

Emotional Intelligence As A Mediator Of Sustainable Compensation Perceptions: A Cross-Cultural Study Anchored In Equity Theory For Environmentally Responsible Organizations

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1 Abstract:

This study investigates the complex connections among employee results, emotional intelligence (EI), and perceived sustainable remuneration in a range of demographic scenarios. Grounded in Adams' Equity Theory, which posits that perceived fairness significantly influences motivation and satisfaction, the research evaluates how compensation structures impact employee perceptions of equity and performance. Using the Wong and Law Emotional Intelligence Scale (WLEIS), the study dissects four EI dimensions—Self-Emotion Appraisal (SEA), Others' Emotion Appraisal (OEA), Use of Emotion (UOE), and Regulation of Emotion (REO)—and their mediating roles between sustainable compensation and employee outcomes.

A sample of 152 professionals across South Asian countries and multiple industries was analyzed through correlation, chi-square, and path analysis. Results reveal a strong positive correlation ($r = .800$) between perceived sustainable compensation and perceived equity. Emotional intelligence significantly mediates this relationship, with OEA and SEA exhibiting the strongest positive effects, while REO shows a notable negative mediation effect. Additionally, all EI dimensions were significantly associated with demographic variables, underscoring the contextual nature of emotional capability development. Cultural values emerged as the most powerful predictor of sustainable compensation perceptions ($R^2 = .997$), with perceived equity contributing marginally yet significantly. These findings suggest that emotional intelligence—particularly empathy and self-awareness—acts as a key conduit through which compensation fairness translates into positive organizational outcomes, reinforcing the relevance of equity theory in modern HR strategy.

1.1 Keywords: Sustainable compensation, emotional intelligence, WLEIS, Adams' Equity Theory, perceived equity.

2 INTRODUCTION

In the era of environmental uncertainty and organizational accountability, sustainable pay has evolved as a fundamental component of socially responsible corporate practice. Defined as pay systems that balance fairness, transparency, and harmony with broader environmental and social goals, sustainable compensation not only maintains talent but also reinforces employee commitment to sustainability initiatives (Ehnert et al., 2016). According to (Adams, 1965), By contrasting their input-output ratios with those of others, employees evaluate fairness. Employees feel appreciated and respond with increased engagement and performance when pay is seen as fair and sustainable.

Emotional Intelligence can be described as the overarching skill to perceive and comprehend emotions, along with the ability to manage them effectively and adaptively.(Ceballos et al., 2017). In today's world, emotional intelligence is crucial, particularly when it comes to the impact it has on the workforce. In essence, businesses are focused on people. Therefore, anything that affects how well people think also affects the companies they work for or manage. (Karthikeyan & Lalwani, 2017).

In this study, we adopt the four-dimensional emotional intelligence (EI) framework developed by (Davies et al., 1998), which encompasses self-emotion appraisal, others' emotion appraisal, emotion regulation, and use of emotion. Self-emotion appraisal refers to an individual's ability to understand and naturally express their own emotions(Potgieter et al., 2024). Others' emotion appraisal involves accurately perceiving and interpreting the emotions of those around them. Emotion regulation is the capacity to manage and recover from emotional states

effectively, maintaining composure and psychological stability. Finally, the use of emotion refers to the capacity to direct feelings toward positive deeds and consistent individual achievement (Davaei et al., 2022)(Jaggi & Gujral, 2025).

Organizational outcomes that prioritize sustainability have been highlighted by recent studies on emotional intelligence. For example, workplace emotional intelligence (EI) has been shown to mediate the relationship between psychological well-being and work-life balance, supporting the aims of gender equality and mental health.(Ali, 2024). Emotionally intelligent leadership also helps corporate environmental agendas by encouraging socially conscious employee behaviors and fostering cultures of social responsibility (Ahsan, 2023) Furthermore, among young adults, trait EI has been positively associated with pro-environmental behavior and environmental attitudes (Marchetti et al., 2024).

Building on these findings, the current cross-sectional study investigates how emotional intelligence affects employee outcomes in relation to perceived sustainable remuneration. It also investigates the differences in these relationships by nation, industry, and experience using data from professionals throughout South Asia. This study advances knowledge of the emotional–ethical underpinnings of ecologically conscious companies by fusing compensation theory, equity theory, and emotional intelligence in a setting relevant to sustainability.

3 REVIEW OF LITERATURE:

3.1 Emotional Intelligence and Sustainable Compensation Perceptions

The significance of emotional intelligence (EI) in influencing how workers perceive pay and organizational equity has come to light, particularly in contexts that prioritize sustainability. (Mustafa et al., 2023) claim that Emotional Intelligence (EI) can mediate the relationship between employee attitudes like commitment and satisfaction and perceptions of fairness, and that EI greatly improves perceptions of organizational justice. This emphasizes how Emotional Intelligence (EI) can serve as a perceptual filter for evaluating sustainable compensation.

(Mustafa et al., 2023)say that because emotionally intelligent workers have a more positive work environment and less job stress, they are better able to appraise remuneration schemes within sustainability frameworks, allowing for more accurate fairness evaluations.

3.2 Wong and Law Emotional Intelligence Scale (WLEIS)

The **Wong and Law Emotional Intelligence Scale (WLEIS)** is widely recognized for assessing four core dimensions of emotional intelligence: **Self-Emotional Appraisal (SEA)**, **Others' Emotional Appraisal (OEA)**, **Use of Emotion (UOE)**, and **Regulation of Emotion (REO)**. These dimensions offer a nuanced understanding of how individuals process, manage, and respond to emotional information in the workplace.(Law et al., 2004) initially suggested that via improving interpersonal dynamics and self-regulation, emotional intelligence (EI), as measured by WLEIS, improves behavioral and attitudinal outcomes.

(Al Ghazo et al., 2019) claim that judgments of organizational justice are closely related to SEA and OEA, indicating that emotionally intelligent workers are better equipped to determine if remuneration policies are sustainable and equitable. (García et al., 2024) stress that SEA encourages truthful introspection, allowing workers to assess if their pay is in line with their own and the company's ideals. A greater sense of empathy and equity inside the company is fostered by OEA, which enables people to comprehend how others respond to compensation-related difficulties.

According to recent studies, OEA has a particularly significant impact on improving perceptions of fairness in sustainability-linked remuneration since it allows workers to take environmental objectives and wider stakeholder concerns into account when assessing their compensation. On the other hand, REO has produced conflicting findings, whereas UOE advocates using emotional states to motivate people. (Munira et al., 2022) note that in

situations where fairness and openness are crucial, excessively strict emotional control may stifle genuine expression, which could result in disengagement or emotional exhaustion.

Therefore, by improving fairness interpretation, social awareness, and emotional adaptability, the WLEIS framework provides a useful lens through which emotional intelligence may be investigated as a mediation mechanism—bridging sustainable compensation perceptions and beneficial employee outcomes.

3.3 Equity Theory and Compensation Fairness

(Phung et al., 2023) claims that by contrasting their input/output ratios with those of others, people can assess remuneration using the fundamental lens that equity theory offers. Equity evaluations in ecologically conscious companies take organizational citizenship and environmental contributions into account in addition to financial concerns.

(Adu et al., 2022) emphasizes that sustainability-linked compensation must be clearly tied to measurable environmental outcomes; otherwise, it risks being perceived as symbolic or performative, which undermines fairness perceptions.

Adams' Equity Theory offers a fundamental framework for comprehending how people evaluate compensation fairness by contrasting their inputs (such as effort, talents, and experience) to outputs (such as salary and recognition) with those of others (Adams, 1965). Employee happiness and motivation are increased when they believe that this ratio is balanced since it gives them a sense of equity. On the other hand, perceived disparities could cause people to feel unfairly treated, which would lower engagement or turnover. This idea is especially pertinent to sustainable compensation since it shows that employees are more likely to see pay systems as fair when they are openly linked to social and environmental performance objectives. (Phung et al., 2023) claims that tying compensation to environmental innovation objectives fosters corporate identification and perceived fairness. Therefore, Adams' paradigm reaffirms that views of equality are based on both the alignment of rewards with more general organizational values—like corporate responsibility and sustainability—and financial fairness.

3.4 Cultural Influences and Cross-National Variations

(Wiyono et al., 2025) highlight the importance of cultural context in shaping how sustainability practices, including compensation strategies, are perceived across nations. They argue that compensation systems that resonate with local cultural values are more likely to be perceived as fair and motivating.

3.5 Summary of Theoretical Integration

- Employees evaluate compensation fairness based on their perception of the balance between effort and reward, which is provided by equity theory.
- By acting as a mediator, particularly through SEA and OEA, emotional intelligence strengthens the connection between long-term compensation and favorable results.
- Emotional intelligence expression and views of fairness are shaped by cultural beliefs, which serve as modifiers or major predictors.
- Compensation systems that are in line with cultural fairness standards and emotional competences are most beneficial to environmentally responsible organizations.

3.6 Conceptual Framework

Figure 1 shows a conceptual model investigating the direct and indirect effects of sustainable compensation on employee outcomes. The four components of emotional intelligence—self-emotional appraisal, others' emotional appraisal, use of emotion, and regulation of emotion—are all directly impacted by sustainable compensation. Positive employee outcomes are a result of these four elements. Furthermore, cultural values are influenced by sustainable compensation, which in turn affects employee outcomes and the emotional intelligence components. This model highlights the psychological and cultural processes that improve organizational outcomes and proposes that emotional intelligence and cultural context mediate the relationship between compensation policies and employee effectiveness.

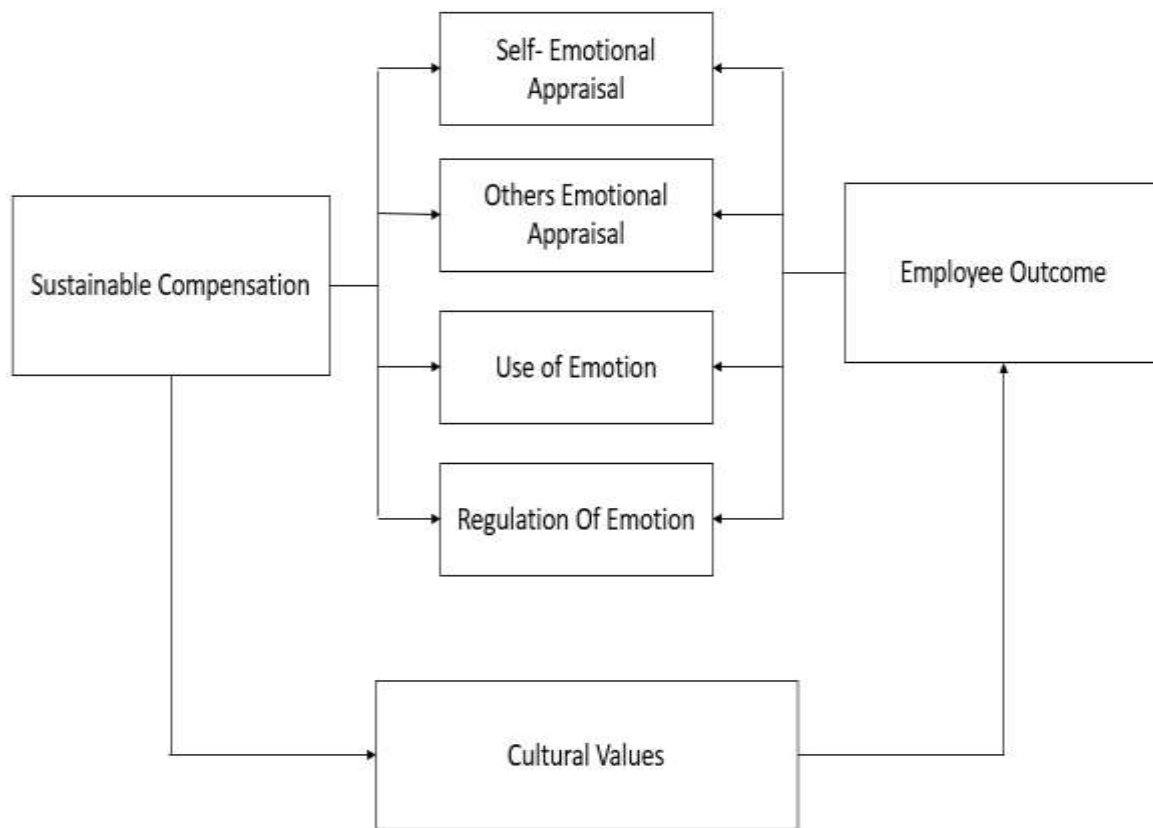


Figure:1

4 RESEARCH GAP

4.1 Evidence Gap

While employee outcomes such as job satisfaction and retention have been widely studied, limited empirical evidence exists on how sustainable compensation and emotional intelligence jointly influence these outcomes across diverse industries in South Asia.

4.2 Knowledge Gap

Existing research often isolates emotional intelligence, compensation, or cultural values as independent variables. However, their interactive or mediating effects on employee outcomes remain underexplored, especially in multicultural, resource-constrained work environments.

4.3 Practical Knowledge Gap

Organizational strategies in South Asia tend to emphasize technical competencies or financial incentives while neglecting the role of emotional intelligence and cultural alignment in driving employee engagement and retention. This research provides practical insight into how these soft factors can be strategically leveraged.

4.4 Methodological Gap

Many prior studies rely on non-validated or contextually inappropriate measurement scales. This study addresses the gap by employing established instruments such as WLEIS for EI, Hofstede-based CV scales, and standardized compensation and outcome metrics, improving methodological reliability.

4.5 Empirical Gap

Few empirical studies test an integrated model linking sustainable compensation, emotional intelligence, and cultural values with employee outcomes using structural equation modeling (SEM) in developing country settings.

4.6 Population Gap

Most related studies have focused on corporate employees in Western or urban contexts. Employees in South Asian economies—many from semi-urban or culturally diverse regions—are rarely studied, despite facing unique psychological and organizational dynamics.

4.7 Theoretical Gap

There is a lack of comprehensive theoretical models that connect sustainable HR practices, emotional intelligence, and cultural dimensions to employee outcomes. This study contributes by integrating WLEIS and Hofstede's framework into a unified theoretical model suitable for cross-industry South Asian contexts.

5 RESEARCH OBJECTIVES

- To examine the relationship between employees' perceptions of sustainable compensation and their perceived equity
- To investigate the mediating role of emotional intelligence in the relationship between sustainable compensation and employee outcomes
- To analyze how cultural values influence employees' perceptions of sustainable compensation
- To explore the associations between dimensions of emotional intelligence and key demographic variables (e.g., country of origin, industry and experience)

6 RESEARCH METHODOLOGY

6.1 Research instrument

Emotional Intelligence (EI), Cultural Values (CV), Sustainable Compensation (SC), and Employee Outcomes (EO) were measured using validated and contextually appropriate item scales. These tools were chosen with care since they had been used in related research before, and they were modified to fit the South Asian employment environment in a variety of industries.

An 8-item measure of sustainable remuneration was created based on earlier studies on equitable pay, long-term incentives, and moral HR procedures (Aguinis & Glavas, 2012). Expert review sessions with HR managers and employee welfare professionals produced the items. Examples were "I receive benefits that reflect long-term employee wellbeing" and "My organization ensures fair pay over time." A 5-point Likert scale (1 being strongly disagree and 5 being strongly agree) was used to measure the items.

The Wong and Law Emotional Intelligence Scale (WLEIS), a 16-item test with extensive validation, was used to measure emotional intelligence in four areas: self-emotional appraisal (SEA), others' emotional appraisal (OEA), use of emotion (UOE), and regulation of emotion (ROE) (Lam et al., 2023) (Law et al., 2004). Examples are "I am sensitive to the feelings and emotions of others" (OEA) and "I have a good sense of why I have certain feelings" (SEA). It has been demonstrated that the WLEIS performs consistently across cultures and professions (Chen & Zhang, 2023).

Cultural Values were measured using a modified version of the Hofstede Cultural Dimensions scale (Sndergaard 1994, n.d.) concentrating on the three fundamental aspects of organizational behavior that are seen to be most pertinent to South Asian organizations: collectivism, power distance, and uncertainty avoidance. Items like "In my culture, group success is more important than individual achievement" were modified for workplace applicability. Confirmatory factor analysis (CFA) confirmed the scale's structure, demonstrating a good model fit and dependability.

Employee Outcomes were evaluated using a 6-item composite scale drawing on items from the **Minnesota Satisfaction Questionnaire** (Bellocchio et al., 2024) and the **Utrecht Work Engagement Scale** (Bellocchio et al., 2024). These items covered job satisfaction, organizational commitment, and intention to stay. Examples

include: “I feel enthusiastic about my job” and “I intend to remain with my current employer in the future.” Internal consistency reliability (Cronbach’s $\alpha > 0.80$) was confirmed.

All items were rated on a 5-point Likert-type scale (1 = strongly disagree, 5 = strongly agree). The questionnaire was prepared in English and translated into national languages where necessary to ensure comprehension.

6.2 Data Collection:

Data were collected for 8 South Asian Countries using a questionnaire. Initially the questionnaire was distributed to 200 member using purposive and snowball sampling. Out of 200 responses were received from 152 members. The following Table: 1 explains the demographic distribution of the respondents.

Variable	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Age	18-24	15	9.90%	9.90%	9.90%
	25-34	45	29.60%	29.60%	39.50%
	35-44	16	10.50%	10.50%	50.00%
	45-54	45	29.60%	29.60%	79.60%
	55-64	16	10.50%	10.50%	90.10%
	65 and above	15	9.90%	9.90%	100.00%
Gender	Female	91	59.90%	59.90%	59.90%
	Male	61	40.10%	40.10%	100.00%
Country	Afghanistan	15	9.90%	9.90%	9.90%
	Bangladesh	15	9.90%	9.90%	19.70%
	Bhutan	31	20.40%	20.40%	40.10%
	India	30	19.70%	19.70%	59.90%
	Maldives	15	9.90%	9.90%	69.70%
	Nepal	15	9.90%	9.90%	79.60%
	Pakistan	16	10.50%	10.50%	90.10%
	Sri Lanka	15	9.90%	9.90%	100.00%
Industry	Healthcare	15	9.90%	9.90%	9.90%
	Finance	15	9.90%	9.90%	19.70%
	IT & Technology	15	9.90%	9.90%	29.60%
	Manufacturing	46	30.30%	30.30%	59.90%
	Education	31	20.40%	20.40%	80.30%
	Retail & Services	15	9.90%	9.90%	90.10%
	Government/Public Sector	15	9.90%	9.90%	100.00%
Job Role	Entry-level/Associate	16	10.50%	10.50%	10.50%
	Mid-level/Executive	61	40.10%	40.10%	50.70%
	Senior Manager	30	19.70%	19.70%	70.40%
	Director/VP	30	19.70%	19.70%	90.10%
	C-level/Top Management	15	9.90%	9.90%	100.00%
Experience	Less than 1 year	15	9.90%	9.90%	9.90%
	1-3 years	12	7.90%	7.90%	17.80%
	4-6 years	28	18.40%	18.40%	36.20%
	7-10 years	72	47.40%	47.40%	83.60%
	More than 10 years	25	16.40%	16.40%	100.00%
Employment	Full-time	45	29.60%	29.60%	29.60%
	Part-Time	26	17.10%	17.10%	46.70%
	Contract	37	24.30%	24.30%	71.10%
	Freelance	30	19.70%	19.70%	90.80%
	Internship	14	9.20%	9.20%	100.00%

(Table: 1)

Source: SPSS

To guarantee data reliability, the measurement tool's internal consistency was evaluated. With a Cronbach's Alpha of 0.973 for all 43 items (Table: 2), the reliability analysis showed remarkably good internal consistency. This implies that items that were significantly related to and cohesively reflected their respective theoretical domains were used to measure the categories under investigation, such as views of sustainable remuneration, emotional intelligence, and perceived equity. The study's subsequent structural modeling, mediational analysis, and inferential interpretations are all supported by this strong reliability.

Reliability Statistics

Cronbach's Alpha	N of Items
.973	43

(Table:2) Source: SPSS

6.3 Statistical Analysis:**H1: Relationship between perceived sustainable compensation between perceived equity**

	PERCEPTIONS OF SUSTAINABLE COMPENSATION	PERCEIVED EQUITY
PERCEPTIONS OF SUSTAINABLE COMPENSATION	1	0.800**
PERCEIVED EQUITY	0.800**	1
SIGNIFICANCE (2-TAILED)	—	0
SAMPLE SIZE (N)	152	152

(Table: 3)

Source: SPSS

With a Pearson correlation coefficient of .800, this correlation matrix (Table: 3) demonstrates a very high positive association between perceptions of perceived equity and perceptions of sustainable compensation. The association is statistically significant at the 0.01 level since the p-value (Sig. 2-tailed) is .000, which is below the cutoff of 0.01.

H2: Emotional intelligence mediates the relationship between sustainable compensation and employee outcomes.

Pathway	Estimate	Std. Error	z-value	p	95% CI (Lower - Upper)	Type
SC_TOTAL → EO_TOTAL	0.071	0.015	4.764	< .001	0.042 – 0.100	Direct effect
SC_TOTAL → SEA_TOTAL → EO_TOTAL	0.357	0.021	16.695	< .001	0.315 – 0.399	Indirect effect
SC_TOTAL → OEA_TOTAL → EO_TOTAL	0.501	0.036	13.863	< .001	0.430 – 0.572	Indirect effect
SC_TOTAL → UOE_TOTAL → EO_TOTAL	0.117	0.064	1.813	0.07	-0.009 – 0.243	Indirect effect
SC_TOTAL → REO_TOTAL → EO_TOTAL	-0.438	0.072	-6.043	< .001	-0.580 – -0.296	Indirect effect
SC_TOTAL → EO_TOTAL (Total Indirect)	0.537	0.029	18.717	< .001	0.480 – 0.593	Total indirect
SC_TOTAL → EO_TOTAL (Total)	0.608	0.026	23.163	< .001	0.556 – 0.659	Total effect

SEA_TOTAL → EO_TOTAL	0.815	0.029	28.139	< .001	0.758 – 0.872	Path coefficient
OEA_TOTAL → EO_TOTAL	0.894	0.037	24.266	< .001	0.822 – 0.967	Path coefficient
UOE_TOTAL → EO_TOTAL	0.228	0.125	1.827	0.068	-0.017 – 0.472	Path coefficient
REO_TOTAL → EO_TOTAL	-0.861	0.13	-6.617	< .001	-1.116 – -0.606	Path coefficient
SC_TOTAL → SEA_TOTAL	0.438	0.021	20.749	< .001	0.396 – 0.479	Path coefficient
SC_TOTAL → OEA_TOTAL	0.56	0.033	16.891	< .001	0.495 – 0.625	Path coefficient
SC_TOTAL → UOE_TOTAL	0.512	0.033	15.401	< .001	0.443 – 0.581	Path coefficient
SC_TOTAL → REO_TOTAL	0.509	0.034	14.836	< .001	0.441 – 0.576	Path coefficient
SEA_TOTAL ↔ OEA_TOTAL	0.588	0.16	3.684	< .001	0.275 – 0.901	Residual covariance
SEA_TOTAL ↔ UOE_TOTAL	0.596	0.168	3.545	< .001	0.267 – 0.926	Residual covariance
OEA_TOTAL ↔ UOE_TOTAL	2.77	0.339	8.183	< .001	2.107 – 3.434	Residual covariance
SEA_TOTAL ↔ REO_TOTAL	0.498	0.163	3.062	0.002	0.179 – 0.816	Residual covariance
OEA_TOTAL ↔ REO_TOTAL	2.721	0.332	8.207	< .001	2.072 – 3.371	Residual covariance
UOE_TOTAL ↔ REO_TOTAL	3.198	0.369	8.679	< .001	2.476 – 3.921	Residual covariance

(Table: 4)

Source: JASP

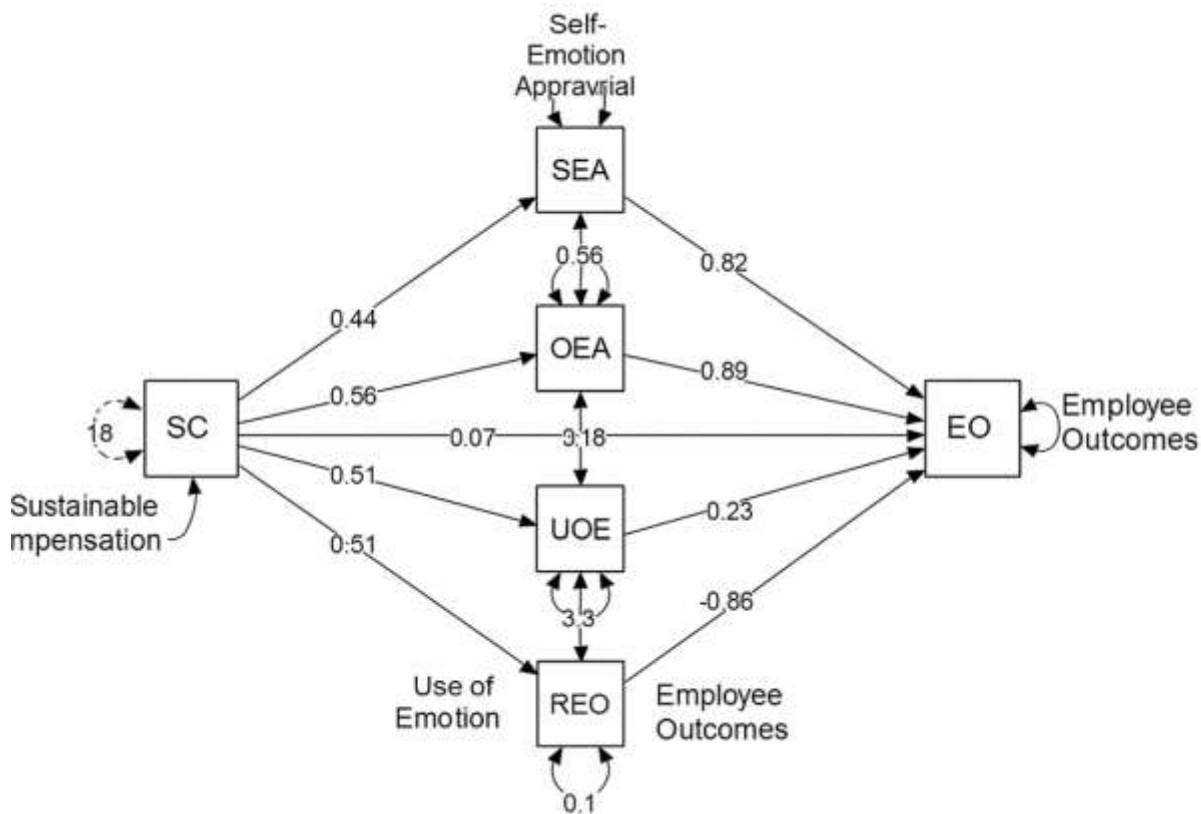
Sustainable compensation (SC_TOTAL) has a small but statistically significant direct influence on employee outcomes (EO_TOTAL), according to the analysis of direct and indirect effects. The direct path coefficient is 0.071 ($p < .001$). However, at 0.608 ($p < .001$), the overall impact of sustainable remuneration on employee outcomes is significantly greater, suggesting that intermediary variables—most notably, emotional intelligence dimensions—mediate the majority of the link. This research emphasizes the importance of emotional intelligence as a tool for explaining how pay structures affect workplace results.

Self-emotional evaluation (SEA_TOTAL) showed a substantial indirect effect of 0.357 ($p < .001$) among the mediating pathways. This implies that paying workers sustainably raises their level of self-awareness, which in turn improves their attitudes, actions, or performance results. With the strongest indirect effect of 0.501 ($p < .001$), the mediating influence of others' emotional evaluation (OEA_TOTAL) was even more noticeable. This emphasizes the significance of social awareness and empathy; workers who are more adept at empathizing with others seem to gain more from long-term pay plans. Use of emotion (UOE_TOTAL), on the other hand, had an indirect effect of 0.117 that was not statistically significant ($p = .070$), indicating a weak or inconsistent mediating influence. Remarkably, the indirect effect of emotion regulation (REO_TOTAL) was strong but negative, at -0.438 ($p < .001$). This suggests that excessive emotional control or suppression may negate the benefits of equitable remuneration, maybe due to emotional tiredness or rigidity.

The overall indirect effect of emotional intelligence was 0.537 ($p < .001$), suggesting that affective and cognitive mechanisms associated with emotional intelligence—particularly through SEA and OEA—channel a significant amount of the impact of sustainable compensation on outcomes.

Examining the route coefficients from emotional intelligence components (Figure: 2) that directly predict employee outcomes provides more information. With a value of 0.894, OEA_TOTAL was the most powerful predictor, closely followed by SEA_TOTAL (0.815). The importance of interpersonal and intrapersonal

emotional intelligence in influencing work situations is confirmed by these pathways. The significant negative path coefficient of -0.861 for REO_TOTAL, on the other hand, confirmed worries about over-regulation. Although UOE_TOTAL displayed a slight positive correlation (0.228), it was just beyond the range of statistical significance ($p = .068$), indicating that its significance should not be overestimated.



(Figure: 2)

Source: JASP

Lastly, there were notable residual covariances between the emotional intelligence subdimensions. The largest shared variance was between UOE_TOTAL and REO_TOTAL (3.198), followed by OEA_TOTAL with both UOE_TOTAL (2.770) and REO_TOTAL (2.721). These results suggest that there may be conceptual or functional overlap between these variables, which may be a sign of experiencing spillover across appraisal domains or multidimensional processing in emotional regulation.

H3: Cultural values positively predict employees' perceptions of sustainable compensation.

Model	Predictor	B	Std. Error	Beta	t	Sig.	R	R ²	Adj. R ²	F (df)	Sig. F	Std. Error of Est.
1	(Constant)	-0.075	0.09	—	-0.83	0.408	0.998	0.997	0.997	44969.08 (1,150)	0	0.244
	Cultural Values	1.003	0.005	0.998	212.059	0						
2	(Constant)	-0.195	0.101	—	-1.927	0.056	0.998	0.997	0.997	23245.84 (2,149)	0	0.24
	Cultural Values	0.988	0.008	0.983	128.975	0						
	Perceived Equity	0.035	0.014	0.019	2.461	0.015						

(Table: 5)

Source: SPSS

Two models were used for the hierarchical regression analysis that looked at the factors influencing perceived sustainable pay. With a standardized beta coefficient of 0.998 ($p < .001$) and an unstandardized coefficient of 1.003, cultural values stood out as a particularly powerful predictor in Model 1.

The model demonstrated an extraordinarily good model fit, explaining 99.7% of the variance in views of sustainable compensation ($R^2 = .997$). This almost perfect association implies that employees' assessments of the viability and equity of their pay systems are greatly influenced by alignment with cultural norms. In isolation, the constant term has no substantial explanatory power, as evidenced by its lack of statistical significance ($p = .408$). Perceived equity was added as a predictor in Model 2. Perceived equity had a minor but statistically significant impact ($B = 0.035$, $\beta = 0.019$, $t = 2.461$, $p = .015$), but cultural values continued to have the largest influence ($B = 0.988$, $\beta = 0.983$, $p < .001$). This implies that, even when cultural alignment is taken into consideration, employees' assessments of remuneration practices are improved by views of fairness on their own. The standard error of estimate decreased from 0.244 to 0.240, indicating a slight improvement in model precision, but overall the model fit remained robust ($R^2 = .997$, $F(2, 149) = 23,245.84$, $p < .001$). These results highlight how perceptions of sustainable compensation are shaped inside firms by perceived fairness and cultural congruence.

H4: Association between the Emotional Intelligence dimension and the demographic variable

EI Dimension	Demographic Factor	Chi-Square Value	df	p-value
Self-Emotion Appraisal (SEA)	Country	222.081	63	0
Self-Emotion Appraisal (SEA)	Industry	263.886	54	0
Self-Emotion Appraisal (SEA)	Experience	111.711	36	0
Others' Emotion Appraisal (OEA)	Country	139.671	63	0
Others' Emotion Appraisal (OEA)	Industry	162.151	54	0
Others' Emotion Appraisal (OEA)	Experience	95.285	36	0
Use of Emotion (UOE)	Country	54.473	35	0.019
Use of Emotion (UOE)	Industry	63.807	30	0
Use of Emotion (UOE)	Experience	40.825	20	0.004
Regulation of Emotion (REO)	Country	46.686	28	0.015
Regulation of Emotion (REO)	Industry	50.452	24	0.001
Regulation of Emotion (REO)	Experience	34.935	16	0.004

(Table:6)

Source: SPSS

Significant trends were seen throughout the dataset in the association between demographic factors and emotional intelligence (EI) characteristics. All three demographic factors—country, industry, and experience—showed highly significant relationships with Self-Emotion Appraisal (SEA) ($p = .000$), indicating that cultural and professional contexts have a major impact on an individual's self-awareness. Significant trends were seen throughout the dataset in the association between demographic factors and emotional intelligence (EI) characteristics. All three demographic factors—country, industry, and experience—showed highly significant relationships with Self-Emotion Appraisal (SEA) ($p = .000$), indicating that cultural and professional contexts have a major impact on an individual's self-awareness. Regulation of Emotion (REO), too, showed significant differences across country ($p = .015$), industry ($p = .001$), and experience ($p = .004$), implying that emotional control strategies are shaped by workplace norms, organizational expectations, and tenure. Collectively, these results reinforce the idea that emotional intelligence is not merely a trait but a context-sensitive capability, influenced by external social and professional environments.

7 RESULTS:

The findings reveal significant insights into the relationships between sustainable compensation, perceived equity, emotional intelligence, and cultural values, as well as the influence of demographic factors on emotional intelligence dimensions.

7.1 Perceived Sustainable Compensation and Perceived Equity (H1):

The analysis (Table: 3) shows that employees' opinions of sustainable compensation and perceived equity have a very strong positive association ($r^* = .800$, $p^* < .001$). This suggests that workers are more likely to believe that the company practices equity when they believe their pay is reasonable, consistent, and in line with long-term viability. This relationship's high significance highlights how important pay structures are in creating a feeling of justice, which is crucial for organizational behavior and leadership tactics meant to increase employee engagement and happiness.

7.2 Emotional Intelligence as a Mediator (H2):

The relationship between employee achievements and sustainable compensation is largely mediated by emotional intelligence (EI) (Table: 4), (Figure: 1). While the overall indirect effect of sustainable compensation is large (Est. = 0.537, $p^* < .001$), the direct effect on outcomes is tiny but significant (Est. = 0.071, $p^* < .001$). Self-Emotional Appraisal (SEA) (Est. = 0.357, $p^* < .001$) and Others' Emotional Appraisal (OEA) (Est. = 0.501, $p^* < .001$) are important mediators that emphasize the significance of empathy and self-awareness in converting just compensation into favorable results.

Significantly, Regulation of Emotions (REO) shows a strong negative mediation (Est. = -0.438, $p^* < .001$), indicating that too controlling emotions may impair employee results, maybe as a result of strict rules or emotional repression. These results highlight how long-term pay fosters emotional abilities that motivate performance and engagement in addition to improving perceptions of fairness.

7.3 Cultural Values and Sustainable Compensation (H3):

Perceptions of sustainable remuneration are largely predicted by cultural values ($B = 0.988$, $Beta = 0.983$, $p^* < .001$), which accounts for 99.7% of the model's variation (Table: 5). The minor but substantial influence of perceived equality ($B = 0.035$, $p^* = .015$) suggests that employees' assessments of salary sustainability are further honed by views of fairness. This implies that equity plays a complimentary function to organizational cultures that are in line with employee values, which are the cornerstone of creating favorable impressions of compensation.

7.4 Demographic Influences on Emotional Intelligence (H4):

Demographic factors (country, industry, and experience level) significantly affect all four EI dimensions: Self-Emotional Appraisal (SEA), Others' Emotional Appraisal (OEA), Use of Emotions (UOE), and Regulation of Emotions (REO) (Wang et al., 2023) ($p^* < .05$ for all) (Table: 6). The highest correlations are seen between SEA and OEA, suggesting that self-awareness and empathy are extremely sensitive to cultural and professional circumstances. Although still substantial, the relationships between UOE and REO are weaker, indicating that these dimensions may be more individually variable. These findings demonstrate how EI is contextual and influenced by both environmental and human factors.

8 CONCLUSION:

The study emphasizes how equality views, emotional intelligence, and sustainable compensation are all intertwined in determining employee results. Fair remuneration policies that are based on cultural congruence improve emotional intelligence and perceptions of fairness, which in turn improve performance and engagement. However, balanced approaches to emotional control are necessary due to the detrimental effects of over-regulation. Furthermore, the need for customized approaches in EI development across various labor groups is highlighted by the demographic heterogeneity in EI. For companies looking to create pay plans and emotional intelligence interventions that promote fair, emotionally intelligent workplaces, these insights are essential.

Longitudinal designs should be used in future studies to identify causal relationships between employee outcomes over time, emotional intelligence (EI), and sustainable compensation. By looking at how cultural norms influence these dynamics, cross-cultural studies can increase generalizability, and industry-specific research may reveal customized best practices. More qualitative research into the root reasons of the negative mediation

of emotion regulation is necessary. Understanding complicated relationships could be improved by including more moderators (like organizational size) and mediators (like job autonomy). Empirical testing of useful EI therapies aimed at enhancing empathy and self-awareness is necessary. Finally, because cultural values have an exceptionally high predictive capacity, it is imperative to improve measurement tools to provide accurate and nuanced evaluations.

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