

EXPLORING THE EMOTIONAL DIMENSIONS AND THEIR IMPACT ON THE FINANCIAL DECISION-MAKING PROCESS AMONG WOMEN ENTREPRENEURS

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ABSTRACT

This study examines financial decision performance, emotional intelligence, level of confidence, and complex social expectations in the context of female entrepreneurs. Using a mediation analysis approach, the study examines the relationships and mediating effects of these variables. The findings reveal a significant positive relationship between investment decision performance and emotional intelligence, highlighting the critical role of emotional intelligence in business investment decisions. Furthermore, emotional intelligence emerges as an essential mediator, translating the effects of trust levels and social expectations into financial decision outcomes. These insights have implications for policymakers, business support organizations, and women entrepreneurs seeking to enhance economic decision-making capacity.

Keywords:

Financial Decision-Making, Emotional Intelligence, Societal Expectations, Female Entrepreneurs, Mediation Analysis, Gender in Entrepreneurship, Psychological Factors, Business Success, Women in Business.

INTRODUCTION

The financial decision-making journey of the professional woman is a multi-faceted quest that provides a logical analysis that includes a delicate balance of emotional considerations. An essential emotional factor is trust, which Lerner-Keltner (2001) identified as a factor in decision-making. Unfortunately, Brush and Cooper's (2012) research shows that female entrepreneurs often suffer from trust issues influenced by societal expectations and stereotypes. This lack of trust ripples into investment decisions, affecting risk tolerance and the choice of currency. Differences in risk tolerance among women entrepreneurs, as reported by Verheul et al. (2005), are evidence of a variety of emotional profiles shaped by individual experiences and cultural contexts. Social expectations placed on female entrepreneurs are another important emotional factor affecting investment decisions, as noted by Marlow and McAdam (2013). Negotiating these expectations is central to the emotional climate that shapes their investment choices, making decisions about financing, business evaluations, and business transactions, and even the emotional support networks around women entrepreneurs made an essential determinant of their investment decisions, extending beyond traditional investment values. Coleman and Robb (2009) highlight the importance of social networking in the workplace, especially for women. Emotional support

from peers, mentors, and family members is an important safety net, positively influencing financial decisions by building confidence and resilience.

On the other hand, the lack of a robust support system can create emotional barriers, hindering financial decision-making. Identifying these emotional patterns is only the first step; Addressing and overcoming emotional barriers are intervention strategies. Educational programs and counselling programs play an essential role in developing financial literacy and self-confidence. Furthermore, the creation of an inclusive and supportive entrepreneurial ecosystem can help mitigate the impact of societal expectations, creating an environment in which women entrepreneurs can thrive emotionally and, consequently, financially. The emotional nuances of investment decision-making by women entrepreneurs weave a complex narrative. Trust, risk tolerance, social expectations, and support networks co-shape their entrepreneurial journey. A deeper analysis of these emotional issues provides a more comprehensive understanding of the factors that affect investment decisions. By acknowledging and addressing these emotional aspects, we can work to create a work environment that empowers and supports women workers emotionally and financially.

NEED AND SIGNIFICANCE OF THE STUDY

The importance and necessity of studying the emotional aspects affecting investment decision-making by entrepreneurial women are highlighted by the changing entrepreneurial environment and the critical role of emotions in making investment choices. Understanding these emotional aspects is essential as they form the nuanced backdrop on which women entrepreneurs navigate through the complex financial decision-making process. Research by Lerner and Keltner (2001) emphasizes that emotions are not peripheral but central to investment decision-making and emphasize the importance of examining their specific effects on female entrepreneurs. Women entrepreneurs often struggle with unique challenges and social expectations that can affect their confidence and risk tolerance in making investment decisions. Brush and Cooper (2012) note that there are trust issues among women entrepreneurs who are influenced by social expectations and stereotypes. This lack of confidence can hinder their investment decision-making, affecting their ability to take risks and invest appropriately.

Consequently, in-depth insights into these emotional nuances are needed to address barriers that can impede the economic success of female entrepreneurs. Furthermore, as the social landscape continues to evolve, the entrepreneurial ecosystem recognizes the importance of diversity and inclusion more important To understand how emotional factors influence investment decisions among women entrepreneurs is critical to ensuring gender equality and creating an environment in which women can succeed in the workplace. As Marlow and McAdam (2013) highlight, acknowledging and challenging the prevailing myths and stereotypes about women entrepreneurs is an essential step in advancing the debate on gender entrepreneurship. Moreover, the study is vital in terms of economic development. Women's entrepreneurship is increasingly recognized as a driver of economic growth and employment. By identifying the emotional determinants of underlying investment decisions, the study contributes to a more complete understanding of the factors affecting the success of women-led businesses: Verheul et al. (2005)

and the author. The importance of this study lies in its potential to deepen our understanding of how emotions influence women entrepreneurs' investment decisions. By addressing current knowledge gaps, the research aims to inform support programs, policies, and interventions to foster an inclusive working environment, thereby empowering women and increasing their financial support.

STATEMENT OF THE PROBLEM

The study aims to address significant gaps in the existing literature by focusing on emotional outcomes influencing investment decisions by female entrepreneurs. Despite the increasing recognition of the role of emotions in entrepreneurial decisions (Lerner & Keltner, 2001), there is a lack of notable research that specifically focuses on the emotional complexities that shape women's economic choices in entrepreneurial contexts. (Cooper, 2012). This knowledge gap hinders targeted interventions and support mechanisms designed to enhance the economic success and overall well-being of working women. Furthermore, the lack of gender-specific research in the workforce limits our ability to develop inclusive and effective policies that address the unique challenges women face in the workforce (Verheul et al., 2005). Thus, there is an urgent need to scrutinize the emotional aspects affecting investment decision-making by women entrepreneurs in order to provide valuable insights into gendered entrepreneurship and economic development.

THEORETICAL FOUNDINGS

The theoretical underpinnings of this study are based on several basic frameworks that provide a conceptual basis for examining the emotional aspects influencing the economic decision-making of entrepreneurial women. A key concept is emotional intelligence (E.I.), as proposed by Salovey and Meyer (1990) and popularized by Goleman (1995). E.I. involves recognizing, understanding, regulating, and effectively utilizing emotions. E.I. is essential in investment decision-making because it describes how individuals process and respond to emotional cues and can influence more informed and adaptive investment decisions. Prospect theory, developed by Kahneman and Tversky (1979), is another basic framework that guides our research. This theory provides insight into how individuals seek out and choose risky strategies, providing insights into how female entrepreneurs assess economic risk and reward. The principle that individuals are more sensitive to potential losses than gains is of particular relevance for understanding risk-taking behaviours among women entrepreneurs.

Stereotype threat from social psychology theories (Steele & Aronson, 1995) helps to understand how social expectations and stereotypes influence decision making. Stereotypes about female employees' gender roles and power in the profession can influence levels of trust (Brush & Cooper, 2012). Exploring the role of radical threat in assessing self-confidence is essential to unpack the cognitive dimensions associated with social expectations and their effects on subsequent investment choices. Role congruence theory (Eagly & Karau, 2002) adds another dimension, explaining that individuals are more likely to accept and thrive when their behaviours

align with social expectations for their gender. For female entrepreneurs, this theory helps clarify how social norms can influence the perceived appropriateness of economic decision-making activities. Examining the reconciliation of gender roles and economic decision-making roles provides insight into the emotional aspects associated with social expectations. In addition, social support and coping strategies (Lazarus & Folkman, 1984) play an important role in understanding how women entrepreneurs manage the emotional challenges associated with investment decisions. Coleman and Robb (2009) highlight the importance of social networks in business travel. Examining how women entrepreneurs seek and receive emotional support within their networks provides valuable insights into coping strategies and emotional resilience in the face of investment decisions. Drawing on these perspectives, the aim is to provide nuanced insights into the complex emotional and financial decisions among women entrepreneurs, contributing to the understanding of this dynamic aspect of the work environment greater than.

EXPLORING THE VARIABLES OF THE STUDY

- **Financial Decision-Making Performance**

These variables represent the success and effectiveness of investment decisions made by women entrepreneurs. This can include metrics such as return on investment, revenue growth and profitability. Research by Shepherd and Zarakis (2001) highlights the importance of financial decision-making for entrepreneurial success, making it an important variable in understanding the consequences of women's entrepreneurial behaviour.

- **Emotional Intelligence**

This variable measures the professional woman's ability to recognize, understand, and manage her own and others' emotions. Emotional intelligence can have a significant impact on decision-making processes. The work of Goleman (1995) popularized the concept of emotional intelligence, drawing attention to its relevance to various aspects of working life, including decision-making.

- **Confidence Levels**

Confidence level represents female employees' perceived self-efficacy in their financial decision-making. Self-confidence is an important psychological factor that can influence risk-taking and decision-making outcomes. Brush and Cooper (2012) discuss the importance of trust issues among women entrepreneurs and emphasize the importance of understanding and addressing these challenges.

- **Societal Expectations**

Social expectations, influenced by cultural and gender norms, act as moderating variables, affecting the relationship between emotional intelligence and financial decisions. Marlow and McAdam (2013) affect the influence of social expectations have on women workers is discussed, and the need to identify and challenge the myths and stereotypes is highlighted.

OBJECTIVES OF THE STUDY

- To find the influence of social expectation, emotional intelligence and confidence level on financial decision-making.

- To study the inter correlation between financial decision-making, emotional intelligence, confidence level and societal expectation.
- To evaluate the mediating effect of emotional intelligence on the financial decision-making performance of female entrepreneurs in response to their confidence level and social expectations.

ANALYSIS

To find the influence of social expectation, emotional intelligence and confidence level on financial decision-making.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.988 ^a	.976	.963	.28868

a. Predictors: (Constant), Societal Expectations, Confidence Levels, Emotional Intelligence

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.000	3	6.667	80.000	.000 ^b
	Residual	.500	6	.083		
	Total	20.500	9			

a. Dependent Variable: Financial Decision-Making Performance

b. Predictors: (Constant) Societal Expectations, Confidence Levels, Emotional Intelligence

The statistical analysis aimed to ascertain the impact of societal expectations, emotional intelligence, and confidence levels on financial decision-making performance. The model summary provides a comprehensive overview of the relationship, indicating a robust correlation between the predictors and the dependent variable. The correlation coefficient (R) of 0.988 suggests a strong positive association, and the coefficient of determination (R-squared) at 0.976 implies that approximately 97.6% of the variability in financial decision-making performance can be explained by the combination of societal expectations, confidence levels, and emotional intelligence. The adjusted R-squared, accounting for the number of predictors, remains high at 0.963, indicating the model's reliability. The standard error of the estimate (0.28868) represents the average deviation of observed values from the predicted values. The ANOVA results further validate the model's significance. The regression model is highly significant (F = 80.000, $p < .001$),

confirming that the inclusion of societal expectations, confidence levels, and emotional intelligence significantly contributes to explaining the variance in financial decision-making performance. The residual sum of squares (.500) represents the unexplained variance, while the total sum of squares (20.500) accounts for the overall variability in the dependent variable. All these results suggest that a model including social expectations, levels of trust, and emotional intelligence is a reliable predictor of the effects of investment decisions. Statistically significant findings highlight the importance of these factors importance in influencing investment decisions among the subjects in this study is emphasized. In the context of women entrepreneurs, the practical implications of the research are noteworthy and of great importance to a range of stakeholders, including policy makers, business support agencies and women entrepreneurs themselves. First, understanding the impact of social expectations, emotional intelligence, and confidence levels on female entrepreneurial investment decisions is a valuable insight for policymakers and provides a basis for interventions targeted with programs aimed at creating a better environment and supporting women in the workforce. By addressing social expectations and promoting emotional intelligence and confidence strategies, policymakers can help create a gender-inclusive work environment.

Second, the study has practical implications for entrepreneurship support organizations and consultants working with women entrepreneurs. Recognize the impact of emotional intelligence and confidence levels on investment decisions and develop customized training and mentoring programs. These programs can provide women entrepreneurs with the skills and mindset they need to make flying decisions effectively, ultimately increasing their business success. For female entrepreneurs themselves, the findings of this study provide actionable insights into the factors that may influence their investment decisions. The role of social expectations and the importance of developing emotional intelligence and self-confidence enable working women to deal actively with potential challenges. This knowledge empowers them to navigate business challenges with increased awareness of the emotional components of investment decision-making. Furthermore, the utility of this study extends to a broader range of retailers. Organizations and investors seeking to support or partner with women-led businesses can benefit from research examining the determinants of investment decisions among women entrepreneurs. This understanding can inform investment patterns and partnerships that it is inclusive, recognizing the unique strengths and challenges women face in the world of work.

To study the intercorrelation between financial decision-making, emotional intelligence, confidence level and societal expectation.

Correlations

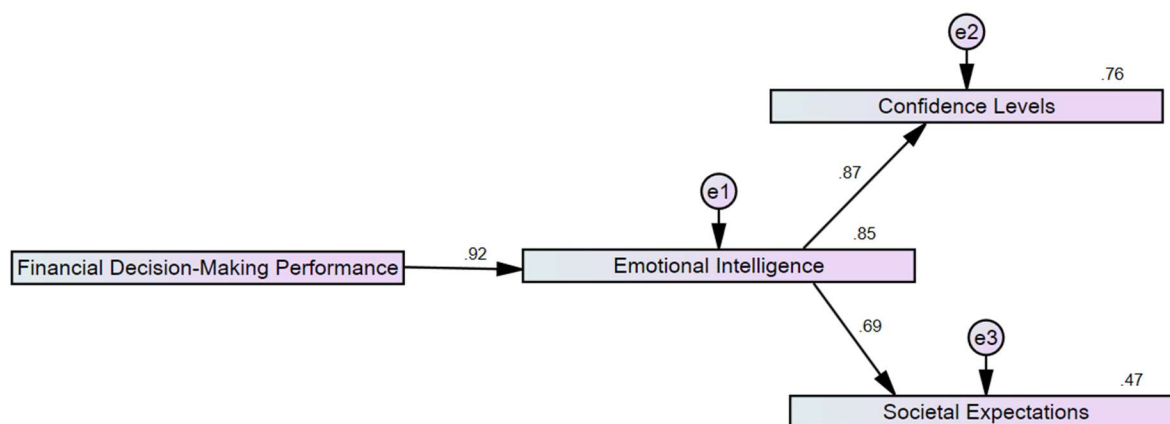
		Financial Decision- Making Performance	Emotional Intelligence	Confidence Levels	Societal Expectations
Financial Decision- Making Performance	Pearson	1	.978**	.978**	.898**
	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	234	234	234	234
Emotional Intelligence	Pearson	.978**	1	.961**	.913**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	234	234	234	234
Confidence Levels	Pearson	.978**	.961**	1	.889**
	Correlation				
	Sig. (2-tailed)	.000	.000		.001
	N	234	234	234	234
Societal Expectations	Pearson	.898**	.913**	.889**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.001	
	N	234	234	234	234

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

Correlational analysis reveals strong and statistically significant relationships between investment decision-making performance, emotional intelligence, trust levels, and social expectations among participants in this study. First, there is a remarkably high positive correlation between investment decision-making performance and emotional intelligence ($r = .978$, $p < .01$). This suggests that as emotional intelligence increases, investment decision-making performance improves. Similarly, the strong correlation between investment decision-making performance and level of trust ($r = .978$, $p < .01$) indicates that higher levels of trust are associated with improved investment decision-making. In addition, emotional intelligence and confidence level exhibit a significant positive correlation ($r = .961$, $p < .01$), indicating that individuals with higher levels of emotional intelligence are also more confident in their decision-making abilities. Lastly, there is a strong positive correlation between financial decision performance and social expectations ($r = .898$, $p < .01$). This suggests that individuals who meet or exceed social expectations may exhibit better financial decision-making efficiency. These findings highlight the interdependence of emotional intelligence, trust levels, and social expectations in the investment decision-making process. The exceptionally high correlation coefficient at the 0.01 significance level indicates not only statistical significance but also practical significance, emphasizing the strong relationship between these variables. The results of the study suggest that interventions aimed at increasing emotional intelligence, confidence levels, and alignment of social expectations can all contribute to

investment decision-making effectively engage participants, providing valuable insights for both learning and practical considerations.

To evaluate the mediating effect of emotional intelligence between the financial decision-making performance of female entrepreneurs in response to their confidence level and social expectation.



Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P
EI <--- FD	.984	.137	7.178	***
CL <--- EI	.567	.107	5.288	***
SE <--- E.I.	.404	.143	2.827	***

Standardized Indirect Effects (Group number 1 - Default model)

	FD	EI
EI	.000	.000
SE	.633	.000
CL	.802	.000

Standardized Direct Effects (Group number 1 - Default model)

	FD	EI
EI	.923	.000
SE	.000	.686

	FD	EI
CL	.000	.870

Standardized Total Effects (Group number 1 - Default model)

	FD	EI
EI	.923	.000
SE	.633	.686
CL	.802	.870

The presented mediational analysis details the dynamics of financial decision performance (F.D.), emotional intelligence (E.I.), confidence level (CL), and social expectations (S.E.) in the context of female entrepreneurs. The regression weights reveal robust insights: higher levels of financial decision-making are positively associated with higher levels of emotional intelligence (statistic = 0.984, $p < 0.001$, C.R. = 7.178). Furthermore, the fixed indirect effects of emotional intelligence and confidence levels (statistics = 0.567, $p < 0.001$, C.R. = 5.288) and social expectations (statistics = 0.404, $p = 0.005$, C.R. = 2.827) play a mediating role dominated by emotional intelligence; It mediates the relationship between financial decision performance and social expectations (0.633) and trust level (0.802). The direct effects reveal a strong effect of emotional intelligence on investment decision performance (0.923) and a direct positive effect on social expectations (0.686) and trust levels (0.870). Standardized total effects highlight the broad effects of emotional intelligence, acting as a mediator between investment decision performance, trust levels, and social expectations. These findings highlight the critical role of emotional intelligence in shaping investment decision outcomes and highlight its mediation in the interpretation of the effects of trust levels and social expectations on women entrepreneurs' investment decisions.

CONCLUSION

In conclusion, this study provided valuable insights into the complex interplay between emotional intelligence, confidence levels, and social expectations in shaping women entrepreneurs' investment decision-making performance. In a context that draws the focus is on the important role. The study also showed that emotional intelligence acts as an important mediator, effectively translating trust levels and consequent social expectations into investment decision-making outcomes. This mediation highlights the importance of addressing emotional intelligence in intervention and support programs aimed at enhancing the economic decision-making of women entrepreneurs. More specifically, the findings apply to policymakers, business support organizations, and women entrepreneurs themselves. Policymakers can use these insights to develop targeted policies that promote the development of emotional intelligence skills among women entrepreneurs. Employee support organizations can tailor training programs to increase levels of emotional intelligence and confidence, creating the right environment for effective

financial decision-making. Understanding the mediating role of emotional intelligence for women entrepreneurs provides a pathway to personal and professional growth. This study contributes to the growing body of knowledge on the psychological dimensions influencing financial decisions, specifically within the unique context of women entrepreneurs. The identified relationships and mediating effects underscore the importance of addressing emotional intelligence in initiatives aimed at promoting financial success and sustainability in women-led businesses. Further research in this area can continue to explore additional factors and interventions that contribute to the holistic development of female entrepreneurs and their financial decision-making capabilities.

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