



THE ROLE OF EMOTIONAL-INTELLIGENCE DURING STRESSED AND DEMORALIZED ENVIRONMENTS INSIDE ORGANIZATIONS

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Abstract

Various issues regarding stress and demoralization of employees working in organizations have been noted while dipping the attention of the workforce. However, emotional intelligence is a pivotal role in the stress and demoralization of employees/workforce. The requirement for the judgment of managing emotional intelligence, an optimistic relationship with stress management, and demoralization of employees seems mandatory. The study examined two frameworks/hypotheses that examined the quantity of emotional intelligence as a forecaster during the handling of a stressed and demoralized environment inside an organization. In this regard, 120 (86 males and 34 females) various ethnic employees, professionals, and managers were nominated from the banking sector (Including National Bank, HBL, Askari Bank, Khyber Bank, UBL & Meezan Bank) in Pakistan as respondents for the survey to measure variables including, Emotional-intelligence, stress environment, and demoralization of employees. Resultantly, a substantial association between emotional intelligence, Stress, and demoralized environment were found. Stress and demoralization emerge as statistically significant components concerning the relationship with emotional intelligence. The experiment proves that the role of EI is essential for leaders while leading an organization, especially in stressed and demoralized environments, to cope with any unforeseen problems and enhance the productivity of the organization with high morale of the workforce.

Keywords: Inspiration, Emotional-Intelligence Craft, Psychological Stress, Leading, Managing, Stress Environment, Demoralization

1. Introduction

Emotional intelligence, made popular by psychologist Daniel Goleman, is the ability to recognize, regulate, and communicate our feelings. We can manage interpersonal connections wisely and sympathetically as leaders when we possess emotional intelligence. The ability to identify, understand, manage, and make efficient use of one's own and others' emotions is known as emotional intelligence, or EQ (Emotional Quotient). It includes a number of elements, such as social skills, empathy, self-control, and self-awareness. Emotionally intelligent leaders can relate to their teams/workforce, adjust to shifting circumstances, and make judgments that take into account both emotions and facts. Increased employee engagement is associated with



a higher emotional intelligence quotient. When firms go through hard times like the current pandemic, employers depend upon employees to help the organization come out strong and equipped for the future. Employee engagement and commitment increase productivity, which boosts organizational profitability. Disengaged workers can become a burden, according to studies. However, our researchers have discovered a good relationship between job performance and empathy in the workplace, which is directly linked to emotional intelligence. Bosses consider managers who are more empathetic toward their direct reports to be better employees (Asif et al., 2026). Therefore, raising your emotional intelligence quotient would directly boost your leadership efficacy. It is also critical to realize that all emotions serve a purpose. Both your own and other people's activities have an impact on emotions, whether they be favourable or unpleasant.

Emotional intelligence is the ability to measure and evaluate others including subordinates, to keep an eye on your mood, and to control the emotions of those around you. Mindfulness, self-guidance, inspiration, sympathy, and interactive capabilities are the 05 main components of emotional intelligence. Students/managers who reached to the peak of their field of study / work in any subject including medicine, mathematics, management, business studies, law psychology, and engineering/finance prepares easily and optimistic about behaviour. Similarly, civilizational cognitive intelligence is to be successful in an organization. The ability of a person to refrain from negative emotions like anger, selfishness, and nervousness and emphasize optimistic emotions such as confidence, sympathy, and amiability is also known as EI.

Leaders ought to realize that feelings can play a significant part in the association. They can be utilized to approach new occasions or circumstances positively. Leaders communicate trust in a person while showing a constructive effect toward them. Leaders who energetically smother their feelings are little satisfied in work, bound to need while leaving their organization, and harmfully affect their straight reports. In any case, amid stress or demoralization, the emotion of a Leader is probably going to show is not exactly good. These emotions might integrate tension, aggravation, disappointment, or outrage. Communicating elevated degrees of stress, demoralization, and interruption during seasons of authoritative change can cause alerts in workers. An emotion that reliably "breaks" under tension makes the climate self-conscious and useless for all workers. Before communicating a pessimistic inclination, attempt to think about what message this will ship off representatives and whether this will bring about certain, useful results. Due to several problems, including economic slumps, job insecurity, organizational restructuring, toxic workplace cultures, and rapid technical advancements, organizations are increasingly facing with high-stress sceneries. Employee demoralization, a decline in production, conflicts at work, and high turnover rates are frequently creating the results of these difficulties (Khan et al., 2026).

While emotional intelligence (EI) is acknowledged as a critical component of effective leadership, employee engagement, and workplace well-being, little is known about how EI specifically contributes to managing organizational stress and demoralization. There is a lot of study on emotional intelligence (EI) in the workplace but less is known about how emotionally intelligent workers and EI-driven leadership may lessen the detrimental consequences of stress and low morale in businesses. Furthermore, the usefulness of EI-based therapies in restoring resilience, motivation, and general workplace harmony is not adequately covered in the research that are now available. This disparity calls into question how businesses may deliberately use emotional intelligence (EI) to promote a productive workplace even in emergencies. Organizations risk failing to put into practice successful initiatives to boost employee engagement and morale if they don't have a comprehensive knowledge of how Emotional Intelligence (EI) works in stressful and demoralizing workplace environments (Asif & Bashir, 2026). Investigating the role of Emotional-intelligence during stressed and demoralized environments inside organizations has become essential.

Emotional intelligence (EI) has been thoroughly investigated in connection with leadership, workplace productivity, and employee well-being, but little is known about its precise function in times of organizational stress and demoralization. During the study, various research gaps in high-stress and demoralizing work environments emphasize emotional intelligence were found. The majority of the research that is currently available looks at EI in typical work environments. Nevertheless, there isn't much empirical research examining how EI works at times of restructuring, economic downturns, organizational crises, or toxic workplace cultures. Moreover, Emotional Intelligence (EI) has been extensively studied in a variety of



industries, there is a dearth of sector-specific research that looks at how it affects leaders and workers in high-stress areas, including manufacturing, healthcare, IT, and finance. The Research linking emotional intelligence (EI) to long-term rehabilitation plans and organizational resilience is scarce. The role that workforce adaptation and emotionally savvy leadership play in boosting morale and productivity has to be investigated. Despite theoretical assertions regarding the advantages of EI in stress management, there is a dearth of empirical research on the efficacy of EI-based interventions (like mindfulness exercises, training programs, or EI-driven leadership techniques) in demoralized workplaces. Limited Attention to Employee Views and Reactions Fewer studies examine employees' emotional intelligence and how it affects their coping strategies, engagement, and job satisfaction during challenging times, while the majority concentrate on leaders' emotional intelligence and its effects on organizational outcomes (Rafiq-uz-Zaman & Asif, 2026). Disparities in culture and generation may affect how Emotional Intelligence (EI) is viewed and used in crisis management. Filling in these gaps will give us a better understanding of how important emotional intelligence is to preserving organizational stability and worker well-being in trying times. In this regard, "The role of Emotional-intelligence during stressed and demoralized environments inside organizations" has been derived for further research study.

2. Literature Review

The Emotional-intelligence has drawn serious attention from scholastics and HR professionals all over the world over the last 10 years. The advancement of the capacity of Emotional-intelligence is significant because when abilities improvement programs are planned. However, research shows that feelings, appropriately made, determine trust, assuredness, and responsibility. Large numbers of the best efficiency gains, developments, and achievements of people, and associations have happened inside such a system (Cooper, 1997). The E-I didn't become famous as a term until around 1990 and interest has developed hugely throughout 30 years. In 1987 Mensa-Magazine article Keith Beasley used the word "Emotional Quotient." Reuven Bar-On an Israeli therapist proposed a quantitative way to deal with making "an EQ practically identical to a level of intelligence score" in the First duplicate of his doctoral exposition, which was submitted in 1985. In 1990, Psychologists Peter Salovey & John Mayer distributed milestone articles, Emotional-Intelligence in journal-Imagination, Cognition, and Personality. In 1995, the idea of EI on a deeper level was promoted after the distribution of Daniel Goleman's book 'Emotional Intelligence: Why It Can Matter More Than IQ' which we have utilized as the reason for EI content in our Hierarchical Administration Abilities course. Emotional-intelligence is a sense that allows people to distinguish feelings. Emotional-intelligence is the art of capability for getting consciousness and understanding to distinguish the feelings that originate in interpersonal communication, and to prevent the perimysium and vice versa. There are some steps due to which emotions are being controlled.

2.1 Take Time

A feasible system for keeping away from emotional explosions is to step back and consider your response prior answering an upsetting occasion. Indeed, even a little cushion of space to breathe can permit pioneers to defeat their intuitive response, ponder what their reaction will mean for representatives, and answer properly. This flitting stop permits a pioneer to consider all the data available to them before answering. This is particularly significant while taking care of contention between representatives. A Leader who takes as much time as is needed can think about all sides of the contention and answer with a critical thinking mentality, instead of a profound one. While it could be challenging to get into the act of stopping, pioneers can carry out this conduct in regions beyond stress or struggle, like in gatherings or correspondences with representatives, and over the long haul, this conduct becomes ongoing and a characteristic reaction to circumstances.

2.2 Preemptive

There are some procedures recommended for emotional guideline and resistor. As examined before, a portion of the more uninvolved methodologies, for example, keeping away from clashes, are unreasonable for leaders to execute in their day-to-day exercises. Think about placing a few additional dynamic ways to deal with emotional-control into training. This incorporates ways of behaving, for example, diverting from unpleasant undertakings with other work until you are sincerely resolving the issues; searching out peaceful time to handle feelings; then again conversing with different workers that help you in an improved outlook on



yourself or your situation. The procedure that turns out best for any singular chief will contrast contingent upon their working environment, current circumstance, and character. Evaluate a couple of approaches until you find one that reliably assists you with keeping up with your emotional resistor in organizations⁴.

2.3 Mindfulness Habits

Best ways to deal with acquiring emotional-control, in the working environment and different day to day issues, is to start a care practice. Care practice, frequently a piece of contemplation meetings, includes staying alert and mindful of one's self and climate while allowing considerations to condemn. Leaders under stress may particularly profit from care practice, "permitted" to encounter pessimistic contemplations, however at that point let these sentiments pass by without judging or following up on them. This dodges the pessimistic impact of smothering emotions while as yet trying not to attack representatives.

2.4 Stress Does Not Affect Everyone in the Same Way

People respond to stressful situations differently. Some individuals become overwhelmed by minor triggers, while others remain composed even under intense pressure. Emotional intelligence (EI) plays an important role in shaping these responses by helping people recognize their emotions, regulate their reactions, and respond appropriately to different stressors. Effective stress management therefore depends, in part, on maintaining a healthy balance between emotional arousal and thoughtful response.

Research suggests that emotional intelligence is closely linked to psychological well-being and workplace adjustment. Individuals with stronger emotional competencies often cope better with occupational stress and are less likely to experience negative well-being outcomes. In workplace settings, the ability to manage emotions and process emotional information can support healthier coping strategies and improve day-to-day functioning.

Several studies support this relationship. For example, Oginska et al. (2005) examined the link between emotional intelligence, perceived workplace stress, and health-related outcomes among employees in human services. Their findings indicated that emotional intelligence had a meaningful, though not exceptionally strong, role in reducing perceived occupational stress and protecting employees from negative health consequences. The study concluded that emotional regulation skills should be developed through stress-management training programs.

Similarly, Matthews et al. (2006) explored emotional intelligence alongside personality traits from the Five-Factor Model (FFM) as predictors of stress responses. Their results showed that lower emotional intelligence was associated with avoidant coping in stressful situations, even after controlling for personality traits. The study also found that neuroticism was linked with greater distress and anxiety, while conscientiousness predicted more task-focused coping.

Key points from the literature include:

- People vary significantly in how they experience and respond to stress.
- Emotional intelligence supports better emotional regulation and more adaptive coping strategies.
- Higher emotional intelligence is associated with lower perceived stress and better workplace well-being.
- Lower emotional intelligence is more closely associated with avoidant coping and distress-related outcomes.

2.5 Assessment of EI

Several assessments have risen to measure levels of Emotional-intelligence to understand someone at fundamental. Such tests are to be categorized as self-report tests and capacity tests.

Self-report assessments. These tests are common and they are the easiest to manage the score. The respondent examines questions or statements by evaluating his behaviour/ intelligence. E.g. I feel that how others are feeling. The maker of the question might be not agree, not agree, or strongly agree.

Capability assessment tests are frequently expected from individuals to exhibit their capacities, which are evaluated by an outsider.

2.6 Pragmatic Review

EI is a different form of descendant to academic intelligence. It is just a capability to evaluate IQ. Different IQ does not meaningfully change generations. The EI is to be taught and learned. It expects the



obligation while fostering the capabilities and skills. EI has appended below important parts:-

Self-awareness: Self-awareness is the establishment on which different components of the ability to appreciate people on a deeper level are constructed, the important initial move toward investigating and coming to figure out you, and toward change. It is the capacity to perceive and grasp your mind-sets, feelings, and drives as well as their effect on others. Close-to-home mindfulness is additionally about realizing what rouses, satisfies and lifts your heart to fill you with vigour and aliveness.

Self-regulation: In the capacity to direct feelings and conduct with the goal, it acts fittingly in different circumstances. It includes opposing or deferring a motivation, drive and impulse to answer.

Interpersonal-Skills: These include compassionate (monitoring, understanding and sensations of others). Being a productive, helpful, and contributing individual from your gathering are lying out and keeping up with commonly fulfilling connections.

Compliance: **Flexibility** is the ability to adapt to ecological requests by successfully and reasonably evaluating and deftly managing tricky circumstances. The capacity to change your feelings, contemplations and conduct to change circumstances and conditions.

Pressure Recognition: The capacity to endure unfriendly occasions, upsetting circumstances and compelling feelings without self-destructing yet by effectively adapting to pressure.

Irritability and Inspiration: Two factors that work with a sincerely canny way of behaving are confidence and bliss. Good faith is a capability to take a gander at more splendid life and keeps an uplifting outlook despite misfortune. Bliss is feeling happy, to live it up and to have a great time and expression with a good state of mind while having fun and exposes an optimistic temper.

2.7 Emotional Intelligence during Leading

A leader handles the mood/minds of the personnel and employees held on the posted strength under the supervision of that particular organization. The most talented corporate achieves by utilizing a secretive of mental capacities to understand people on a profound level. It is mindful and sympathetic. They peruse and direct their feelings instinctively while getting a handle and how to check others feel inside associations close to home state. EI has been newly authenticated with main talent area effects on profession and generate skills that expand the value in the organization. Dulewicz and Higgs demonstrated that EI impressions work for success. However specialized and logical ability consolidated for star exhibitions. 'Furthermore, the higher individuals enhance organization, the more significant Emotional-knowledge they have.' Managers and leaders are required extraordinary E-Q which signify association to the community, communicate with the largest number of individuals inside and outside the association. It sets the vibe for representative assurance (Goleman).

Leaders with sympathy can comprehend the needs of workers and can give them productive input. Various positions likewise call for various sorts of Capacity to understand people on a profound level. Progress in deal requires empathic bulk to measure temperament of a client and interpersonal expertise, when the pitch an item / when to stay silent and try not to carry your concerns work" it is one variety of contention, that feelings are present unseemly in working environment. Therefore, the contention drives, ought to found in data, rationale and quite cool explanation with feelings. However, it is to be assumed that feelings may be abandoned when you show up working. Certain individuals might expect, for different reasons, that close-to-home impartiality is ideal, and attempt to keep sentiments hidden. Such individuals work and relate with a particular goal in mind: normally they seem to be unbending, disengaged, or unfortunate, and neglect to take part completely in the existence of the working environment. This isn't downright terrible in certain circumstances; however, it does not great for such individuals who move into the board jobs. It would be valid for those individuals who act out exorbitantly, who educate how to feel regarding all and debilitate them. Emerging E-I is the organizational environment implies recognizing that feelings are dependably present and accomplishing something keen. Individuals massively shift in expertise which utilize their feelings and respond to the feelings of others. It can have the consequence between decent supervisor and a terrible one.

2.8 Stress and Demoralization in the Organization

In many organizations, the environment becomes characterized by maximum stress and demoralization across trades. Employees face high stress due to several factors, including manpower shortages, workload,



prolonged working hours, lack of skills creating pressure to execute tasks, relationships with bosses or peers, and subordination to superior authority, all of which lead to demoralization. Skill supervisors have revealed that aspects of stress and demoralization may directly influence organizational performance and disturb workers' willingness.

Employee demoralization in the workplace is connected to truancy, increased attrition, and diminished efficiency. Stress induces weakness, irritability, poor communication, and quality issues or errors. Demoralization can lead to organizational sabotage. High levels of nervousness also impact employee confidence and inspiration. Prolonged exposure to stress without effective coping strategies can lead to a range of physical and mental issues. For example, stress can lead to stress-induced gastrointestinal problems, irritable bowel syndrome, perceptiveness, heartburn, sleep deficiency, sadness, and coronary illness. Additionally, stress may increase the risk of high-risk behaviours such as smoking, drinking, and substance misuse. Stress-related illness encourages increased absenteeism and negatively affects organizational output. Organizations across industries are striving to offer employees a stress-free and morale-boosting atmosphere. Efforts to resolve these issues are more distinct in some industries than others.

Researchers have found that although workplace pressure is a global phenomenon, professionals in some industries are more vulnerable to stress than others. For instance, investigations conducted in 2023 to measure employee satisfaction with stress in the education department found that education department employees were among the most stressed and demoralized persons. Consequently, these government sectors began pursuing several techniques to reduce stress. In addition to leading pressure management workshops, organizations organized off-site picnics, games, and departmental rivalries. Some organizations also utilized counselling services and enhanced communication to improve relationships and fellowship in the workplace. The majority of employees in established organizations had access to in-house counselling centres. Some organizations employed nutritionists to provide quality food in the workplace and advise employees on healthy eating habits. Some organizations also considered utilizing clinicians to counsel their employees. Researchers felt that organizations were resorting to innovative strategies to resolve workplace pressure issues; however, further efforts were required in terms of both evaluating the situation and implementing concrete measures to address the problem.

2.9 Leading/ Managing an Organization

While leading an organization, the manager/leader should control his own emotions and manage stress less environment despite extreme pressure. Motivation and reading of mind with adjustment of under command employee is the craft of E-I. The E-I will have an optimistic impact when the leader handles it professionally. During seasons of pressure, ensure everybody understands what they should do and how it tends to be accomplished. This helps keep their psyches zeroed in on their positions as opposed to things that likely could be past the domains of their control, keeps them useful, and assists them with imagining that things are as yet continuing. The pressure that pioneers are put under can frequently bring about irritabilities and a deficiency of concentration, at last prompting an inability to appropriately take care of their business. Besides the fact that a focus on pioneers can be terrible for business, it will likewise frequently prompt them to miss the indications of stress inside those they lead.

2.10 Hypothesis

H1: Emotional intelligence (EI) positively influences employee well-being and resilience in stressed and demoralized organizational environments.

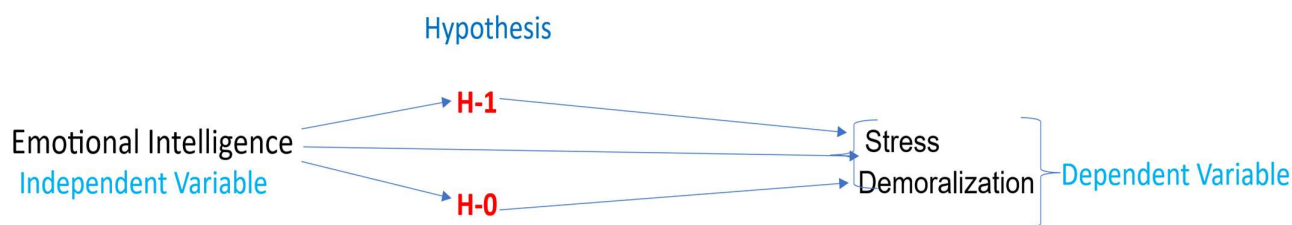
H0: Emotional intelligence has no significant impact on employee well-being, resilience, or workplace morale in stressed and demoralized organizational environments.

2.12 Research Framework

The conceptual and theoretical model of the study is shown in Figure 1, which illustrates the hypothesized relationships between Emotional Intelligence, Stressful Environment, and Demoralization.



Figure 1
Research Framework



3. Methodology

3.1 Study Design and Population

This study represents a systematic effort to discover the impact of emotional intelligence within organizations during stressed and demoralized environments. The key aims are:

- To determine the impact of emotional intelligence during stressed and demoralized environments inside organizations.
- To scrutinize the impact of emotional intelligence in a demoralized environment inside organizations.
- To study the relationship between emotional intelligence and stressful environments inside organizations.

A random sampling method was used for data collection from several employees, professionals, and managers selected from the banking sector and universities. The current research was conducted with a random sample of 120 individuals (86 males and 34 females) from various ethnic backgrounds, including employees, professionals, and managers from the banking sector in Pakistan (National Bank, HBL, Askari Bank, Khyber Bank, UBL, and Meezan Bank). The contributors' ages ranged from 22 to 27 years ($M = 24$).

3.2 Measurements

The current study followed the measurement procedures described below.

3.3 Emotional Intelligence Gauge

The Emotional Intelligence Gauge was developed by Schutte et al. (1998). It is a 33-item, 5-point Likert-type scale. As recommended in Salovey and Mayer's (1990) model of emotional intelligence, the tool has three modules:

- Evaluation and expression of emotion measured by 13 items
- Regulation of feelings measured by 10 items.
- Utilization of sentiments/feelings measured by 10 items.

All analyses were performed using SPSS (version 26) and PROCESS macro (version 4.0). Mediation bootstrapping used 5,000 resamples with bias-corrected confidence intervals.

Respondents rate each statement, selecting from 'Highly Disagree,' 'Disagree,' 'Neither Agree nor Disagree,' 'Agree,' and 'Highly Agree.' Schutte et al. (1998) reported a Cronbach's alpha (α) of 0.90 for internal reliability with a mean age of 29.3 years for adults ($SD = 10.20$) and $\alpha = 0.78$ for test-retest reliability after a 15-day interval for a small subgroup drawn from the sample. Schutte et al. (1998) also reported and forecasted rationality of $r(63) = 0.32$ for lower-level employees to discriminate validity, which indicated $r(41) = -0.06$ for the association between the gauge and SAT scores, and $r(22) = -0.28$ to 0.54 for subscales of the NEO Performance Record of banking sector employees.

3.4 Stress Inventory

The Stress Inventory was developed by Hari (2005) as an instrument to measure the level of stress in everyday life. This is a 66-item gauge with five response options: 'Completely Agree,' 'Agree,' 'Not Decided,' 'Disagree,' and 'Completely Disagree.' This stress inventory was created based on the work of James (1982), Sutherland and Cooper (1990), and Pohorecky (1991). It covers eight components of stress: stress as a tendency, causes of stress domestically, causes of stress professionally, subjective calculation of



circumstances, somatic consequences of stress, emotional intelligence outcomes, specific patterns of responding to stress, and selection in pressure reduction activities. To determine the consistency of the inventory, responses were merged with the agree/disagree scale. The questions were designed to measure both stress and EI simultaneously for leaders, which was convenient for all employees and students who participated in the research study. They easily understood the methodology and answered the questions professionally. To determine the reliability of the inventory, internal consistency was assessed using the split-half method based on responses from a sample of 50 undergraduates. The item-second coefficient of internal consistency, corrected by the Spearman-Brown formula, was 0.74. To test temporal consistency, the inventory was administered again to the same 50 undergraduates after one month. The test-retest correlation coefficient was 0.79, and the temporal consistency was 0.88.

3.5 Demoralization General Trial

The General Demoralization Trial was custom-made. This test is not intended to provide a diagnosis of demoralization but rather helps identify demoralization symptoms. The assessment consists of 10 items, to which respondents answer 'Yes' or 'No.' The test-retest consistency after a two-week interval was 0.74 for a smaller group drawn from a sample of 60 employees.

4. Results

4.1 Scoring of the Tests

Scoring was completed using distinct scoring keys for each instrument. The Emotional Intelligence Gauge, Stress Inventory, and General Demoralization Test were scored according to the options provided in the respective manuals. For the General Demoralization Test, the total score was calculated by summing 'YES' responses (each scored as 1) across the 10 items, yielding a possible range of 0–10. Higher scores indicated greater demoralization.

4.2 Preliminary Analyses: Scale Reliability

Before testing the hypotheses, the internal consistency of each measurement scale was assessed using Cronbach's alpha (α). The results are presented in Table 1.

Table 1

Reliability Coefficients (Cronbach's Alpha)

Scale	Number of Items	Cronbach's α	Interpretation
Emotional Intelligence Gauge	33	0.91	Excellent
Stress Inventory	66	0.88	Good
General Demoralization Test	10	0.79	Acceptable

All scales demonstrated acceptable to excellent internal consistency ($\alpha \geq 0.79$), confirming their suitability for the present sample.

4.3 Descriptive Statistics

The results from the 120 respondents (86 males, 34 females). Descriptive statistics were used to identify the pattern of score distribution. An analysis of Table 1 reveals that the mean demoralization score is 4.40 (SD = 1.79). The mean stress score is 136.54 (SD = 17.34), and the mean emotional intelligence score is 124.98 (SD = 10.92). Skewness and kurtosis values for all variables were within acceptable ranges (± 1.5), indicating univariate normality. Table 5 provides these values.

Table 2

Skewness and Kurtosis of Study Variables

Variable	Skewness (SE = 0.22)	Kurtosis (SE = 0.44)
Emotional Intelligence	-0.32	0.18
Stress	0.45	-0.21
Demoralization	0.61	0.07

4.4 Correlations

Pearson product-moment correlations among all three variables are shown in Table 2. Demoralization and stress were positively and strongly correlated ($r = 0.71$, $p < 0.001$), indicating that higher stress is



associated with higher demoralization. Demoralization and emotional intelligence were negatively correlated ($r = -0.67$, $p < 0.001$), and stress and emotional intelligence were also negatively correlated ($r = -0.55$, $p < 0.001$). These medium-to-large effect sizes (Cohen, 1988) suggest that emotional intelligence is a protective factor against both stress and demoralization.

Table 3

Inter-Correlation Matrix (as before, with p-values)

Variables	Demoralization	Stress	Emotional Intelligence
Demoralization	1.00	0.71**	-0.67**
Stress	0.71**	1.00	-0.55**
Emotional Intelligence	-0.67**	-0.55**	1.00

** $p < 0.01$ (2-tailed).

4.5 Group Differences Based on Gender

An independent samples t-test was conducted to compare male ($n = 86$) and female ($n = 34$) respondents on all three variables. Table 6 summarizes the results.

Table 4

Gender Differences (t-test results)

Variable	Mean (Male)	Mean (Female)	t-value	df	p-value	Cohen's d
Emotional Intelligence	125.90 (10.5)	122.10 (11.8)	1.74	118	0.085	0.35
Stress	134.20 (16.9)	142.30 (18.1)	-2.34	118	0.021	0.47
Demoralization	4.10 (1.65)	5.20 (1.92)	-3.12	118	0.002	0.63

Females reported significantly higher stress ($p = 0.021$) and demoralization ($p = 0.002$) than males, with small-to-medium effect sizes. Although males had slightly higher EI scores, the difference was not statistically significant ($p = 0.085$).

4.6 One-Way ANOVA by Age Group

Respondents were divided into three age groups: 22–23 years ($n = 48$), 24–25 years ($n = 52$), and 26–27 years ($n = 20$). A one-way ANOVA revealed no significant age-group differences for emotional intelligence ($F(2,117) = 1.42$, $p = 0.246$) or stress ($F(2,117) = 2.01$, $p = 0.138$). However, demoralization differed significantly across age groups ($F(2,117) = 4.56$, $p = 0.012$). Post-hoc Tukey HSD tests indicated that the 26–27 age group ($M = 5.25$, $SD = 1.50$) had significantly higher demoralization than the 22–23 group ($M = 4.05$, $SD = 1.80$), $p = 0.009$.

4.7 Regression Analysis

Multiple linear regression was performed to predict emotional intelligence from demoralization and stress. The overall model was significant ($F(2,117) = 48.98$, $p < 0.001$), with an R^2 of 0.456 (adjusted $R^2 = 0.446$). This means that 45.6% of the variance in emotional intelligence is explained by the two predictors. The Durbin-Watson statistic was 1.92, indicating no autocorrelation. Variance inflation factors (VIF) were 1.02 for both predictors, confirming no multicollinearity.

Table 5

Regression Coefficients for Emotional Intelligence

Variable	B (unstandardized)	SE B	β (standardized)	t	p-value	95% CI for B
(Intercept)	192.45	12.34		15.60	<0.001	[168.03, 216.87]
Demoralization	-3.34	0.592	-0.562	-5.804	<0.001	[-4.52, -2.16]
Stress	-0.06	0.061	-0.091	-0.942	0.348	[-0.18, 0.06]

Demoralization emerged as a strong, negative, and statistically significant predictor of emotional intelligence ($\beta = -0.562$, $p < 0.001$). In contrast, stress was not a significant predictor when demoralization was controlled for ($\beta = -0.091$, $p = 0.348$). This suggests that demoralization mediates much of the relationship between stress and EI, a possibility tested below.



4.8 Moderation Analysis (Stress × Demoralization)

To examine whether stress moderates the relationship between demoralization and emotional intelligence, a moderation analysis was conducted using PROCESS macro (Model 1, Hayes 2018). The interaction term (Demoralization × Stress) was added to the regression model. The interaction was not significant ($B = 0.008$, $SE = 0.012$, $p = 0.512$, 95% CI [-0.016, 0.032]), indicating that the negative effect of demoralization on EI does not vary significantly by level of stress. Simple slopes analysis confirmed that demoralization remained a significant predictor at low (-1 SD), mean, and high (+1 SD) levels of stress (all $p < 0.001$).

4.9 Mediation Analysis (Stress → Demoralization → EI)

Given the significant correlations and the non-significant direct effect of stress in the regression, a mediation model was tested using bootstrapping (5,000 resamples). Stress was the independent variable, demoralization the mediator, and emotional intelligence the dependent variable. The indirect effect (via demoralization) was significant ($B = -2.14$, $SE = 0.48$, 95% CI [-3.12, -1.25]). The direct effect of stress on EI after including demoralization was non-significant ($B = -0.06$, $p = 0.348$). Thus, demoralization fully mediates the relationship between stress and emotional intelligence. This finding highlights that stress reduces emotional intelligence primarily by increasing demoralization.

4.10 Effect Sizes and Power

All significant effects reported above achieved at least a medium effect size (Cohen's $d \geq 0.47$ for t-tests; $\eta^2 = 0.072$ for ANOVA; $R^2 = 0.456$ for regression). Post-hoc power analysis using G*Power indicated that with a sample size of 120 and $\alpha = 0.05$, the achieved power was 0.99 for detecting a medium correlation ($r = 0.30$) and 0.95 for detecting a medium effect in regression ($f^2 = 0.15$). Therefore, the study was adequately powered.

5. Conclusion and Recommendations

5.1 Conclusion

The current study was designed to elucidate the role of emotional intelligence in managing workplace stress and demoralization among employees in the Pakistani banking sector. A sample of 120 professionals, managers, and employees participated. The key findings are as follows:

1. Descriptive patterns: The sample exhibited average to above-average levels of emotional intelligence and stress, and average demoralization. Normality assumptions were satisfied.
2. Gender differences: Female employees reported significantly higher stress and demoralization than their male counterparts, although emotional intelligence did not differ significantly. This suggests that workplace interventions may need to be gender-sensitive.
3. Age differences: Older participants (26–27 years) showed higher demoralization compared to the youngest group (22–23 years), possibly due to accumulated job pressures. No age differences were found for EI or stress.
4. Correlational evidence: Emotional intelligence had strong negative correlations with both stress and demoralization. Demoralization and stress were strongly positively correlated.
5. Predictive model: Demoralization was a powerful negative predictor of emotional intelligence, explaining 45.6% of its variance. Stress alone did not predict EI after controlling for demoralization.
6. Mediation mechanism: The relationship between stress and emotional intelligence is fully mediated by demoralization. In other words, stress does not directly lower EI; rather, stress increases demoralization, which in turn erodes emotional intelligence. This is a novel finding with important practical implications.
7. No moderation: The impact of demoralization on EI was consistent across different levels of stress, indicating the robust negative effect of demoralization irrespective of how stressed employees feel.
8. Taken together, the results strongly support the alternative hypothesis (H_1) that emotional intelligence positively influences employee well-being and resilience in stressed and demoralized environments. The null hypothesis (H_0) is rejected. The study concludes that demoralization is a critical mechanism through which workplace stress impairs emotional intelligence, and that enhancing EI can break this negative cycle. Leaders who cultivate their own and their employees' emotional



intelligence—particularly by addressing demoralization directly—can foster a more resilient and productive organizational climate even under high stress.

5.2 Recommendations for Future Research Directions

Given the importance of emotional intelligence in managing workplace stress and demoralization, and building on the mediation finding, future research should:

1. Longitudinal designs: Assess how emotional intelligence, stress, and demoralization evolve over extended periods (e.g., during organizational crises or restructuring). Cross-lagged panel studies could establish causal direction.
2. Sector-specific studies: Examine EI dynamics in other high-stress industries such as healthcare, information technology, manufacturing, and emergency services. The present findings may not generalize equally to all sectors.
3. Intervention studies: Develop and evaluate evidence-based EI training programs, specifically targeting demoralization as a mediator. Randomized controlled trials could determine whether EI training reduces demoralization and, consequently, stress-related impairments.
4. Mindfulness and emotion regulation: Investigate the role of mindfulness, emotional regulation techniques, and other EI-focused strategies in enhancing workplace motivation and reducing demoralization.
5. Cultural and generational differences: Examine how cultural backgrounds (e.g., collectivist vs. individualist) and generational cohorts (Gen Z, Millennials, Gen X, Boomers) influence the application and effectiveness of EI in managing workplace stress. Cross-cultural comparative studies are needed.
6. AI-driven EI tools: Explore the role of artificial intelligence tools such as sentiment analysis, emotion recognition, and AI-powered employee support systems in helping organizations monitor and manage employee stress and demoralization in real time.
7. Crisis leadership models: Investigate how emotionally intelligent crisis leadership models can help organizations navigate severe crises (e.g., pandemics, financial collapses, mergers and acquisitions). Develop a framework for integrating EI into organizational change management strategies.
8. Gender-specific interventions: Given the higher stress and demoralization among female employees in this study, future research should explore workplace policies (e.g., flexible hours, mentorship, psychological safety) that may reduce gender disparities in well-being outcomes.
9. Mediators and moderators: Extend the mediation model by testing other potential mediators (e.g., job satisfaction, self-efficacy, social support) and moderators (e.g., organizational justice, leadership style) of the stress-EI relationship.
10. Qualitative insights: Complement quantitative findings with in-depth interviews or focus groups to understand employees' lived experiences of demoralization and how they use emotional intelligence to cope.

By addressing these directions, researchers and practitioners can more effectively harness emotional intelligence as a strategic tool for sustaining organizational health and productivity during demoralizing and stressful times.

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Contribution of Authors

All the authors participated in the ideation, development, and final approval of the manuscript, making significant contributions to the work reported.

Conflict of Interest Statement

The authors declare no conflicts of interest.

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Informed Consent



Informed consent was obtained from all individual participants included in the study.

Ethical Approval

All procedures performed in studies involving human participants were in accordance with the ethical standards of 1964 Helsinki declaration and its later amendments.

Data Availability

The datasets generated during and analysed during the current study are available from the corresponding author on reasonable request.

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