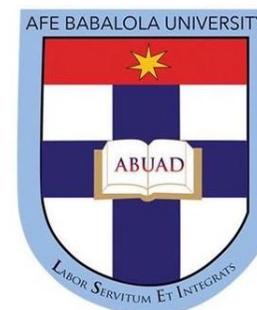




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THE ROLE OF EMOTIONAL INTELLIGENCE IN SOUTH AFRICAN STATE-OWNED ENTITY LEADERSHIP FOR SUSTAINABLE BUSINESS MANAGEMENT AND DEVELOPMENT

Philani Emmanuel Ndimande* and Pfano Mashau**

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ABSTRACT

The State Companies has faced significant challenges attributed to mismanagement and leadership abuses, leading to the disruption of crucial business operations, particularly within supply chain and finance processes, as well as violations of the Public Finance Management Act (PFMA). Furthermore, the organization has experienced a loss of vital expertise, largely due to the repercussions of the COVID-19 pandemic. These issues are intricately intertwined with the emotions of individuals, the caliber of leadership within the organization, and the overall approach to business management. Hence, it becomes imperative to investigate the role of Emotional Intelligence (EI) in the effective governance of this prominent state-owned enterprise. This study adopted a quantitative research approach to explore the intricate relationships among various variables. Utilizing a census sampling method, the research encompassed the entire population (n=130), employing a comprehensive questionnaire consisting of three distinct assessments while adhering to rigorous standards of reliability, validity, and ethical considerations. The findings of this study show the substantial influence of managers' emotional intelligence on the management of business activities within this state-owned entity. Moreover, it was established that demographic factors such as race, age, educational level, and gender did not yield statistically significant variations in emotional intelligence. Nevertheless, the study did identify a certain level of significance regarding the impact of COVID-19 on business management. In light of these findings, it is recommended that the organization institute training programs and departmental sessions focused on enhancing emotional intelligence, thereby fostering greater emotional intelligence insights and practical applications across the organization. Such measures are essential for the organization's sustained growth and development in the pursuit of sustainable business management.

Keywords: Business Management, Central Corridor, Emotional Intelligent, State-owned company/entity.

1. INTRODUCTION

In an era marked by radical transformation and a growing emphasis on sustainable development, leaders are confronted with an array of challenges. They are under immense pressure to deliver effective results, implement cost-saving strategies, and oversee a diverse workforce¹. However, recent history has shown that mismanagement and the abuse of leadership power within state-owned entities (SOEs) have led to severe consequences, including the breach of critical business processes and violations of the Public Finance Management Act (PFMA). These transgressions have resulted in the awarding of unlawful contracts and irregular expenditures, including the infamous R54.4 billion 1064 locomotive procurement contract. Moreover, the impact of COVID-19 has exacerbated the situation, resulting in the loss of critical skills within these organizations.

Amidst these challenges, questions surrounding the caliber of leaders entrusted with the responsibility of leading SOEs and their commitment to South Africa's sustainable development have come to the forefront. This context places a significant emphasis on Emotional Intelligence (EI) as a critical factor in leadership effectiveness. Understanding its impact on business management is of paramount importance.

This study endeavors to gather empirical evidence regarding how the Emotional Intelligence of managers influences the overall management of SOEs. Additionally, it seeks to unravel the behavioral factors that influence management in the post-COVID-19 era. By doing so, it aims to make a substantial contribution to the leadership development of SOEs, aligning them with the principles of ethical and sustainable leadership.

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¹ Wheeler S, McFarland W, and Kleiner A, 'A Blueprint for Strategic Leadership.' (2007)49 *Strategy and Business* 1, 13

The research objectives of this study are as follows:

- To ascertain whether significant differences exist in the EI levels of managers based on variables such as age, race, education, and gender.
- To assess the extent to which EI contributes to managers' capacity to effectively oversee the business operations of the state-owned entity.
- To explore the correlation between business management and the impact of COVID-19 on the state-owned entity's sustainable development.

This study adopts the "Research Onion" framework, as established by Saunders². It embraces a positivist research philosophy and employs a quantitative analysis approach. The research design is deductive, focusing on descriptive research to investigate the influence of managers' EI on business management within the SOE.

This study aims to contribute to the sustainability of SOEs in an era characterized by ethical leadership. It seeks to enhance our understanding of the requisite management capabilities necessary for SOEs to effectively achieve their objectives while highlighting the current state of EI among managers who are likely to shape the organization's future and its commitment to sustainable development principles. The article will start by presenting literature, followed by methods and then discuss the findings in light of the discoveries made during the literature review and lastly present the conclusion.

2. LITERATURE REVIEWS

The development of emotional intelligence and Goleman's EI framework, any type of change comes with emotional pressure which is why EI matters so much in our current landscape. It has become extremely important to practice EI and create EI-related skills in the

² Saunders M, Lewis P, and Thornhill A, *Research Methods for Business Students*, (7th edition. Pearson, 2016)

workplace³. Salerno continued to argue the importance of EI in the workplace using Goleman’s theory and presenting the graphical illustration below:

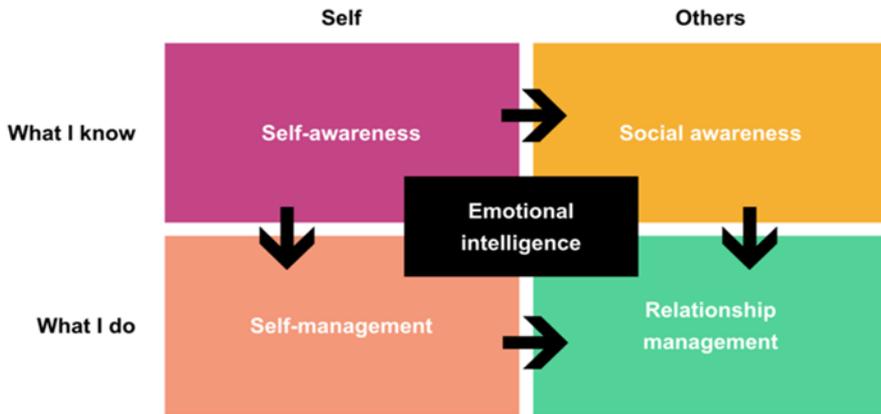


Figure.1: Goleman outlines emotional intelligence in four quadrants⁴

According to Goleman⁵, EI has to do with one’s ability to see, understand and control their own emotions whilst being able to recognise and impact the emotions of others.

The first quadrant is self-awareness which recognises the importance and ability of an individuals to be self-aware and understand their impact on others and recognise their own strengths and weaknesses. The second quadrant is self-management, the ability to control oneself and be able to manage emotions and reactions towards others and events⁶. The third quadrant is social awareness, leaders need to be aware of others

³ Salerno N, ‘Emotional Intelligence in the Workplace: What Is It, and How Can It Help During These Times?’ (2020) <://www.indeed.com/lead/emotional-intelligence-in-the-workplace> Accessed 30 August 2022

⁴ Goleman D, Emotional Intelligence: A New Vision for Educators (Bantam Books, New York, 1995)

⁵ Ibid

⁶ Salerno N, ‘Emotional Intelligence in the Workplace: What Is It, and How Can It Help During These Times?’ (2020) <://www.indeed.com/lead/emotional-intelligence-in-the-workplace> Accessed 30 August 2022

around them and must demonstrate empathy. This creates the power of collaboration, openness, and trust. The fourth and final quadrant is relationship management which is an important skill and element to keeping good relations with your stakeholders.

Mayer and Salovey's measure of emotional intelligence, in the late 1990s, came the development of the Schutte Self-Report Emotional Intelligence Test (SSEIT) which was developed based on the Salovey and Mayer⁷, emotional intelligence theory and test⁸.

Bar-On's model of emotional intelligence, study revealed that emotional and social intelligence are integrated by intrapersonal and interpersonal elements, skills, and architects in the integration of effective human behaviour⁹.

Correlation of EI with management, Amanawa draws a contrast between managers with high EI and those with low EI¹⁰. He states that those managers with high EI are often successful, have better health, and bring good balance and energy to the team. Whereas those with low EI are often frustrated, and disappointed, have a high dependency on the team, and have a high task failure rate. Managers with high EI have a positive effect on employees which then results in higher job satisfaction and better work-life balance management¹¹.

Research on the "relationship between EI competencies and

⁷ Salovey P, and Mayer J.D, 'Emotional Intelligence." *Imagination, Cognition, and Personality*' (1990) 9

⁸ Schutte N.S, and others, 'Development and Validation of a Measure of Emotional Intelligence.' (1998)25 *Personality and Individual Differences*, 167,177

⁹ Ream K.S, 'The Relationship of Emotional Intelligence and Self-efficacy of First- and Second-Year Principals in Missouri.' (Doctoral Thesis, University of Missouri, Columbia, United States of America, 2010)

¹⁰ Amanawa D.E, 'Emotional Intelligence in Business Leaders: A Tool for Workforce Motivation' (2022)6 *International Journal of Academic Management Science Research*, 24,31. https://www.researchgate.net/publication/358263338_Emotional_Intelligence_in_Business_Leaders_a_tool_for_Workforce_Motivation Accessed 21 November 2022

¹¹ Kabagabe J.B, and Kriek D, 'Employee Perceptions of Organisational Emotional Intelligence and Psychological Capital Amongst Public Servants in Uganda' (2021) 21 *Journal of Organizational Psychology* 43.

leadership styles in 54 projects in Thailand"¹². The EI competency paradigm from Goleman¹³ was used to design this study. According to the study, managers who showed high levels of emotional intelligence were those who had adopted leadership behaviours like setting a good example for others to follow. On the contrary, low levels of EI scores had a positive relationship with negative leadership behaviours which prevented their proactivity.

2.1. Relationship between demographics and emotional intelligence

When EI and self-efficacy of teachers was investigated by Penrose et al.¹⁴ it found no correlation with gender, age, and teaching experience. This study suggested that EI was unaffected by gender, age, or teaching experience. The same conclusions was reached by Fabio & Palazzeschi¹⁵ when they carried out a related investigation. Matthews¹⁶ did not find any relevance in the relationship between gender and emotional intelligence. Fabio & Palazzeschi¹⁷ study, likewise showed no relevance in the relationship between emotional intelligence and gender. On the other hand, studies by Van Rooy et al.¹⁸ and Ciarrochi et al.¹⁹ discovered variations in students' emotional intelligence dependent on their gender.

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- ¹² Sunindijo R. Y, Hadikusumo, B. H. W, and Ogunlana S, 'Emotional Intelligence and Leadership Styles in Construction Project Management' (2007) *Management Journal of Engineering* 166,170
- ¹³ Goleman D, 'Emotional Intelligence: A New Vision for Educators' (New York: Bantam Books, 1995)
- ¹⁴ Penrose A, Perry C, and Ball I, 'Emotional Intelligence and Teacher Self-efficacy: The Contribution of Teacher Status and Length of Experience' (2007)¹⁷ *Educational Research*
- ¹⁵ Fabio A.P, and Palazzeschi L, 'Emotional Intelligence and Self-Efficacy in a Sample of Italian High School Teachers' (2008) *Social Behaviour and Personality* 315,336
- ¹⁶ Matthews S, 'The Relationship Between Emotional Intelligence and Self-efficacy Amongst Teachers in the Western Cape' (MCom Thesis, University of the Western Cape, 2012)
- ¹⁷ Fabio A.P, and Palazzeschi L, 'Emotional Intelligence and Self-Efficacy in a Sample of Italian High School Teachers' (2008)³⁶ *Social Behaviour and Personality* 315,336
- ¹⁸ Van Rooy D.L, Alonso A, and Viswesvaran C, 'Group Differences in Emotional Intelligence Scores: Theoretical and Practical Implications'(2005)³⁸ *Personality and Individual Differences*, 689,700
- ¹⁹ Ciarrochi J, Forgas J.P, and Mayer J.D, *Emotional Intelligence in Everyday Life: A Scientific Inquiry*. (Taylor & Francis, 2001)

According to Matthews²⁰, there was no discernible relationship between EI and race. Fischer et al.²¹, who also found no positive association between EI and race, corroborated this conclusion. According to a study by Zawawi and Tsang²², EI and race are positively correlated.

However, there are studies that found contrary results to the ones discussed earlier in this chapter. Derksen et al.²³, found a positive relationship, the result was that emotional intelligence peaked for participants aged 35-44 and declined in subsequent ages²⁴.

2.2. Critical leadership styles for effective business management

2.2.1. Proactive work behaviour

The correlation analysis performed on Choeni's²⁵ study revealed a substantial positive association between leaders' EI and pro-active work behaviour. This suggested that leaders' EI affects the ability of employees to engage in proactive work behaviour because emotionally intelligent leaders are more likely to act in ways that support this behaviour. The results of Rahim and Malik²⁶ found that leaders with high EI are likely to exhibit supportive behaviours that inspire proactivity in the workplace, supported Cheoni's findings.

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- ²⁰ Matthews S, 'The Relationship Between Emotional Intelligence and Self-efficacy Amongst Teachers in the Western Cape' (MCom Thesis, University of the Western Cape, 2012)
- ²¹ Fischer H. A, Manstead A. S. R, and Rodriguez Mosquera P. M, 'The Role of Honor-Related vs. Individualist Values in Conceptualising Pride, Shame, and Anger: Spanish and Dutch Cultural Prototypes' (1999)13 *Cognition & Emotion* 149, 179.
- ²² Zawawi D, and Tsang D, 'Understanding Emotional Intelligence in a Diverse Society' (2009)1 *International Journal of Business and Management* 27,38
- ²³ Derksen J, Kramer I, and Katzko M, 'Does a Self-Report Measure of Emotional Intelligence Assess Something Different from General Intelligence?' (2002) *Personality and Individual Differences* 37,48
- ²⁴ Shipley N, Jackson M.J, and Segrest S.L, 'Effects of Emotional Intelligence, Age, Work Experience, and Academic Performance' (2010) *Research and Higher Education Journal* 1,18
- ²⁵ Choeni P, 'The Influence of Leaders' Emotional Intelligence, Role Breadth Self-Efficacy, and Organisational Climate on Proactive Work Behaviour: A Case of Selected Customs Clearing Companies in Zimbabwe' (Master's Dissertation, University of Venda, South Africa, 2017)
- ²⁶ Rahim S. H, and Malik M.I 'Emotional Intelligence and Organisational Performance: A Case Study of Banking Sector in Pakistan' (2010)5 *International Journal of Business and Management* 191, 197

2.2.2. Transformational leadership

Palmer et al.²⁷ in their study to evaluate the association between EI and leadership style. The study discovered a strong correlation between key transformational leadership paradigm components. Both the emotional-monitoring ($r = 0.42$; $p 0.01$) and emotional-management ($r = 0.37$; $p 0.05$) scores showed a moderate association. Additionally, there was a correlation between individual consideration and emotional regulation ($r = 0.55$; $p 0.01$; $r = 0.35$)²⁸. A comparable investigation on the connection between emotional intelligence and transformative leadership was carried out by Barling et al. in 2000. The three (3) components of transformational leadership: idealised influence, inspiring motivation, and individualised consideration were connected, according to their study. In the organisation, leaders that exhibit these qualities at work are viewed as more effective performers²⁹.

2.3. Ethical leadership

Ethical leaders demonstrate trustworthiness, honesty, fairness, principled decision making, and were ethical in the act of professional and personal settings. According to De Hoogh and Den Hartog³⁰ their study revealed that organisations need to take careful consideration when choosing managers who demonstrate integrity, ethics, and selflessness, and that do not exploit others. Perceived ethical leadership leads to the belief that upper-level management is more effective and employees are often optimistic about the future of the organisation³¹.

2.4. Role of managers on business management

Craven et al.³² argued that when there is a continuous rapid change

²⁷ Palmer B, Walls M, Burgess M, and Stough C, 'Emotional Intelligence and Effective Leadership' (2001)22 *Journal of Leadership and Organisation Development*, 5,10

²⁸ Ibid

²⁹ De Miranda, L.C.S, 'The Relationship Between Emotional Intelligence and Leadership Effectiveness with an Emphasis on Corporate Culture in a Consumer Goods Organisation' (Master's Thesis, University of South Africa, 2011)

³⁰ De Hoogh A, and Den Hartog D, 'Ethical and Despotic Leadership, Relationships with Leader's Social Responsibility, Top Management Team Effectiveness and Subordinates' Optimism: A Multi-Method Study' (2008)19 *The Leadership Quarterly*, 297,311

³¹ Ibid

³² Craven M, Liu L, Mysore M, and Wilson M, 'COVID-19: Implications for Business' [2020] McKinsey & Co. http://www.aedcr.com/sites/default/files/docs/mckinsey-full_article.pdf.pdf Accessed 07 November 2022

in the organisation, for instance, the challenges posed by COVID-19 in organisations resulted in high demand for employees to be cognitive and emotional resources became the key element for leaders to implement and lead change effectively. Ryan and Tipu³³ looked at the relationship between leadership and the capacity to innovate while examining the aspects of leadership. The study indicated that active leadership had a statistically significant weakening effect on innovation whereas passive leadership had the opposite effect. When Mokhber et al.³⁴ researched the relationship between transformative leadership and creativity in the workplace, they found a significant association between the two variables.

2.4.1. The state-owned entity strategy and ethical leadership as key dimensions for success

Ethical leadership is one of the first and key dimensions for the SOE. The lack of ethical leadership in the organisation has resulted in several unlawful activities within the organisation. To ensure that the SOE is sustainable and has a foreseeable future the board collaborated with various law enforcement agencies, and have also put a stop to all illegal contracts i.e., procurement of 1064 locomotive contract, and is now preparing the company for ethical leadership. As a point of departure, the state-owned entity is undergoing executive management restructuring and a strategic repositioning of the organisation.

2.5. Goleman's Emotional Intelligence Theory (GEIT)

In the mid-90s Goleman developed the Emotional Intelligence Theory comprising five (5) key components that contribute to managers' EI. Goleman describes EI as the ability to comprehend and control one's emotions and feelings, including those of others³⁵. He further breaks it down to the following components: Self Awareness, Self-Regulation, Motivation, Empathy, and Social

³³ Ryan J, and Tipu S, 'Leadership Effects on Innovation Propensity: A Two-Factor Full Range Leadership Model' (2013)66 *Journal of Business Research* 2116,2129

³⁴ Mokhber M, Wan I, Wan K, and Vakilhashi A, 'Effect of Transformational Leadership and its Components on Organizational Innovation' (2015)8 *Iranian Journal of Management Studies* 221,241

³⁵ Channell M, 'Daniel Goleman's Emotional Intelligence in Leadership: How to Improve Motivation in Your Team' (*Leadership and Management*, 2021.) <<https://www.tsw.co.uk/blog/leadership-and-management/daniel-goleman-emotional-intelligence>> 12 December 2022

Skills as depicted in the diagram below.



Figure 2: The five (5) components of GEIT³⁶

Self-awareness is the first component of Goleman's theory described as the state and ability to understand oneself, strengths, and weaknesses in dealing with situations and people. This means that as a manager you are cognisant of your ability and aware when you need assistance³⁷. The second component is self-regulation which is best described by one's ability to self-control and manage emotions and feelings in the best possible way irrespective of the situation or people. Managers that can control themselves are normally easier to engage³⁸. Goleman described the third component as motivation of enjoyment and not motivation fuelled by money or promotion. This is to be self-motivated and passionate about what you do, which is then motivated by achieving key goals and driving performance. The fourth component is empathy the ability to comprehend and share sentiments of others. This means that one can listen attentively, understand without judgment, and offer the best solution through shared feelings³⁹. Goleman described the final component as social skills, the ability to engage others and build positive relationships.

³⁶ Goleman D, 'Emotional Intelligence: A New Vision for Educators' (Bantam Books, New York, 1995)

³⁷ Ibid

³⁸ Ibid

³⁹ Ibid

Leaders with good social skills create a good rapport with stakeholders.

3. RESEARCH METHOD

To comprehend the impact of Emotional Intelligence (EI) on Business Management (BM) within a State-Owned Entity (SOE), this study employed a descriptive research design, as recommended by Sekaran and Bougie⁴⁰. The deductive approach was chosen, aligning with the nature of this research, which begins with theory-driven research questions guiding data collection and analysis. This approach is particularly suitable for quantitative research, as it tests the validity of assumptions and aims to make inferences about a population based on data collected from a sample⁴¹.

The study population consisted of (n=130) management employees within the central corridor and support structures of the SOE. For the purposes of this study, the sample was selected using a census method, encompassing the entire population of (n=130) management employees. This approach was adopted due to the absence of probability-based sampling considerations⁴². Data collection was facilitated through the distribution of questionnaires, which served as the primary method for gathering information from the study participants.

The questionnaires were structured using a Likert scale, allowing respondents to express their views on a scale ranging from 1 (strongly disagree) to 5 (strongly agree). Three distinct questionnaires were employed in this research: a demographical questionnaire, the Goleman Emotional Intelligence Questionnaire (GEIQ) adopted questionnaire (comprising 25 items), and a researcher-developed questionnaire specific to the organization under study (consisting of 10 items). Upon obtaining necessary approvals and permissions, the questionnaires were distributed electronically via email, and data were securely stored remotely. A

⁴⁰ Sekaran U, and Bougie R, *Research Methods for Business: A Skill-building Approach*. (6th edition. West.Sussex, UK: John, Wiley and Sons, 2013)

⁴¹ Pretorius T.B, *Inferential Statistics: Hypothesis Testing and Decision Making* (Percept Publishers, Cape Town,1995)

⁴² Sekaran U, *Research Methods for Business: A Skill-building Approach*. (2nd ed New York: John Wiley & Sons, 2003)

total of 130 questionnaires were distributed, and data collection was completed within a two-week timeframe.

Subsequent to data collection, SPSS (Statistical Package for the Social Sciences) was utilized for both descriptive and inferential analysis. Descriptive statistics were applied to characterize common attributes within the sample, including mean scores, standard deviation, and variance. Inferential statistics, such as the Pearson correlation coefficient and the ANOVA test, were employed to analyze the data.

The GEIQ questionnaire, known for its robust internal consistency, exhibited a Cronbach's alpha of 0.88 and a composite reliability of 0.90⁴³. To ensure reliability, the researcher conducted a retest of the scale's reliability based on the 25 items adopted from the GEIQ test, resulting in a Cronbach's alpha of .908. The questionnaire designed to measure managerial understanding of their roles, business management, and organizational strategy also underwent reliability testing, revealing a Cronbach's alpha of .864.

4. FINDINGS AND DISCUSSION

The variables used to calculate the descriptive statistics in this section are as follows: participant's race, age, gender, educational background, and number of years of management experience. The data was taken from the biographical questionnaire.

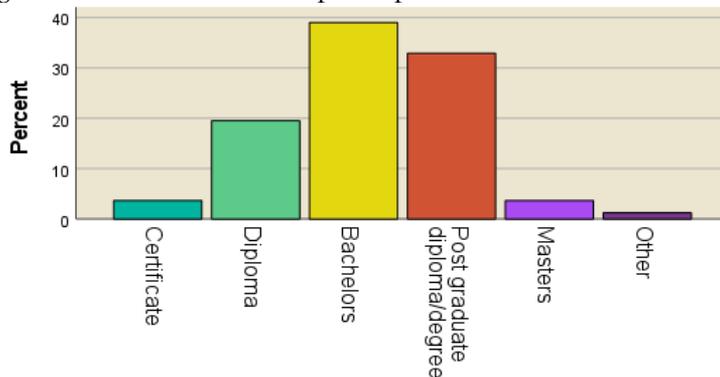
The race statistical analysis shows that 62.2% of the participants were Africans, 13% of the participants were Whites and 9% of the participants were Asian/Indians and Coloureds respectively. This is related to the employment equity data released by the SOE which showed that in 2022, Africans were represented at 79.6%, whites at 7.7%, Indians at 3.1%, and lastly coloureds at 9.6% (SOE, 2022:136-137).

The statistical analysis of gender shows that males comprised 48.8% of the participants and females constituted 51.2%. At the

⁴³ Fadhilah M, Tentama F, and Nasywa N, 'Construct Validity and Reliability of Emotional Intelligence Scale' (2020) 50 International Journal of Sciences: Basic and Applied Research 55, 67

SOE females are represented by 36.9% and 47.1% are exco members. This indicates that the SOE is progressive in balancing the numbers in leadership and management positions. It division also revealed that females were represented by 50% of exco members further supporting the analysis of this study in terms of gender.

Highest level of education of participants



3. What is your highest level of education?

Figure 3: Graphical illustration of the highest level of education

When the highest level of education was analysed on managers, the study found that certificate holders are represented by 3.7%, diploma holders are represented by 19.5%, bachelor's holders are represented by 39.0%, postgraduate diploma/degree holders are represented by 32.9%. Masters' holders are represented by 3.7% and other forms of highest education which was not defined represented by 1.2%. Based on a recently published report, SOE (2022) employees in the management structure should at least hold a diploma, whilst middle to senior management of the structure must at least hold a bachelor's or postgraduate qualification respectively. The result shows that 91.4% of the respondent have the minimum requirement to be in management.

Age of participants

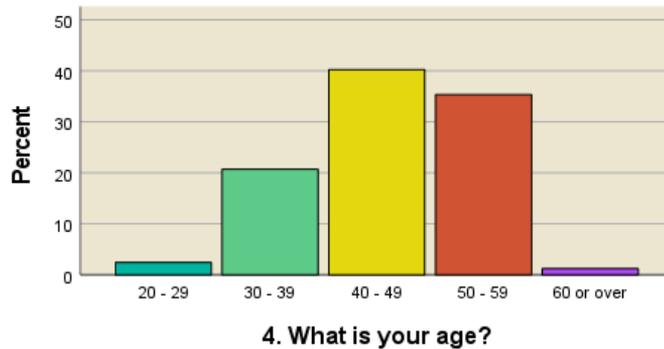


Figure 4: Graphical illustration of the age of participants

When the age of management employees was analysed, the result revealed that age 20 – 29 years was represented by 2.4% of the participants, 30 – 39 years represented by 20.7% of the participants, 40 – 49 years represented by 40.2% of the participants, 50 -59 years represented by 35.4% of the participants and 60 years or over, represented by 1.2% of the participants. The result revealed that most management employees are above the youth age of 35 years. SOE (2022:136-137) and SOE (2022:15-16), both stress and show several initiatives which seek to develop young leaders, these programmes in the foreseeable future should be able to improve the number of youths in leadership or management positions in the organisation.

In terms of Management experience of participants- When the number of years in management was analysed, the result revealed that 1 – 5 years of management experience was represented by 13.4% of the participants, 5 – 10 years of management experience was represented by 28% of the participants, and more than 10 years management experience was represented by 58.5%. The study results indicate that more than 50% of employees in management have more than 10 years of experience in management.

4.1. Emotional intelligence test

The emotional intelligence test was based on the theoretical framework of this study the Goleman EI theory comprising of five (5) elements that contribute to managers' EI: Self Awareness, Self-Regulation, Motivation, Empathy, and Social Skills.

Table 1: Summary of Managers’ Emotional Intelligence test based on Goleman’s five (5) elements of emotional intelligence

| Self-awareness | | Managing emotions | | Motivating oneself | | Empathy | | Social Skill | |
|----------------|-------------|-------------------|-------------|--------------------|-------------|-----------|-------------|--------------|-------------|
| 1 | 4,5 | 2 | 4 | 3 | 4,4 | 4 | 4,1 | 5 | 4,3 |
| 6 | 4,8 | 7 | 3,7 | 8 | 4,5 | 9 | 4,4 | 10 | 3,9 |
| 11 | 4,6 | 12 | 3,7 | 13 | 4,3 | 14 | 4,2 | 15 | 4,4 |
| 16 | 4,5 | 17 | 4 | 18 | 3,8 | 19 | 4,1 | 20 | 4,2 |
| 21 | 4,5 | 22 | 3,4 | 23 | 4,1 | 24 | 3,5 | 25 | 4,3 |
| | 4,58 | | 3,76 | | 4,22 | | 4,06 | | 4,22 |

*Numbers in blue indicate question numbers (Appendix 1)

Self-awareness, the analysis revealed a mean = 4.58% with an overall standard deviation = 0,64% and variance = 0,38%, this indicates that the managers have a very high self-awareness element of EI. According to Caldwell⁴⁴ the key aspect of self-awareness is how leaders apply and react to knowledge about emotions in establishing trust and effective relationships with others. Managing emotions, the analysis revealed a mean = 3,76% with an overall standard deviation = 1,02% and variance = 1,06%, this indicates that managers agreed to the managing emotions element statements of EI. According to Schraw⁴⁵, self-regulation takes place through planning, monitoring, and evaluating individual behaviour in completing a task. Motivating oneself (motivation), the analysis revealed a mean = 4.22% with an overall standard deviation = 0,78% and variance = 0,64%, this indicates that the managers have been highly self-motivated. According to Scott⁴⁶, Motivation occurs through encouraging others to action that results in goal attainment. Empathy, the analysis revealed a mean = 4.06% with an overall standard deviation = 0,82% and variance = 0,68%, this indicates that the managers have a high

⁴⁴ Caldwell C, Bischoff S.J, and Karri R, ‘The Four Umpires: A Paradigm for Ethical Leadership’ (2002)36 *Journal of Business* 153, 163.

⁴⁵ Schraw G, ‘Promoting General Metacognitive Awareness’ (1998)26 *Instructional Science* 113,125

⁴⁶ Scott W.G, 1961. ", ‘Organisation Theory: An Overview and an Appraisal’ (1961)4 *The Journal of the Academy of Management* 7, 26 <<https://www.jstor.org/stable/254584>> Accessed 04 October 2022

empathy elements of EI. According to Baba⁴⁷, emotionally observant and transformational leaders are needed in the post-COVID-19 pandemic era which requires organisational leaders to lead with a heart (empathy) for long-lasting genuine change. Social skills, the analysis revealed a mean = 4.22% with an overall standard deviation = 0,88% and variance = 0,80%, this indicates that the managers have high social skills elements of EI. Social skills are a critical element for leaders when building rapport with the teams and other stakeholders⁴⁸. The overall analysis of the test revealed that the managers have high EI, though there was a level of uncertainty on the element of self-regulation.

4.2. Business management test

This test was used to solicit answers from the managers on business management and the coronavirus impact.

Table 2: Business management at the SOE

⁴⁷ Baba M. M, 2020. 'Navigating COVID-19 with Emotional Intelligence' (2020)66 International Journal of Social Psychiatry 810, 820

⁴⁸ Goleman D, 'Emotional Intelligence: A New Vision for Educators' (Bantam Books, New York, 1995)

| | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Total | | | |
|---|-------------------|----------|---------|---------|----------------|-------|--------|--------------------|----------|
| | Row N % | Row N % | Row N % | Row N % | Row N % | Mean | Median | Standard Deviation | Variance |
| 1. I understand business processes at | 0.0% | 0.0% | 4.9% | 42.7% | 52.4% | 4.5% | 5.0% | 0.6% | 0.4% |
| 2. I understand strategy, what it seeks to achieve. | 3.7% | 1.2% | 9.8% | 39.0% | 46.3% | 4.2% | 4.0% | 0.9% | 0.9% |
| 3. SOE offers a conducive working environment for me. | 7.3% | 3.7% | 17.1% | 35.4% | 36.6% | 3.9% | 4.0% | 1.2% | 1.3% |
| 4. My job outputs are in line with the company objectives. | 2.4% | 7.3% | 7.3% | 37.8% | 45.1% | 4.2% | 4.0% | 1.0% | 1.0% |
| 5. SOE offers necessary leadership tools. | 3.7% | 6.1% | 15.9% | 35.4% | 39.0% | 4.0% | 4.0% | 1.1% | 1.1% |
| 6. SOE business processes make sense to me. | 4.9% | 3.7% | 13.4% | 43.9% | 34.1% | 4.0% | 4.0% | 1.0% | 1.1% |
| 7. I am confident about leadership, business management. | 7.3% | 7.3% | 42.7% | 34.1% | 8.5% | 3.3% | 3.0% | 1.0% | 1.0% |
| 8. current leadership is ethical. | 1.2% | 11.0% | 56.1% | 25.6% | 6.1% | 3.2% | 3.0% | 0.8% | 0.6% |
| 9. The restructuring and repositioning of SOE have made me more emotional observant. | 3.7% | 9.8% | 13.4% | 42.7% | 30.5% | 3.9% | 4.0% | 1.1% | 1.2% |
| 10. I find myself having to manage more of my emotions than prior to COVID-19 pandemic. | 6.1% | 6.1% | 18.3% | 40.2% | 29.3% | 3.8% | 4.0% | 1.1% | 1.2% |

Statements #1 and 2 managers largely agreed with the statement showing understanding of processes and strategy with the result indicating a mean = 4,5% and 4,2% respectively, a standard deviation = 0,6% and 0,9% respectively with a variance = 0,4% and 0,9% respectively. Managers also agreed that the SOE offers a conducive work environment and the necessary leadership tools. However, when managers were asked about statements #7 and 8 whether they were confident about and think that the current leadership is ethical most of the managers indicated a mean = 3.2%, standard deviation = 0,8% and variance = 0,6% meaning that most managers are rather unsure or neutral on whether the current leadership is ethical at the SOE. De Hoogh and Hartog⁴⁹ revealed in their study that an organisation needs to take careful consideration when choosing managers who demonstrate integrity, ethics, and selflessness. They concluded their study by stating that perceived ethical leadership leads to the belief that

⁴⁹ De Hoogh A, and Den Hartog D, 'Ethical and Despotic Leadership, Relationships with Leader's Social Responsibility, Top Management Team Effectiveness and Subordinates' Optimism: A Multi-Method Study' (2008)19 *The Leadership Quarterly* 297, 311

upper-level management is more effective and employees are often optimistic about the future of the organisation⁵⁰.

When the emotions of managers were tested regarding the repositioning of the organisation and the COVID-19 pandemic, most managers agreed with the statements, this is indicated by the mean = 3,9% and 3,8% respectively, standard deviation = 1,1% on both statements and variance = 1,2% on both statements. This indicated that managers are dealing with a lot of emotional challenges and related stress due to the repositioning of the organisation and life post the coronavirus era. The literature discusses the issues of COVID-19 and Leaders with strong EI are necessary to emphasise managing with a heart and empathy⁵¹.

4.3. Emotional intelligence relationship with the demographics

Table 3: Significant difference between EI and age: ANOVA

1. What is your age?

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | 21.197 | 35 | .606 | .783 | .773 |
| Within Groups | 35.583 | 46 | .774 | | |
| Total | 56.780 | 81 | | | |

When the EI level of managers was tested for significant difference against age, the result revealed ($f = .783$; $p = .773$) which demonstrates that there were no statistically significant differences in the EI levels according to age. This means that age does not significantly influence the managers' EI. Penrose et al (2007) and Fabio & Palazzeschi (2008) found similar results, which found no

⁵⁰ Ibid

⁵¹ Gardner L, and Stough C. K. K, 'Examining the Relationship Between Leadership and Emotional Intelligence in Senior Level Managers' (2002)23 Leadership & Organisation Development Journal 68,78

correlation between EI and the age of the participants. Matthews⁵² found no significance in the correlation between EI and age.

Table 4: Significant difference between EI and race: ANOVA

2. What is your race?

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | 36.226 | 35 | 1.035 | .903 | .620 |
| Within Groups | 52.750 | 46 | 1.147 | | |
| Total | 88.976 | 81 | | | |

When the EI level of managers was tested for significant difference against race, the result revealed ($f = .903$; $p = .620$) This shows that there were no racially based EI level differences that were statistically significant. This means that race does not influence the managers' EI.

The findings of this study are supported by literature, where Matthews⁵³, found there was no significant correlation between EI and race. In addition, Fischer et al.⁵⁴, also found no positive correlation between EI and race.

Table 5: Significant difference between EI and educational level: ANOVA

3. What is your highest level of education?

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | 36.673 | 35 | 1.048 | 1.106 | .371 |
| Within Groups | 43.583 | 46 | .947 | | |
| Total | 80.256 | 81 | | | |

⁵² Matthews S, 'The Relationship Between Emotional Intelligence and Self-efficacy Amongst Teachers in the Western Cape' (MCom Thesis, University of the Western Cape, 2012)

⁵³ Ibid

⁵⁴ Fischer H. A, Manstead A. S. R, and Rodriguez Mosquera P. M, 'The Role of Honor-Related vs. Individualist Values in Conceptualising Pride, Shame, and Anger: Spanish and Dutch Cultural Prototypes' (1999)13 *Cognition & Emotion*, 149,179.

When the EI level of managers was tested for the significant difference against education, the result revealed ($f = 1.048$; $p = .371$) This shows that there were no statistically significant differences in the EI levels according to the level of education. This means that education does not influence the managers' EI. Karthikeyan & Lalwani⁵⁵, found no statistically significant differences in terms of EI and education level. Mishra and Mohapata⁵⁶, found that the demographic variables, such as gender, qualification, and experience in the overall EI factors had no significant differences.

Table 6: Significant difference between EI and gender: ANOVA

4. What is your gender?

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | 7.904 | 35 | .226 | .826 | .720 |
| Within Groups | 12.583 | 46 | .274 | | |
| Total | 20.488 | 81 | | | |

When the EI level of managers was tested for significant difference against gender, the result revealed ($f = .826$; $p = .720$). This shows that there were no statistically significant differences in the EI levels according to the gender of the participants. This means that gender does not influence the managers' EI. Penrose et al.⁵⁷ found

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- ⁵⁵ Karthikeyan V, and Lalwani S, 'Effect of Demographic Variables on Emotional Intelligence Level in Banking Sector' (2019)8 International Journal of Recent Technology and Engineering https://www.academia.edu/65498127/Effect_of_Demographic_Variables_on_Emotional_Intelligence_Level_in_Banking_Sector> 11 October 2022
- ⁵⁶ Mishra P.S, and Mahapatra, A.K.D, 'Relevance of Emotional Intelligence for Effective Job Performance: An Empirical Study' (2010)35 VIKALPA <<https://journals.sagepub.com/doi/pdf/10.1177/0256090920100104>> Accessed 19 April 2023
- ⁵⁷ Penrose A, Perry C, and Ball I, 'Emotional Intelligence and Teacher Self-efficacy: The Contribution of Teacher Status and Length of Experience' (2007)17 Educational Research

that EI had no correlation with gender. Matthews⁵⁸, found there was no significant correlation between EI and gender.

Correlation between Emotional Intelligence (EI) and Business Management (BM)

Table 7: Correlation between EI and BM

| | EI | BM | COVID-19 IMPACT |
|-----------------|--------------------|-------------------|-----------------|
| EI | 1 | | |
| BM | .553 ^{**} | 1 | |
| COVID-19 IMPACT | .161 | .224 [*] | 1 |

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The Pearson product correlation of EI and BM was found to be moderately positive and statistically significant ($r = .553, p < .001$). This means that an increase in EI behaviour would lead to higher or improved BM by the managers. In addition, COVID-19 impact was studied both on EI and BM. Pearson product correlation of COVID-19 impact and BM was found to be very low positive and significant ($r = .224, p = .043$). This means that COVID-19 impact has somewhat an effect on BM at the SOE. Palmer et al.'s study, which examined the link between EI and leadership style⁵⁹. The goal of the study was to determine how much EI is correlated with a certain leadership style. Multiple components of the transformational leadership paradigm were shown to have a substantial association, according to the study. For this study, leadership was one of the variables tested under business management. This study further studied the intercorrelation of EI and found that Pearson product correlation of EI and motivating oneself was found to be highly positive and statistically significant

⁵⁸ Matthews S, 'The Relationship Between Emotional Intelligence and Self-efficacy Amongst Teachers in the Western Cape' (MCom Thesis, University of the Western Cape, 2012)

⁵⁹ Palmer B, Walls M, Burgess M, and Stough C, 'Emotional Intelligence and Effective Leadership' (2001)22 *Journal of Leadership and Organisation Development*, 5,10 <https://www.researchgate.net/publication/235252147_Emoional_Intelligence_and_Effective_Leadership> Accessed 11 September 2022

($r = .707$, $p < .001$). This is supported by a study done by Choeni⁶⁰ which looked at EI and proactive work behaviour which can be linked to motivating oneself, his study, revealed that emotional intelligence in leaders was significantly positively correlated with proactive work behaviour ($r = 0.34$; $p < 0.01$). Rahim and Malik⁶¹ study revealed that leaders with high EI are likely to have supportive behaviours that influence proactivity in the work environment. Jalaca et al.⁶², concluded that post COVID-19 pandemic managers will likely deal with more complex unstructured, and stressful business matters. COVID-19 has influenced psychological elements such as EI in the field of academia. EI had a limited influence on the relationship between employee performance and organisational resilience.

5. CONCLUSION

The study investigates the significant differences in Emotional Intelligence (EI) levels among managers based on age, race, education, and gender, with an underlying interest in promoting sustainable development practices. The results demonstrated that there were no statistically significant differences in EI based on these demographic factors, emphasizing the importance of promoting equal access to EI development opportunities to ensure inclusivity in sustainable leadership.

Another objective was to assess the contribution of Emotional Intelligence (EI) to managers' ability to effectively manage the business at the State-Owned Enterprise (SOE) while considering sustainability. The study revealed a moderately positive and statistically significant relationship between EI and Business Management (BM), highlighting that an increase in EI behaviours can lead to higher or improved sustainable BM at the SOE. This

⁶⁰ Choeni P, 'The Influence of Leaders' Emotional Intelligence, Role Breadth Self-Efficacy, and Organisational Climate on Proactive Work Behaviour: A Case of Selected Customs Clearing Companies in Zimbabwe' (Master's Dissertation, University of Venda, South Africa, 2017)

⁶¹ Rahim S. H, and Malik M.I 'Emotional Intelligence and Organisational Performance: A Case Study of Banking Sector in Pakistan' (2010)5 International Journal of Business and Management 191, 197

⁶² Strugar Jelača M and others, 'Impact of Managers' Emotional Competencies on Organizational Performance' (2022) 14 Sustainability 8800

finding assert the significance of nurturing emotionally intelligent leaders for sustainable business practices, in line with the principles of sustainable development.

The study sought to examine the correlation between Business Management (BM) and the impact of COVID-19 on the State-Owned Enterprise (SOE) within the context of sustainable development. It uncovered a low positive and statistically significant relationship between COVID-19 and BM, implying that adapting to the challenges posed by COVID-19 is crucial for maintaining sustainable organizational management. This aligns with the sustainable development goal of resilience in the face of external shocks.

To advance research in the realm of sustainable development, future researchers should consider extended timelines to comprehensively study all relevant variables, promoting the long-term sustainability of their research efforts. The study's applicability should encompass all management levels and departments within the SOE, integrating a mixed-method approach and probability sampling to ensure a holistic understanding of sustainable development practices. Therefore future studies should explore the integration of sustainability-related competencies in leadership roles to foster environmentally and socially responsible decision-making. This approach aligns with the overarching goal of embedding sustainability principles within organizations, contributing to the broader agenda of sustainable development.

This study fully examined the impact of managers' Emotional Intelligence (EI) on Business Management (BM) at the State-Owned Enterprise (SOE) in South Africa, with a particular emphasis on promoting sustainable development. The objectives of the study were accomplished, leading to the conclusion that a positive and statistically significant relationship exists between EI and BM at the SOE, signifying that enhancing EI levels among managers can contribute to sustainable BM and overall sustainable development within the organization and beyond.

Appendix 1: Section B of the questionnaire

Section B: Title this section e.g.

The following items asks you about your emotions or reactions related to emotions.

There are no right or wrong answers. Please mark 'X' the response that best describes you utilising the Likert scale 1-5 as described below:

- 1= Strongly Disagree (SD)
- 2= Somewhat Disagree (D)
- 3= Neither Agree nor Disagree (N)
- 4= Somewhat Agree (A)
- 5= Strongly Agree (SA)

| | | SD | D | N | A | SA |
|-----|--|----|---|---|---|----|
| 1. | I realise immediately when I lose my temper. | 1 | 2 | 3 | 4 | 5 |
| 2. | I can 'reframe' bad situations quickly. | 1 | 2 | 3 | 4 | 5 |
| 3. | I am able to always motivate myself to do difficult tasks. | 1 | 2 | 3 | 4 | 5 |
| 4. | I am always able to see things from the other person's viewpoint. | 1 | 2 | 3 | 4 | 5 |
| 5. | I am an excellent listener. | 1 | 2 | 3 | 4 | 5 |
| 6. | I know when I am happy. | 1 | 2 | 3 | 4 | 5 |
| 7. | I do not wear my 'heart on my sleeve'. | 1 | 2 | 3 | 4 | 5 |
| 8. | I am usually able to prioritise important activities at work and get on with them. | 1 | 2 | 3 | 4 | 5 |
| 9. | I am excellent at empathising with someone else's problem. | 1 | 2 | 3 | 4 | 5 |
| 10. | I never interrupt other people's conversations. | 1 | 2 | 3 | 4 | 5 |
| 11. | I usually recognise when I am stressed. | 1 | 2 | 3 | 4 | 5 |
| 12. | Others can rarely tell what kind of mood I am in. | 1 | 2 | 3 | 4 | 5 |
| 13. | I always meet deadlines. | 1 | 2 | 3 | 4 | 5 |
| 14. | I can tell if someone is not happy with me. | 1 | 2 | 3 | 4 | 5 |
| 15. | I am good at adapting and mixing with a variety of people. | 1 | 2 | 3 | 4 | 5 |
| 16. | When I am being 'emotional' I am aware of this. | 1 | 2 | 3 | 4 | 5 |
| 17. | I rarely 'fly off the handle' at other people. | 1 | 2 | 3 | 4 | 5 |
| 18. | I never waste time. | 1 | 2 | 3 | 4 | 5 |
| 19. | I can tell if a team of people are not getting along with each other. | 1 | 2 | 3 | 4 | 5 |
| 20. | People are the most interesting thing in life for me. | 1 | 2 | 3 | 4 | 5 |
| 21. | When I feel anxious I usually can account for | 1 | 2 | 3 | 4 | 5 |

| | the reason(s). | | | | | |
|-----|---|---|---|---|---|---|
| 22. | Difficult people do not annoy me. | 1 | 2 | 3 | 4 | 5 |
| 23. | I do not prevaricate. | 1 | 2 | 3 | 4 | 5 |
| 24. | I can usually understand why people are being difficult towards me. | 1 | 2 | 3 | 4 | 5 |
| 25. | I love to meet new people and get to know what makes them 'tick'. | 1 | 2 | 3 | 4 | 5 |