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Can Artificial Intelligence Lead with Emotional Intelligence? A Critical Review of AI-Augmented Leadership in Contemporary Organizations

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ABSTRACT: The use of artificial intelligence (AI) in organizational contexts is altering the way traditional leadership has been understood. This transformation examines one critical aspect which is emotional intelligence (EI). This paper considers the implications of EI and AI together, particularly around how AI replicates, enhances or replaces emotionally intelligent leadership. Based on interdisciplinary literature concerning organizational psychology, artificial intelligence, and human–computer interaction, the study assesses AI capabilities regarding emotion recognition, sentiment analysis and decision support compared to the experiential and ethical aspects of human empathy. These findings imply that while AI could facilitate leaders' emotional awareness by analysing data, at its core it is still incapable of genuine empathy, morality and socio-contextualisation. In addition, empirical results further suggest that AI-mediated leadership maybe indeed reduce emotional engagement and perceived authenticity, despite improving analytical efficiency. The paper instead argues for the redefinition of leadership as a socio-technical, hybrid process in which AI is not seen as a replacement of human leaders but simply provides assistance. It emphasizes the importance of building digital emotional literacy skills for leaders and points to important gaps in existing research, including how AI affects trust, engagement and psychological safety over time. The research concludes that effective leadership in a digitally driven age is based on having the tech lead but keeping uniquely human emotional styles of relating to and working with others intact.

1. INTRODUCTION

Leadership today in the digital world is highly influenced by the pace of technology advancement. Digital systems are not only changing how organizations function but also what it means for leaders to be human-centred. Emotional Intelligence (EI) continues to be at the heart of many essential skills to effective leadership. Emotional intelligence (EI) refers to the ability to identify, understand and manage one own feeling as well as those of other people (Buşu, 2020). This is regularly associated with more successful teamwork, increased employee engagement, enhanced positive conflict management and better decision making (Kerr et al., 2006). Yet, with AI increasingly infiltrating organizational workflows, long-held beliefs around what makes a successful leader are being reframed. AI went beyond routine automation. They are now being designed to tackle increasingly complicated analytical jobs and, increasingly, human emotion (Patulny et al., 2020) nodes. Which begs the all-important question, Will AI ever be able to imitate or elevate the emotional skills of leadership, or does it operate under learned behavior?

Recent technological advances propose that AI is able to detect and respond to emotional signals. AI powered tools like recognition of face, voice analysis, sentiment detection and tracking behavioral patterns allow AI to detect emotional signals and provide response suggestions (Ikwuanusi et al., 2024). Within organizations, such systems help to quipe with the tracking of engagement, detection of stress/burnout and in assisting leaders align their communication methodology. AI in this respect

can supplant emotionally intelligent driven leadership with hard data that the human eye cannot see. However, this capacity is inherently constrained. AI has access to emotional data, yet it cannot feel. It does not have subjective awareness, moral reasoning, or contextual sensitivity (Stark and Hoey, 2021). These components are vital when it comes to genuine empathy and relational leadership. What that means is, say AI may identify an employee as being frustrated, but it cannot analyze context or respond with genuine empathy. Consequently, its reactions could be seen as mechanical or unsuitable in complex social situations (Huang & Rust, 2024).

This limitation was also made more tangible by empirical evidence even. Human leaders are trusted more and empathize for the employees, especially in emotionally visceral contexts (Sadri et al., 2011). We trust our leaders not necessarily because their answer was right but the authenticity that they came across. In contrast, depending on the culture or situation that AI is interpreting emotional expressions, it may also be more likely to misinterpret nonverbal cues. We call that a DQ (drama quotient), and the misunderstandings that arise from that can easily take teams off course and create an unhealthy organizational culture. Though EI and A.I. draws remarkable interest, the literature is still fragmented. Some published research on EI criticises human leadership, overlooking new advances in emotionally responsive AI. In contrast, organizational studies of AI tend to focus narrowly on implications for efficiency, decision support and technical performance. They hardly deal with leadership, empathy and relational dynamics (Joshi, 2025). Furthermore, albeit existing conceptual frameworks on AI supported leadership, little critical synthesis is available that examines the impact of AI on leadership efficiency and employee outputs in terms of trust and engagement (Farinha & Pina, 2025). Ethical considerations also remain underexplored.

This present paper fills into these gaps by exploring the nexus of emotional intelligence, AI and leadership. It centres on three central questions. First, what do current AI systems have to offer in terms of emotional intelligence and how does that stack up against key human leadership skills? Second, the interactions between human leaders and AI systems that transform emotional processes in organizational contexts with regard to trust, engagement and psychological safety? Third, what are the remaining theoretical, methodological, and ethical gaps in this field? Based on a central premise from organizational psychology, artificial intelligence (AI), and human–computer interaction, this review contends that AI can supplement but not simulate emotionally intelligent leadership. AI can analyse, predict data and perform a lot of work that freed humans off mundane tasks, but AI will never have the humanity to empathise with other humans. So, the challenge is not to replace human leadership with AI, but rather to use AI in ways that enhance, not detract from human aspects of leading well.

2. MATERIALS AND METHODS

In this paper, we conducted a critical narrative literature review that reflects on the status of emotional intelligence (EI), artificial intelligence (AI) and leadership in organizations today. In contrast to systematic reviews, critical narrative reviews allow multidisciplinary evidence synthesis and interpretation as well as identification of conceptual progressions, theoretical controversies, and research gaps across fields. Priority was given to peer-reviewed journal articles, scholarly books, book chapters, and conference proceedings published primarily between 2004 and 2025, with particular emphasis on recent studies published from 2020 onwards due to the rapid advancement of AI technologies. Earlier foundational works were included where necessary to establish the theoretical foundations of emotional intelligence and leadership.

The searched literature was screened against three main themes of relevance such as emotional intelligence and leadership, affective computing and artificial intelligence, and AI-supported leadership and organizational outcomes. Where studies were about technical AI development without any organizational or leadership implications, they were excluded. The identified studies were analysed and compared against theoretical lenses, common themes or consistencies across the literature, areas of concordance/discordance, and consensus developments regarding the scope, restrictions and future impulse surrounding AI-infused emotionally intelligent leadership approaches.

3. RESULTS AND DISCUSSION

3.1 Emotional Intelligence as a Foundation of Human-Centered Leadership

There are permissive opportunities and constraints, intertwined with leading with AI energy + emotionally intelligent courage. There have been examples of AIs outperforming humans in the classification of emotions using multimodal data (Kumar, 2021). This helps the leaders to keep a pulse on employee engagement and stress especially at remote locations. Data-driven insights from AI-supported empathetic systems augment employee organizational commitment (Fragouli, 2025). As a result,

leadership models in hybrids lead to better decision-making, collaboration and team performance (Avrillia et al., 2025). In these models, AI analyzes data and humans contextualizes the insights to augment leadership, not replace it.

However, these advances require caution. Artificial intelligence cannot replicate trust, authenticity nor deep relationships and often treat positive emotional engagement as low-level (Maduku et al., 2024). This is particularly important because positive engagement fosters trust and psychological safety. At the core, a major limitation is that as AI sees emotions in a statistical way but not empathetic. AI-generated responses may be inadequate when situations require nuanced interpretation, lived experience, or moral judgment.

At a practical level, it can botch subtle or cultural emotional cues, miscommunicating with its managers. Examples include what Zhang (2025) calls "quiet cracking," where employees are leaky, but in a "functional" way; they look fine from the outside but are not able to function on the inside. In addition, leaders may over-rely on AI to decipher emotion, undermining their decades-old emotional competencies (Bach, 2025), because artificial intelligence can dilute direct experiences that promote the significant social skills needed to cultivate empathy and self-awareness.

These findings lend support for reframing emotional intelligence within the context of a socio-technical model. As AI automates wanting to spot emotions, the distinction between instrumental and experiential intelligence in emotion (Yadav and Maini, 2025). This is in line with distributed leadership theory, which suggests that leadership emerges from interactions between humans and technology (Bolden, 2011). In the end, AI is an enhancing tool that builds upon rather than replaces people leadership expertise. New capabilities in organizations are needed to enable leaders responsible for combining AI-generated emotional new skills, such as Digital Emotional Literacy (Bach, 2025) with business decisions. Without a doubt, human-AI collaboration, ethical judgment and relational authenticity must be incorporated in future leadership programs. Overall, proper assimilation of AI requires transparency in governance, data security and culturally appropriate tooling to minimize bias (Mensah, 2023).

Despite these advances, knowledge gaps persist. Prior studies used a theoretical perspective with an emphasis on technical performance and shorter-term outcomes, ignoring long-term relational effects. Longitudinal and cross-national studies are needed to evaluate the long-term, contextual effects of AI on trust and psychological safety. And, of course, more work should examine ideal human-AI coexistence and the effective reconciliation between delivering algorithmic recommendations and exercising relational discretion by leaders.

AI can give us an edge in emotional awareness and decision-making support, yet AI will never be a substitute for the relational, moral, and experiential qualities of leadership. Hybrid leadership is a great solution which makes use of AI ability to analyze information but retains human frontiers, empathy and moral value. This enables organizations to blend technology-enabled innovation with the human elements of trust, engagement and performance. These limitations point to EI as a crucial, but not necessarily permanent or universally necessary leadership competency. Rather, it is situated within larger socio-technical assemblages that inform the expression, construction and governance of emotions. That leaves room for technology to augment, most notably through AI that should allow leaders to expand emotional intelligence beyond the limits of human cognition.

3.2 Artificial Intelligence and the Boundaries of Machine Emotional Competence

Recent advances in artificial intelligence have highlighted new potential for realizing systems that can incorporate an awareness of human emotion into organizational practice. Affective computing aims at using data-driven methods in order for machines to be able to recognize, understand and respond accordingly to human emotions. Most of the current AI systems topic multimodal inputs such as facial expressions, vocal tone, sentiment in linguistic form and behavioral patterns (Anand et al., 2025). These systems are increasingly able to infer emotional states and produce appropriately adaptive responses. This advancement has increased the extent to which AIs are used in leadership scenarios. AI tools are beginning to be leveraged to track employee engagement, but also flag stress or burnout and provide real-time feedback on key job parameters that inform managers' decisions (Rajuroy, 2024). AI, in this sense, can complement leadership with insights that humans may struggle to document reliably. Not only does it bring emotional awareness to scale, but also an element of analytical accuracy that supports and amplifies human insight.

Nonetheless, the abilities to interpret data described, though impressive, should not be mistaken for real emotional intelligence. AI has no feelings, it mimics emotions by statistical inference. That is, it learned from data rather than lived experience; its

“understanding” of things has nothing in common with human understanding. Consequently, AI does not possess subjective self-awareness, moral reasoning capabilities, or sensitivity to context (Graff 2024). When brought together, these components form the structure of genuine compassion and moral leadership. Although AI can pick up on emotional cues, it cannot interpret their significance in a nuanced social context nor reciprocate with true goodwill. This distinction has important implications. Inside research shows that mediation from AI might lead to a dilution of emotional impact and less involvement in affect. In situations of vulnerability, conflict or moral judgment employees are more likely to trust human leaders (Lapidot et al., 2007). Trust does not only depend on accuracy, but also the perception of authenticity. Despite its technical prowess, AI cannot live up to this expectation. Additionally, the dependence on standardized data models exacerbates concerns around bias and potential misinterpretation, especially as it applies to disparate cultural and social frameworks.

Consequently, the convergence of EI and AI, sometimes referred to as artificial emotional intelligence is incomplete and debated. AI is trained on some functional components of emotional processing, including detection and response generation. But it cannot replicate the depth, intent, or moral foundation of human emotion. This divergence bolsters the argument that leaders are not only a technical role, but also an ethical practice. Therefore, AI must be perceived as a tool in the hands of emotionally intelligent leaders and not a replacement. It adds value to human capabilities, not human replacements. The conundrum facing organizations is how to incorporate AI that furthers emotional awareness without sacrificing the human traits upon which trust, empathy and transformational leadership are built.

3.3 Interplay Between AI and Emotional Intelligence in Leadership

As artificial intelligence (AI) becomes more integrated into organizational life, the conversation around leadership is shifting from purely strategic and cognitive skills to include emotional and relational dimensions, domains traditionally seen as uniquely human. Emotional intelligence (EI) has long been central to effective leadership, shaping how leaders build trust, navigate conflict, and influence followers (Singh et al., 2024). But AI systems are now capable of detecting, interpreting, and responding to human affective signals at scales and speeds that humans cannot match. The critical question, then, is not only whether AI can simulate aspects of EI, but how such capabilities intersect with human leadership in real organizational contexts and what that means for leadership effectiveness, employee well being, and organizational culture.

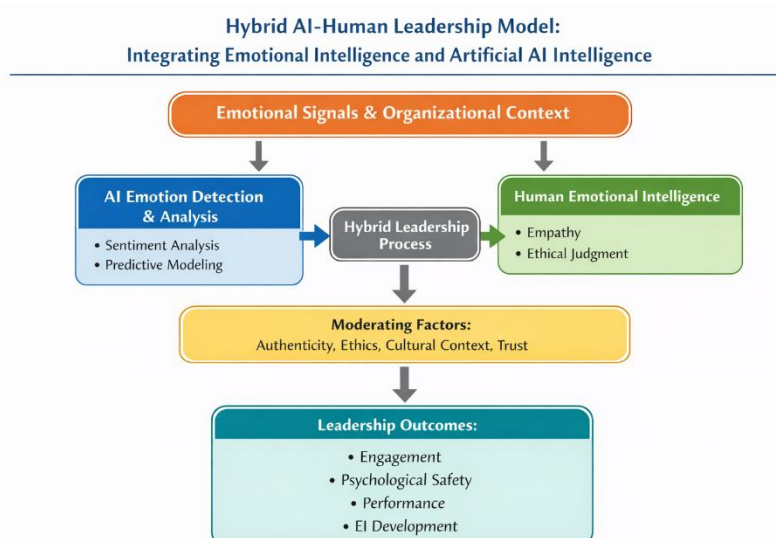


Figure 1. Hybrid AI-Human Leadership Model: Integrating Emotional Intelligence and Artificial Intelligence. This framework illustrates the flow from emotional signals and organizational context through AI and human EI processes, moderated by authenticity, ethics, culture, and trust, resulting in leadership outcomes.

3.4 AI Enhanced Emotional Intelligence and Support

The incorporation of AI into emotionally intelligent leadership reflects a major paradigm shift in the approach to leadership and practice. It creates both substantial opportunities for transformative impact as well as considerable limits. Using multimodal

data for emotion classification, AI systems can achieve human-level performance (Kumar, 2021). It enables leaders to track employee engagement and stress especially in remote environments. Organizational commitment is improved from empathic systems with AI support (Fragouli, 2025), evaluating it using data. Thus, hybrid leadership models enhance organizational (Avrillia et al., 2025). AI in these models analyzes the data, but humans interpret and make decisions based on insights; helps rather than replaces leadership.

However, these advances require caution. Trust, authenticity and sincere relations are challenges with AI and superior levels of emotional engagement (Maduku et al., 2024). And this is important because positive engagement fuels trust and psychological safety. A drawback is that AI can only analyze emotions statistically but it does not feel empathy. Since AI lacks lived context and wisdom, responses can sound empty when faced with nuanced, high-stakes or moral dilemmas. From a practical perspective, AI can miss the mark on small or cultural emotional cues when communicating with managers. For example, "quiet cracking", where employees are in pain but continue functioning on the surface level indicates companies cannot rely on surface-level cues (Zhang, 2025). Additionally, depending too much on AI to read emotions may undermine leaders' emotional competencies (Bach, 2025) because it diminishes the face-to-face experience required to develop empathy and self-awareness.

By using machine learning techniques with the support of big data, the current research provides additional rationale for the reconceptualization of emotional intelligence as a socio-technical construct. The process of detecting emotion through instrumental experience is mechanization of AI, while the random experience of feeling is a true relational human emotional intelligence (Yadav and Maini, 2025). This fits with distributed leadership theory which discussed transformative forms of leadership that arise from the interrelationship between humans and technology (Bolden, 2011). AI is, after all, at best a multiplier of human foundations for leadership but never a replacement. Some capabilities are emerging such as Digital Emotional Literacy. For instance, it is needed to enable leaders to responsibly combine AI-generated emotional insights with business decisions (Bach, 2025). Preparation for the future leadership programs has to include human-AI collaboration, ethical judgment and relational authenticity. Altogether, efficient integration of AI calls for transparent governance, data privacy and culturally aware design to mitigate bias (Mensah, 2023).

Despite these advancements though, major gaps in knowledge remain. For example, while most marketing research has focused on technical performance and short-term effects, longer term relational effects are often ignored. Finally, both longitudinal and cross-cultural studies could investigate how trust and psychological safety are shaped by AI over time or in different settings. Future research will also need to not only explore the nature of human and AI relationships, but whether and to what extent algorithmic feedback should be balanced with relational judgment on behalf of a leader.

Ultimately, AI can offer great emotional intelligence and sound decision-making advice, but it cannot give the human leader qualities of relating well, rationally-moral reasoning or lived experience. The strongest hybrid is management that preserves the analytical capacity of AI while maintaining human empathy and moral compass. It allows organizations to utilize technology while maintaining the fundamentals of trust, engagement and performance in a human-centric manner.

3.5 Critical Challenges and Limitations

Merging AI with emotionally intelligent leadership provide both exciting possibilities and stark obstacles. AI systems outrank humans in classifying emotions by multimodal data (Kumar, 2021). It helps leaders in tracking workforce wellbeing and burnout rates especially when working from home. Thus, AI-supported empathetic systems (Fragouli, 2025), driven by data insights, back organizational commitment. As a result, hybrid leadership models enhance decision-making, collaboration and team performance (Avrillia et al., 2025). These models use a human-AI collaboration, where AI crunches the data and humans interpret. It augments rather than replaces leadership. However, these advances require caution. AI, therefore, has severe behavioural shortcoming concerning trust, authenticity and profound relationships all of which would weaken positive emotional engagement (Maduku et al., 2024). This operating principle is of utmost importance as if the engagement experience was positive, it adds value to the trust and psychological safety. A basic limitation is that while AI can statistically determine a person's emotions, it cannot empathise with them. AI responses often fall flat in situations that require more nuance, judgement or a level of threat because they lack lived experience and a moral compass.

In practice, however, AI can misread nuanced or cultural emotional signals and this is likely to badly inform managerial communications. Phenomena like "quiet cracking", employees may sit up, smile, and seem engaged while crumbling inside – illustrate the dangers of reading too much into surface signals (Zhang, 2025). Additionally, depending on AI for assertion of

emotion could undermine one of the leadership staples emotional intelligences (Bach, 2025) by negating the direct interactions that develop empathy and self-awareness. And these results bolster case for thinking about emotional intelligence in a socio-technical context, AI automates the identification of emotions and, through this approach we distinguish between instrumental and experiential emotional intelligence (Yadav and Maini, 2025). This is in line with the distributed leadership theory where, according to Bolden (2011), leadership emerges from human-technology interactions. In the end AI is an augmenting tool that builds on human leadership foundations instead of replacing them.

Therefore, this creates the requirement for new capabilities within organizations to help equip leaders with Digital Emotional Literacy guidelines that implement these AI-driven emotional intelligence in business decisions (Bach, 2025). Future leadership training should include human–AI collaboration, ethical judgment, and relational authenticity. For the AI implementation to be successful in this regard, transparent governance, data protection and designed culture-free (Mensah, 2023). But even with these advancements, knowledge gaps remain. Earlier research emphasized technical performance and short-term outcomes compared to investigating long-run relational consequences. This indicates that we will need longitudinal and cross-cultural studies of how AI affects trust and psychological safety across generations. Further research should examine how best to integrate humans and AI, including how leaders might optimally balance algorithmic feedback against relational judgment.

There are tasks such as in the area of emotional awareness and decision-making support that can be performed by AI systems, however, it is not the case that an artificial agent taking over a specific task will have exactly the same consequences than the previous human agent performing that task. The hybrid leadership model that leverages the analytical power of technology while keeping human compassion and moral clarity is the way forward. It allows organizations to bridge the gap between embracing technological innovation and ensuring its fundamental human elements like trust, engagement and performance. The thing is while the AI may be able to determine emotional signals, it cannot infer meaning from those signals in complex social, cultural, or relational structures. This was most visible at leadership, where trust and emotion reign supreme. Because of the reasoning that mediated interactions between AI and human may suppress emotional write equanimity and mucilage agency such an asset we learned to rely on because employees ultimately, indeed perceive manlike leaders as more authentic than AIs when privy to discretionary info, so they might ask for sensitive opinions. Furthermore, because the interventions fed into algorithms are dependent on certain data sets and consequently evidence of one form or the other (from stats to analyses) the overall approach leads to problems such as unfairness; unethical input; lack of cultural sensitivity as well contextually-related labour targeting (e.g., an algorithm trained in Canada would have a far lower covering power being used globally for at least until enhanced locally (Chinta, 2025)). So far, this described merger of EI + AI is nothing more than what is being called artificial emotional intelligence (AEI - short for all the reasons mentioned) but will always be only "half" of what you have really accomplished, and in reality never accomplish. AI can mimic parts of what the processes that make up emotion detection and generation of correctly-timed response. AI is never going to come close, for instance, to the rich, purposeful emotional architecture that humans experience. This divergence underscores a significant insight: that leadership is not an objective technical or analytical function; rather it is relational and ethical. Thus, AI should be an aid that amplifies and never replaces human emotional intelligence. Hybrid approaches where human accountability for meaning, ethics and relationship are maintained, alongside AI augmenting emotional awareness and decision-making is the only way that application has any hope of future success in a world where organisational environments continue to become more complex.

3.4 Theoretical and Practical Implications

Theory and practical implications: The growing overlap of emotional intelligence (EI) and artificial intelligence (AI) in leadership has important theoretical and practical consequences for organizational research and managerial practice. Since so much recent scholarship is not integrating human and AI-mediated emotional competencies at this point, we are operating with data that has seen normalizing of how the compositions make new sense to give parsers an opportunity to get up-to-date about what leadership is undergoing as a structural transformation instead of a techno-structural enhancement. Although Artificial Intelligence has shown increased ability to identify, interpret and react to emotional cues, it cannot duplicate the depth, intent or moral foundation of human empathy (Yirmiya and Fonagy 2025.) This difference requires the reinvention of leadership models, not elimination of human leaders but hybrids using technology to augment human relational capabilities. In theory, this converges with and then challenges the traditional conceptualization of EI as a phenomenon that is human-centric. In the classical view of EI, specifically they sees EI as a set of competencies that includes self-awareness, self-regulation, empathy and relationship management (Antonopoulou, 2024). The rise of affective computing and emotionally reactive machines, however,

calls for understanding EI not as a machine attribute but as a collective or shared capacity in which the contribution of machine to emotional awareness exists alongside human interrogatory and ethical authority. Such a shift is according to the distributed leadership theory that defines leadership as an emergent, relational process resulting from interactions among people, technologies and organizational systems (Spillane, 2006). In this context, AI enhances and extends leaders' cognitive and emotional capabilities to process the complex emotional data in massive scale. However, there is one theoretical boundary: while AI can simulate emotional recognition, it cannot feel emotions or make moral choices. Thus, leadership theory needs to differentiate between action-oriented emotional intelligence and experience focused emotional intelligence.

This evolving context has important consequences for the theory of leadership development. The traditional EI development focuses on interpersonal awareness and emotional regulation. And so, environments mediated by AI require a different kind of professionalism often categorized as digital emotional literacy. At the same time, leaders must be capable of skilfully interpreting emotional insights decoded by AI, familiarizing themselves with the limitations and potential biases embedded within these structures, as well as incorporating those insights into decision-making processes without becoming overly reliant on algorithmic outputs (English & Kenny, 2025). It is also part of a broader course correction towards socio-technical leadership types, where excellence will subsequently be determined by the ability to balance an imagined augmenting tech potential with exercised human agency. When it comes to applications, AI has a large potential for enhancing leadership performance. Coupled with AI sentiment analysis & emotion detection usage, organizations may adopt real-time employee engagement feedback tools, mood trending or pre-emptive identification of emerging stressors to help support more data-derived interventions prior to issue escalation. The effect of audiovisual mediation would be smaller in dispersed spaces than in concentrated small group interactions and larger online. In addition, hybrid leadership production models combining AI analytical techniques with human judgment have the potential to improve organizational responsiveness and decision-making quality in environments characterized by high information volume and uncertainty. In these situations, AI provides efficiency and scale, while humans provide relational depth and moral responsibility.

But there are important ethical and practical issues that arise in the use of AI for emotional intelligence leadership. AI systems to monitor subjective emotional states use sensors that derive sensitive personal data (e.g., facial expressions, speech patterns and the content of online communications) (Barker et al., 2025). Fairness and equality issues extend further than concerns about data knowing whether employees are actually productive or not is a slippery slope into discrimination. And due to training on non-representative datasets AI systems also suffer from bias, and this can lead into a systematic misinterpretation in emotional expression within cultural/gender or social contexts (Siddique et al., 2023). If not carefully addressed, these constraints have the risk of reawakening inequities that obstruct organizational inclusivity. Another well-known limitation is the fact that AI cannot understand contextual nuances. This means that emotional expression itself is identified in various ways depending on the cultural, relational and situational context in which it occurs, and algorithm interpretations of emotion often impose inflexible meanings on an inherently found cultural phenomenon.

In conclusion, while artificial intelligence can literally add rich levels to emotional awareness and use it during decision-making processes when leading a group or an organization, AI will never replace the relational, moral and experiential abilities that human leadership requires. Unbridled reliance on AI jeopardizes leaders getting to know their employees first-hand and reduces the cultivation of foundational EI competencies. In conclusion, to implement AI in corporate leadership effectively requires a strict division of labour where AI will be the analytical and decision-support role whereas human leaders are responsible for interpreting suggestions and making decisions with empathy and moral framework. This perspective bolsters support for the hybrid models of leadership that combine what people and systems do well with an emphasis on the humane aspects of emotional intelligence in leader behaviour.

3.4 Future Directions and Research Gap

The combination of emotional intelligence (EI) and artificial intelligence (AI) transforms leadership at its core. Theoretically, this presents challenges to seeing EI as a uniquely human construct (Chen et al., 2023). Since AI can only partially mimic emotional recognition, EI must be re-conceptualized as a hybrid capacity arising from human-AI interaction. As AI is trained on emotional data, it adds power to leaders to identify emotional arcs at scale (Bhusan and Jain 2024). Yet, AI does not have subjective experience, nor moral reasoning, so leadership theory likely needs to keep algorithmic instrumental EI separate from human experiential EI.

In practical terms, AI tools such as sentiment analysis allow leaders to get real information in palpable form about the well-being of employees and to intervene as leaders (Rosca and Stancu, 2024). Hybrid models with AI analytics and human assessment enhance decision-making. On the other hand, keeping track of emotions makes one raise ethical issues concerning privacy and surveillance (Fabiano, 2025). Moreover, the well-known limitations of AI systems that are prone to misinterpretation and cultural bias (Younas and Zeng, 2026). If those models are not able to instil confidence in the worker, the adoption of AI systems could lead to a reduction in workplace psychological safety and cuticle issue on inequality within organizations.

As a result, leaders are forced to cultivate digital emotional literacy to interpret insights generated by AI responsibly while remaining authentic (Yilmaz, 2025). There are still major research gaps for how the longer-term effect of AI will impact trust, engagement and psychological safety. Machine-mediated empathy of AI and employee responses to machine-mediated interactions are relatively unaddressed. And AI may undermine leaders' natural empathy, while existing research prioritizes technical measures over relational outcomes.

The question of what the best way to combine AI with leadership is still an open one, that requires intrinsic multi-disciplinary research to find for which type of ethical judgment we need human thinking in combination with algorithmic decision making. In the end, AI improves emotional awareness and decision-making, but cannot replace the moral and relationship aspects of human leadership. The most effective solution is a hybrid model that combines the analytical prowess of AI with the emotional understanding, trust and moral obligation associated with human warmth.

4. CONCLUSION

Leadership with integrated EI and AI is very complex but transformative. Even though AI can identify human emotions, it is not equipped with the innate compassion and moral purpose that make a steward manager. AI will create a real-time source of information that can complement leaders, but no one replaces our understanding and judgment as humans relating to others! Consequently, companies must switch to hybrid models in which AI provides analytical assistance but humans remain engaged. Leadership development will need to shift as well to teach digital emotional literacy, but also how to ethically interpret what AI insights tell us. Improved interdisciplinary research should start filling in gaps relating to the authenticity, ethics and long-term impacts of AI so that we can integrate it effectively into society. In the end AI supports but it does not substitute for emotionally intelligent leaders who are at their human-centred core.

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AUTHOR CONTRIBUTIONS

Mohammad A.M Arif: Conceptualization, Investigation, Methodology, Data Curation, Formal Analysis, and Writing

Gunavathy S.: Supervision, Review & Editing.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

ETHICS STATEMENT

Ethical approval was not required for this study.

DATA AVAILABILITY STATEMENT

Data supporting the findings of this study are available from the corresponding author upon reasonable request.

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