

Emotional Intelligence and Team Productivity: A Qualitative Study of Conflict Management in Kosovo

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Abstract

In the context of globalization and increasingly complex teamwork structures, interpersonal competencies have become important determinants of organizational effectiveness. This study explores emotional intelligence (EI) as a non-cognitive capability influencing workplace conflict management and team productivity. Using a qualitative, exploratory, and inductive design, the study draws on semi-structured interviews with 12 professionals from education, healthcare, business, and public administration in Kosovo, analysed through thematic analysis.

The findings identify four interconnected mechanisms, emotional regulation, empathy, communication, and constructive conflict resolution, that foster constructive interaction, strengthen trust and coordination, and reduce conflict-related interpersonal friction. From an applied organizational economics perspective, these mechanisms may limit inefficiencies arising from miscommunication, delays, repeated coordination efforts, and managerial intervention, thereby supporting team productivity and organizational efficiency. Integrating Human Capital Theory and Transaction Cost Economics, the study conceptualizes EI as non-cognitive human capital that may generate organizational value by strengthening workforce capabilities and internal coordination.

Given the qualitative design and small sample, the findings are exploratory rather than statistically generalizable or causal. The study provides a foundation for further research on the organizational and economic implications of EI and offers practical insights for human resource development, leadership, and conflict management.

Keywords: emotional intelligence (EI), conflict management, team performance, labour productivity, non-cognitive skills, organizational economics.

JEL Classification: J24; D23; M54.

Introduction

In today's complex and dynamic organizational environments, the success of teams and the effective management of conflicts increasingly depend on emotional and social competencies rather than solely on technical expertise. Emotional intelligence (EI), originally conceptualized by Salovey and Mayer (1990), refers to the ability to perceive, understand, manage, and regulate emotions in oneself and others. This capacity enables individuals to build stronger interpersonal relationships, cope effectively with stress, and make balanced and empathetic decisions (Cherniss, 2010; Goleman, 1998).

Within labour and organizational economics, EI is increasingly recognized as a non-cognitive skill that contributes to individual and team productivity. Unlike cognitive and technical abilities, non-cognitive skills influence how individuals interact, collaborate, and respond to workplace challenges. From this perspective, interpersonal conflicts may also be interpreted as sources of organizational friction, generating miscommunication, delays, coordination difficulties, and other inefficiencies. Emotional intelligence may help mitigate these frictions by strengthening communication, emotional regulation, and cooperative behaviour, thereby contributing to organizational efficiency (Jordan and Troth, 2004; Mindeguia et al., 2021; Zulfadil et al., 2020).

Existing research indicates that emotionally intelligent individuals are more likely to avoid impulsive reactions, engage in constructive dialogue, and adopt collaborative problem-solving strategies (Jordan and Troth, 2004). At the team level, emotional intelligence has been associated with stronger trust, cooperation, and improved team performance (Druskat and Wolff, 2001; Mindeguia et al., 2021; Zulfadil et al., 2020). These relationships suggest that EI may have implications extending beyond interpersonal behaviour to workforce productivity and organizational performance.

Despite the growing body of research examining emotional intelligence, conflict management, and performance, much of the existing evidence relies on quantitative approaches that identify relationships between predefined variables. Comparatively less attention has been given to the behavioural processes and lived experiences through which emotional intelligence operates during actual workplace conflicts, particularly in the organizational context of Kosovo. Moreover, the economic implications of these processes—such as their potential contribution to reducing organizational friction and coordination inefficiencies, remain insufficiently explored from a qualitative perspective.

Addressing this gap, the present study adopts a qualitative, exploratory, and inductive research design to examine how emotional intelligence operates in workplace conflict situations and contributes to team productivity across different sectors in Kosovo. Specifically, the study explores emotional regulation, empathy, communication, and constructive conflict resolution as behavioural mechanisms through which EI may transform conflict situations into more constructive organizational interactions.

The study contributes to the existing literature by connecting the behavioural interpretation of emotional intelligence with concepts from Human Capital Theory and organizational economics. EI is approached as a form of non-cognitive human capital that may generate organizational value by improving coordination, reducing conflict-related friction, and supporting labour productivity and organizational efficiency. Given the relatively small sample size, the study is positioned as an exploratory pilot analysis that provides a conceptual and empirical foundation for future large-scale quantitative research.

1. Literature Review and Theoretical Background

Over recent decades, emotional intelligence has emerged as an important concept in organizational management and psychology, particularly in relation to interpersonal relationships, conflict resolution, and job performance. According to Salovey and Mayer (1990), EI refers to the ability to perceive, understand, manage, and regulate emotions in oneself and others in ways that facilitate thinking and action. This foundational conceptualization has subsequently been developed in the organizational literature, positioning EI as an important capability for managing interpersonal and workplace relationships (Cherniss, 2010; Goleman, 1998).

A growing body of empirical research highlights the importance of EI in conflict management. Lawani et al. (2024) demonstrate that individuals with higher levels of emotional intelligence are more likely to adopt constructive conflict management strategies, including collaboration and compromise, while avoiding destructive behaviours. Similarly, Jordan and Troth (2004) find that emotionally intelligent individuals are better able to manage emotions during team problem-solving processes, facilitating more effective conflict resolution. These findings position EI as a behavioural mechanism capable of mitigating the negative effects of interpersonal conflict within organizations.

The relationship between EI and team performance is also well established. Miao et al. (2020) show that emotional intelligence influences job satisfaction and performance through emotional and social resources. At the team level, emotionally intelligent members contribute to communication, trust-building, and knowledge sharing, which are essential for collective performance (Druskat and Wolff, 2001; Zulfadil et al., 2020). Shafique and Naz (2023) further identify mediating and moderating effects of team emotional intelligence on team performance, reinforcing the importance of emotional competencies in collaborative environments.

Leadership research provides additional evidence of the organizational relevance of EI. Emotionally intelligent leaders are better positioned to manage interpersonal tensions, promote open communication, and foster inclusive working environments (Sadri, 2012; Islami and Mulolli, 2024). Mindeguia et al. (2021) emphasize the role of leaders as emotional regulators within teams, influencing group dynamics and facilitating trust and cooperation. EI may therefore influence organizational outcomes not only through individual behaviour but also through leadership and team-level interaction processes.

Recent research has examined these relationships across diverse organizational settings. Yin et al. (2022) identify links between leaders' conflict management styles and team members' emotional engagement, while Davaei et al. (2022) demonstrate that emotional and cultural intelligence can reduce conflict and improve performance in global virtual teams. In technical and knowledge-intensive environments, emotional intelligence has also been associated with adaptation to change and the management of tensions arising from project uncertainty (Madampe et al., 2022; Shahini et al., 2023).

Human Capital Theory argues that investments in employees' knowledge, skills, and competencies enhance individual productivity and generate long-term organizational and economic value (Becker, 1964). While traditional interpretations of human capital have primarily emphasized education, technical expertise, and cognitive abilities, contemporary research increasingly recognizes non-cognitive capabilities as complementary forms of human capital that may significantly influence organizational performance (Heckman and Kautz, 2012).

Within this broader perspective, emotional intelligence can be conceptualized as a form of non-cognitive human capital that strengthens employees' capacity to collaborate, communicate effectively, adapt to organizational challenges, and manage interpersonal relationships. Employees with stronger emotional competencies may be better equipped to regulate emotions, resolve conflicts constructively, cooperate with colleagues, and make balanced decisions under conditions of uncertainty. These capabilities complement cognitive and technical competencies by strengthening the productive capacity of the workforce.

From this perspective, organizational investments in emotional intelligence development can be regarded as investments in human capital rather than solely as behavioural or interpersonal training initiatives. Recruitment practices that consider emotional competencies, leadership development programmes, communication training, and conflict-management interventions may strengthen workforce quality and organizational capabilities. More broadly, strategic human resource practices that develop and leverage employee capabilities can contribute to sustainable competitive advantage by strengthening human capital and organizational capacity (Kaaviyapriya and Xavier, 2026). Such investments can support labour productivity, knowledge sharing, decision-making, adaptability, and sustainable organizational performance.

Accordingly, EI represents a potentially strategic organizational resource that creates economic value through the development of non-cognitive human capital. This interpretation extends the predominantly psychological understanding of emotional intelligence by positioning it within the broader framework of Human Capital Theory and applied organizational economics.

An organizational economics perspective provides an additional theoretical basis for understanding the economic relevance of emotional intelligence. Transaction Cost Economics (TCE), originating from Coase's (1937) analysis of the firm and subsequently developed by Williamson (1975, 1985), emphasizes that economic organization involves costs associated with coordination, information exchange, monitoring, negotiation, and the management of organizational relationships. From this perspective, organizational efficiency depends not only on the allocation of tangible resources but also on the effectiveness of internal coordination mechanisms.

Within organizations, interpersonal conflicts may generate forms of internal organizational friction through miscommunication, repeated discussions, delays in decision-making, reduced cooperation, and increased managerial intervention. Although these effects are not transaction costs in the narrow contractual sense, they can be interpreted as coordination-related organizational costs because they consume time, managerial attention, and other organizational resources that could otherwise be directed toward productive activities (Coase, 1937; Williamson, 1975, 1985).

Emotional intelligence may contribute to reducing such organizational friction by strengthening emotional regulation, communication, cooperation, and constructive conflict resolution. Employees who manage emotions effectively and understand the perspectives of others may resolve disagreements more efficiently, reduce unnecessary escalation, and facilitate smoother coordination among team members. In this sense, EI may function as an organizational capability that limits conflict-related inefficiencies and improves the effectiveness with which human and managerial resources are utilized.

This perspective creates a conceptual bridge between the behavioural mechanisms of emotional intelligence and economically relevant organizational outcomes. Improved emotional regulation, empathy, and communication can facilitate constructive interaction; constructive interaction can strengthen trust and coordination; and improved coordination can reduce interpersonal friction and associated organizational costs. These mechanisms may ultimately contribute to labour productivity, organizational efficiency, and sustainable organizational performance.

Accordingly, the present study combines Human Capital Theory (Becker, 1964) with Transaction Cost Economics (Coase, 1937; Williamson, 1975, 1985). Human Capital Theory explains emotional intelligence as a productive non-cognitive capability embedded in employees, while TCE provides a complementary perspective for understanding how emotionally intelligent behaviour may reduce coordination-related inefficiencies within organizations. Together, these perspectives provide the theoretical foundation for examining EI as both a human capability and a potential source of organizational and economic value.

Research Gap and Conceptual Positioning

Existing research consistently identifies emotional intelligence as an important competency influencing conflict management, team dynamics, leadership, and organizational performance. However, much of this literature relies on quantitative approaches that examine associations between EI and predefined organizational outcomes. While these studies provide valuable evidence, they offer more limited insight into the behavioural mechanisms and lived experiences through which emotional intelligence operates during actual workplace conflicts.

A further gap concerns the economic interpretation of emotional intelligence. Existing studies predominantly emphasize its psychological, behavioural, and managerial effects, while comparatively less attention has been devoted to how emotionally intelligent behaviour may influence organizational efficiency by reducing interpersonal friction, coordination difficulties, and conflict-related resource losses. These limits understanding of EI not only as an interpersonal competence but also as a potentially productive organizational resource.

The present study addresses these gaps by integrating emotional intelligence research with Human Capital Theory (Becker, 1964) and Transaction Cost Economics (Coase, 1937; Williamson, 1975, 1985). From a human capital perspective, emotional intelligence is conceptualized as a non-cognitive capability that strengthens employees' capacity to communicate, collaborate, regulate emotions, and resolve conflicts constructively. From a transaction cost perspective, these capabilities may reduce organizational friction and coordination-related inefficiencies by limiting conflict escalation, communication failures, repeated coordination efforts, and unnecessary managerial intervention.

Based on this combined theoretical perspective, the study explores how emotional regulation, empathy, communication, and constructive conflict resolution operate in workplace conflict situations and how these mechanisms may contribute to trust, coordination, team productivity, and organizational efficiency. Using qualitative evidence from professionals across different sectors in Kosovo, the study therefore connects individual emotional competencies with broader organizational and economic outcomes, providing an exploratory foundation for understanding emotional intelligence as both non-cognitive human capital and a potential mechanism for reducing organizational friction.

2. Methodological Framework

Research Design

This study adopts a qualitative, exploratory, and inductive research design to investigate the role of emotional intelligence (EI) in conflict management and team productivity within organizational settings. Unlike quantitative approaches that focus on measuring relationships between variables, this study explores the underlying behavioural processes, perceptions, and lived experiences through which EI operates in real-life workplace interactions.

Given the complexity of emotional and interpersonal dynamics in organizations, a qualitative approach is particularly suitable for capturing the depth and nuance of individual experiences. The study is designed as an exploratory pilot analysis, providing initial insights into how emotional intelligence contributes to conflict resolution, team interaction, and organizational efficiency, while offering a foundation for future large-scale quantitative research.

Research Objectives and Questions

The primary objective of this study is to explore how emotional intelligence operates in workplace conflict situations and contributes to team productivity and organizational efficiency.

Specifically, the study aims to:

- examine how individuals apply emotional intelligence in real workplace conflict situations;
- identify the key emotional and behavioural mechanisms that facilitate constructive conflict resolution;
- explore how EI shapes team communication, cooperation, and interaction processes;
- examine how these mechanisms may reduce interpersonal friction and contribute to team productivity and organizational efficiency.

Based on these objectives, the study is guided by the following research questions:

RQ1: How do individuals apply emotional intelligence in real workplace conflict situations?

RQ2: What emotional and behavioural mechanisms facilitate constructive conflict resolution?

RQ3: How does emotional intelligence shape team communication, cooperation, and productivity?

RQ4: How may emotionally intelligent behaviour reduce interpersonal friction and contribute to organizational efficiency?

Participants and Data Collection

Data were collected through semi-structured interviews with 12 professionals (N = 12) from various sectors in Kosovo, including education, healthcare, business, and public administration. These sectors were selected due to their high levels of interpersonal interaction, coordination demands, and exposure to workplace conflicts.

A purposive sampling strategy was employed to select participants who:

- had direct experience working in team-based environments;
- had encountered conflict situations in their professional roles;
- were capable of reflecting on interpersonal dynamics and emotional processes.

The semi-structured interview format allowed for flexibility in exploring participants' experiences while maintaining a consistent focus on key themes such as emotional reactions, conflict situations, communication strategies, and resolution outcomes.

Each interview lasted approximately 30–45 minutes and was conducted in a confidential and ethically responsible manner. Participants were encouraged to describe specific real-life conflict situations rather than providing general opinions, in order to capture authentic behavioural patterns and decision-making processes.

Data Analysis

The collected data were analysed using thematic analysis, following the framework developed by Braun and Clarke (2006). This method allows for the systematic identification, analysis, and interpretation of patterns (themes) within qualitative data.

The analysis was conducted in several stages:

- Familiarization with the data – repeated reading of interview transcripts;
- Initial coding – identification of meaningful units related to emotions, conflict, and interaction;
- Theme development – grouping codes into broader themes such as emotional regulation, empathy, communication, and conflict resolution;
- Review and refinement of themes – ensuring internal consistency and relevance to the research questions;
- Interpretation – linking the findings to theoretical concepts such as emotional intelligence, non-cognitive human capital, organizational friction, and organizational efficiency.

This approach enabled the study to uncover the mechanisms through which EI influences workplace behaviour and organizational interactions rather than merely identifying statistical relationships.

All participants were informed about the purpose of the study and provided voluntary consent prior to participation. Confidentiality and anonymity were ensured by removing identifying information from the data. The study adhered to ethical research standards, ensuring that participants' responses were used solely for academic purposes.

Given the relatively small sample size ($N = 12$) and the qualitative nature of the research design, the findings are not intended to be statistically generalizable. Instead, the study should be interpreted as an exploratory pilot analysis aimed at providing in-depth insights into the role of emotional intelligence in conflict management, team interaction, and organizational efficiency.

This exploratory approach provides a conceptual and empirical foundation for future research, particularly for the development of quantitative models capable of testing the relationships identified in this study using larger and more diverse samples.

3. Research Results

The data were analysed using thematic analysis (Braun and Clarke, 2006), supported by open coding and pattern identification techniques. The analysis resulted in four core themes explaining how emotional intelligence (EI) operates in workplace conflict situations and influences team interaction and productivity: emotional regulation, empathy, communication, and constructive conflict resolution.

Initial open coding generated a set of recurring codes reflecting participants' experiences in workplace conflict situations. The principal codes identified from the interviews are presented in Table 1.

Table 1. Initial Codes Identified from Interviews

No.	Code	Description
1	Emotional control	Ability to manage anger and stress
2	Calm communication	Speaking without aggression
3	Active listening	Paying attention to others' perspectives
4	Perspective-taking	Understanding others' emotions
5	Conflict avoidance	Preventing escalation
6	Problem-solving focus	Orientation toward solutions
7	Respectful interaction	Maintaining professionalism
8	Cooperation	Willingness to work together

Source: Authors' analysis

The initial codes were subsequently grouped into broader themes through axial coding and pattern analysis. This process resulted in four interconnected thematic categories, as presented in Table 2.

Table 2. Codes and Corresponding Themes

Codes	Theme
Emotional control, stress management	Emotional Regulation
Active listening, perspective-taking	Empathy
Calm communication, respectful interaction	Communication
Problem-solving, cooperation	Constructive Conflict Resolution

Source: Authors' analysis

Emotional regulation emerged as a dominant theme across all participants. Respondents emphasized that the ability to control emotional reactions plays a crucial role in preventing conflict escalation. Participants indicated that individuals displaying stronger emotional regulation tend to remain calm under pressure, avoid impulsive reactions, and manage stress effectively.

These behaviours were associated with reduced tension and the maintenance of professional relationships during conflict situations. Conversely, insufficient emotional regulation was associated with prolonged conflicts and greater disruption of workplace interactions.

Empathy was identified as an important mechanism for transforming potentially confrontational situations into more constructive interactions. Participants highlighted the importance of understanding others' emotions and viewpoints through active listening, acknowledgment of others' feelings, and perspective-taking.

According to participants' accounts, these behaviours help reduce misunderstandings and support the development of trust within teams. Empathy therefore appears to facilitate conflict management by enabling individuals to interpret disagreements from perspectives other than their own.

Communication was consistently identified as a central mechanism linking emotional intelligence to conflict management. Participants reported that emotionally intelligent individuals tend to communicate clearly and respectfully, avoid aggressive language, and address emerging issues before they escalate.

Poor communication, by contrast, was frequently perceived as a trigger of conflict escalation. The findings therefore indicate that communication serves as an important behavioural channel through which emotional regulation and interpersonal awareness are translated into constructive workplace interaction.

The fourth theme reflects the ability to resolve conflicts through collaboration rather than confrontation. Participants associated emotionally intelligent behaviour with a focus on solutions rather than blame, encouragement of open dialogue, and the pursuit of mutually acceptable outcomes.

These behaviours were perceived as facilitating faster conflict resolution and improved team cohesion. Taken together, the responses suggest that constructive conflict resolution represents an outcome of the interaction between emotional regulation, empathy, and effective communication rather than an isolated behavioural capability.

Pattern identification revealed substantial consistency across participants. Emotional regulation was mentioned by all 12 participants, communication by 11 participants, and empathy and conflict resolution by 10 participants each.

Table 3. Frequency of Themes Across Participants (N = 12)

Theme	Participants Mentioning	Frequency (%)
Emotional Regulation	12	100%
Communication	11	92%
Empathy	10	83%
Conflict Resolution	10	83%

Source: Authors' analysis

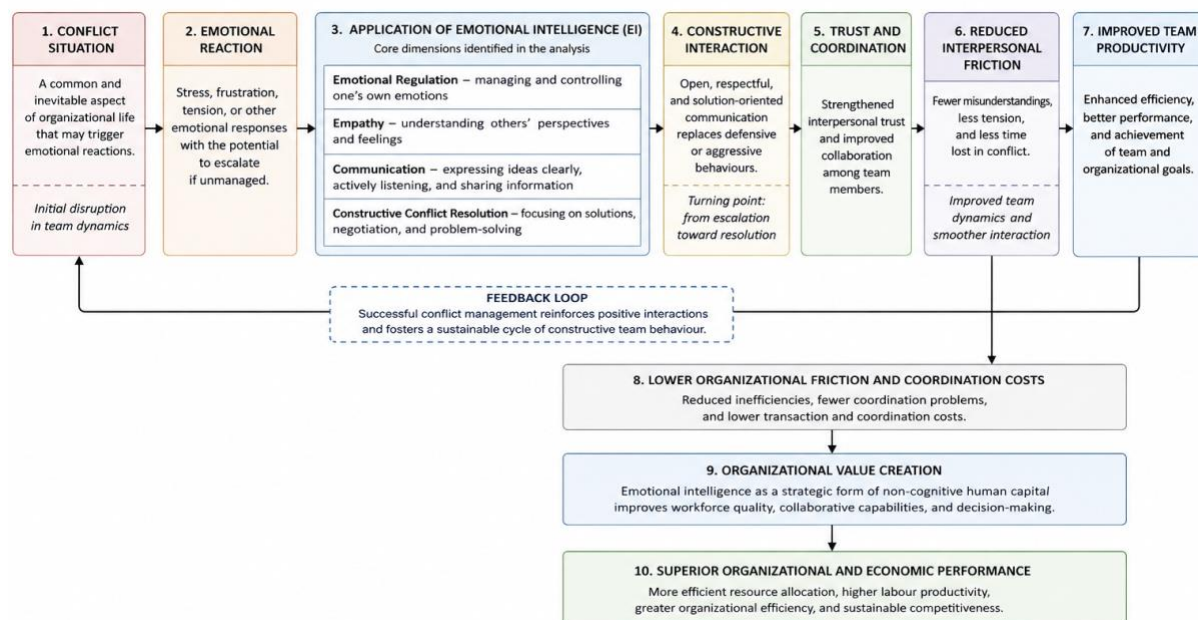
Beyond their interpersonal effects, the findings indicate that the identified EI mechanisms may influence the functioning of teams by reducing conflict-related disruption. Participants described workplace conflicts as sources of inefficiency associated particularly with delays in task completion, reduced collaboration, and communication breakdowns.

The thematic patterns suggest a sequential relationship in which emotional regulation, empathy, and effective communication facilitate constructive conflict resolution and interaction. Constructive interactions, in turn, support trust and coordination among team members and may reduce misunderstandings, tension, and time lost in conflict. From an organizational perspective, these processes provide a qualitative basis for linking EI with improved coordination and team productivity.

Importantly, these findings should be interpreted as participants' experiences and qualitative patterns rather than direct measurements of economic effects. The implications for organizational efficiency, human capital, and coordination-related costs are further developed in Section 4 from an applied organizational economics perspective.

The qualitative findings are synthesized in Figure 1, which integrates the four themes into a structured process linking emotional intelligence, conflict management, and organizational outcomes.

Figure 1. Emotional Intelligence and Organizational Performance Framework



Source: Authors' conceptual framework based on qualitative findings, Human Capital Theory (Becker, 1964), and Transaction Cost Economics (Williamson, 1975, 1985).

Figure 1 illustrates a sequential process beginning with a conflict situation and an associated emotional reaction, such as stress, frustration, or tension. The application of emotional intelligence, through emotional regulation, empathy, communication, and constructive conflict resolution, helps transform potentially destructive responses into constructive organizational interactions.

Constructive interaction supports trust and coordination, thereby reducing interpersonal friction associated with misunderstandings, tension, and time lost in conflict. The process ultimately contributes to improved team productivity and broader organizational performance. The feedback relationship represented in the framework further suggests that successful conflict management may reinforce constructive patterns in subsequent team interactions.

The framework therefore provides an integrated representation of the behavioural mechanisms identified through the thematic analysis and establishes the basis for their subsequent interpretation from an applied organizational economics perspective.

4. Applied Organizational Economics Interpretation of the Findings

The qualitative findings provide a basis for interpreting emotional intelligence not only as a behavioural competency but also as an organizational resource with potential economic implications. Across the twelve interviews, participants consistently described workplace conflicts as situations that can disrupt communication, delay decision-making, require additional managerial intervention, and reduce effective collaboration. These recurring patterns suggest that interpersonal conflict may generate forms of organizational friction that affect the efficiency of internal coordination.

From an organizational economics perspective, such friction can be understood as generating coordination-related costs and inefficiencies. Communication breakdowns may require repeated clarification, unresolved disagreements may delay task completion, and prolonged conflicts may consume managerial time and attention that could otherwise be allocated to productive activities. Similarly, reduced cooperation may impair information

exchange and the effective coordination of team resources. Although these costs were not directly quantified in the present qualitative study, participants' experiences indicate several organizational mechanisms through which conflict may influence productivity and resource utilization.

Organizational Friction and Economic Consequences

A recurring finding across the interviews was that interpersonal conflicts rarely remained isolated social events. Participants described consequences extending into everyday organizational processes, including delays in completing tasks, repeated discussions, communication failures, reduced collaboration, and the need for managerial intervention. These effects represent practical manifestations of organizational friction because they require additional time, attention, and coordination to restore effective working relationships.

From the perspective of Transaction Cost Economics (Coase, 1937; Williamson, 1975, 1985), organizational activity involves costs associated with coordination, information exchange, monitoring, and the management of internal relationships. Workplace conflict may increase these coordination requirements when communication becomes ineffective or when managerial resources must be redirected toward resolving interpersonal disputes. Accordingly, the findings suggest that conflict-related friction may have economic relevance even when its costs are not directly recorded in accounting or financial measures.

The findings also indicate that such inefficiencies may influence labour productivity. Time devoted to repeated discussions, misunderstandings, or conflict resolution represents time diverted from productive activities. Similarly, weakened cooperation may interfere with task coordination and the efficient use of employees' knowledge and capabilities. The economic relevance of conflict therefore extends beyond its immediate interpersonal consequences to the functioning of teams and the allocation of organizational resources.

Emotional Intelligence and Coordination Efficiency

The four dimensions identified through the thematic analysis—emotional regulation, empathy, communication, and constructive conflict resolution—appear to operate as complementary mechanisms for limiting these forms of organizational friction. Emotional regulation helps prevent escalation, empathy facilitates perspective-taking, effective communication reduces misunderstandings, and constructive conflict resolution directs interaction toward solutions rather than prolonged confrontation.

Through these mechanisms, emotional intelligence may improve the efficiency of organizational coordination. Participants associated emotionally intelligent behaviour with calmer communication, earlier resolution of disagreements, stronger cooperation, and more constructive team interaction. These behavioural outcomes may reduce the need for repeated coordination and managerial intervention while supporting more effective use of working time and organizational resources.

This interpretation also connects the findings with Human Capital Theory (Becker, 1964). If emotional intelligence improves employees' ability to cooperate, communicate, manage conflict, and make constructive decisions, it can be understood as a form of non-cognitive human capital that complements technical knowledge and cognitive skills. Its organizational value arises not only from individual emotional competence but from the way this competence influences collective work processes.

Accordingly, EI may contribute to organizational efficiency through two complementary mechanisms. As non-cognitive human capital, it strengthens the productive capabilities of employees; as a mechanism supporting effective coordination, it may reduce conflict-related organizational friction and the resources required to manage it. The relationship identified in the qualitative findings can therefore be represented as: Emotional Intelligence → Constructive Conflict Management → Reduced Organizational Friction → Improved Coordination → Enhanced Team Productivity and Organizational Efficiency

Applied Organizational Economics Synthesis

Table 4 translates the qualitative findings into an applied organizational economics perspective by linking the principal forms of organizational friction identified in the interviews with their potential economic consequences and the corresponding contribution of emotional intelligence.

Table 4: Organizational Friction, Economic Consequences, and the Role of Emotional Intelligence

Observed Organizational Friction	Potential Economic Consequences	Contribution of Emotional Intelligence (EI)
Miscommunication among team members	Delays in decision-making and project completion	Promotes active listening, clear communication, and early clarification of misunderstandings
Emotional escalation during conflicts	Increased managerial intervention and higher coordination costs	Encourages emotional regulation, reducing conflict intensity and facilitating constructive dialogue
Lack of trust within teams	Reduced collaboration and inefficient knowledge sharing	Builds empathy, mutual understanding, and cooperative behaviour
Poor conflict resolution	Time losses, duplicated work, and lower operational efficiency	Facilitates collaborative problem-solving and faster conflict resolution
Interpersonal tension	Lower employee engagement and reduced labour productivity	Improves team cohesion, motivation, and psychological safety
Communication breakdowns	Higher coordination-related costs and workflow disruptions	Strengthens interpersonal communication and coordination among employees
Persistent workplace conflicts	Reduced organizational effectiveness and resource allocation efficiency	Creates a positive organizational climate that supports long-term performance

Source: Authors' synthesis based on qualitative interview findings and organizational economics theory

The relationships summarized in Table 4 illustrate how the behavioural findings may translate into organizational and economic consequences. Importantly, the table does not imply that the study directly measures monetary transaction costs or productivity effects. Rather, it identifies plausible organizational pathways, grounded in participants' experiences and interpreted through Human Capital Theory and Transaction Cost Economics, through which emotional intelligence may influence organizational efficiency.

This applied interpretation extends the findings beyond the interpersonal dimension of conflict management. Emotional intelligence emerges as a resource that may simultaneously strengthen workforce capabilities and improve the efficiency of internal coordination. Investments in EI-related competencies—particularly emotional regulation, empathy, communication, and constructive conflict resolution—may therefore generate organizational

value by improving the quality of workplace interactions, reducing conflict-related inefficiencies, and supporting more effective utilization of human resources.

5. Discussion

The findings of this study provide important insights into the role of emotional intelligence (EI) in workplace conflict management and team productivity. By adopting a qualitative exploratory approach, the study moves beyond identifying statistical associations and provides insight into the behavioural mechanisms through which EI operates in actual organizational interactions.

Consistent with previous research, the findings support the multidimensional nature of emotional intelligence in workplace settings, particularly through emotional regulation, empathy, communication, and constructive conflict resolution. These dimensions collectively strengthen individuals' capacity to manage interpersonal tensions and engage in cooperative problem-solving, supporting earlier findings reported by Jordan and Troth (2004), Druskat and Wolff (2001).

Emotional regulation emerged as particularly important in the early stages of conflict, where the ability to manage stress and avoid impulsive reactions can prevent escalation. Participants also emphasized empathy, active listening, and respectful communication as mechanisms facilitating mutual understanding and constructive dialogue. These findings reinforce previous research indicating that emotionally intelligent behaviour can strengthen collaboration, trust, and team effectiveness (Druskat and Wolff, 2001; Jordan and Troth, 2004).

At the team level, the findings suggest that these EI mechanisms are interconnected rather than independent. Emotional regulation creates conditions for constructive communication; empathy facilitates perspective-taking and mutual understanding; and these capabilities together support collaborative conflict resolution. This interpretation is consistent with previous studies linking EI with trust, knowledge sharing, cooperation, and team performance (Mindeguia et al., 2021; Zulfadil et al., 2020). It also supports evidence that emotional competencies contribute to organizational effectiveness across different workplace environments.

The principal theoretical contribution of this study lies in connecting the behavioural mechanisms of emotional intelligence with Human Capital Theory and Transaction Cost Economics. While much of the existing literature approaches EI primarily as an individual psychological or interpersonal competency, the present findings support a broader interpretation of emotional intelligence as a form of non-cognitive human capital with potential organizational and economic value.

From the perspective of Human Capital Theory (Becker, 1964), emotional competencies complement employees' cognitive and technical capabilities by strengthening their ability to communicate, cooperate, manage interpersonal relationships, and respond constructively to conflict. This interpretation is also consistent with the broader recognition of non-cognitive skills as productive capabilities that influence individual and organizational outcomes (Heckman and Kautz, 2012).

Transaction Cost Economics provides a complementary perspective. As developed in Section 4, participants' experiences indicate that workplace conflicts may create organizational friction through communication failures, delays, repeated coordination efforts, and managerial intervention. Emotional intelligence may help limit these inefficiencies by improving the quality of interpersonal interaction and internal coordination. The study therefore extends the

behavioural interpretation of EI by linking emotional competencies with the organizational processes through which human and managerial resources are utilized.

The integration of these perspectives provides a more comprehensive interpretation of emotional intelligence: Human Capital Theory explains EI as a productive capability embedded in employees, while Transaction Cost Economics helps explain how this capability may improve organizational coordination by reducing conflict-related friction. The conceptual framework developed from the qualitative findings consequently positions EI as a potential link between individual behavioural competencies and broader organizational performance.

From a managerial perspective, the findings suggest that organizations should consider emotional intelligence not only as an interpersonal competence but also as an element of workforce development and organizational capability. Integrating EI-related competencies into recruitment, leadership development, conflict management practices, and employee training may strengthen communication, cooperation, and the capacity to manage workplace tensions constructively.

Particular attention may be given to developing emotional regulation, active listening, empathy, respectful communication, and collaborative problem-solving, as these were the mechanisms most consistently identified in participants' accounts. Strengthening these capabilities may help organizations create working environments in which conflicts are addressed earlier and with less disruption to team processes.

For managers and team leaders, the findings further emphasize the importance of recognizing conflict management as part of organizational efficiency rather than solely as an interpersonal or human-resource issue. Developing emotionally intelligent leadership practices may support more effective team coordination and contribute to the productive use of employees' skills and organizational resources.

Several limitations should be acknowledged. The exploratory qualitative design and relatively small sample ($N = 12$) mean that the findings are not intended to be statistically generalizable. Instead, they provide an in-depth interpretation of participants' experiences and an analytical foundation for further investigation. This limitation is also explicitly recognized in the original manuscript.

The study also relies on participants' self-reported experiences and does not directly measure emotional intelligence, transaction costs, labour productivity, or organizational performance. Consequently, the proposed relationships between EI, organizational friction, coordination efficiency, and economic outcomes should be understood as **conceptually and** qualitatively derived relationships rather than quantified causal effects.

Future research could test these relationships using larger and more diverse samples, mixed-method designs, and quantitative approaches. In particular, subsequent studies could examine whether specific dimensions of emotional intelligence predict measurable differences in conflict duration, managerial time devoted to conflict resolution, coordination efficiency, employee productivity, and other organizational performance indicators. Comparative research across sectors, organizational contexts, and countries could further assess the generalizability of the conceptual relationships identified in this exploratory study.

Conclusions and Recommendations

This study explored the role of emotional intelligence (EI) in workplace conflict management and team productivity through a qualitative, exploratory approach. The findings identify emotional regulation, empathy, communication, and constructive conflict resolution as

interconnected behavioural mechanisms through which EI shapes workplace interactions. Together, these mechanisms facilitate the transformation of potentially disruptive conflicts into more constructive interactions, supporting trust, coordination, and effective collaboration within teams.

Beyond its behavioural role, the study positions emotional intelligence as a form of non-cognitive human capital with organizational and economic relevance. By supporting constructive conflict management and reducing interpersonal friction associated with miscommunication, delays, and coordination difficulties, EI may contribute to more efficient use of human and managerial resources. The integration of Human Capital Theory and Transaction Cost Economics therefore provides a broader perspective in which emotional intelligence can be understood as both an employee capability and a potential contributor to organizational efficiency and sustainable performance.

Given the qualitative design and relatively small sample ($N = 12$), these relationships should be interpreted as exploratory rather than statistically generalizable or causal. Nevertheless, the study provides a conceptual framework and qualitative evidence that can support further empirical investigation of the relationship between emotional intelligence, organizational friction, productivity, and economic performance.

Based on the findings, several practical and research-oriented recommendations can be proposed.

Organizations should recognize emotional intelligence as an important competency and integrate it into their human resource management strategies. This may include incorporating EI-related competencies into recruitment and selection processes, embedding emotional intelligence development into employee training, and promoting emotionally intelligent leadership practices that support collaboration and constructive conflict resolution.

Leaders should be supported in developing the capacity to manage emotional dynamics within teams, foster open communication and trust, and address conflicts constructively rather than reactively. Developing emotionally intelligent leadership may strengthen team cohesion and support organizational performance.

Organizations should design targeted training programmes focused on emotional regulation, empathy and active listening, and effective communication in conflict situations. Such programmes may help employees manage workplace tensions more constructively and reduce conflict-related disruptions to team processes.

Organizational policies related to conflict management should explicitly incorporate emotional and interpersonal dimensions. Formal procedures that encourage constructive dialogue, early intervention, and mutual understanding may support more effective conflict resolution and reduce the organizational disruption associated with prolonged interpersonal disputes.

Future studies should build upon this exploratory analysis through larger-scale quantitative research capable of testing the relationships identified in the present study. Mixed-method approaches could combine the depth of qualitative evidence with greater empirical generalizability, while cross-cultural and cross-sectoral studies could assess whether the identified mechanisms operate similarly across different organizational environments. Particular attention should also be given to the relationship between EI and organizational performance using measurable indicators, such as labour productivity, conflict duration, managerial time devoted to conflict resolution, and coordination efficiency. These approaches

would enable more systematic testing of the proposed relationships and provide stronger evidence regarding the organizational and economic value of emotional intelligence.

CRedit Authorship Contribution Statement

Zhuja, D. I.: Conceptualization; Methodology; Investigation; Formal analysis; Writing – original draft; Writing – review & editing. Nallbani-Berisha, S.: Conceptualization; Methodology; Investigation; Formal analysis; Writing – original draft; Writing – review & editing.

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Conflict of Interest Statement

The authors declare no conflicts of interest related to the research, authorship, or publication of this article.

Data Availability Statement

The qualitative data generated during this study are not publicly available due to confidentiality and participant privacy considerations. Anonymized data may be made available by the corresponding author upon reasonable request, subject to ethical and confidentiality restrictions.

Ethical Approval Statement

All participants were informed about the purpose of the study and provided voluntary consent prior to participation. Confidentiality and anonymity were maintained throughout the research process, and identifying information was removed from the data.

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