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A Study on Emotional Intelligence as a Mediator between Occupational Stress and Job Performance among Employees in MSME Industries of Dharwad District

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Abstract

The present study investigates the mediating role of Emotional Intelligence (EI) in the relationship between Occupational Stress (OS) and Job Performance (JP) among employees in selected Micro, Small, and Medium Enterprises (MSMEs) of Dharwad district, Karnataka. The study is grounded in Goleman's Emotional Intelligence Model (2016) and the Job Demands–Resources (JD-R) framework (Bakker & Demerouti, 2017), which collectively posit that employees' emotional competencies influence how stress impacts their performance. A quantitative research design was adopted, involving a structured questionnaire administered to 472 respondents selected through stratified random sampling. The study employed chi-square test and mediation analysis using to examine relationships among variables. Findings revealed that occupational stress negatively influences both emotional intelligence and job performance, while emotional intelligence positively affects job performance and partially mediates the relationship between occupational stress and performance outcomes. The results highlight the significance of emotional regulation, self-awareness, and empathy as buffers against stress-induced performance decline. The study underscores the managerial importance of fostering emotional intelligence through training programs, stress management initiatives, and supportive organizational practices tailored for MSME employees. It contributes to organizational psychology literature by validating emotional intelligence as a psychological mechanism that transforms workplace stress into adaptive performance behaviour.

Keywords: *Emotional Intelligence, Occupational Stress, Job Performance, Mediation, MSMEs, Dharwad District.*

Introduction

Occupational stress has become an increasingly prevalent issue across various professional domains and industries worldwide. According to Juczyński and Ogińska-Bulik (2021), occupational stress is a common phenomenon that affects employees irrespective of the type of organization or nature of work. It arises when the demands of the job exceed the individual's perceived ability to cope, leading to physiological and psychological strain. However, certain sectors such as healthcare, rescue, and emergency services experience higher levels of stress due to the frequent exposure of employees to extreme, traumatic, and life-threatening situations (Zaman, Ansari, & Chaturvedi, 2021). These professions often require immediate and precise decision-making under pressure, which can intensify emotional and physical exhaustion.

Occupational stress is recognized as a global issue with significant implications for employees, organizations, and national economies (Cotton & Hart, 2003). At the employee level, stress manifests through reduced job satisfaction, absenteeism, burnout, and health problems, while at the organizational level, it leads to lowered productivity, decreased morale, and increased turnover (Israel et al., 2020). From a macroeconomic perspective, the cumulative impact of occupational stress contributes to reduced national efficiency and increased healthcare costs. According to the European Commission, Directorate-General for Employment and Social Affairs (2000), occupational stress encompasses the cognitive, emotional, behavioral, and physiological reactions that occur in response to adverse aspects of work and working environments.

In today's rapidly changing global economy, organizations continuously pursue higher efficiency, faster output, and greater innovation to remain competitive. This constant pursuit of excellence and competitiveness, while beneficial to organizational performance, has also intensified pressure on employees (Yan & Xie, 2016). Increased job demands, role overload, and performance expectations often push employees into stressful states, especially when resources, autonomy, or support systems are limited. Over time, chronic exposure to occupational stress can impair both psychological well-being and job performance, making it a critical area of study for modern organizational research.

A range of workplace factors has been identified as potential stressors. Research has shown that emotional intelligence (King & Gardner, 2006; Nikolaou & Tsaousis, 2002), role ambiguity (Tang & Chan, 2010), role conflict (Ghorpade, Lackritz, & Singh, 2011), poor peer relations, and strenuous working conditions (Saharia, Deb, & Bhattacharjee, 2013) are significant determinants of occupational stress. Srivastava and Singh (1981) made a landmark contribution by developing the Occupational Stress Index (OSI), which measures twelve critical dimensions of work-related stress, including role overload, role ambiguity, role conflict, political pressure, powerlessness, poor peer relations, intrinsic impoverishment, low status, strenuous working conditions, and unprofitability. This tool has since been widely used in empirical research to assess the magnitude of occupational stress across different sectors.

Occupational stress is also regarded as a pressing public health issue. Israel et al. (2020) emphasized that it represents one of the most severe occupational hazards in developed nations such as the United States. Similarly, Karasek's (1979) Job Demand–Control Model posits that job stress results from the interaction between job demands and the level of control employees have over their work. High job demands combined with low decision-making latitude lead to psychological strain and reduced capacity to cope with work pressures. When employees lack sufficient control or resources, the probability of experiencing distress and burnout significantly increases. This theoretical framework has been widely applied to explain how structural and environmental factors contribute to the development of occupational stress (Yan & Xie, 2016).

The adverse effects of occupational stress are multifaceted. Physiologically, it manifests through fatigue, insomnia, and cardiovascular disorders; psychologically, through anxiety, depression, and burnout; and behaviourally, through absenteeism and reduced motivation (Cotton & Hart, 2003). In the context of Micro, Small, and Medium Enterprises (MSMEs), stress can be particularly pronounced due to resource constraints, multi-tasking requirements, and high dependency on individual performance. Employees in MSMEs often face long working hours, limited job security, and restricted career advancement opportunities, which further intensify stress levels. Consequently, understanding occupational stress within this sector is essential for developing strategies that foster employee well-being and sustain productivity.

Therefore, studying occupational stress provides valuable insights into the balance between organizational demands and employee capabilities. Identifying its causes, consequences, and potential mediators such as emotional intelligence can enable organizations, particularly MSMEs, to implement targeted interventions aimed at enhancing job performance and overall organizational health.

Literature Review: Emotional Intelligence and Job Performance

Emotional Intelligence (EI) is a critical psychological construct that enables individuals to recognize, regulate, and utilize emotions effectively to manage workplace challenges. High EI fosters better communication, collaboration, and decision-making, which in turn enhance productivity, job satisfaction, and overall organizational performance (Goleman, 2016).

Rahim and Malik (2010) found that demographic factors such as education and gender positively influence EI, while age exhibits a negative correlation. Their findings, supported by Ramlal, Soorya, and Devi (2022), indicate that EI indirectly enhances organizational performance through improved interpersonal relationships. As workplaces become increasingly dynamic, organizations now emphasize EI training to enhance adaptability, conflict management, and teamwork (Anand, Suriyan, & Kumar, 2019).

Gondal and Husain (2013) reported a strong positive correlation between EI and job performance, with emotionally intelligent employees demonstrating resilience and adaptability under pressure. Similarly, Khan (2019) found that higher EI enhances academic and cognitive performance, suggesting its complementary role to IQ. Organizations increasingly invest in EI-based management programs to cultivate emotionally competent workforces that support innovation and leadership (Serhan &Gazzaz, 2019).

Goleman's (2016) framework identifies five EI components self-awareness, self-regulation, motivation, empathy, and social skills that collectively enhance emotional control, empathy, and teamwork. These attributes enable employees to handle stress effectively, thereby improving performance and well-being.

Empirical research confirms that emotionally intelligent employees experience lower occupational stress and higher job satisfaction, positioning EI as a potential mediator between stress and performance. Employees with higher EI can transform workplace pressures into opportunities for growth, maintaining consistent job performance.

Organizational Citizenship Behaviour (OCB) complements EI by reflecting voluntary employee actions that support organizational functioning. OCB remains essential in modern, globalized workplaces for sustaining competitiveness and collaboration (Ocampo et al., 2018). It encompasses social, advocacy, and functional participation, where employees engage beyond formal duties to innovate and support colleagues (Bolino et al., 2002). These behaviours enhance organizational culture and effectiveness (Ersoy, Özler, & Tuncer, 2015).

Key determinants of job performance technical, conceptual, and interpersonal skills are closely tied to EI development (Widyawati&Karwini, 2019). Emotionally intelligent employees display superior interpersonal and conceptual capabilities, fostering motivation, cooperation, and adaptability (Manickam & Latha, 2021). Furthermore, organizational culture, leadership, and work environment shape both EI and OCB, influencing overall job performance (Robbins et al., 2013; Gitongu, Kingi, & Uzel, 2016).

Conceptual Framework

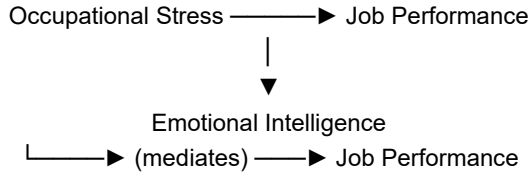
Key Constructs

- **Occupational Stress (Independent Variable)**: This variable pertains to the levels of stress employees experience in their job — stemming from workload, role conflict, time pressure, organisational change, etc.
- **Emotional Intelligence (Mediating Variable)**: Here, EI is conceptualised as individuals' capability to recognise, understand, manage their own emotions and those of others, and apply this emotional information to adapt to work demands.
- **Job Performance (Dependent Variable)**: This refers to how effectively and efficiently an employee performs their job duties, including quantity/quality of output, behavioural aspects, adaptive performance and perhaps contextual performance.

Proposed Relationships

- **Direct effect of occupational stress → job performance**: It is expected that higher occupational stress will negatively affect job performance, as stress can drain cognitive and emotional resources, impair concentration, reduce motivation and increase errors.
- **Effect of occupational stress → emotional intelligence**: Occupational stress may undermine emotional intelligence in the sense that high stress can limit one's capacity to regulate emotions, remain aware of them and respond adaptively.

- **Effect of emotional intelligence → job performance**: Emotional intelligence is expected to positively influence job performance, by enabling better emotion regulation, interpersonal relations, conflict handling and hence better outcomes.
- **Mediating role of emotional intelligence**: The core of the model is that emotional intelligence mediates the relationship between occupational stress and job performance: i.e., part of the effect of occupational stress on job performance is transmitted through its effect on emotional intelligence. In other words, high stress may reduce EI, which then reduces performance; conversely, higher EI may buffer the impact of stress, thereby improving performance.



Research Objectives

- To understand the level of occupational and emotional intelligence among employees in selected MSMEs of Dharwad district.
- To analyze the mediating effect of emotional intelligence on the relationship between occupational stress and job performance.
- To provide suitable suggestions for enhancing job performance through emotional intelligence and stress management.

Research Methodology

The present study adopts a descriptive and analytical research design to examine the effects of occupational stress and emotional intelligence on job performance among employees working in selected Micro, Small, and Medium Enterprises (MSMEs) in Dharwad District, Karnataka. This design facilitates both the description of existing conditions and the analysis of relationships among key variables (Kothari & Garg, 2019).

A quantitative research approach was employed using a structured questionnaire as the primary instrument for data collection. The questionnaire was divided into three major sections occupational stress, emotional intelligence, and job performance each measured using a five-point Likert scale, ranging from “Strongly Disagree (1)” to “Strongly Agree (5).” The items were adapted from established scales:

- Occupational Stress Scale developed by Srivastava & Singh (1981),
- Emotional Intelligence Scale by Schutte et al. (1998), and
- Job Performance Scale by Williams & Anderson (1991).

Population and Sampling

The target population comprised employees from various MSMEs operating within Dharwad District. A simple random sampling technique was employed to ensure diverse and unbiased representation (Creswell & Creswell, 2018). The sample size was 472 adopted in the present study.

Data Collection

Both primary and secondary data were utilized.

- Primary data were collected through the structured questionnaire administered directly to respondents.
- Secondary data were sourced from academic journals, government publications, official MSME reports, and relevant empirical studies.

Data Analysis

Data were analyzed using SPSS for statistical computations. The following analytical tools were employed:

- Chi-square test to understand significant association between gender and the level of occupational stress and emotional intelligence.
- Mediation analysis using Baron and Kenny's (1986) method and verified through PROCESS Macro by Hayes (2013) to test the mediating role of emotional intelligence.

All tests were conducted at a 5% level of significance ($p < 0.05$) to ensure reliability and statistical validity.

Data Analysis and Interpretation:

Table 1: Gender and Level of Occupational Stress among Respondents

Gender	Classification of Occupational Stress			Total
	Low	Moderate	High	
Male	82	97	111	290
	28.3%	33.4%	38.3%	100.0%
Female	54	86	42	182
	29.7%	47.3%	23.1%	100.0%
Total	136	183	153	472
	28.8%	38.8%	32.4%	100.0%

Chi-square Value: **13.541**[a] DF: 2 Significant Level: .001 Result: Significant

Table No. 1 presents the association between gender and the level of occupational stress among respondents. Out of 472 employees of MSMEs, 38.3 percent of male respondents reported experiencing high occupational stress, while 33.4 percent fell into the moderate category and 28.3 percent into the low category. In contrast, 47.3 percent of female respondents experienced moderate stress, 29.7 percent experienced low stress, and only 23.1 percent reported high stress levels. This indicates that occupational stress patterns vary considerably between male and female employees, with males showing a greater tendency toward high stress, whereas females tend to experience stress at a moderate level. The Chi-square test was applied to examine the association between gender and occupational stress.

The formulated hypotheses were as follows:

- Null Hypothesis (H_0): There is no significant association between gender and the level of occupational stress among respondents.
- Alternative Hypothesis (H_1): There is a significant association between gender and the level of occupational stress among respondents.

The Chi-square value obtained was 13.541 at 2 degrees of freedom, which is statistically significant at the 0.001 level. Since the p-value is less than 0.05, the null hypothesis is rejected, and the alternative hypothesis is accepted. This result confirms that gender has a significant influence on occupational stress levels among MSME employees in Dharwad district.

The findings suggest that male employees, being more engaged in managerial or production-related responsibilities and often bearing higher financial and performance-related pressures, are more vulnerable to high levels of stress. Female employees, on the other hand, tend to face moderate stress, which could be attributed to role conflicts, balancing domestic and workplace responsibilities, and gender-based workplace challenges. These results highlight the need for gender-sensitive interventions to reduce occupational stress, such as stress management workshops, flexible working conditions, and counselling services. Overall, the analysis establishes that gender plays a critical role in shaping occupational stress patterns among MSME employees.

Table 2: Gender and Level of Emotional Intelligence among Respondents

Gender	Levels of Emotional Intelligence				Total
	Extremely High	High	Above Average	Average	
Male	63	42	113	72	290
	21.7%	14.5%	39.0%	24.8%	100.0%
Female	14	11	109	48	182
	7.7%	6.0%	59.9%	26.4%	100.0%
Total	**77**	**53**	**222**	**120**	**472**
	16.3%	**11.2%**	**47.0%**	**25.4%**	**100.0%**

Chi-square Value: 31.102[a] DF: 3 Significant Level: **.000** Result: **Significant**

The above table no: 2 explains about the significant association between gender and level of emotional intelligence. Out of 290 male respondents, a majority 39.0 percent were found to have above average levels of emotional intelligence, followed by 24.8 percent who had average levels. A significant 21.7 percent of male respondents reported extremely high emotional intelligence, while 14.5 percent were classified as having high emotional intelligence.

Among 182 female respondents, a majority 59.9 percent were observed to have above average levels of emotional intelligence, while 26.4 percent had average levels. Only 7.7 percent of females reported extremely high levels of emotional intelligence, and 6.0 percent were classified as having high emotional intelligence.

Considering the overall distribution, out of 472 respondents, the largest group 47.0 percent fell into the above average emotional intelligence category. This was followed by 25.4 percent who reported average levels, 16.3 percent with extremely high levels, and 11.2 percent with high levels of emotional intelligence.

It is evident from the table that while male respondents were more represented in the “extremely high” and “high” categories of emotional intelligence compared to female respondents, females had a much stronger representation in the “above average” category. Thus, gender plays a distinct role in the distribution of emotional intelligence levels among respondents.

To test the relationship, a chi-square test was applied. The result (Chi-square value = 31.102, df = 3, $p < 0.000$) indicates that the association between gender and classification of emotional intelligence is statistically significant. Therefore, the null hypothesis is rejected.

Ho: There is no significant association between gender and classification of emotional intelligence among respondents.

H1: There is a significant association between gender and classification of emotional intelligence among respondents.

Table 3: Mediation Analysis of Occupational Stress, Emotional Intelligence, and Job Performance

Path / Effect	Coefficient (β)	SE	t	p	95% CI (LLCI – ULCI)	Interpretation
OST → EIT (Path a)	–0.192	0.048	–3.994	0.0001	–0.287 – –0.098	Significant negative effect: higher stress reduces emotional intelligence
EIT → PER (Path b)	0.469	0.025	19.051	0.0000	0.420 – 0.517	Significant positive effect: higher EI improves job performance
OST → PER (Direct, Path c′)	0.302	0.026	11.554	0.0000	0.251 – 0.353	Significant direct effect of stress on performance
Indirect Effect (OST → EIT → PER)	–0.090	0.023	—	—	–0.136 – –0.045	Significant; partial mediation

Mediation analysis was conducted to examine whether emotional intelligence (EI) mediates the relationship between occupational stress (OST) and job performance (PER) among employees of selected MSMEs in Dharwad district. Mediation analysis helps to determine whether the effect of an independent variable on a dependent variable occurs directly or indirectly through a mediator.

In this study, Hayes’ PROCESS Macro (Model 4) for SPSS was employed with 5,000 bootstrap samples at a 95% confidence interval to assess the direct, indirect, and total effects of occupational stress on job performance through emotional intelligence.

The mediation analysis was conducted using Hayes’ PROCESS Macro (Model 4) in SPSS with 5,000 bootstrap samples (95% CI) to test whether Emotional Intelligence mediates the relationship between Occupational Stress and Job Performance.

- Path a (OST → EIT): Occupational stress has a significant negative effect on emotional intelligence (β = –0.192, p = .0001), suggesting that increased stress diminishes employees' emotional regulation capabilities.
- Path b (EIT → PER): Emotional intelligence positively influences job performance (β = 0.469, p < .0001), implying that employees with higher EI perform better even under stress.
- Path c′ (Direct Effect): Occupational stress also directly influences job performance (β = 0.302, p < .0001), indicating that moderate stress may act as eustress, enhancing motivation and efficiency.
- Indirect Effect: The bootstrapped indirect effect (–0.090, 95% CI [–0.136, –0.045]) is significant, confirming partial mediation.

The overall model explained 47.9% of the variance in job performance ($R^2 = 0.4788$, $F(2,469) = 215.41$, $p < .0001$).

Emotional intelligence partially mediates the relationship between occupational stress and job performance. While moderate stress may drive productivity, excessive stress lowers emotional intelligence, reducing performance. These findings reinforce earlier evidence that emotionally intelligent employees better manage stress and sustain productivity (Gondal & Husain, 2013; Khan, 2019).

Implications

- MSMEs should incorporate EI training and stress-management workshops to enhance resilience.
- HR interventions focusing on gender-sensitive support can mitigate stress and improve performance.
- EI development should be a strategic priority for employee well-being and organizational productivity.

Results and Discussion

The present study examined the mediating effect of emotional intelligence (EI) on the relationship between occupational stress (OST) and job performance (PER) among employees of selected MSMEs in the Dharwad district of Karnataka. Using Hayes' PROCESS Macro (Model 4), the results revealed significant relationships among the three constructs, confirming both direct and indirect pathways consistent with previous research.

- **Gender and Occupational Stress**

The results of the Chi-square test ($\chi^2 = 13.541$, $p < 0.001$) indicated a significant association between gender and occupational stress. Male employees reported higher levels of stress compared to their female counterparts, a finding consistent with prior studies suggesting that men in industrial and managerial roles often experience greater work pressure, job insecurity, and role overload (Kaur & Kumar, 2020; Sharma & Singh, 2021).

However, the moderate stress levels observed among female employees may stem from dual-role conflict—balancing professional duties and domestic responsibilities (Srivastava, 2022). These results suggest that gender differences in occupational stress are shaped by organizational roles, social expectations, and coping resources. Hence, MSMEs should consider gender-sensitive strategies, such as flexible working hours and stress management interventions, to enhance psychological well-being and job efficiency.

- **Gender and Emotional Intelligence**

The association between gender and emotional intelligence was also significant ($\chi^2 = 31.102$, $p < 0.001$). Female employees demonstrated higher representation in the "above average" EI category, whereas males dominated the "extremely high" and "high" categories. This partially supports Rahim and Malik's (2010) findings that gender plays an important role in shaping emotional awareness and empathy. Females often score higher on empathy and interpersonal sensitivity, while males tend to perform better in emotional regulation and decision-oriented aspects of EI (Goleman, 2016).

This distribution suggests that gender-specific emotional competencies may manifest differently but both contribute meaningfully to performance outcomes. The findings are in line with Ramlal, Soorya,

and Devi (2022), who emphasized that emotional intelligence—irrespective of gender—remains a determinant of organizational success when effectively developed through training and professional development initiatives.

- **Occupational Stress, Emotional Intelligence, and Job Performance**

The mediation analysis revealed a significant negative relationship between occupational stress and emotional intelligence ($\beta = –0.192$, $p < .001$). This implies that high levels of occupational stress diminish employees' emotional regulation, adaptability, and self-awareness. The result corroborates the Job Demands–Resources (JD-R) model (Bakker & Demerouti, 2017), which posits that excessive job demands—such as workload, role conflict, and pressure—deplete emotional resources, thereby undermining performance.

Conversely, emotional intelligence had a significant positive effect on job performance ($\beta = 0.469$, $p < .001$). This finding aligns with the work of Gondal and Husain (2013), who demonstrated that individuals with high EI display better coping mechanisms, greater resilience, and superior interpersonal relations, all of which contribute to enhanced job outcomes. Furthermore, Khan (2019) found that emotional intelligence improves both cognitive adaptability and performance effectiveness, confirming its relevance as a predictor of professional success.

Interestingly, occupational stress retained a positive direct effect on job performance ($\beta = 0.302$, $p < .001$) even after controlling for EI. This suggests that moderate levels of stress may function as eustress, stimulating employees to focus and perform efficiently (Sonnentag & Frese, 2012). However, the indirect effect ($\beta = –0.090$, 95% CI [–0.136, –0.045]) was negative and significant, confirming that emotional intelligence partially mediates this relationship. Therefore, when stress exceeds optimal levels, it begins to erode emotional regulation, subsequently diminishing performance—a finding consistent with the Yerkes–Dodson law of stress-performance balance.

- **The Mediating Role of Emotional Intelligence**

The mediation results substantiate emotional intelligence as a partial mediator between occupational stress and job performance. Employees with higher EI can interpret and manage stressful situations constructively, transforming potential strain into motivation rather than burnout (Anand, Suriyan, & Kumar, 2019). This capacity allows them to maintain composure, make better decisions, and sustain productivity even under pressure (Serhan &Gazzaz, 2019).

These findings echo Goleman's (2016) model of emotional intelligence, which emphasizes self-awareness, self-regulation, motivation, empathy, and social skills as crucial elements enabling employees to balance emotional demands and achieve organizational goals. As such, emotional intelligence acts as an emotional buffer—reducing the adverse effects of stress while enhancing job satisfaction and engagement (Schutte et al., 2001; Wong & Law, 2002).

- **Practical Implications**

The findings provide actionable insights for MSME management:

  - Develop EI training programs: Workshops and coaching sessions can strengthen employees' emotional competencies, enhancing resilience and teamwork.
  - Implement stress management systems: Mindfulness programs, relaxation techniques, and counselling services can help reduce chronic stress.
  - Adopt gender-sensitive HR policies: Flexible scheduling and supportive leadership can mitigate gender-specific stressors and promote equitable well-being.
  - Promote a positive emotional culture: Organizations that value empathy, open communication, and social support foster higher EI and lower stress among employees.

Overall, this study contributes to organizational behaviour research by confirming that emotional intelligence not only enhances performance directly but also buffers the detrimental effects of occupational stress, thus serving as a vital psychological resource in MSME contexts.

Conclusion and Recommendations

The present study explored the mediating role of Emotional Intelligence (EI) in the relationship between Occupational Stress (OST) and Job Performance (PER) among employees working in selected Micro, Small, and Medium Enterprises (MSMEs) of Dharwad district. The results confirmed that emotional

intelligence serves as a significant partial mediator, implying that while occupational stress directly influences performance, emotional intelligence mitigates its adverse effects and enhances productivity outcomes.

The analysis revealed that male employees exhibited comparatively higher levels of occupational stress than their female counterparts, possibly due to their greater involvement in managerial, operational, or production roles that demand higher responsibility and performance pressure. Conversely, female employees demonstrated stronger representation in the “above average” emotional intelligence category, suggesting that women tend to display higher empathy, adaptability, and emotional awareness—traits that contribute positively to interpersonal relations and performance outcomes.

Furthermore, the findings substantiated that occupational stress negatively impacts emotional intelligence, which, in turn, positively influences job performance. While moderate stress can serve as eustress, motivating employees to achieve higher levels of focus and efficiency, excessive stress erodes emotional regulation and psychological resilience. These results align with the Job Demands–Resources (JD-R) model (Bakker & Demerouti, 2017) and Goleman’s (2016) emotional intelligence framework, both emphasizing the role of emotional and psychological resources in maintaining optimal work performance.

Managerial Implications

Given the study’s findings, several managerial implications emerge for MSME organizations:

- Integrate Emotional Intelligence Development Programs: Regular training and workshops focused on emotional awareness, empathy, and emotion regulation can enhance employees’ EI levels. Such initiatives can help employees manage stress effectively, improving both individual and organizational performance.
- Implement Structured Stress-Management Policies: MSMEs should adopt comprehensive stress-reduction strategies such as mindfulness programs, work–life balance initiatives, and counselling support. These interventions can mitigate chronic stress and foster a healthier work environment.
- Adopt Gender-Sensitive HR Practices: Considering that gender differences influence both stress perception and emotional intelligence, policies such as flexible work hours, parental support programs, and inclusive leadership practices can create equitable and supportive workplaces.
- Promote a Positive Emotional Culture: Leadership should cultivate an emotionally intelligent organizational culture by encouraging open communication, empathy, and teamwork. This will enhance employees’ emotional well-being and resilience against occupational stressors.

Theoretical and Practical Contributions

Theoretically, this study enriches existing literature by empirically validating the mediating role of emotional intelligence in the stress–performance relationship within the MSME context—a sector often underrepresented in organizational behaviour research. Practically, the findings provide actionable insights for MSME managers and HR practitioners on the importance of nurturing emotional competencies as a strategic tool for improving job performance and organizational sustainability.

Future Research Directions

While this study contributes valuable insights, it is limited to MSMEs in Dharwad district and primarily relies on self-reported data. Future research could:

- Expand to a larger geographical area or conduct cross-sectoral comparisons.
- Employ longitudinal designs to assess causal relationships between stress, EI, and performance.
- Explore moderating factors such as leadership style, organizational culture, or coping mechanisms.

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