



Assessing the Role of Emotional Intelligence in Enhancing Entrepreneurial Leadership Effectiveness Amongst Small and Medium Enterprises (SMEs)

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Abstract

Effective leadership requires understanding and managing emotions, both personal and of others, a competence known as emotional intelligence. This study aims to explore how self-awareness, empathy, and emotional management contribute to leadership effectiveness in the context of SMEs. A quantitative survey method was employed, collecting data from 122 SME owners who have operated their businesses for a minimum of five years, using random sampling. The data collection instrument was designed to ensure validity and reliability, providing various response options and straightforward questions. Data was analyzed using tables, percentages, and Regression Analysis through SPSS version 25.0. Results indicated that self-awareness, empathy, and emotional management significantly influence leadership effectiveness. Specifically, self-awareness helps leaders understand their reactions and behaviors, thereby improving decision-making. Empathy enhances communication and trust, fostering stronger connections with team members. Effective emotional management allows leaders to remain composed under stress, manage conflicts better, and inspire their teams. In conclusion, the study underscores the importance of emotional intelligence in leadership within SMEs. Leaders who develop emotional intelligence can better navigate interpersonal relationships, manage stress, and create a positive work environment. Recommendations include integrating emotional intelligence training in leadership development programs and encouraging self-reflection practices among SME owners to enhance their leadership skills.

Keywords: Emotional Intelligence, self-awareness, empathy, emotion management, leadership, effectiveness, SMEs, entrepreneurship, organization, managers.

Introduction

Leadership effectiveness is the core of any enterprise, guiding followers and providing direction to ensure the enterprise's success. Effective leadership motivates employees to work more efficiently and prioritize the enterprise wellbeing over personal interests. To achieve optimal outcomes and organizational goals, leaders must understand both their own emotions and those of their employees (Altunoglu, 2019). Employees expect their feelings to be understood and respected, making it essential for leaders to handle emotions with care. By deeply understanding their own and others' emotions, leaders with emotional intelligence can foster open communication, enhanced trust, and greater empathy. As organizations recognize the significance of these skills in improving communication with teams, customers, suppliers, and stakeholders, emotional intelligence is increasingly seen as a crucial trait for leaders.

Emotional intelligence involves the ability to recognize, understand, manage, and effectively use emotions. This concept includes the skills to identify and regulate one's own emotions and those of others in a constructive manner (Harahap, Sutrisno, Mahendika, Suhrlan & Ausat, 2023). It is a measure of an individual's social ability to manage their own emotions in relation to others in society. It can also be described as the capacity to control one's behavior in response to the emotions of others (Ayat, 2021). These abilities encompass both the awareness and analysis of one's own emotions

and those of others, which ultimately influence one's behavior. This underscores the fact that there is no single definition of emotional intelligence, and various theorists provide evidence-based perspectives on it. According to modern concepts, there are aspects of emotional intelligence that many researchers find more acceptable and aligned with its meaning (Pesamaa, 2021). Overall, emotional intelligence involves human thinking and interpersonal relationships.

One of the key aspects of emotional intelligence is self-awareness, which involves recognizing and understanding one's own emotions, strengths, weaknesses, values, and beliefs. It allows individuals to have a clearer understanding of their reactions and behaviors, which in turn helps them regulate their emotions and respond more appropriately to different situations (Kiishi, 2024). Another component of emotional intelligence is empathy, which involves the ability to understand and share the feelings of others. Empathy enables individuals to perceive and respond to the emotions of those around them, fostering stronger connections and better communication. It involves active listening, perspective-taking, and showing genuine care and concern for others. Emotional intelligence also encompasses effective emotional management. This involves the ability to regulate and control one's own emotions, especially in challenging or stressful situations. It includes techniques such as self-control, stress management, and resilience, allowing individuals to stay calm and composed, make rational decisions, and effectively manage conflicts (Kiishi, 2024).

Hence, developing emotional intelligence helps establish positive and amicable interpersonal relationships. The ability to identify and respond to others' emotions enhances communication, empathy, and trust (Andiani, Rizani, Khoirunnisa & Khairunnisak, 2020). Moreover, emotional intelligence is essential for effective leadership. Leaders must comprehensively understand and manage their team members' emotions to make informed decisions, inspire their team, and create a positive work environment. The importance of emotional intelligence lies in its capacity to foster positive relationships, effective leadership, stress management, improved performance, and psychological well-being. These competencies are increasingly recognized as crucial in the professional world, especially within effective leadership (Cahyono, Tuhuteru, Julina, Suherlan & Ausat, 2023).

Emotional intelligence is gradually getting a higher level of caution as several deaths and unwholly decisions are made at works that could not be questioned or attached to a particular reason except that such leader mixed it up somewhere that cannot be identified (Purwato, 2020). Consequently, there has been an increased emphasis on fostering emotional intelligence skills in various domains, including education, workplaces, and leadership. Contemporary studies have indicated that the degree of emotional intelligence exhibited by leaders is a crucial factor in determining their level of success in their respective roles (Issah, 2018); (Urquijo et al., 2019); (Doan et al., 2020); (Suleman et al., 2020) and (Aquino et al., 2021). The development of a leader's capacity to motivate and guide their team members is contingent upon their aptitude for comprehending the emotions of others (Ausat & Suherlan, 2021) and (Subagja et al., 2022). The utilisation of emotional intelligence can aid leaders in enhancing their decision-making abilities and effectively managing conflict, both of which are critical components of effective leadership (Alharbi & Alnoor, 2022) and (Aguilar Yuste, 2021). Leaders who possess high emotional intelligence are capable of identifying and comprehending their own emotions (Zen et al., 2023). Although, existing research highlights the general importance of EI in leadership success and decision-making, yet studies focused on SMEs remain limited. Furthermore, while it is established that leaders' abilities to motivate and guide teams rely on their emotional understanding (Ausat & Suherlan, 2021; Subagja et al., 2022), and that high emotional intelligence aids in conflict management and decision-making (Alharbi & Alnoor, 2022; Aguilar Yuste, 2021), the specific mechanisms through which self-awareness, empathy, and emotional management influence leadership effectiveness in the SME context require further exploration. Addressing this gap can provide valuable insights for improving leadership practices and outcomes in SMEs.

This study is carried on to assess the role of emotional intelligence on the effectiveness of leadership of selected SMEs owners in Maraba, Nassarawa State. The specific objectives are:

- i) To investigate the influence of self-awareness on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State.
- ii) To find out the impact of empathy on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State.
- iii) To determine the influence of emotion management on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State.

To provide guide for the construct of this study, the following research questions were formulated around the objectives of the study:

- i) What is the influence of self-awareness on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State?
- ii) What impact does empathy has on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State?
- iii) How does emotion management affect the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State?

2.0 Literature Review

Origin of Emotional Intelligence

The concept of emotional intelligence (EI) is built upon early research into emotions and social intelligence. This line of inquiry began over 35 years ago, with foundational studies by Thorndike (1920) and Moss and Hunt (1927), who investigated social intelligence (Carmeli et al., 2009). Thorndike defined social intelligence as "the capacity to comprehend and relate to people" (Poon Teng Fatt, 2002). Hilgard (1980) later expanded on this, identifying cognition, affect, and motivation as the core components of EI, which include cognitive processes like memory and reasoning, emotional responses such as moods and evaluations, and personality-related motivational aspects. Although the concept of EI has deep historical roots, it is still considered relatively modern (Zeidner et al., 2004).

The term "Emotional Intelligence" was first coined by Wayne Leon Payne in his 1985 doctoral dissertation. It gained further prominence through the work of John Mayer and Peter Salovey, who reintroduced it in a 1990 journal article. However, it was Daniel Goleman's 1995 book that brought EI into the mainstream, emphasizing four main pillars: self-awareness, self-management, social awareness, and relationship management. Goleman's broad definition, while criticized for its lack of scientific specificity, helped popularize EI and increased public interest in the concept.

Assessing emotional intelligence remains a complex task, as self-report tests often suffer from reliability issues (Bagshaw, 2000). Despite these challenges, numerous models have been developed over the years to measure EI more effectively. These efforts reflect the ongoing interest and importance of understanding EI in various fields, from personal development to professional settings.

Concept of Emotional Intelligence

Emotional intelligence refers to a person's ability to discern, control, and process his emotions of him. The psychological quality required for one to be considered emotionally intelligent include how well they regulate their feelings and thoughts, how they can identify and understand the feelings of others, and how they can effectively adapt their reactions to change (Barreiro & Treglown, 2020). Different psychological theories tend to explain how emotions affect human behavior. Thus, understanding people's emotional perceptions is important because it helps predict how individuals will behave, think and react in diverse situations or environments.

According to Ahmad (2024), emotional intelligence refers to an individual's ability to recognize their own emotions, monitor their feelings, and regulate them effectively. As emotional intelligence impacts personality traits like achievement orientation and resilience, individuals with high emotional intelligence tend to exhibit qualities such as patience, persistence, honesty, empathy, and openness. According to Mishra and Singh (2022), entrepreneurial activity involves a range of tasks including risk-taking, creativity, innovation, and decision-making, with emotional intelligence playing a crucial role in these processes (Mishra & Singh, 2022).

Salovey and Mayer (1990) position EI as a subset of social intelligence. They describe it as the capability to monitor both one's own and others' feelings and emotions, to distinguish among them, and to use this information to guide one's thinking and actions. This perspective underscores the importance of emotional awareness and its role in interpersonal interactions and decision-making.

Bar-On (2007) offers a slightly different viewpoint, defining EI as the understanding of oneself and others, relating effectively to people, and adapting to and coping with the surrounding environment. This approach highlights the adaptive and relational aspects of EI, emphasizing its role in handling environmental demands successfully.

Harms and Credé (2010) suggest that EI can be viewed either as a trait or an ability. As a trait, EI is seen as an inherent feature that promotes well-being. As an ability, it involves comprehending, regulating, and integrating emotions into cognitive processes. This dual perspective illustrates the complexity of EI, encompassing both inherent characteristics and learned skills.

Stein (2009) describes EI as the ability to tune into the world, read situations accurately, connect with others, and take charge of one's own life. This definition encapsulates the practical applications of EI in navigating social contexts and managing personal life effectively.

From these perspectives, it can be concluded that emotional intelligence is the capacity to analyze and understand the feelings and emotions of oneself and others, using this knowledge to inform and guide thinking and actions. This multifaceted ability is crucial for personal well-being, effective interpersonal relationships, and successful adaptation to one's environment.

Self-Awareness

According to Ahmad (2024), successful managers and entrepreneurs are characterized by self-awareness, a clear understanding of the world, the ability to control their emotions, motivation, persistence and tenacity in adversity, empathy, valuing social and emotional relationships, inspiring and motivating others, and building cohesive teams. Emotional intelligence is crucial for developing these skills, essential for any manager or entrepreneur. A key competence is emotional self-awareness. By being self-aware and mindful of their situations, leaders and managers can better leverage their strengths and lead effectively.

The common benefits of self-awareness are (London, Sessa & Shelley, 2022):

- Greater ability to regulate emotions, decrease stress, and increase happiness
- More self-confidence
- Freedom from assumptions and biases, leading to better decision-making
- Understanding things from multiple perspectives
- Power to influence outcomes
- Better communication and relationships

Large-scale research found that while most leaders consider themselves self-aware, only an estimated 10 to 15% actually are (Eurich, 2018). In alignment with this, the authors conducted a short survey among the YEL 2023 cohort (45 participants) to gauge their self-perceived self-awareness. The majority believe they are strongly self-aware, with more than 70% rating themselves between 7 and 10 on a scale from 1 (not self-aware at all) to 10 (completely self-aware) (YEL, 2023).

The foundation of effective leadership lies in possessing a heightened level of self-awareness. Individuals who possess high emotional intelligence exhibit the capacity to identify and comprehend their own emotional states (Drigas & Papoutsis, 2018). The individual in question possesses a profound comprehension of their personal aptitudes, limitations, principles, and objectives. Leaders who possess a comprehensive comprehension of their own selves are capable of astutely managing their emotions, circumventing impulsive conduct, and rendering superior decisions.

Empathy

Empathy refers to the capacity to comprehend and experience the emotions of other individuals. At its core, empathy is the awareness of others' feelings and emotions. It is a crucial component of Emotional Intelligence, serving as the connection between oneself and others, enabling individuals to understand others' experiences as if they were their own. Goleman et al. (2017), as cited in Center (2022), identify three aspects of empathy recognized in neuroscience and psychology literature: cognitive empathy (the ability to understand another person's perspective), emotional empathy (the ability to feel what another person feels and be emotionally attuned to their feelings), and empathic concern or compassion (acting on an inclination to alleviate another person's suffering).

Goleman (2017) identified three key elements:

1. Empathy towards Others
2. Nurturing Others
3. Utilizing Diversity

Leaders who possess empathy have the ability to perceive and comprehend the emotional states and unspoken necessities of their team members (Marler et al., 2006). They are capable of offering suitable emotional assistance, establishing robust connections, and motivating individuals to enhance their performance. Empathy is a valuable trait for leaders as it enables them to comprehend alternative viewpoints, promote efficient communication, and arrive at decisions that are grounded in shared interests.

Empathy is a crucial component of leadership. During the pandemic, the ability of leaders to demonstrate empathy has been more valued than ever (Holt, 2022). Developing empathetic leadership has proven to be an effective strategy for crisis response (Van Bommel, 2021). The growing commitment to creating more diverse and inclusive organizations requires humanity, which involves deep empathy for others (Seijts and Milani, 2021). Leaders who show empathy can foster an environment where diverse groups feel accepted, supported, and empowered to contribute fully.

Emotion Management (Self-discipline)

The capacity to proficiently regulate emotions is a crucial aspect of successful leadership. Individuals who exhibit elevated levels of emotional intelligence possess the capacity to regulate adverse emotions, such as anger, frustration, or anxiety, in a manner that precludes their interference with their professional efficacy or interpersonal connections (Harahap et al, 2023). They possess the ability to effectively convey emotions and motivate individuals through optimistic vibes. Hence, by cultivating mindfulness, leaders can enhance their self-control by observing their thoughts

and emotions without getting carried away by them. This allows for more deliberate decision-making and reduces impulsive reactions.

Ristovska (2021) contends that leaders possessing strong self-discipline can regulate their emotions and responses, effectively channeling these emotions to boost productivity. Self-discipline, a key element of emotional intelligence, enables leaders to cultivate a workplace culture characterized by fairness and trust, reducing personal conflicts and maximizing efficiency. Leaders and employee's adept at managing their emotions are better equipped to navigate changes in the business environment. Managers with high levels of self-discipline prioritize the company's interests above their own emotions. Self-management involves owning one's emotions, allowing leaders to overcome challenges and remain focused on their objectives. This capability permits them to experience emotions without being controlled by them, fostering strong, enduring relationships both within and outside the workplace.

Leadership Effectiveness

Leadership is a process of leading followers. It gives right direction to the organization and induces employees to work smarter and prepare themselves to sacrifice personal interest to large extent for the sake of the organizational wellbeing. According to Wammy & Swammy (1998) in Yusuf (2018), a leader is an individual who entrusts or impacts others to fulfill specific aims. Leadership is perceived as a social impact process in which the leader endeavors to attain organizational objectives through the voluntary involvement of subordinates. Memon (2014) posits that leadership is a mechanism by which an individual shapes the thoughts, attitudes, and behaviors of others by assuming responsibility for determining the direction of the company and empowering others to envision the future and strategize on how to reach it. Leadership effectiveness is defined as the successful use of personal influence by one or more individuals to achieve shared goals in a way that is personally fulfilling for those involved (Gavhad, 2023). This definition is controversial when viewed through different behavioral contexts. It is most applicable to interpersonal, small-group, and network settings typical in work environments. However, in most political contexts and some large organizations, leadership effectiveness is defined differently.

In organizations where members or employees are significantly impacted by decisions made remotely and only have representative participation at best, leadership effectiveness involves the successful exercise of personal influence by one or more individuals to achieve organizational goals aligned with the mission. This must be done while gaining the general approval of constituencies (in political leadership) or stakeholders (in business and civil society organizations). Stakeholders are individuals who have an interest in the outcome.

Lussier and Achua (2019) argued that leadership entails five critical components:

- Influence
- Organizational objectives
- People
- Change
- Leader- follower

Better understanding of human psychology is necessary for leadership so that those leading and those being led can get to know one another as completely as possible (Yahaya and Ebrahim, 2021). A leader in business represents not only himself but also his company and his employees. For a leader to achieve effectiveness in his role, the following function must be observed:

- i. **Create Conducive Working Environment:** A leader's primary responsibility is to create an environment that promotes productivity. He examines each follower in turn. He cultivates in them a desire to work. By forbidding subversive elements, he fosters an appropriate climate that encourages the curious staff. He instils in them a sense of collectiveness so they can cooperate as a team.
- ii. **Integrates Employees efforts and organizational objectives:** Leadership combines the followers' efforts with the goals of the organisation: Leadership focuses the group's efforts on achieving the goals of the organisation of which he is a part. The interaction of various elements of the whole is crucial to achieving goals because each person contributes to the whole work in some way.
- iii. The role of leadership is to act as a liaison between the work group and top management. They are referred to as "Linking Pins" by Renis Likert in Mat (2018). Leaders integrate the entire organisation by acting as connecting pins. They represent management in front of the work group as well as the work group in front of the senior executives. The durability of these connection pins determines an organization's effectiveness.
- iv. **Leaders Work as an Appropriate Counselor:** To end the unrest that has been produced in the workplace, the leader offers counselling to the employees. He takes out all obstacles in the way of effective performance. He calms the subordinates' emotional strain and therefore returns the situation to balance.

- v. **Use of Power:** A leader must exercise their authority and power in a way that encourages their followers to respond favourably. A leader may employ reward power, coercive power, legitimate authority, or expert power, depending on the circumstances. Only when his followers obediently obey him can a leader be effective. He must therefore exercise his authority for the benefit of the team he is leading.
- vi. The leader should foster a cooperative environment among the workforce. The leadership style and methods are crucial in creating a harmonious workplace. To accomplish a shared objective, the leader should encourage cooperation among the subordinates.
- vii. **A leader is responsible for informing the group's members of the organization's policies, procedures, and programmes:** For the workers to understand what they must do and what they must not do, as well as how to do it, he must clearly convey the authority and duty of each member of the group. In order to increase his efficiency, he must also convey the results of his performance, whether they were positive or negative.

Emotional Intelligence in Leadership Effectiveness

Emotional intelligence refers to the ability to identify, understand, regulate, and effectively use emotions in various contexts. It is crucial for leadership. Here is a critical analysis of the necessity of emotional intelligence in leadership roles:

1. **Strong Interpersonal Relationships:** Leaders with high emotional intelligence can form strong connections with those around them (Harahap et al, 2023). They can perceive and understand others' emotional states and respond with empathy and understanding, enhancing team cohesion, trust, and collaboration.
2. **Inspirational Leadership:** Emotional intelligence allows leaders to positively influence and motivate others. They can effectively manage their emotions, maintain a positive outlook, and create a healthy work environment that drives the team towards shared goals (Wellman, 2001).
3. **Good Decision-Making:** Emotions significantly impact decision-making. Leaders with high emotional intelligence can regulate their emotions during challenging situations and disagreements (Kitsios, Papageorgiou, Kamariotou, Perifanis & Talias, 2022). They can objectively evaluate circumstances, make appropriate judgments, and address issues effectively.
4. **Effective Communication Skills:** Emotional intelligence helps leaders communicate effectively with their teams. They can interpret emotional expressions and nonverbal cues and understand the implicit meanings in conversations. This enhances their ability to inspire, motivate, and influence others (Jankelová & Joniaková, 2021).
5. **Good Stress Management:** Leadership often involves dealing with demanding situations and obstacles. Emotional intelligence enables leaders to handle stress effectively, avoid negative outcomes, and stay focused on goals. Leaders who regulate their emotions can maintain composure and serve as positive role models for their teams (Zen, Siminto, Harahap, Parasetya, & Ausat, 2023).

Overall, emotional intelligence is a vital attribute for leaders. The ability to identify, understand, and regulate emotions, both personally and interpersonally, fosters a healthy workplace, i

Theoretical Review

Emotional Capacity Model: Mayer and Salovey's (2008)

The Mayer and Salovey model of emotional intelligence (2008) is ability-based. They define EI as the capacity to perceive emotions, integrate them to facilitate thinking, understand emotions, and regulate them to promote personal growth. According to Natasha and Daliborka (2021), the core idea of this model is that emotions provide valuable information for social interactions and relationships. It is important to recognize that not everyone can process emotional information and relate it to cognitive processes in the same way. The model outlines four primary types of emotional abilities:

- **Emotional perception (self-awareness):** The ability to recognize one's own emotions and understand emotions expressed through facial expressions, voices, and images. Perception of emotion pertains to the ability to recognize emotions in oneself and others through facial expressions, tone of voice, and body language (Brackett, Bertoli, Elbertson, Bausseron, Castillo, and Salovey, 2013). Individuals' adept at perceiving emotions can also effectively express their emotions and communicate their emotional needs.
- **Emotional use:** The ability to use emotions to enhance cognitive activities. The second component of EI involves using emotions to improve cognitive activities and adapt to different situations. Individuals proficient in this area recognize that certain emotional states are more conducive to achieving specific outcomes than others.
- **Emotional understanding (empathy):** The ability to grasp the nuances of different emotions and how they interact. It also includes the ability to differentiate between emotional states, as well as their specific causes and trajectories. Feelings of sadness or disappointment can result from the loss of a person or object, such as your concert tickets.

- **Emotional management (self-discipline):** The ability to regulate one's own emotions and influence the emotions of others. Emotion management involves being receptive to a variety of emotions, recognizing the importance of experiencing specific emotions in certain situations, and understanding the most effective short- and long-term strategies for regulating emotions (Gross, 1998).

Situational emotional intensity refers to how emotionally evocative a situation is, which strengthens the relationship between leader attributes and emotional management (Kaplan, Cortina, Ruark, LaPort, and Nicolaidis 2014).

Empirical Review

Empirical reviews highlight the utility of the term "emotional intelligence" in emphasizing human aptitude, capturing the complexity of an individual's capabilities despite the term's simplicity. Thorndike, a pioneer in this field during the 1920s and 1930s, initially explored "social intelligence" as a single concept (see Goleman, 1995). However, modern psychologists have recognized its multifaceted nature, describing it through multiple abilities (Bar-On, 1992, 1997; Goleman, 1998; Saarni, 1988). Gardner (1983) referred to this area as intrapersonal and interpersonal intelligence. Salovey and Mayer (1990) first coined "emotional intelligence," defining it through four domains: understanding and managing one's own and others' emotions.

Other frameworks, like Sternberg's "practical intelligence" and "successful intelligence" (1996), integrate cognitive abilities with the skills mentioned by psychologists, focusing on the outcomes of behavior such as success or effectiveness. Research often centered on managers and leaders aimed to predict occupational effectiveness using a "competency" approach. Spencer and Spencer (1993) identified and validated specific competencies against measures of effectiveness.

Goleman (1995) expanded on these ideas, linking emotional intelligence to personality organization and job performance. He defined "emotional competence" as a "learned capability based on emotional intelligence that results in outstanding performance at work" (1998). Combining the works of Boyatzis (1982) and Goleman (1998), emotional intelligence can be succinctly defined as the consistent and appropriate exhibition of self-awareness, self-management, social awareness, and social skills.

Considering emotional intelligence as a single construct might be misleading, as it could imply a connection to traditional cognitive ability, often referred to as "g" or general cognitive ability (Davies and Stankov, 1998; Ackerman and Heggestad, 1997).

3.0 Methodology

Research Design

The research design encompasses various elements such as the research method, population, the sampling strategy, the data collection methods, the data analysis techniques, and the overall approach to ensuring validity and reliability. Bell et al. (2017) state that the research design drives the research procedure and its analysis. It was imperative in this study that the research design be the guiding force behind the whole research process and analysis. Bell et al. (2022) argue that a study's viability is heavily dependent on the research design.

The quantitative survey method was used in collecting data from SMEs owners in Maraba, Nassarawa State. The survey method is justified in research on Small and Medium-sized Enterprises (SMEs) due to its efficiency in collecting data from a large number of respondents within limited resources and time constraints, its cost-effectiveness compared to other methods, the anonymity and confidentiality it provides, which encourages honest responses.

Population

The population comprises small and medium-sized enterprise (SME) owners who have operated their businesses for a minimum of five years. These businesses have at least five employees and a minimum capital of five million naira (N5,000,000.00). The population in this category of selected SMEs were one-hundred and seventy-six (176) SMEs.

Sample size determination

The sample size used was one hundred and twenty-two (122) farmers residing in the Maraba area of Nasarawa, State. The sample was drawn through a definite procedure from a specific population using the Taro Yamani formula.

Taro Yamani's formula, $n = N / (1 + Ne)^2$, where n = sample size, N = Population under study, and e = margin of error = 0.05. Hence, applying the aforementioned formula,

Sample size $n = ?$

Population under study = 176

The margin of error = 0.05.

Therefore $n = N/(1+ Ne)^2$

$n = 176 / (1+176(0.05)^2)$

$n = 176 / (1+176(0.0025))$

$n = 176 / (1+0.44)$

$n = 176/ 1.44$

$n = 122.222$

n = 122

Sampling technique

A Random sampling technique was used to select 122 respondents from the selected farmers. In this technique every member of the population has an equal chance of being selected for the sample. It minimizes bias and provides a representative sample when properly executed. The following number of respondents will be randomly selected from the specified SMEs business owners in Maraba Nasarawa State.

Method of data collection

Validation and reliability pertain to how well a research study aligns with the instrument employed to gather information. The instrument utilized in this study is deemed valid as its questions are clearly and simply worded, free from ambiguity. Furthermore, it offers various response options for the respondents to select from. Additionally, the study demonstrates reliability as it successfully collects the necessary data for conducting the research, enabling generalizations to be made.

Research instrument description (validity and reliability)

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Method of data analysis

For this study, the researcher made use of tables and percentage (%) for tabulating the data collected in order to simplify the interpretation. The researcher also analyzed the data collected from respondents using Regression Analysis test tool of Statistical Package for Social Sciences (SPSS), version 25.0 to test the study hypothesis

Ethical Consideration

Principles of voluntary participation and non-disclosure of participants' identities were observed during the study.

Result and Discussion

Demographic Data:

Table 1: Demographic Data of the respondents

Category	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Sex	Male	54	44.3	44.3	44.3
	Female	43	35.2	35.2	79.5
	3.00	25	20.5	20.5	100.0
	Total	122	100.0	100.0	100.0
Age	20 – 30	70	57.4	57.4	57.4
	31 – 40	52	42.6	42.6	100.0
	Total	122	100.0	100.0	100.0
Marital Status	Single	19	15.6	15.6	15.6
	Married	40	32.8	32.8	48.4
	3.000	43	35.2	35.2	83.6

	4.000	20	16.4	16.4	100.0
	Total	122	100.0	100.0	100.0
Qualification	OND/NCE	87	71.3	71.3	71.3
	HND	35	28.7	28.7	100.0
	Total	122	100.0	100.0	100.0
Length of Service	Below 10 years	28	23.0	23.0	23.0
	11 – 20 years	65	53.3	53.3	76.2
	21 - 25 years	29	23.8	23.8	100.0
	Total	122	100.0	100.0	100.0

Source: Field Study (2024).

The dataset comprises responses from 122 participants, categorized by sex, age, marital status, qualification, and length of service. In the sex category, 54 participants (44.3%) were male, 43 (35.2%) were female, and 25 (20.5%) fell into another category, making up 100% of the respondents. Age-wise, 70 participants (57.4%) were aged between 20-30 years, and 52 (42.6%) were between 31-40 years, summing up to 100%. Regarding marital status, 19 participants (15.6%) were single, 40 (32.8%) were married, 43 (35.2%) were in another category, and 20 (16.4%) were in a fourth category, totaling 100%.

In terms of educational qualifications, 87 respondents (71.3%) had OND/NCE, while 35 (28.7%) had HND, covering 100% of the group. When it comes to the length of service, 28 participants (23.0%) had less than 10 years of service, 65 (53.3%) had 11-20 years, and 29 (23.8%) had 21-25 years, again totaling 100%. This breakdown provides a comprehensive view of the demographics and professional experience of the surveyed population.

Hypothesis Testing:

H₀₁: Self-awareness has no significant influence on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.763 ^a	.582	.578	.68041	.332

a. Predictors: (Constant), Self awareness

b. Dependent Variable: Leadership Effectiveness

The model summary indicates a multiple regression analysis where self-awareness is used as a predictor for leadership effectiveness. The correlation coefficient (R) is 0.763, suggesting a strong positive relationship between self-awareness and leadership effectiveness. The R Square value is 0.582, meaning that approximately 58.2% of the variance in leadership effectiveness can be explained by self-awareness. The Adjusted R Square value of 0.578, slightly lower than R Square, accounts for the number of predictors in the model and the sample size, indicating a reliable model fit. The standard error of the estimate is 0.68041, which measures the typical distance that the observed values fall from the regression line.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.487	1	78.487	169.533	.000 ^b
	Residual	56.481	122	.463		
	Total	134.968	123			

a. Dependent Variable: Leadership Effectiveness

b. Predictors: (Constant), Self awareness

The ANOVA table presents the results of an analysis of variance for the regression model predicting leadership effectiveness from self-awareness. The regression sum of squares (78.487) indicates the variation explained by the model, while the residual sum of squares (56.481) represents the variation not explained by the model. The total sum of squares (134.968) is the total variation in leadership effectiveness. With 1 degree of freedom (df) for the regression and 122 df for the residuals, the mean square for the regression is 78.487, and the mean square for the residuals is 0.463. The F-statistic is 169.533, a high value indicating the model is statistically significant. The p-value (Sig.) is .000, which is less than 0.05, confirming that self-awareness is a significant predictor of leadership effectiveness.

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	2.140	.192		11.120	.000
	Self awareness	.661	.051	.763	13.020	.000

a. Dependent Variable: Leadership Effectiveness

The coefficients table reveals that self-awareness significantly predicts leadership effectiveness. The unstandardized coefficient (B) for self-awareness is 0.661, indicating that for each unit increase in self-awareness, leadership effectiveness increases by 0.661 units, holding other factors constant. The standardized coefficient (Beta) is 0.763, reinforcing the strong positive impact of self-awareness. The t-value for self-awareness is 13.020, with a p-value (Sig.) of .000, indicating that the result is statistically significant. Given the p-value is less than 0.05, we reject the null hypothesis (Ho1) and conclude that self-awareness has a significant influence on the effectiveness of leadership among SME owners in Maraba, Nassarawa State.

Ho2: Empathy has no significant impact on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.844 ^a	.713	.710	.56379	.631

a. Predictors: (Constant), Empathy

b. Dependent Variable: Leadership Effectiveness

The model summary shows a strong positive relationship between empathy and leadership effectiveness (R = 0.844). Empathy explains 71.3% of the variance in leadership effectiveness (R Square = 0.713), with an adjusted R Square of 0.710, indicating a reliable model fit. The standard error of the estimate is 0.56379. The Durbin-Watson statistic is 0.631, suggesting some positive autocorrelation in the residuals.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.189	1	96.189	302.615	.000 ^b
	Residual	38.779	122	.318		
	Total	134.968	123			

a. Dependent Variable: Leadership Effectiveness

b. Predictors: (Constant), Empathy

The ANOVA table indicates that the regression model significantly predicts leadership effectiveness using empathy as the predictor. The regression sum of squares (96.189) shows the variation explained by the model, while the residual sum of squares (38.779) represents the unexplained variation. With 1 degree of freedom (df) for the regression and 122 df for the residuals, the mean square for the regression is 96.189, and the mean square for the residuals is 0.318. The F-statistic is 302.615, which is very high and indicates that the model is statistically significant. The p-value (Sig.) is .000, well below the 0.05 threshold, confirming that empathy significantly predicts leadership effectiveness.

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	1.343	.189		7.094	.000
	Empathy	.725	.042	.844	17.396	.000

a. Dependent Variable: Leadership Effectiveness

The coefficients table shows that empathy is a significant predictor of leadership effectiveness. The unstandardized coefficient (B) for empathy is 0.725, meaning that for each unit increase in empathy, leadership effectiveness increases by 0.725 units, holding other factors constant. The standardized coefficient (Beta) is 0.844, indicating a strong positive impact of empathy on leadership effectiveness. The t-value for empathy is 17.396, with a p-value (Sig.) of .000, which is highly statistically significant. Given that the p-value is less than 0.05, we reject the null hypothesis (Ho2) and conclude that empathy has a significant impact on the effectiveness of leadership among SME owners in Maraba, Nassarawa State.

Ho3: Emotion management has no significant effect on the effectiveness of leadership of SMEs owners in Maraba, Nassarawa State

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.539 ^a	.291	.285	.88583	.334

a. Predictors: (Constant), Emotion Management

b. Dependent Variable: Leadership Effectiveness

The model summary reveals a moderate positive relationship between emotion management and leadership effectiveness (R = 0.539). Emotion management explains around 29.1% of the variance in leadership effectiveness (R Square = 0.291), with an adjusted R Square of 0.285, suggesting a reasonable model fit. The standard error of the estimate is 0.88583. The Durbin-Watson statistic is 0.334, indicating potential positive autocorrelation in the residuals.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39.235	1	39.235	50.000	.000 ^b
	Residual	95.733	122	.785		
	Total	134.968	123			

a. Dependent Variable: Leadership Effectiveness

b. Predictors: (Constant), Emotion Management

The ANOVA table demonstrates that the regression model significantly predicts leadership effectiveness using emotion management as the predictor. The regression sum of squares (39.235) indicates the variation explained by the model, while the residual sum of squares (95.733) represents the unexplained variation. With 1 degree of freedom (df) for the regression and 122 df for the residuals, the mean square for the regression is 39.235, and the mean square for the residuals is 0.785. The F-statistic is 50.000, indicating a high level of significance for the model. The p-value (Sig.) is .000, well below the standard threshold of 0.05, confirming that emotion management significantly predicts leadership effectiveness.

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	2.508	.295		8.501	.000
	Emotion Management	.475	.067	.539	7.071	.000

a. Dependent Variable: Leadership Effectiveness

The coefficients table indicates that emotion management significantly predicts leadership effectiveness. The unstandardized coefficient (B) for emotion management is 0.475, suggesting that for each unit increase in emotion management, leadership effectiveness increases by 0.475 units, holding other factors constant. The standardized coefficient (Beta) is 0.539, indicating a moderate positive impact of emotion management on leadership effectiveness. The t-value for emotion management is 7.071, with a p-value (Sig.) of .000, demonstrating high statistical significance. As the p-value is less than 0.05, we reject the null hypothesis (H₀₃) and conclude that emotion management has a significant effect on the effectiveness of leadership among SME owners in Maraba, Nassarawa State.

Discussion

The study aimed to explore the influence of self-awareness, empathy, and emotion management on the effectiveness of leadership among SME owners in Maraba, Nassarawa State. Results indicated significant positive associations between these variables and leadership effectiveness. Specifically, self-awareness exhibited a robust positive correlation, explaining approximately 58.2% of the variance, while empathy demonstrated a strong positive relationship, explaining around 71.3% of the variance. Emotion management showed a moderate positive correlation, explaining about 29.1% of the variance. These findings align well with existing literature, notably Ahmad (2024) and Mayer and Salovey (2008), which emphasize the crucial role of emotional intelligence components in effective leadership. Furthermore, empirical literatures reviewed, including those by Thorndike (1920s-1930s) and Goleman (1995), support the relevance of emotional intelligence in predicting occupational effectiveness. By providing empirical evidence in the context of SMEs, this study contributes significantly to the literature, emphasizing the importance of emotional intelligence in organizational leadership (Bell et al., 2017; Natasha & Daliborka, 2021).

Conclusion, Recommendations and Implication

This study investigated the impact of self-awareness, empathy, and emotion management on the effectiveness of leadership among SME owners in Maraba, Nassarawa State. The results revealed significant positive associations between these emotional intelligence components and leadership effectiveness. Self-awareness, empathy, and emotion management were all found to be vital predictors of effective leadership, explaining substantial proportions of the variance in leadership effectiveness. This study provides valuable insights for both practitioners and researchers. It emphasizes the critical role of emotional intelligence in enhancing leadership effectiveness, which can ultimately lead to improved organizational performance and employee satisfaction.

From the conclusion provided, the following recommendations are given by the researcher:

- i) Leaders and managers of small and medium enterprises should be adequately trained on emotional intelligence skills such as self-awareness, empathy, and emotion management.
- ii) The Human Resource of organizations should foster a culture that values and promotes emotional intelligence within SMEs, encouraging its practice among leaders and employees alike.
- iii) Government is advised to allocate resources and funding to support initiatives aimed at promoting emotional intelligence development among leaders and managers in public organizations.

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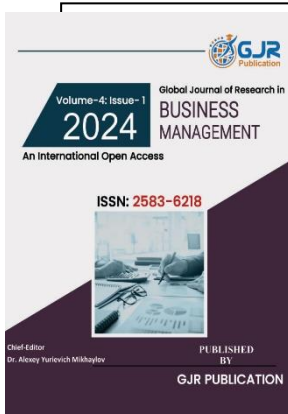
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