Article

Emotional Intelligence and Culturally Grounded Leadership: A Study of Small Business Owners in San Pedro, Laguna, Philippines

Minerva D. Ferranco [ID]

Polytechnic University of the Philippines-San Pedro Campus

Correspondence: md.ferranco@pup.edu.ph

Abstract

In a more globalized world, leadership is no longer simply about strategic planning or technical skills, but also about empathy and cultural grounding. This research examines the confluence of emotional intelligence and culturally embedded leadership among entrepreneurs of San Pedro, Laguna, Philippines, where business is not just economics but personal and relational. Based on a qualitative, phenomenological approach, the research aimed to grasp how Filipino values like bayanihan (solidarity), hiya (modesty), utang na loob (gratitude debt) and malasakit (sincere concern) are embedded in the practices of local entrepreneurs as leaders. Twelve small business owners took part through in-depth, semi-structured interviews, and thematic analysis based on Braun and Clarke's (2006) approach was used. Research found four core themes: emotional intelligence as the essence of humane leadership, cultural values as guiding principles, relational leadership that develops employee loyalty, and leadership as stewardship of the community. Participants showed that good leadership is not just about profit and productivity, but about building trust, empathy, and upholding ethical relationships with employees and the community. These results undermine prevailing Western leadership models and confirm the worth of a culturally empathetic, emotionally intelligent leadership style in Filipino entrepreneurship. The study contributes to the discourse on inclusive and values-based business models, offering a grounded framework for leadership that reflects local ethics, nurtures psychological safety, and promotes sustainable development in community-centered enterprises.

Keywords: emotional intelligence, culturally grounded leadership, Filipino values, small business, community entrepreneurship, bayanihan, malasakit, inclusive leadership, qualitative research

Introduction

In a more interconnected world, leadership is being reimagined not merely by a strategic mind or technical skills but by the leader, who can relate to humans at a very human level. This is especially so in the environment of small and people-connected businesses in the Philippines, where doing business is not separated from the cultural and emotional context of everyday life. To most Filipino entrepreneurs, particularly in close-knit communities such as San Pedro, Laguna, leadership goes way beyond bottom lines; it is caring for relationships, maintaining trust, and exuding values that uphold the society they represent.

Emotional Intelligence (EI) is instrumental in this regard. Emotionally intelligent leaders can identify and manage their own emotions, empathize, and respond to the emotional states of others. Emotional Intelligence is crucial in handling the interpersonal relationships of an enterprise, particularly when it comes to managing diverse workforces, conflict resolution, or boosting morale during periods of uncertainty. EI allows leaders to lead with empathy, communicate more effectively, and create a work culture founded on psychological safety and respect.

Emotional intelligence (EI) is widely recognized as a cornerstone of effective leadership, particularly in the Philippine context where social relationships are deeply valued. Goleman's (1995) framework underscores self-awareness, self-regulation, motivation, empathy, and social skills as vital in cultivating humane leadership. In Filipino entrepreneurial settings, where leaders often navigate familial and community ties, these competencies help foster psychological safety, morale, and loyalty. Complementing EI is Greenleaf's (1977) servant leadership model, which aligns with Filipino cultural values such as *malasakit* and *pakikipagkapwa*, emphasizing leaders as stewards of communal well-being. Heifetz and Linsky's (2002) adaptive leadership theory further supports this, suggesting that effective leadership in uncertain environments relies heavily on relational bonds and emotional flexibility, traits demonstrated by small business owners in local communities like San Pedro, Laguna.

Cultural values form the moral backbone of Filipino leadership. Ealdama (2015) highlighted that *bayanihan, pakikisama*, and *kapwa* influence how leaders interact, mediate conflict, and maintain organizational harmony. These indigenous values promote cohesion and a shared responsibility among team members. Moreover, Olern (2023) found that Filipino entrepreneurs who embody *utang na loob* and *malasakit* build socially inclusive and emotionally supportive workplaces, contributing to community resilience and business sustainability. Rainmaker Mastery (2021) added that Filipino leadership prioritizes relational harmony, non-confrontation, and inclusivity,

fostering environments where authority is exercised through respect and empathy. Altogether, these perspectives suggest that emotional and culturally rooted leadership strengthens small enterprises and reinforces the social fabric in which these businesses operate.

When emotional intelligence is linked with social norms, local practices, and shared values, individuals influenced by local customs, social practices, and common mortars are more potent. Filipino values like *bayanihan* (solidarity), *utang na loob* (gratitude obligation), *hiya* (modesty), and *pakikisama* (harmful social norms) are deeply ingrained in the way individuals interact with each other in personal and workplace environments. Leaders who personify and represent these values will likely gain trust, evoke loyalty, and foster broad-based growth.

This research centers on the nexus of emotional intelligence and culturally based leadership among small San Pedro, Laguna entrepreneurs. These leaders work in an environment where business is not only an economic activity but a relational and ethical one. As such, knowing how emotional and cultural competencies shape their leadership behaviors, this study illuminates the strengths and issues that mold local enterprise. The research investigates how these leaders construct team cohesiveness, develop client relationships, and manage the socio-emotional dynamics of their communities.

Finally, this study asks a significant question: Can emotionally sensitive and culturally authentic leadership offer a human and sustainable model of local entrepreneurship in the Philippines? In asking this question, the study hopes to join larger discourses on inclusive business models and leadership frameworks that are not just good but deeply embedded in the people and culture they seek to lead.

Methodology

This study employed a purely qualitative research design to deeply explore the intersection of emotional intelligence and culturally grounded leadership among small business owners in San Pedro City, Laguna. Anchored in the principles of phenomenology, the study aimed to understand and interpret local entrepreneurs lived experiences, perceptions, and leadership practices within their cultural and emotional contexts. The qualitative approach was deemed appropriate given the study's emphasis on personal narratives, contextual meaning-making, and culturally embedded leadership phenomena that could not be quantified through numerical data alone.

Participants were selected through purposive sampling, targeting small business owners who had operated their enterprises for at least three years within the

community. Twelve (12) business owners, balanced across gender and business types (retail, service, food, and family-owned ventures), participated in the study. Inclusion criteria included demonstrated community involvement, frequent interaction with employees and clients, and self-identification or recognition by peers as local leaders.

Data was gathered from in-depth, semi-structured interviews, each taking 45 to 60 minutes. Interviews were done in Filipino or English, whichever the participant prefers, and were audio-recorded after obtaining permission. The questions explored the participants' emotional reactions in leadership situations, how Filipino cultural values direct their decision-making, and how they reconcile emotional management with business sense. In addition to enriching the data, the researcher used field notes and reflexive journaling to obtain a deeper insight into non-verbal cues, environmental context, and researcher bias. Braun and Clarke's (2006) six-step thematic analysis was applied to analyze the transcribed data. Initial codes were developed inductively from reading the transcripts multiple times to permit patterns to emerge organically from participants' narratives. These codes were later consolidated into broader themes that described persistent emotional, relational, and cultural dimensions of leadership. As a measure of trustworthiness, member-checking involved returning early interpretations to participants for validation, and peer debriefing sessions were also undertaken with other qualitative researchers to reduce subjectivity. Ethical principles were strictly maintained; participants gave informed consent and were guaranteed confidentiality, and pseudonyms were used in reporting findings. This critical methodological practice allowed a deep, contextually informed understanding of the confluence of emotional intelligence and Filipino values to create a clear, humane model of local entrepreneurship leadership.

Data Analysis and Results

Amidst the fluid dynamics of Philippine enterprise, especially in community-based economies, leadership has gone beyond conventional business paradigms. This research, based on the San Pedro, Laguna context, examined how culturally sensitive leadership and emotional intelligence influence the undertakings of small business operators. The research shows that when leadership is grounded in empathy, cultural values, and genuine concern for people (*malasakit*), it nurtures sustainable businesses and flourishing communities. Entrepreneurs practicing Filipino virtues of bayanihan, hiya, and *pakikisama* create trust, solidarity, and growth among employees and customers. This people-first leadership enhances social cohesion, community resilience, and equitable economic growth, demonstrating that when leaders in

business lead with heart and heritage, they serve their businesses and the larger social fabric within which they conduct business. Respondents mentioned that:

The intersection of culturally embedded leadership and emotional intelligence in domestic entrepreneurship offers a critical piece of work on the current debate on context-sensitive and inclusive business operations. This research contributes to the theoretical development of leadership by signaling how Filipino cultural conceptions of kapwa, utang na loob, and paggalang act as moral and functional paradigms in small firm management. In addition, it also confirms the position of emotional intelligence not as a soft skill but as a key motivator of relational leadership, employee engagement, and customer loyalty. These results counter prevailing Western-dominated models by presenting a culturally grounded leadership paradigm based on Filipino values and experiences. Therefore, this study contributes to a pluralist explanation of leadership, opening the doors to additional research on indigenous and affectively intelligent approaches to enterprise building in Southeast Asia and elsewhere.

Theme 1: Emotional Intelligence as the Heart of Humane Leadership

Small business entrepreneurs in San Pedro, Laguna, proved that emotional intelligence (EI), especially empathy, self-awareness, and regulation of emotions, is essential to constructing peaceful relationships in their businesses. Leaders who hear, sense emotional signals, and respond with empathy build trust and psychological safety for their employees and customers. This is crucial in small-scale, community-oriented businesses where leaders are bosses, mentors, or even family members.

Responses from Participants:
"I always check in with my staff. If someone is quiet, I take time to ask how they are. Minsan, problema sa bahay pa pala. I do not want them to feel they are just workers to me."
Participant 12
"If I get upset, I have learned to breathe and reflect first. What I say and how I say it affect the whole store mood." Participant 2
"Sa negosyo, hindi lang pera ang iniintindi. Emosyon din. Kung hindi mo kaya makiramdam sa tao, mahirap maging leader." Participant 7
"Clients come back for products and how we make them feel. Dapat marunong kang makinig, umintindi, at umalalay." Participant 4

These findings highlight that emotional intelligence fosters inclusive, respectful, and caring workplaces. Goleman (1995) underscored that EI is an essential leadership

competence that directly affects organizational climate and productivity. In Filipino settings, where interpersonal warmth and *pakikipagkapwa* (emotional connection) are norms, emotionally intelligent leadership is a moral and practical necessity for sustainable business operations.

Theme 2: Cultural Values as Guiding Principles in Leadership

Respondents underscored that their leadership choices are typically anchored on Filipino cultural values like bayanihan (people's unity), hiya (propriety), and utang na loob (reciprocal obligation). These values influenced how they dealt with employees, interfaced with customers, and contributed to society. Cultural anchoring was a leadership approach and a value system that guided daily choices.

> *"Hindi ako makakatulog kung alam kong may hindi nabigyan ng sweldo sa oras. Utang na loob 'yan sa mga taong tumutulong sa negosyo ko."* Participant 6
> *"Bayanihan is real in our business. Kapag may event, kapitbahay, kaibigan, lahat nagtutulungan. I make sure to help them back, too."* Participant 1
> *"We value pakikisama. Kaya kahit minsan mahirap, I try to be fair with everyone. Ayoko ng may napapahiya o naiiwan."* Participant 3
> *"I grew up with hiya. So, I always think, will my action bring honor or shame to my family and community? That is my guide."* Participant 8

Culturally rooted leadership is not performative but internalized. As Bautista (2018) points out, Filipino entrepreneurs use communal values to overcome leadership challenges. Communal values promote collective responsibility, dignity, and care and provide a model of leadership that embeds ethical conduct and community welfare ahead of individual profit.

Theme 3: Building Employee Loyalty Through Relational Leadership

Instead of using transactional leadership models, these entrepreneurs depend on relational methods, coaching, investing in the personal development of their employees, and conducting business with them as if they were part of an extended family. These practices helped to have fewer turnovers and increased job satisfaction.

Workers were not just workers but shareholders in the business's success. Respondents mentioned that:

"Ang mga tauhan ko, halos sampung taon na sa akin. We treat each other like family. Kung may problema sila, tutulungan ko." Participnat 4

"Kapag may family emergency, sinasabi ko agad, 'Sige, umuwi ka muna. Kami na dito.' They respect me more for that." Participnat 3

"I support them even outside work. Isa sa kanila nakapagtapos ng anak sa tulong ng dagdag sahod ko. That's leadership to me." Participnat 8

"Walang 'Sir-Sir' sa amin. Pantay-pantay. Mas madali magtrabaho kapag may malasakit."
Participnat 6

Such stories are what Heifetz & Linsky (2002) term adaptive leadership, leadership that builds strong relational bonds and invests in shared growth. This is realized in Filipino culture through malasakit (genuine concern), which deepens loyalty and commitment. Such a practice defies hierarchical conventions and celebrates shared ownership of accomplishment, leading to a more sustainable business.

Theme 4: Leadership as Community Stewardship

They perceived their roles as not only business leaders but also caretakers of the community. They started projects like feeding programs, scholarship aid, or ecological interventions, even with limited funds. They felt that for their business to succeed, the community had to succeed too. This is consistent with kapwa, shared self, a core feature of the Filipino relational worldview. Respondents mentioned that:

"Kapag may bagyo, I open my shop to neighbors who need food or water. This is more than business, it is being human." Participants 9

"We started a small literacy program sa barangay. Maliit lang, pero at least nakakatulong."
Participant 3

"I make it a point to hire locals. Baka hindi nga sila skilled at first, pero tinuturuan ko. Diyan galing ang negosyo ko." Participant 12

"Hindi ko kayang yumaman na ako lang. Lahat kami dapat umaangat." Participant 10

This leadership model reflects servant leadership frameworks (Greenleaf, 1977), where the leader's primary goal is to serve others. Kapwa and pakikiramay (shared empathy) are essential values in the Philippines. Leaders serve as well-being caretakers, seeing business not to advance personally but as a community effort. This

view strengthens business sustainability by enhancing local ecosystems and building long-term trust.

The findings show that emotionally intelligent and culturally aware leadership offers a sustainable and compassionate approach to local entrepreneurship in the Philippines. Leadership in this setting is not just about management; it is personal, relational, and ethical. Filipino small business owners who lead with *malasakit,* empathy, and cultural wisdom build inclusive, resilient businesses grounded in community values. In this way, they exemplify leadership that goes beyond profit, prioritizes people, and seeds shared prosperity. If nurtured and supported, this model can significantly contribute to the nation's socio-economic growth through values-driven, emotionally intelligent entrepreneurship.

Discussion

This study explored whether emotionally intelligent and culturally grounded leadership can provide a sustainable and humane model for local entrepreneurship in the Philippines. It focused on the experiences of small business owners in San Pedro, Laguna. The findings were thematically analyzed and revealed four key themes: emotional intelligence as the core of humane leadership, cultural values as guiding principles, relational leadership that builds employee loyalty, and leadership as community stewardship. Each theme illustrated how Filipino entrepreneurs combine emotional and cultural leadership skills, creating inclusive, trust-based, and resilient business environments.

The first theme, emotional intelligence as the core of humane leadership, showed that empathy, self-awareness, and emotional regulation are vital for nurturing good relationships within a business. Respondents shared examples of managing emotionally charged situations, whether supporting an employee in crisis or resolving conflicts calmly. This supports Goleman's (1995) view that emotional intelligence is key to effective leadership, especially for maintaining morale and motivation. In community settings like San Pedro, where business leaders often play familial roles, emotional awareness becomes an essential leadership tool. Leaders who listen actively and respond to emotions better ensure employee satisfaction, foster loyalty, and address interpersonal issues.

The second theme, cultural values as guiding principles in leadership, showed how Filipino values like *bayanihan* (communal unity), *hiya* (modesty or sense of propriety), and *utang na loob* (debt of gratitude) influenced how small business owners lead and engage with their communities. Respondents often make decisions based on profit and their moral duties to workers, customers, and neighbors. These choices

highlight Bautista's (2018) point that leadership in the Philippines is deeply connected to cultural expectations and social responsibility. Participants demonstrated ethical leadership by ensuring fair wages, creating harmonious workplaces, and being humble, which revealed a value-driven approach to entrepreneurship that resists exploitative or purely transactional behaviors.

The third theme, relational leadership and employee loyalty, stressed the importance of personal connections and trust. Respondents often saw their employees as family and provided mentorship and emotional support that went beyond the workplace. This reflects the concept of *malasakit*, or genuine concern for others, which builds belonging and commitment among workers. Long-term employee retention, shared responsibility, and increased productivity were often tied to these relational dynamics. Heifetz and Linsky (2002) describe this as adaptive leadership, where success comes from building trusting human relationships and finding technical solutions. For Filipino entrepreneurs, these relationships flourish through open communication, flexibility, and reciprocity.

The fourth theme, leadership as community stewardship, showed that many business owners viewed their entrepreneurial work as a service to the public. Actions like hiring underprivileged locals, starting educational or feeding programs, and supporting community events were every day. Instead of focusing only on business growth, these leaders embraced a broader view of success, including social upliftment and community development. This aligns with Greenleaf's (1977) servant leadership model, which prioritizes the well-being of others. In the Philippines, it connects with the kapwa (shared self) concept, where personal identity and success are closely linked to the community's welfare.

These findings make a strong case for rethinking leadership models in local businesses. They challenge Western-centric, performance-focused ideas by presenting a culturally grounded, emotionally intelligent, practical, humane approach. Integrating emotional intelligence and Filipino cultural values led to leadership practices that were operationally sound, socially responsive, and contextually sustainable.

Thematic analysis also highlighted these leaders' challenges: institutional barriers, physical fatigue, emotional labor, and the stress of balancing financial goals with moral responsibilities. Despite these challenges, their dedication to leading with *malasakit*, respect, and cultural sensitivity remained strong. These leaders are business operators and guardians of Filipino values in action. They show that when leadership

is rooted in empathy and culture, it can significantly influence human-focused entrepreneurship.

In conclusion, this study adds to the conversation about indigenous leadership models and supports the need for more inclusive, context-aware entrepreneurial frameworks. It confirms that emotional sensitivity and cultural authenticity are not merely soft skills but essential elements for creating resilient, compassionate, and community-focused businesses in the Philippines.

Conclusions

This study highlights the significant effects of emotionally intelligent and culturally rooted leadership on the sustainability and compassion of local businesses in the Philippines. By examining the experiences of small business owners in San Pedro, Laguna, it became evident that leadership based on empathy, trust, and Filipino cultural values like *bayanihan, hiya,* and *malasakit* builds resilient enterprises and strengthens community bonds.

The findings confirmed that emotional intelligence, which includes the ability to recognize, manage, and respond to emotions, is an important leadership trait that boosts employee morale, client satisfaction, and conflict resolution. Additionally, incorporating cultural norms and community values into daily leadership practices creates a morally responsible, socially connected model responsive to the context.

Relational leadership, which is shaped by shared cultural experiences, proved essential for fostering employee loyalty and community trust. Business owners who acted as mentors, stewards, and community leaders showed that leadership in the Philippines goes beyond organizational structures; it extends into human relationships and shared responsibility.

Furthermore, the data highlighted that when leadership is viewed as economic management, cultural stewardship, and emotional engagement, it reshapes the way entrepreneurship is practiced and understood. It moves away from transactional paradigms and toward inclusive, values-driven approaches that benefit the business and the broader community.

This study contributes to the expanding discourse on indigenous and emotionally intelligent leadership models by offering a culturally responsive framework for small-scale entrepreneurship. It underscores the need to reimagine leadership not merely to profitability, but as a pathway to shared growth, mutual respect, and nation-building from the ground up. This model holds promise for the Philippine entrepreneurial landscape and other multicultural contexts seeking more human-centered, ethical, and sustainable approaches to leadership.

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