

The Role of Emotional Intelligence in Entrepreneurial Leadership and Venture Outcomes

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Abstract

Emotional intelligence fosters trust, improves motivation, enhances collaboration, and increases commitment to the organisation by helping leaders identify, accept, and regulate their own emotions and those of others. Entrepreneurial attributes include creativity, persistence, passion, and risk-taking. Practical entrepreneurship often draws on improved decision-making, resource mobilisation, and the recognition of opportunities, which drive growth and innovation. Specifically, emotion regulation serves as a crucial mechanism by which leaders leverage human and social capital, align stakeholder expectations, and gain legitimacy in complex and fluctuating contexts. The results suggest that emotional intelligence should be incorporated into leadership development, HR practices, and entrepreneurship education to enhance leadership effectiveness, promote innovation, and facilitate sustainable, ethical, and resilient organisational performance.

Keywords: Emotional Intelligence, Entrepreneurial Leadership, Venture Performance, Emotion Regulation, Organisational Commitment, Innovation

Introduction

The recent research has begun to examine its associations with individual differences, such as emotional intelligence (EI). This work does not employ theory-based models and yields mixed results regarding the relationship between EI and reliable leadership. The present research partially fills this gap, providing a closer examination of the relationship and contending that while self-report and the effect sizes do not differ significantly in male-versus female-heavy samples (Miao et al., 2018). Entrepreneurial emotion is the affect, emotions, and feelings experienced by individuals before, during, or after the entrepreneurial process of discovering/creating, evaluating, reformulating, and/or exploiting opportunities. Here, we critically examine this working definition, its relevance, and the progress made in the

literature. The key future research routes introduce seven contributions to advance our understanding of entrepreneurial emotion (Cardon et al., 2012). Earlier work in entrepreneurship, along with goal, social cognitive, and leadership perspectives, informed expectations about how entrepreneurial characteristics and passion, along with persistence, acquire new resources and impact venture growth through context-specific motivation. Evidence was drawn from entrepreneur leaders and their associates within a single industry and observed over an extended period. The analysis revealed interconnected relationships shaping firm growth. Clear goals, confidence in one's abilities, and an effectively communicated vision showed direct positive links with venture growth (Baum & Locke, 2004). Emotional intelligence is a crucial component of practical leadership, the ability to identify, comprehend, and control emotions. Understanding emotional dynamics, controlling emotional reactions, identifying and expressing emotions, and utilising emotions to inform thought and decision-making are all vital components of emotional intelligence. It describes how these skills enhance leadership by promoting common objectives and helping others appreciate their work—emotional intelligence in maintaining organisational identity, motivation, trust, and flexibility (George, 2000). Emotional intelligence (EI) is also becoming a vital factor in leadership performance and decision quality in a multifaceted organisational setting. EI is conceptually defined as the ability to sense, comprehend, and manage feelings in oneself and others, and it distinguishes extraordinary leaders from mediocre performers. The current literature shows that it contributes to self-awareness, empathy, emotional control, and social competence, thereby improving cooperation and adaptive responses. Nevertheless, little is known about the integrative processes linking EI to strategic decision-making outcomes. This review is a synthesis of theoretical knowledge to explain the influence of EI in making judgments, even-handed and sustainable performance in organisations (K. Singh et al., 2024)

Entrepreneurial Leadership: Conceptual Background

Entrepreneurial leadership is prevalent in practice and in educational institutions, but its further development in research remains underexplored. The purpose of this paper is to conceptualise this construct by defining it as a skill for leading and encouraging people to achieve goals by recognising and utilising entrepreneurial opportunities. This research examines how the factors of environment, organisation, and leadership interact to make this leadership style effective. (Renko et al., 2015). The findings indicate that servant leadership enhances employees' attachment to the organisation, whereas entrepreneurial leadership is less likely to influence commitment. On the other hand, entrepreneurial leadership inspires innovative behaviour among employees (Newman et al., 2018). The social and organisational contexts in which leaders emerge, the paper advances our understanding of how entrepreneurial leadership develops. The study views leadership development as a socially embedded process rather than an individual one, grounded in human and social capital perspectives. The study shows how entrepreneurial leadership appears in daily interactions through an interpretive analysis of experiences shared by business leaders in an executive development program (Leitch et al., 2013). Entrepreneurial orientation is a core driver of firm outcomes, influencing financial results, innovation, reputation, Leadership and long-term sustainability. It also reveals considerable variance in how entrepreneurial orientation is measured, thus calling for increased consistency and comparability in its assessment. The findings suggest that digitally responsive entrepreneurial strategies, focused on sustainability and responsible governance, guide firms toward value creation in an emerging economic landscape (Pathinettampadiyan & Thavaraj, n.d.). This paper examines how companies can sustain success in rapidly changing, globally competitive environments by developing dynamic capabilities. They are specialised structures, processes, and skills that enable companies to sense opportunities, use them, and reorganise resources efficiently. They are complicated to build, but are necessary to sustain a long-term competitive advantage. Entrepreneurial firms respond to external changes and build enduring environments through co-creation and innovation (Teece, 2007). This review considers entrepreneurship network research and examines three broad areas: the nature of relationships, their management, and their

structural configurations. Research on how networks develop over time is scarce. Empirical support for network growth theories is still weak. This literature would also advance further if research on how networks develop were combined with research on their effects (Hoang & Antoncic, 2003).

Emotional Intelligence: Models and Dimensions

The link among emotional intelligence, creativity, proactive behaviour, and results indicates a connection between emotional intelligence and positive attitudes toward entrepreneurship. These attitudes, in turn, serve as the primary mechanism by which creativity and proactivity impact entrepreneurial intention. This study identifies emotional intelligence as a important stimulant of motivational factors that lead to entrepreneurship (Zampetakis et al., 2009). The levels of emotional intelligence are linked to stronger mental, psychosomatic, physical well-being. Emotional intelligence, conceptualised as a personal trait, shows a closer connection with mental health than ability-based approaches. Among commonly used trait measures, some demonstrate a stronger relationship with mental health than others and promote health and well-being (Schutte et al., 2007). The majority of contributions are empirical and highly focused on leadership as a key mindset, alongside emotional intelligence and teamwork. The review illustrates that emotionally intelligent leaders positively affect employee behaviour, team functioning, and organisational outcomes, and that emotional competence is associated with positive work attitudes. The recent literature captures much of our global distress by focusing on global crises, uncertain work environments, generational comparisons, digital transformation, and mindfulness as emerging research directions (Coronado-Maldonado & Benítez-Márquez, 2023). Previous conceptions of emotion and cognition viewed them as disparate functions, but contemporary studies indicate that they are strongly interrelated. The cognitive foundations of the ability to reason with emotions are less clear. This review is based on existing evidence both emotional and non-emotional cognitive tasks (Gutiérrez-Cobo et al., 2016). The Meta-analysis of all empirical studies shows Substantial heterogeneity in study results. Upon reviewing previous empirical work, we found a wide range of findings. In general, emotional intelligence correlates positively with academic success to a significant degree. This relationship is stronger for ability-based measures of emotional intelligence than for self-report measures (Sánchez-Álvarez et al., 2020). The relationship between cognition and emotion are not new to psychology, with emotional intelligence typically described as either trait or ability-based. Relationships with related psychological constructs were consistent with theoretical predictions, although stronger relationships were observed for self-report measures than for performance-based tasks (Zuanazzi et al., 2022). The social exchange theory theorises that individual entrepreneurial orientation and emotional exhaustion are parallel channels between leadership and performance outcomes. The entrepreneurial leadership has no direct impact on adaptive performance but does have an indirect impact through entrepreneurial orientation and reduced emotional exhaustion. Elucidating these two processes, the research on the development of the entrepreneurial leadership theory and demonstrates the necessity of combining motivational and well-being approaches to dynamic services (Shahid et al., 2025). The review is a synthesis of theoretical views of the interrelationship among entrepreneurial performance, emotional intelligence (EI), leadership, and well-being. Based on existing conceptual frameworks, it forms EI as a core competency that primarily improves the effectiveness of leadership, the ability to adapt in business, and sustainability in entrepreneurship. EI is also linked to better psychological well-being, which in turn fortifies creativity, persistence, and innovativeness. Leadership is a process of transforming emotional skills to group performance. Despite this progress, there has been little focus on contextual moderators, including culture, gender, and firm characteristics, which represent significant directions for further research (Pathinettampadiyan et al., 2025).

Link Between Emotional Intelligence and Entrepreneurial Leadership Outcomes

According to the analysis, over half of the variance in ability-based emotional intelligence is predictive of leadership effectiveness, particularly facets related to experiential emotional processing. However, emotional

reasoning has a less robust and more surprising relationship with supervisor ratings of leadership. Hence, these findings reinforce the notion that not all components of emotional intelligence contribute equally to effective leadership. Although emotional intelligence is frequently touted as a vital part of leadership, there is little empirical evidence in natural organisational samples to support this claim (Kerr et al., 2006). This study further enhances our consideration of the role of ability-based components as predictors of workplace performance. It examines the processes and contextual constraints of this effect. Regarding Trait Activation, it states that emotionally intelligent employees perform better in teamwork and overall performance, as long as the demands from the manager are high (Farh et al., 2012). Emotional labour applied to the workplace involves managing feelings to express socially acceptable emotions. Some of the earliest writings on the topic highlighted that service employees are tasked with roles that require them to display friendliness and positivity. Such overt displays of emotion were considered a key factor, as positive emotions could enhance service interactions, thereby positively impacting the customer's service experience. Analysts also pointed out that associations instruct representatives on the emotions they should display, cultivating predictable and productive relationships without attempting to control workers' internal feelings (Humphrey, 2012). Industries have been handling complex projects, leading managers to greater headaches. Emotional intelligence has direct and indirect influences through job satisfaction and trust. The results reveal higher satisfaction and trust, which, in turn, leverage success for emotionally intelligent project managers (Rezvani et al., 2016). Practice-oriented writings increasingly describe the condition for effective leadership. However, academics remain divided and wonder if it is necessary for the development and work of leaders. To this end, this paper surveys recent empirical studies on the matter to provide a balanced perspective on the ongoing debate (Walter et al., 2011). This article employs a social cognitive approach to examine how intentions to become an entrepreneur are formed through the interaction between personal cognition and perceived environmental support. It also demonstrates that confidence in one's ability as an entrepreneur translates into stronger intentions only when the immediate environment is perceived as supportive of entrepreneurship, such as in an incubator context. Furthermore, perceptions of a rich resource environment strengthen the link between risk willingness and entrepreneurial self-confidence. Such findings allow conclusions about the importance of matching favourable environmental conditions with individual cognitive factors. In general, this study contributes to the view that future studies on entrepreneurial intention should integrate both personal and contextual influences (Bacq et al., 2017). Entrepreneurial leadership enables and empowers small firms by fostering vision, flexibility, innovation, and rational decision-making to manage uncertainty and competition. Better access to finance, enabling regulations, and adoption of digital technologies assure sustainability and operational efficiency. In summary, the development of high-quality entrepreneurial ecosystems through leadership, policy support, and digital adoption enhances resilience and prolongs the role and contribution of small firms to economic development (Murugesan & Seema, n.d.).

Emotional Intelligence in Venture Performance

In this study, it is proposed that the success of downsizing ultimately depends more on who leaves the organisation than on the number of employees who actually leave. The results revealed that employees who left the firm had lower levels of commitment and stronger intentions to leave, and more nonattendance than those who remained. Intention to leave was associated with both commitment and job satisfaction. The researchers argue that organisations implementing downsizing efforts should aim to preserve their most valuable human resources, rather than managing for acceptance (Cross & Travaglione, 2004). These skills are considered essential for effective leadership and successful teamwork in contemporary organisations. This article presents an integrated model of EI, leadership, and teams, grounded in research on these topics. It describes central concepts of how emotional intelligence influences team processes and performance (Melita Prati et al., 2003). We therefore boldly explore emotion regulation as a key antecedent of capability. Emotion regulation refers to the processes that influence specific goals. Advancing in handling their own emotions, they

succeed better at mobilising human capital, and managing others' emotions may influence social legitimacy through building. Managers who differ in the level of regulation and focus they employ vary in how much they act to utilise resources and capitalise on market opportunities (Huy & Zott, 2019). This theoretical paper analyses the properties of emotional intelligence on individual job performance. The research analysed in the review takes into account two significant variables Include emotional intelligence and job performance. It can also provide some guidance on the reciprocities among these variables at the manager and researcher levels. Moreover, the results offer insights to organisational practitioners on improving performance through emotional intelligence (Shahhosseini et al., 2012). The authors propose the Experience Sampling Methodology (ESM) as a new method to address central themes in entrepreneurship research. ESM deciphers the thoughts, feelings, and actions of participants as they occur, simultaneously, in response to diverse situations and people's behaviour towards each other. The comprehensive manual for developing and conducting ESM studies, beginning with research planning, subject recruitment, and the signalling and applications of technology, including an experimental protocol that utilises cell phones for real-time data collection. Lap including ESM, as in the sheer volume of each other. Also, provide entrepreneurs and business incubators, as well as entrepreneurship education (Uy et al., 2010). Interpersonal skills, intrinsic motivation and self-awareness are singled out as focal elements in venture creation outcomes. The results specify that EI has a positive influence on entrepreneurial behaviour, with the motivational context modulating both. In particular, the impact of EI differs between necessity- and opportunity-based entrepreneurship (Fakhreldin & Hattab, 2019). This research focuses on how business incubator interventions impact the growth of entrepreneurs' emotional intelligence and their success in a venture. Theoretically, training programs and psychological support are seen as developmental forces that enhance emotional abilities, resilience, and self-confidence. An incubation-supportive atmosphere is also found to be a driver of the ability to be emotional, leading to better business results. The study sheds light on the connection between incubator activity and entrepreneurial outcomes by elucidating this relationship and outlining the obligation of integrating the development of emotional capabilities into incubation and entrepreneurship support systems (De-Esteban-Escobar et al., 2025). Emotional intelligence for predicting venture performance in institutionally bound environments. It is networking competence as a vital resource that EI translates into both financial and non-financial resources. The results show that EI improves networking competence and has a direct impact on the firm performance. Networking competence moderates this connection and underscores the significance of competency-based approaches in explaining the success of women in leading a venture (N. Singh & Kovid, 2023).

Conclusion

This paper emphasises the import of emotional intelligence in entrepreneurial leadership and venture performance. Emotional intelligence is a skill that empowers people to recognise, understand, and manage their own feelings and those of others, inspiring employees, cultivating trust, and fostering collaboration and commitment within an organisation. These skills enable entrepreneurs to make informed decisions, mobilise resources, and identify opportunities, all of which directly contribute to the growth and innovation of the venture. Passion, creativity, persistence, and risk-taking: the emotional intelligence of the entrepreneur interacts with these key entrepreneurial traits, mediating their effects on the organisation's outcomes. In complex and dynamic environments, emotion regulation represents a fundamental mechanism that leaders utilise to harness human and social capital, align stakeholder aspirations, and secure legitimacy. Ethics, contextualization, and the development of social capital further reinforce the contribution of emotionally intelligent leadership to sustainable and high-performing ventures. The results underscore the importance of incorporating emotional intelligence into leadership development and human resource plans, as well as providing similarly focused entrepreneurial education. Developing emotional skills strengthens leadership, innovation, and long-term sustainability for organisations.

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