



## Emotional Intelligence as a Mediator Between Transformational Leadership Style and People-Oriented Decision-Making: Evidence from Local Government in Pakistan

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**Abstract:** This paper examines mediation effect of emotional intelligence (EI) between the relationship of transformational leadership style (TFLS) and people-oriented decision making-style (PDMS) within the context of local government in District Dera Ismail Khan, Khyber Pakhtunkhwa, Pakistan. The study followed research philosophy of positivism and used a survey-based research design. From total population of 348 individuals, 184 respondents were selected using stratified random sampling technique. Multifactor Leadership Questionnaire (MLQ) for TFLS, the GENOS EI Inventory for emotional intelligence, and the Decision Style Inventory (DSI) for PDMS were used to measure variables. Four step approach of Baron and Kenny's (1986) mediation model was tested for mediation analysis. The results showed that EI partially mediated the relationship between TFLS and PDMS which suggest that leaders with higher EI are tend to be more effective in participatory and inclusive governance. This study also provides practical insight into the topic and give recommendation of emphasizing on EI leadership training/development programs to improve quality and standard of decision making.

**Keywords:** Emotional Intelligence; Transformational Leadership; People-Oriented Decision-Making; Mediation; Local Government; Pakistan; Public Sector Leadership

### Introduction

An organization is run by six Ms of management (Robbins & Coulter, 2019) i.e. men, money, materials, machines, methods and markets. Out of these Ms Men is the most important one. Among the 'men' of an organization the manager or the leader occupies the most crucial position because he is the one who makes decisions about all other Ms and organizational success or failure, sometimes totally, depends on his decisions (Malliaris & Guder, 2015). Therefore, it is imperative for a leader to make decisions rationally. Recently, EI is recognized as a very important factor that could influence manager's or leader's decision. This research explores the relationship among leadership styles, EI, and decision-making styles.

Public sector in Pakistan is evolving gradually. The leaders, who can influence the followers to get the job done on time, bringing effectiveness and efficiency to the sector are needed because they will lead the country towards success (Alam Zeb et al., 2015; Miao et al., 2018).

This research tests how emotional intelligence mediates between leadership style (transformational) and decision-making styles (people-oriented).

### Literature Review

In an organizational context, the role of managers or administrators extends beyond routine oversight. Alongside handling systems and procedures, they are also responsible for leading people, which introduces a different set of challenges. Unlike non-human resources—such as equipment or infrastructure—that simply require technical management, human resources bring with them individual differences, emotional responses, and social expectations. As such, managing people effectively involves a leadership approach that takes into account not only structure and rules but also human behavior and interpersonal dynamics.

Tatum et al. (2003) emphasized on the importance of leadership in terms of both decision-making and their practical implementation. Their view highlighted that leadership is not only about formulating choices but also about carrying them through in real environments. Robbins and Coulter (2008), expanding on this idea, discussed various leadership styles that have emerged in recent thought, including transformational, transactional, team-based, and charismatic leadership. Rehman and Waheed (2012) grouped leadership into three key areas they found most relevant: transformational leadership, emotional intelligence, and decision-making. They viewed these not as fixed models but as overlapping elements that depend on context and real-world application.

Interest in leadership styles and emotional intelligence began to rise when scholars started paying closer attention to the personal characteristics of leaders. Earlier leadership studies tended to focus more on functional or structural traits, often overlooking the human side of leadership. Over time, however, researchers began to realize that although analytical ability is important for performance, it is emotional intelligence that often separates effective leaders from exceptional ones (Aqqad et al., 2019). Leaders operate in environments where public interaction is frequent and often sensitive. Leaders need to be self-aware of their emotions and they should have the quality regulate emotions timely. Roberts (1984) discussed emotional regulation as a necessary part of leadership, not as an additional skill but as something integrated into daily leadership tasks. Muhammad et al. (2018) also emphasized on emotional control, especially in structured organizational environments where interpersonal challenges are common. Clinton (2018) added that leaders are constantly facing decision-making situations, and this ongoing demand benefits from emotional awareness. Leaders who are better at recognizing and working through emotional responses may, in turn, make decisions that are more grounded and appropriate.

Transformational leadership has remained particularly influential in all most all the recently explored leadership theories. J. M. Burns (1978), argued that leadership is not about directing or commanding others to achieve predefined organizational goals or objectives. He argued that scholars should consider leadership and followership together, suggesting that leadership should also involve growth and development on both sides, rather than the leader alone setting the agenda.

Over time, researchers have tried to explore what traits help transformational leaders succeed. Palmer et al. (2001) found that EI was positively related to TFLS. Barling et al. (2000) came to similar results. These studies noted that core features of TFLS such as idealized influence, inspirational motivation, and individual attention to coworkers were often more visible in leaders with higher EI. This may help explain why leaders with strong emotional awareness tend to create more trust and motivation in their teams.

George (2000) noted that EI helps leaders improve their approach towards problem solving, decision making and managing skills. These improvements stem from the ability to manage emotions effectively. While emotions may arise as reaction to either challenges or opportunities, those with a higher EI are better equipped to respond constructively and timely.

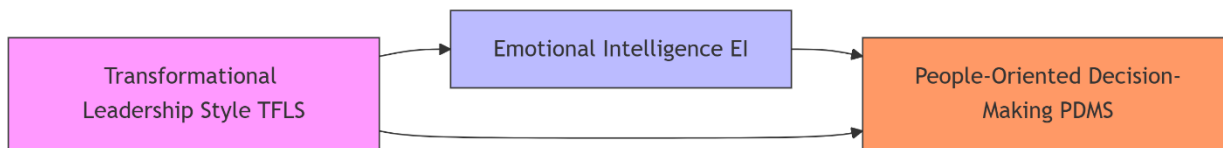
The relationship between Leadership and decision-making is well explained in contingency theories. these theories examine how leadership styles must adjust depending on different decision-making needs. One example is the participation model of leadership, where Vroom (2000) outlined that certain leadership behaviors are linked to the nature of the decision. Factors such as the leader's experience, group competence, commitment level and the significance of the decision all contribute to determining which leadership approach is most appropriate in a given context.

Decision-making styles vary depending on several factors, including how many alternatives are considered, the volume of information used, the sources of that information, and the coordination required among different actors but most importantly which style of leadership is responsible for taking that particular decision. Transformational leaders, due to their broader vision and tendency to engage with more alternatives at hand, often show a decision-making style that is more rational and comprehensive. Research by Driver and Brousseau (1990), Kedia and Nordtvedt (2002), and Tambe and Krishna (2000) has pointed to this pattern, emphasizing that such leaders prefer deliberate and informed decisions. In line with this, Steplen and Roberts (2004) remarked that rational decisions generally take time and should not be made hastily.

A leader who values relationship relies heavily on both personal and social aspects of emotional intelligence. While doing so, their personality traits, particularly empathy and compassion, play a major role in their success. Leaders who have higher EI have the ability to extend their interpersonal skills specially communication skills across different situations. Their emotional self-awareness, emotional regulation and self-motivation allow them not only to manage their own emotional responses but also to engage more effectively with the emotions of others. This strength helps prevent emotional reactions from interfering with their professional responsibilities and creating any biases during decision making process. Empathy, in particular, becomes an important part of their leadership approach, contributing to healthier relationships and more cohesive team management.

### Theoretical Framework and Hypothesis

The current paper focuses on the model, TFLS(EI) → PDMS, where emotional intelligence is hypothesized to act as a mediator between transformational leadership style and people-oriented decision-making.



The mediation model used in this study is shaped by how past research has linked the three variables conceptually. It has been shown that transformational leaders often rely on certain behaviors and values that help them motivate and influence others. However, their success tends to improve when emotional intelligence is also present. Emotional intelligence makes it easier for leaders to understand people, manage interpersonal dynamics, and involve others in a more inclusive and participative decision-making process. This connection provides a reasonable basis to view emotional intelligence as playing a mediating role between transformational leadership and a people-oriented decision-making style.

### Hypothesis

**H1:** Emotional intelligence significantly mediates the relationship between transformational leadership style and people-oriented decision-making style.

### Research Methodology

This research adopted positivist philosophy, which emphasizes that knowledge to be acquired from observable and measurable facts. A survey-based approach was used to collect primary data from the respondents directly involved in local governance in District Dera Ismail Khan, particularly 278 elected representatives and 70 provincial government officers, totaling to 348. The Population of this study comprises upon all members (including Zila Nazim) of the district council, all the Tehsil members of five Tehsil councils (including Tehsil Nazimeen) of District Dera Ismail Khan and chairmen of all the Village/Neighborhood councils in district D. I. Khan. The Deputy Commissioner D. I. Khan, Five Assistant Commissioners of the Tehsils of Dera Ismail Khan, Assistant Director Local Government Dera Ismail Khan, Five TMOs and five TO(F)s of TMAs.

Through stratified random sampling—grouping participants by role, a representative sample of 184 was selected. The questionnaire drew upon established tools and prior literature, refined through a pilot study and expert review, and was translated into Urdu to improve comprehension. Transformational Leadership Style was assessed using Bass and Avolio’s Multifactor Leadership Questionnaire; Emotional Intelligence with a 12-item GENOS EI Inventory (Cronbach’s alpha = 0.89); and Decision-Making Style through Rowe and Mason’s Decision Style Inventory. The

reliability of each scale was confirmed with Cronbach’s alpha values above 0.70 TFLS (0.766), EI (0.792), and PDMS (0.935). Construct validity and sampling adequacy were further supported by statistically significant KMO and Bartlett’s tests ( $p < .001$ ).

### Data Analysis

Statistical analysis included:

- **Pearson Correlation** to test associations
- **Multiple Regression** to test cause-and-effect relationships
- **Baron and Kenny’s (1986) mediation approach** to evaluate emotional intelligence as a mediator.

Table 1 Descriptive Profile of Respondents (N = 184)

| Variable           | Category                | Frequency | Percentage (%) |
|--------------------|-------------------------|-----------|----------------|
| Type of Respondent | Government Officers     | 47        | 25.5%          |
|                    | Elected Representatives | 137       | 74.5%          |
| Qualification      | Graduate                | 130       | 70.7%          |
|                    | Undergraduate           | 54        | 29.3%          |
| Domicile           | Local                   | 166       | 90.2%          |
|                    | Non-local               | 18        | 9.8%           |
| Marital Status     | Married                 | 155       | 84.2%          |
|                    | Unmarried               | 29        | 15.8%          |
| Age Group          | 30–39 years             | 116       | 63.0%          |
|                    | 40–49 years             | 44        | 23.9%          |
|                    | 50+ years               | 24        | 13.1%          |

### Data Analysis and Results

Table 2 Descriptive Statistics of Study Variables

| Variable                                     | N   | Min  | Max  | Mean | SD   | SE    |
|--|-----|------|------|------|------|-------|
| Transformational Leadership Style (TFLS)     | 184 | 1.00 | 5.00 | 3.89 | 0.52 | 0.038 |
| Emotional Intelligence (EI)                  | 184 | 1.08 | 5.00 | 3.73 | 0.57 | 0.042 |
| People-Oriented Decision-Making Style (PDMS) | 184 | 1.00 | 5.00 | 4.02 | 0.62 | 0.046 |

Table 3 Correlation Matrix Between TFLS, EI, and PDMS

| Variable | 1      | 2      | 3 |
|----------|--------|--------|---|
| 1. TFLS  | —      |        |   |
| 2. EI    | .395** | —      |   |
| 3. PDMS  | .837** | .459** | — |

The mediation process is run to compute statistical significance of the role played by a third variable between a predictor (X) and a test-variable (Y). Four models have been tested and results presented to accept or reject the hypotheses as per computed statistics according to the following criteria prescribed by Baron and Kenny (1986):

**Pre-Conditions:**

- Path ‘a’ must be significant
- Path ‘c’ must also be significant

**Conditions:**

- Path ‘b’ must be significant
- Path ‘c-hat’ is significant → *Partial Mediation*
- Path ‘c-hat’ is insignificant → *Full Mediation*

**Mediation Model 1: TFLS → EI → PDMS**

**Hypothesis #1:** Emotional intelligence significantly mediates the relationship between transformational leadership style and people-oriented decision-making style.

**Step 1: TFLS Predicts EI**

(Path a – Significant)

“There is significant cause-n-effect relation between the predictor and mediator variables.”

- **B = .525, t = 5.797, p < .000**
- $R^2 = 0.156$
- **F = 33.604, p < .000**

**Step 2: TFLS Predicts PDMS**

*Table 4 Regression Model for TFLS Predicting PDMS*

| Predictor | B     | SE B  | B    | T      | P      |
|-----------|-------|-------|------|--------|--------|
| TFLS      | 1.025 | 0.050 | .837 | 20.596 | < .001 |

(Path c – Significant)

- **B = 1.025, Beta = .837, t = 20.596, p < .000**
- $R^2 = 0.700$
- **F = 424.205, p < .000**

**Step 3: TFLS + EI Predict PDMS**

*Table 5 Regression Model for TFLS and EI Predicting PDMS*

| Predictor | B     | SE B  | B    | T      | p      |
|-----------|-------|-------|------|--------|--------|
| TFLS      | 0.938 | 0.059 | .765 | 15.822 | < .001 |
| EI        | 0.167 | 0.052 | .182 | 3.756  | < .001 |

(Path b and c-hat – Both Significant)

- **TFLS → PDMS: B = .938, Beta = .765, p < .000**
- **EI → PDMS: B = .167, Beta = .182, p < .000**
- $R^2$  increased from **.700 to .728**
- **F = 241.753, p < .000**

- Durbin-Watson = 1.892 (no autocorrelation)

Table 6 Summary of Mediation Effects (Baron & Kenny Method)

| Path                                       | Description                    | B    | T      | p      | Interpretation           |
|--|--------------------------------|------|--------|--------|--------------------------|
| a (TFLS → EI)                              | Direct effect of TFLS on EI    | .395 | 5.797  | < .001 | Significant              |
| c (TFLS → PDMS)                            | Direct effect without mediator | .837 | 20.596 | < .001 | Significant              |
| b (EI → PDMS)                              | Mediator effect                | .182 | 3.756  | < .001 | Significant              |
| $\hat{c}$ (TFLS → PDMS controlling for EI) | Partial effect                 | .765 | 15.822 | < .001 | <b>Partial Mediation</b> |

## Discussion

### Theoretical Discussion

It would not be wrong saying, theoretically, that studying the relations between leadership style and decision-making style are well discussed and almost exhausted by the eminent scholars in the field of organizational behavior, specifically regarding leadership qualities and its impact on decision making (Abraham, 2000). Furthermore, the influence of emotional intelligence on the part of the leader has also been explored, especially where people-oriented work environments need to be created demanding a specific leadership model which capitalizes on the human capital of the organization (i.e., transformational leadership) (Clinton, 2018). Thus, emotional intelligence (EI) strengthens a leader's capacity to draw upon the collective wisdom of their coworkers and teammates.

### Empirical Discussion

The findings indicate that emotional intelligence partially and significantly mediates the relationship between transformational leadership and people-oriented decision-making style. This suggests that, in the current setting of the local government in Dera Ismail Khan, the influence of emotional intelligence in the workplace remains quite limited. There is a clear need for reform in how emotional intelligence is understood and applied, especially as a human resource that, if properly harnessed, has the potential to improve overall performance. The table of 'coefficients of regressions' shows that the path-c, which is a pre-condition for computing mediation effects, is significant. Therefore, Hypothesis #4 is accepted, noting that **there is partial mediation** of EI between TFLS and PDMS. The beta weight of TFLS ( $B = .938$ ) remains high, while EI ( $B = .167$ ) contributes additional variance. The  $R^2$  increases from 0.700 to 0.728, confirming that even though the mediation is partial, it is statistically meaningful.

## Conclusion and Recommendations

### Conclusion

Conclusions have been drawn on the bases on the main findings, especially in relation to the hypothesis that was shaped from the original research question. The hypothesis was tested using several statistical techniques. In academic research, conclusions are not just summaries they involve reflecting on the actual field results and comparing them with the theoretical models found in earlier literature. While looking specifically at Hypothesis #1, the data suggests a clear and strong connection between transformational leadership style (TFLS) and people-oriented decision-making style (PDMS). What is more is more interesting is the role emotional intelligence (EI) plays as it acts as a meaningful bridge between the TFLS and PDMS. The analysis shows that this relationship is partially mediated by EI, which gives enough empirical backing to accept Hypothesis #1.

### Recommendations

There is no fixed rule that makes one leadership or decision-making theory better than the other. What really counts is whether the style being used fits the situation it is meant for. Problems do not usually come from the style itself, but from a mismatch between the approach and what the system actually needs. In this regard, task-oriented decision-making is typically associated with transactional leadership, rather than transformational. Based on the findings of this study, several practical recommendations are proposed to improve leadership and decision-making practices in local governance:

- Leaders should receive regular training to adopt and adapt the transformational leadership style (TFLS) and emotional intelligence (EI) in line with the specific needs of different situations.
- Targeted coaching programs for decision-makers in local government are essential to help balance transformational leadership with people-oriented decision-making, all while keeping organizational goals in focus.
- Leadership development must include awareness of demographic diversity, encouraging leaders to promote inclusive, employee-empowered decision-making processes.
- Ongoing education is needed to help leaders embrace digital behaviors and effectively integrate social media tools into their leadership practices, especially within the TFLS framework.

## Implications

### • Global Implications:

This study adds to the growing literature about leadership and emotional intelligence across various settings. It becomes clearer that transformational leaders, who tend to be more people-oriented, can better manage teams when they bring emotional intelligence into the picture. While the idea is not new, what this research confirms is that there is a practical, working link between leadership behavior and decision-making style, and emotional intelligence sits right in the middle of that link. This has wider relevance for organizations beyond the local level, especially in today's fast-changing and people-driven workplaces.

### • Practical Implications for Stakeholders:

For local governance stakeholders, whether elected members or administrative officers, the results point toward an opportunity to rethink about leadership and how decisions are made practically. What came through in the study is that transformational leadership aligns well with people-oriented decision-making, but it doesn't work in isolation. Emotional intelligence adds the layer that makes such leadership more inclusive and responsive. That means there's a case for targeted training and capacity-building efforts that help decision-makers recognize the value of EI, not just as a concept, but as a daily leadership tool. Especially in systems like the one in Dera Ismail Khan, where traditional styles often dominate, this shift could improve collaboration, communication, and overall public service outcomes.

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