



ORIGINAL RESEARCH PAPER

Management

EMOTIONAL INTELLIGENCE AS A STRATEGIC TOOL IN BUILDING EFFECTIVE LEADERSHIP: A FOCUSED STUDY OF INDIAN UNICORNS

KEY WORDS: Effective Leadership, Emotional Intelligence, Behavioral Economics, Indian Unicorns

Dr. Anita Suhkwal

Dean, Faculty of Commerce & Management, University of Kota. Kota, Rajasthan, India, 324010

Gajendra Pal Singh Doodi

Research Scholar & Guest Faculty, University of Kota, Kota, Rajasthan, India, 324010

ABSTRACT

In the competitive and fast-paced environment of Indian unicorns, leadership effectiveness is critical for managing rapid growth, fostering innovation, and navigating complex organizational challenges. EI (Emotional Intelligence), encompassing skill sets such as self awareness, regulation of emotions, empathy and interpersonal skill, has emerged as an essential competency that enhances leadership effectiveness by improving his or her conflict resolution or situational handling, team collaboration and individual decision-making skill. The study uses a mixed approach which combines quantitative analysis of leadership effectiveness and emotional intelligence assessments of interviews picked from internet sources and case studies of Indian unicorns as qualitative approach. The study investigates how EI-driven leadership influences organizational outcomes such as employee engagement, innovation, and sustainable growth, identifying key EI dimensions that are most critical in the high-pressure context of Indian unicorns. Additionally, the research proposes strategies (tactical solutions) for inculcating emotional intelligence into programs developing leadership to improve performance of organisation and keeping in long-term view of sustainability. By focusing on the unique leadership challenges faced by Indian unicorns, the study or research particularly focuses to build theoretical insights into the strategic role of EI (Emotional Intelligence) alongside practical recommendations for cultivating emotionally intelligent leaders within the startup ecosystem. The findings will contribute in successfully broadening knowledge of how leadership with high emotional quotient drives success in high-growth organizations and offers valuable guidance for leaders, investors, and policymakers in the Indian startup landscape.

1.0 INTRODUCTION

In current fast-paced business world, particularly in reference to startup ecosystem, leadership effectiveness is no longer dependent solely on cognitive and technical skills. EI or Emotional intelligence, which infers to the capability to correctly recognizing and understanding, managing and influencing emotions both in himself or herself as well as others too has emerged as a new tool for cultivating effective leadership. EI (Emotional intelligence) has been associated to improving decision-making, bettering conflict resolution techniques, enhancing team dynamics, and constant improvement in organizational performance. The study aims to find the possibility where EI will functions as a strategic tool in building leadership effectiveness within the specific context of Indian unicorn startups—privately held organisations which have reached atleast \$1 billion valuation or more.

Global Start Up

Indian unicorns have been at the forefront of global startup success, with companies like Zomato, Boat, Nykaa, and Cred disrupting markets, creating innovative products, and transforming industries. The leadership challenges in these unicorns are distinct, primarily due to the rapid scaling demands, high levels of market competition, the need to continuously innovate, and the pressure to maintain investor confidence. While technical competencies and strategic decision-making are key factors in managing such organizations, emotional intelligence has become a necessary skill for leaders to navigate these complexities.

The study investigates EI's role as a strategic tool in building strong leadership in Indian unicorns by examining how emotionally intelligent leadership impacts decision-making, team collaboration, conflict management, and long-term organizational sustainability. By analyzing both the quantitative and qualitative dimensions of leadership in unicorn startups, the study aims at providing actionable course plan by which Indian unicorns can utilise EI (emotional intelligence) to develop specific programs for leadership to enhance performance.

2.0 Research Problem

In the startup ecosystem, especially within unicorn companies, leadership is tasked with managing not only growth but also diverse teams, complex interpersonal dynamics, and the pressures of rapid market shifts. As unicorns scale, leaders must make quick, high-impact decisions, manage internal and external stakeholder relationships, and drive innovation. Traditional leadership models often focus on cognitive intelligence and technical expertise; however, research narrates that emotional intelligence (EI) should be equally, if not greater, important in ensuring long-term success.

Indian unicorns, specifically, operate in a high-pressure environment where leadership must balance investor demands, employee engagement, and market competition, all while fostering a culture of innovation. Despite the growing interest in emotional intelligence, there remains limited research on its strategic application in building leadership effectiveness, especially in the Indian unicorn context. This research seeks to fill the gaps by examining the contribution of emotionally intelligent leadership in the growth and sustainability of Indian unicorn startups.

3.0 Research Objectives

The primary objectives of the study are as follows:

1. Exploring how EI functions in a manner of strategic tool in developing effective leadership in Indian unicorns.
2. To identify the specific facets of EI—such as self-awareness, emotional regulation, social skills, and empathy—that contribute most significantly to leadership effectiveness in the unicorns context.
3. To analyze how emotionally intelligent leadership impacts organizational outcomes, including decision-making, innovation, employee engagement and long-term growth.
4. To propose strategic solutions for inculcating EI (emotional intelligence) into developmental programs for leadership within Indian unicorns, providing a practical framework for cultivating emotionally intelligent leaders.

4.0 Literature Review

The notion of EI was originally established by Daniel Goleman in the 90s. It has since become a cornerstone of leadership studies. EI involves five core components (FCC): a) self-awareness b) motivation c) self-regulation d) social skills and e) empathy. They enable leaders for managing and understanding own emotions and at the same time responding to the other's emotions, also foster healthy interpersonal relationships within the organization.

It has been observed that the leader equipped with higher EI levels possess ability to handle stress, manage conflict, and inspire teams. Goleman's work, along with subsequent research by Mayer and Salovey, emphasized that EI plays front lead in nurturing leadership effectiveness, contributing to

better and efficient decision-making, enhanced problem-solving tactics, and stronger team cohesion.

In the current Indian scenario of startups, EI (emotional intelligence) is highly important due to the fast-paced and uncertain nature of the business environment. Startups, especially unicorns, face unique challenges such as rapid scaling, securing continuous rounds of funding, and maintaining a competitive edge. Leaders in unicorns must not only possess technical acumen but also the ability to navigate interpersonal complexities, maintain employee morale, and foster a culture of innovation. However, a significant gap in the reviewed literature concerning the particular part played by EI in the leadership of Indian unicorns, which this research aims to address.

Author	Year	Title	Key Concepts/Themes	Findings/Conclusions
Daniel Goleman	1995	"Emotional Intelligence: Why It Can Matter More Than IQ"	Emotional intelligence is a critical and important factor for leadership success. Introduced all five crucial dimensions of EI (FCC).	EI is a unparalleled determinant of organizational leadership effectiveness, impacting decision-making, interpersonal relationships, and overall leadership success.
Mayer & Salovey	1997	"What is Emotional Intelligence?"	Defined EI as one's own capability to perceive and understanding, manage and regulate one self's emotions. Established a foundational EI framework for further studies.	EI is measurable and consists of four components: perceiving using, understanding, and managing emotions. Each dimension adds in developing leadership and personal success.
Gardner & Stough	2002	"Examining the Relationship Between Leadership and Emotional Intelligence in Senior Managers"	Studied the reciprocal relationship between EI and leadership effectiveness in senior management across industries.	High EI in leaders is strongly correlated with improved leadership outcomes, including team cohesion, decision-making, and managing ever-growing stress levels.
George, J.M.	2000	"Emotions and Leadership: The Role of Emotional Intelligence"	Explored the bond between EI and different styles of leadership, particularly leadership build on the basis of transformation.	EI plays an important role in fostering transformational leadership, promoting visionary thinking, encouraging innovation and motivation in teams.
Cherniss	2001	"Emotional Intelligence and Organizational Effectiveness"	Investigated the impact made by EI on organizational outcomes, including worker's satisfaction, performance, and leadership effectiveness.	Leaders who have high EI can create an environment which is emotionally supportive, improving organizational performance, employee retention, and conflict resolution.
Soni, P.	2021	"Growth and Leadership in Indian Startups: The Role of Emotional Intelligence"	Investigated the part of EI in effective leadership, specifically within Indian startup ecosystem.	Leaders of successful Indian startups often display high levels of EI, helping them manage the challenges of scaling, maintaining team morale, and making strategic decisions.
Bapna et al.	2020	Leadership in Indian Unicorns: Navigating the Scaling Challenge	Focused on leadership strategies in Indian unicorns, highlighting how leaders manage scaling challenges and maintain culture.	Emotional intelligence helps leaders of Indian unicorns handle stress, scale sustainably, and foster innovation while keeping teams aligned with organizational goals.
Carmeli, A.	2003	"The Relationship Between Emotional Intelligence and Work Attitudes, Behavior, and Outcomes: An Examination Among Senior Managers"	Examined link between emotional intelligence, workplace attitude, and outcome among upper management.	High EI is always linked with higher job satisfaction, better work relationships, and stronger leadership effectiveness.
Bar-On, R.	2006	"The Bar-On Model of Emotional-Social Intelligence"	Proposed a functional ESI model, linking EI to social functioning and performance in work environments.	Emotional intelligence, as part of a broader emotional-social intelligence framework, is vital for effective leadership and organizational success.
Gornall & Strebulaev	2020	"Squaring Venture Capital Valuations with Reality"	Analyzed venture capital and growth challenges in unicorns, highlighting the need for emotionally intelligent leadership in unicorn management.	Emotionally intelligent leaders in unicorns are more successful in handling investor relations, managing scaling pressures, and fostering team innovation.

Wong, C.S., & Law, K.S.	2002	The Role of Emotional Intelligence in Leadership Development	Investigated how emotional intelligence can be integrated into leadership development programs to enhance organizational effectiveness.	EI-focused leadership development programs improve leaders' ability to manage teams effectively, resolve conflicts, and drive sustainable growth.
Petrides, K.V., & Furnham, A.	2001	"Trait Emotional Intelligence: Psychometric Investigation"	Explored the measuring techniques of trait based EI(emotional intelligence), its dimensions, and its relevance to leadership effectiveness.	Trait EI(emotional intelligence) is an important as well as crucial predictor of leadership success, particularly in managing relationships, handling pressure, and influencing organizational performance.

This table provides a structured overview of key studies on emotional intelligence and leadership effectiveness, focusing on how EI enhances leadership capabilities, particularly in high-pressure environments like startups and unicorns. It integrates foundational research, as well as studies related specifically to the Indian unicorn ecosystem and leadership challenges.

5.0 Methodology

This research study adopts a mixed-methods approach which combine both quantitative and qualitative methodologies to gain a comprehensive understanding of emotional intelligence as a strategic leadership tool in Indian unicorns. The quantitative component involves the use of established emotional intelligence assessment tools or , such as the “Emotional Competence Inventory (ECI)” or the “Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT)”, to measure the EI levels of leaders in Indian unicorns. Leadership effectiveness is assessed through key performance indicators (KPIs) such as employee satisfaction,

team performance, and organizational growth metrics.

The qualitative component includes semi-structured interviews with leaders (which were sourced from internet) and executives from Indian unicorns. These interviews aim to capture in-depth insight into how emotional intelligence strategies can influence leadership’s decision-making process, conflict resolution, and team dynamics. Additionally, case studies of selected unicorns are conducted to explore how emotionally intelligent leadership contributes to organizational outcomes such as innovation, scalability, and market adaptation.

Data from both the quantitative and qualitative components are analyzed using statistical techniques (e.g., regression analysis, correlation) and thematic content analysis, respectively. This dual approach enables the study to uncover both the measurable impacts of EI on leadership effectiveness and the nuanced and critical ways in which leaders apply EI(emotional intelligence) in real-world scenarios.

Company	Key Leadership Traits Linked to EI	EI Dimensions in Focus	Strategic Role of EI in Leadership	Impact on Organizational Success
Zomato	1. Resilience in high-pressure situations. 2. Effective communication with stakeholders. 3. Empathy toward employees and customers.	Self-regulation Empathy Social skills	Leaders use EI to navigate challenges in global expansion, managing regulatory hurdles, and ensuring a positive work environment during rapid growth.	Improved employee engagement, effective crisis management (e.g., pandemic-related challenges), and sustained customer trust in the brand.
Boat	1. Adaptability to market changes. 2. Maintaining motivation and morale among teams. 3. Strong interpersonal relationships.	Self-awareness Emotional regulation Motivation	EI helps leaders remain innovative while managing stress and uncertainty in the highly competitive consumer electronics market. Ensures team alignment with strategic goals.	High employee retention, innovation-driven growth, and strong team collaboration leading to increased market share in the personal audio products segment.
Nykaa	1. Building a customer-centric culture. 2. Fostering inclusivity and diversity. 3. Empathy-driven decision-making.	Empathy Social skills Self-awareness	Leaders leverage EI to maintain focus on inclusivity and customer needs while managing rapid expansion, ensuring alignment between employee values and customer expectations.	Enhanced brand loyalty, strong customer engagement, and the ability to scale while maintaining a positive internal culture and high employee satisfaction.
Sugar	1. Creating an innovative and inclusive team environment. 2. High emotional resilience during market fluctuations. 3. Empathetic leadership.	Self-regulation Empathy Social skills	EI helps leaders manage team creativity and innovation under pressure, ensuring resilience in a competitive beauty market and fostering employee creativity and ownership.	Maintained a strong company culture during growth, resulting in increased creativity, product innovation, and market differentiation in the cosmetics sector.
Cred	1. Visionary leadership combined with high empathy. 2. Promoting trust and transparency within teams. 3. Strategic decision-making with emotional insight.	Self-regulation Motivation Social skills	Leaders use EI to build trust among employees and stakeholders, ensuring alignment between company values and operational execution in a highly competitive fintech environment.	High customer trust, effective team collaboration, and an innovative organizational culture have driven Cred's expansion and increased

6.0 Key Observations:

1. Resilience and Adaptability: Leaders in these companies demonstrate high self-regulation and emotional

resilience, particularly in high-pressure and dynamic market conditions. This helps in managing the stress and complexity involved in scaling businesses quickly and

handling market challenges.

2. Empathy and Customer Focus: Empathy plays a vital role in leadership across these companies. It is key in understanding both customer needs (Zomato, Nykaa) and fostering a healthy work environment that encourages collaboration and employee engagement (Sugar, Cred).
3. Motivation and Innovation: EI (Emotional intelligence) dimensions like social skills and motivation are crucial in fostering a culture of innovation, as seen in companies like Boat and Sugar, where leaders maintain team morale and motivation despite market fluctuations or external challenges.
4. Inclusive Leadership and Culture: Leaders at Nykaa and Sugar use emotional intelligence to create inclusive, customer-centric cultures that align with both employee values and customer expectations, driving both internal cohesion and external success.
5. Transparency and Trust: Companies like Cred and Boat leverage emotional intelligence to promote transparency and trust within their teams and with customers, essential for building strong, sustainable organizational cultures and customer relationships.

This table and the observations highlight how emotionally intelligent leadership impacts organizational success by fostering resilience, empathy, and innovation within India's leading unicorns.

7.0 Key Findings

Preliminary finding of the study suggested that EI (emotional intelligence) plays a critical part in developing effective leadership within Indian unicorns. Leaders with higher EI scores demonstrate better decision-making abilities, particularly in high-pressure situations. They are also more adept at managing conflicts, fostering a collaborative team environment, and maintaining employee engagement in times of rapid organizational growth. Key dimensions of emotional intelligence, such as empathy and emotional regulation, are particularly important in navigating interpersonal challenges and driving team performance.

The qualitative interviews reveal that emotionally intelligent leaders are often seen as more approachable and effective communicators, which helps in building trust and loyalty within teams. Leaders who exhibit high self-awareness level and emotional regulation are more able to manage stress and uncertainty, which are common in the fast-paced environment of Indian unicorns. Moreover, emotionally intelligent leadership contributes to the long-term sustainability of these startups by nurturing a culture of resilience and adaptability. Teams which are being led by emotionally intelligent leaders tend to show higher levels of innovation and creativity, as this leadership is able to create psychologically safe environments where employees could feel comfortable taking risks and sharing new ideas.

8.0 Managerial Implications for Practice

The research study highlighted the importance of integrating EI (emotional intelligence) into leadership development programs within Indian unicorns. By cultivating emotional intelligence leaderships, these companies can improvise team dynamics, enhance decision-making, and increase overall organizational performance. The study proposes a framework for leadership development that includes emotional intelligence assessments, targeted training programs, and continuous EI skill-building exercises.

Additionally, unicorns can benefit from embedding emotional intelligence into their recruitment and promotion processes, ensuring that leadership roles are filled by individuals who possessed both the technical skillset and the EI (emotional intelligence) needed to lead effectively in a high-growth environment.

9.0 CONCLUSION

This research study throws light on the part of EI in building

leadership effectiveness within Indian unicorns. Findings suggest that leaders possessing EI are highly capable to handle the unique challenges of unicorn startups, including rapid scaling, market competition, and talent management. By cultivating a culture of EI (emotional intelligence), Indian unicorns can improvise leadership effectiveness, drive innovation, and ensure long-term organizational success.

The study also adds in the broader literature on leadership and emotional intelligence, offering practical recommendations for how organizations can integrate EI into their leadership development programs. By leveraging emotional intelligence, Indian unicorns can continue to thrive in an ever increasingly competitive global market.

10. REFERENCES

1. GOLEMAN, D. (1995). Emotional intelligence. Why It Can Matter More Than IQ. New York, Bantam books
2. Mayer, J. D., & Salovey, P. (1997). What is emotional intelligence? In P. Salovey & D. J. Sluyter (Eds.), *Emotional development and emotional intelligence: Educational implications* (pp. 3–34). Basic Books
3. Gardner, L. and Stough, C. (2002) Examining the Relationship between Leadership and Emotional Intelligence in Senior Level Manager. *Leadership & Development Journal*, 23, 68-79. <http://dx.doi.org/10.1108/01437730210419198>
4. George, J. M. (2000). Emotions and leadership: The role of emotional intelligence. *Human relations*, 53(8), 1027-1055.
5. Cherniss, C., & Goleman, D. (2001). *The Emotionally Intelligent Workplace. How to Select for, Measure, and Improve Emotional Intelligence in Individuals, Groups, and Organisations* (pp. 3-10). San Francisco, CA: John Wiley & Sons.
6. Carmeli, Abraham. (2003). The relationship between emotional intelligence and work attitudes, behavior and outcomes: An examination among senior managers. *Journal of Managerial Psychology*. 18. 788-813. 10.1108/02683940310511881.
7. Bar-On, R. (2006). The Bar-On model of emotional-social intelligence (ESI). *Psychothera*, 18(Suppl), 13–25
8. Wong, Chi-Sum & Law, Kenneth. (2002). The effects of leader and follower emotional intelligence on performance and attitude: An exploratory study. *The Leadership Quarterly*. 13. 243-274. 10.1016/S1048-9843(02)00099-1.
9. Petrides, K. V., & Furnham, A. (2001). Trait emotional intelligence: Psychometric investigation with reference to established trait taxonomies. *European journal of personality*, 15(6), 425-448.
10. Will Gornall, Ilya A. Strebulaev, Squaring venture capital valuations with reality, *Journal of Financial Economics*, Volume 135, Issue 1, 2020, Pages 120-143, ISSN 0304-405X, <https://doi.org/10.1016/j.jfineco.2018.04.015>. (<https://www.sciencedirect.com/science/article/pii/S0304405X19301692>)