



# Leadership Styles and Emotional Intelligence of Women Entrepreneurs

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## Abstract

As women entrepreneurs, women must be aware of their emotions and feelings since Emotional Intelligence (EI) is a key component of effective leadership. Leaders with high emotional intelligence are happier and are more committed to their organization (Abraham, 2000), and they also use positive emotions to visualize the improvements in the organization's functions (George, 2000). The study focuses on the factors of EI and leadership that influence women entrepreneurs in their entrepreneurial activities, which also impact the success of the business. The quantitative approach will be followed throughout the study to measure the variables. The descriptive study is also employed to identify characteristics of women entrepreneurs who deal with managing leadership and emotional intelligence problems. The TEIQue (Trait Emotional Intelligence Questionnaire) was used to measure EI, and Vannsimpco Leadership Survey (VLS) was used to determine the leadership styles. The study was conducted among 132 women entrepreneurs from South India. The findings of the study revealed that there is a significant relationship between EI and leadership. The educational level of entrepreneurs impacts both EI and leadership.

**Keywords:** Women entrepreneurs, emotional intelligence, leadership styles, entrepreneurs, business

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## **1. Introduction**

In India, women have come a long way to achieve rights and positions equal to men because Indian society is rooted in such traditional values. Despite these factors, women have made similar achievements to men in their respective fields with grit and grace and business is no exception. Generally, women in India who work are trying to balance their personal and professional life; while balancing these two factors, women face physical and mental hurdles (Verma & Mulani, 2018). Though the entrepreneurial activities of women attract attention worldwide, they still lag behind men in both ownership and economic independence (Winn, 2005). However, Farhat & Mijid (2018), found no gender gap in the business performance and indicated that they don't lag behind men in terms of their performance.

## **2. Emotional Intelligence**

Women are employed in different sectors and extensively contribute to the economy (Ambepitiya, 2016), so their mental well-being is extremely important. Mental health is not to be neglected, and Emotional Intelligence is one such factor that influences their well-being. Goleman defines EI as "The capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships" (Goleman, 1998). The current business scenario indicates that EI is more important in the future than today, so there is an emerging need to explore these aspects. With the developing technological giants like artificial intelligence and big data, businesses need to balance machine and human aspects, which will help them handle the real-time understanding of the needs of the world (Beck & Libert, 2017).

There are five factors that contribute to EI. They are social skills, self-awareness, self-regulation, motivation, and empathy (Goleman, 1998). Ngah & Salleh (2015), explained the importance of EI training that helps cope with the emotions causing occupational stress and would increase their innovativeness (Bulik, 2005). When organizations tend to ignore the values of EI, the customers disappear, and the top talents of the organizations are lost.

### **3. Leadership & Emotional Intelligence**

Leadership is defined as the process of social interaction where performance outcomes are strongly influenced by the leader's capacity to influence the behavior of their followers (Humphrey, 2002). Quy(2016), states that Emotional Intelligence is considered the secret weapon of a woman leader. The high-performing managers portray significantly high emotional competence than the others (Cavallo, K., & Brienza, D, 2002). Entrepreneurial behavior can be seen if there is a high level of EI because it enables control over feelings (Neqabi, & Bahadori, 2012).

EI allows the entrepreneurs to identify their own feelings and the feelings of others which influences their subordinates and builds trust (Miao, C., Humphrey, R. H., & Qian, S., 2016). By understanding the importance of EI, women are made aware of themselves, which makes them grow, and help improve the lives of their colleagues too, but its absence would make them inferior leaders.

There are several leadership styles that have been widely studied, while this research focuses on the authoritarian, participative, delegative, transactional, and transformational styles. Leaders might adopt a hybrid leadership model because some styles might work in certain situations, whereas others might not (Khan & Adnan, 2014). The objective of the study is to understand the prevailing leadership styles of women entrepreneurs. The descriptive study also looks at the EI of women entrepreneurs and tests the effect of leadership styles on EI, which impacts organizational performance.

### **4. Research Questions**

- a) What is the socio-demographic profile of women entrepreneurs?
- b) Are the women entrepreneurs aware of the level of Emotional intelligence and leadership?
- c) Is there a relationship between emotional intelligence and leadership?

## **5. Objectives**

- ✓ To find the Emotional Intelligence of women entrepreneurs.
- ✓ To find out the different leadership styles of women entrepreneurs
- ✓ To find the relationship between EI and leadership styles
- ✓ To find out the effect of EI on leadership styles.
- ✓ To find the influence of demographic factors on EI and leadership styles.

## **6. Review of Literature**

### **6.1. Women Entrepreneurs**

In the 21st century, the critical factor driving women to be successful entrepreneurs was the capacity to acquire adaptability and control over work-home commitments (Agarwal & Lenka, 2015). Family and social help have been recognized as influential factors in women's entrepreneurial achievement (Abbas, Abrar, Saleem, & Iqbal, 2016). According to Alam, Jani & Omar (2011), women entrepreneurs thought that it was not easy to deal with multi-jobs and develop their business simultaneously, and they are not investing enough energy with their families.

Business effectiveness is usually measured through the economic perspectives of the company, i.e., the growth in sales or employees and by the increased profits (Buttner & Moore, 1997). The success of the business depends upon psychological factors such as self-concept, managerial competence, workstress, and business commitment (Ehigie & Umoren, 2003).

## **7. Emotional Intelligence and Leadership**

Emotional intelligence has a positive relationship between personal growth (Mohanty, Pradhan, & Jena, 2015), personality (Kundu, 2019), intellectual stimulation, individualized consideration, and charismatic, inspirational behaviors (Yitshaki, 2012).

EI affects transformational leadership style, which further affects leadership effectiveness (Allameh Pool, J. K., Kazemi, R. V., &

Mostafavi., 2015). According to Bahadori (2012), their researches have revealed that managers with high EI have better entrepreneurial behavior. There is a correlation between EI and leadership, and effective training would help the budding entrepreneurs build a successful future (Rahman, Ferdousy, & Uddin, 2012) which will greatly impact entrepreneurial activities. Gardner & Stough (2002), found that the leaders who exhibit transformational leadership behavior have a high level of EI.

Women scored higher than men in perceptive skills and overall EI (Brackett, Mayer, & Warner, 2004). A meta-study conducted by Eagly & Johnson (1990), found that male and female leaders follow different methods in the two leadership styles of interpersonal orientation and task orientation. Women portrayed positive social behavior and agreement, whereas men portrayed more task-oriented behavior and disagreement (Eagly & Carli, 2001). According to Ashforth & Humphrey (1995), transformational leadership is dependent upon the evocation, framing, and mobilization of emotions, whereas transactional leaders are more dependent upon subordinate's cognitions and tend to follow a rational model of motivation. Khajeh (2018) recommends that organizations use leadership styles that enhance the capabilities and abilities of the people.

## **8. Research Gap**

This research focuses on EI and leadership style as discrete elements and also establishes the linkage between both variables among women entrepreneurs. This research focuses on two specific leadership styles: transactional and transformational, and their effect on EI.

### **8.1. Methods**

The study follows a quantitative approach, and a descriptive research design is used. The tool used for data collection is a standard questionnaire and is collected through the survey method (Google forms). The population for the study is women entrepreneurs, and the sample size is 132. From non-probability sampling, convenience sampling is used for selecting the

respondents. The data was analyzed and processed through SPSS software.

## **8.2. Measures**

The TEIQue (Trait Emotional Intelligence Questionnaire) developed by Petrides & Furnham (2006) was used to measure EI. It has 30 items on a seven-point Likert scale and is divided into four subscales: sociability, emotionality, self-control, and wellbeing. Vannsimpco Leadership Survey (VLS), developed by Barry, Simpson & Coleman in collaboration with SBS Swiss Business School (2014), was used to determine the leadership styles. The questionnaire is divided into seven parts containing different leadership styles like transactional, autocratic transformational, autocratic transactional, democratic transformational, democratic transactional, transformational, and laissez-faire.

## **8.3. Ethical Considerations**

- The researcher will not share any confidential information of the participants.
- The organization's name or any other details of the organization will be kept confidential.
- The details of the participants will not be disclosed, and the privacy of the participants is ensured.
- The respondents will take part in the research only if they are willing to participate.
- During the data collection, the researcher will not influence the respondent in answering the question.
- All the respondents will be given equal treatment.
- The participants will be briefed about the research and the usage of their information in the research.

## **9. Analysis & Results**

The emotional intelligence scores for each of the respondents were identified with a total score of 210. Individual leadership styles such as transactional, transformational, autocratic transactional,

autocratic transformational, democratic transactional, democratic transformational, and laissez-faire were measured with a total score of 135. For testing normality, the Kolmogorov Smirnov test was used between emotional intelligence and leadership, which showed that the data is normally distributed.

H1 - There is a significant difference in emotional intelligence based on leadership styles.

		Independent sample T-test				
Emotional intelligence		Levene's test for equality of variances		t-test for Equality of Means		
Leadership styles	N	Mean	Sig.	t	df	Sig. (2-tailed)
Transactional	74	148.35	0.218	-0.825	130	0.411
Transformational	58	151.52		-0.831	125.980	0.407

Table 1 - Results of independent sample t-test conducted between emotional intelligence scores and leadership styles.

The above table represents the results obtained from the independent sample t-test. The mean of transactional leadership style is 148.35, whereas the mean of transformational style is 151.52. This shows that there is a slightly significant difference in emotional intelligence based on leadership styles.

H2 - Leadership styles vary across age groups

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1180.163a	1334	0.999

Table 2 – Results of Chi-Square test conducted between age groups and leadership styles.

The above value represents a significant relationship between leadership styles and age groups because the calculated value(1180.163) is greater than the p-value(0.999).

**H3** - There is a significant relationship between age and EI

		Correlation			
	Mean	Std. Deviation	N	Age	Emotional Intelligence
Age	29.42	7.615	132	1	.229**
Emotional Intelligence	149.74	21.867	132	.229**	1

Table 3 - Results of correlation conducted between age and emotional intelligence.

The table represents a positive correlation between age and emotional intelligence and has a significant difference.

**H4** - There is a significant difference in EI based on educational level

		ANOVA							
	N	Mean	Std. Deviation		Sum of Squares	df	Mean Square	F	Sig.
High school	2	144.5	17.678	Between Groups	385.992	3	128.664	0.265	0.851
Under graduate	67	148.55	20.513	Within Groups	62251.25	128	486.338		
Post graduate	60	150.88	23.471	Total	62637.242	131			
Others	3	157	28.844						
Total	132	149.74	21.867						

Table 4 – Results of ANOVA test conducted between EI and educational level.



The above table shows that there exists a significant difference of 0.851 in emotional intelligence based on the leadership style. The table also proves that other categories of education, such as Ph.D., diploma, etc., have higher emotional intelligence.

H5 - There is a significant difference in leadership based on educational level

			ANOV A						
	N	Mean	Std. Deviat ion		Sum of Squares	df	Mean Squar e	F	Sig.
High school	2	109	4.243	Between Groups	215.896	3	71.965	0.448	0.719
Under graduate	67	112.48	12.873	Within Groups	20574.983	128	160.742		
Post graduate	60	114.8	12.342	Total	20790.879	131			
Others	3	114.67	17.786						
Total	132	113.53	12.598						

Table 5 – Results of ANOVA test conducted between leadership styles and educational level. The above table represents the results of the ANOVA test conducted between leadership styles and educational levels. The results show that the entrepreneurs who have studied till post-graduation have a high level of leadership styles.

## 10. Discussion

The purpose of the study is to identify the impact of emotional intelligence and leadership among women entrepreneurs on business success.

The results from the independent sample tests between emotional intelligence and leadership styles suggest that they both have a significant relationship. For this test, the two types of leadership styles, transactional and transformational, were taken and produced a mean value of 148.35 and 151.52, respectively. Mandell & Pharwani (2003) also suggested that there is a predictive

relationship between the transformational leadership style and emotional intelligence, and emotional intelligence is associated with three aspects of transformational leadership. (Barling, Slater & Kelloway, 2000). Lowe, Kroeck & Sivasubramaniam (1996) suggest that transformational is more effective than transactional leadership styles. Though the transformational score is higher than the scores of transactional leadership, there is only a slight mean difference. To test the leadership styles among the age groups, a chi-square test was conducted. The chi-square value is 1180.163 greater than p-value 0.999, which showed that there is a relationship among leadership and age groups.

Correlation was conducted between age and emotional intelligence to identify if there is a relationship, and the results indicated that there is a positive correlation among them. The value of emotional intelligence is 149.74, and age is 29.42, which shows that emotional intelligence has a high level of correlation. To check the relationship between emotional intelligence and educational level, an ANOVA test was conducted. Since the significance is 0.851, there exists a relationship between both variables. Ling, Chia, & Fang (2000) suggests that highly educated participants tend to have more idealistic views and have high standards for their leaders. Among the different levels of education, other category, such as Ph.D., Diploma, etc., has the highest mean value, which is 157. This indicates that the respondents belonging to the other category have a high level of emotional intelligence. ANOVA test was conducted to identify the relationship between leadership and educational level. The significance value is at 0.719, which shows that there is a relationship between these variables. The results also indicate that the Postgraduate respondents have high leadership scores compared to others.

## **11. Limitations**

The data collection was done during the COVID-19 pandemic, which took a long time and resulted in an unsolicited response. Since the data was collected during the pandemic period, an online tool such as Google forms were used for data collection, which may not be robust. It is also taken into account that the research is limited to women entrepreneurs from South India only.

## 12. Conclusion

Entrepreneurship is one of the most prevalent and crucial concepts in the business world. Entrepreneurship contributes to economic development while creating employment. Women-led businesses have been creating a lot of impact on the country's development. In recent times, though women receive support from their partners in the household, there are certain cases in which women are not supported. So for women to concentrate both on their personal and professional lives, they must be aware of their emotional intelligence. Emotional intelligence will help women in balancing their emotions and act accordingly. For a successful business to survive, women should know their leadership styles. Leadership styles help women understand the nature of the work environment and it also helps them change the work dynamics based on the needs of the organization. Thus, this research identified the relationship between emotional intelligence and leadership through various demographic factors.

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