to a very great extent" and 37% saying it affects them "to a great extent," for a total of 53%. According to this, more than half of the workforce believes that emotionally aware leadership plays a significant role in keeping them on board. Furthermore, 18% say it influences them "to some extent," suggesting a moderate impact. While emotional intelligence is crucial, other factors may also have a substantial influence on retention decisions in the IT industry, as seen by the 29% of respondents who perceive low to no impact (19% "to a little extent" and 10% "not at all").

#### **4. CONCLUSIONS**

The study unequivocally shows that in Nagpur's IT industry, leadership emotional intelligence is a critical factor in determining employee engagement and talent retention. A sizable percentage of workers agreed that their managers always show compassion and understanding, creating a positive and inspiring work atmosphere. Furthermore, over 50% of the participants stated that their decision to remain with the company is significantly influenced by the emotional intelligence of their boss. Nonetheless, a sizable portion of workers also said that they hardly ever or never encounter emotionally intelligent behaviour from their managers, pointing to variations in leadership philosophies throughout the industry. These results highlight how crucial emotional intelligence is in determining employee happiness and organisational commitment in a cutthroat and ever-changing sector.

#### **5. RECOMMENDATIONS**

It is advised that IT companies in Nagpur fund training and development initiatives for their managers and executives that focus on emotional intelligence in light of the findings. The self-awareness, empathy, and interpersonal skills of leaders may be improved through frequent training, coaching sessions, and feedback systems. When evaluating and promoting leaders, organisations should include emotional intelligence as a critical ability. Employee trust and engagement may also be increased by creating psychological safety and open lines of communication in the workplace. Businesses may increase employee loyalty, lower attrition rates, and obtain a competitive advantage in luring and keeping top talent by cultivating emotionally aware leadership.

#### **CONFLICT OF INTERESTS**

None.

#### **ACKNOWLEDGMENTS**

None.

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