



The Role Of Emotional Intelligence In The Board Of Directors and Its Impact On The Performance and Value Of Institutions and Conservative Practices In Light Of Crises (Applied Research On a Sample Of Banks Listed On ISX)

Yassir Nori Mohammed^{1*}, Mustafa Abdalsamea Abdalhamed², Najlaa Tareq Kadhim³

¹⁻³University Of Baghdad, Iraq

yassir_nori@uobaghdad.edu.iq^{1*}, mustafa.sa@clib.uobaghdad.edu.iq²
, najlaa.kazem@clib.uobaghdad.edu.iq³

Korespondensi Penulis: yassir_nori@uobaghdad.edu.iq*

Abstract. This research aims to underscore the significance of women's emotional intelligence in enhancing the effectiveness of the Board of Directors, a crucial component of internal governance, particularly during crises. Despite strides made in recent decades in appointing women to senior roles in government, business, and education, challenges persist in improving women's leadership opportunities, especially in developing countries. The study utilizes statistical methods, including Pearson's correlation, to analyze the relationships between variables within a sample of banks listed on the Iraqi securities market, comparing periods before and during the COVID-19 pandemic (2019 and 2020). The goal is to measure the impact of female emotional intelligence on the Board of Directors' ability to manage crises, focusing on variables such as conservative accounting policies, Board compensation and benefits, meeting frequency, the ratio of external auditor fees to enterprise capital, enterprise capital, share profitability, and the market-to-share profitability ratio. Findings indicate that emotional intelligence (measured by the number of females on the Board) positively influences conservative accounting policies and meeting frequency during crisis periods. Conversely, the pre-crisis period showed a negative relationship, suggesting a proactive and risk-responsive stance by women during crisis. Additionally, the study observed an inverse relationship between crisis periods and both Board compensation and external auditor fee ratios, implying a cost-reduction strategy facilitated by female emotional intelligence. The crisis period also saw an increase in the profitability of individual shares and the market-to-share profitability ratio. The research recommends expanding the study to compare the role of emotional intelligence in Boards between developing and developed economies.

Keywords: Emotional Intelligence, Effective Leadership, Board of Directors, Crises, Enterprise performance, Enterprise value, Conservative accounting policy

Abstrak. Penelitian ini bertujuan untuk menekankan pentingnya kecerdasan emosional perempuan dalam meningkatkan efektivitas Dewan Direksi, yang merupakan komponen penting dalam tata kelola internal, terutama selama krisis. Meskipun ada kemajuan yang signifikan dalam beberapa dekade terakhir dalam menunjuk perempuan ke posisi senior di pemerintahan, bisnis, dan pendidikan, tantangan masih ada dalam meningkatkan kesempatan kepemimpinan perempuan, khususnya di negara-negara berkembang. Studi ini menggunakan metode statistik, termasuk korelasi Pearson, untuk menganalisis hubungan antara variabel dalam sampel bank yang terdaftar di pasar sekuritas Irak, membandingkan periode sebelum dan selama pandemi COVID-19 (2019 dan 2020). Tujuannya adalah untuk mengukur dampak kecerdasan emosional perempuan terhadap kemampuan Dewan Direksi dalam mengelola krisis, dengan fokus pada variabel seperti kebijakan akuntansi konservatif, kompensasi dan tunjangan Dewan, frekuensi pertemuan, rasio biaya auditor eksternal terhadap modal perusahaan, modal perusahaan, profitabilitas saham, dan rasio profitabilitas pasar terhadap saham. Temuan menunjukkan bahwa kecerdasan emosional (diukur dengan jumlah perempuan di Dewan) berpengaruh positif terhadap kebijakan akuntansi konservatif dan frekuensi pertemuan selama periode krisis. Sebaliknya, periode pra-krisis menunjukkan hubungan negatif, mengindikasikan sikap proaktif dan responsif terhadap risiko oleh perempuan selama krisis. Selain itu, studi ini mengamati hubungan invers antara periode krisis dengan rasio kompensasi Dewan dan biaya auditor eksternal, yang mengindikasikan strategi pengurangan biaya yang difasilitasi oleh kecerdasan emosional perempuan. Periode krisis juga menunjukkan peningkatan dalam profitabilitas saham individual dan rasio profitabilitas pasar terhadap saham. Penelitian ini merekomendasikan untuk memperluas studi guna membandingkan peran kecerdasan emosional di Dewan antara ekonomi berkembang dan maju.

Kata kunci: Kecerdasan Emosional, Kepemimpinan Efektif, Dewan Direksi, Krisis, Kinerja Perusahaan, Nilai Perusahaan, Kebijakan Akuntansi Konservatif

1. INTRODUCTION

In a seminal publication three decades' prior, Peter Salovey and John Mayer introduced the concept of emotional intelligence to the academic discourse. They characterized it as a form of cognitive ability closely aligned with traditional notions of intelligence, emphasizing its capacity for the discernment and management of both personal and interpersonal emotions. This included the ability to monitor one's own emotional states as well as those of others, and to utilize this information strategically in guiding cognitive processes and behavioral responses (Salovey and Mayer, 1990). According to (Goleman, 1998), Emotional intelligence delineates the capacity to discern, comprehend, and regulate both personal and interpersonal emotional states. This construct encompasses a spectrum of constituents, notably self-awareness, self-regulation, motivation, empathy, and social adeptness. Self-awareness pertains to the aptitude to perceive and interpret one's own emotional experiences, values, competencies, and limitations. Self-regulation encompasses the adept management of internal emotional states, cognitive processes, and behavioral patterns congruent with one's intrinsic values and objectives. Motivation manifests as an intrinsic impetus propelled by personal aspirations or growth objectives rather than external stimuli. Empathy epitomizes the ability to cognitively apprehend and emotionally resonate with the sentiments of others. Social skills encompass the proficiency in interpersonal communication, conflict resolution, and relationship cultivation. Elevated emotional intelligence in female leaders is associated with improved leadership effectiveness. Furthermore, emotional intelligence has a beneficial effect on organizational culture, which in turn enhances high-performance leadership. Organizational culture acts as a mediator in the relationship between emotional intelligence and the effective leadership of women, underscoring the importance of a supportive organizational culture in bolstering this connection. Therefore, organizational efforts to nurture a conducive culture are recommended to promote success for both female leaders and organizations (Duan et al., 2023). The correlation between emotional intelligence and decision-making processes is pivotal in driving stock market profitability. As investors grapple with the intricate dynamics of economic fluctuations, the capacity to manage emotions emerges as a critical factor. Individuals with elevated levels of emotional intelligence demonstrate more consistent decision-making behaviors, particularly in response to market variations. By effectively regulating emotions such as loss aversion, investors can adopt a more logical and impartial approach to investment selection, consequently fostering heightened profitability. Given the significant impact of emotional factors on investor behavior, the cultivation of emotional intelligence skills presents an avenue for bolstering resilience and adaptability in volatile market environments, thereby

contributing to the broader efficacy and stability of the stock market (awalakki, 2022). This research aims to investigate the significance of emotional intelligence, particularly among women, in guiding decision-making within corporate boards, which serve as pivotal internal governance mechanisms, particularly during crisis situations. The study focuses on the Iraqi stock market before and during the COVID-19 pandemic, exploring how EI influences various aspects of board dynamics. Specifically, it examines the conservative accounting practices, board compensation and bonuses, meeting frequency, external auditor remuneration relative to institutional capital, institutional capital itself, earnings per share, and market share price relative to earnings per share.

2. LITERATURE REVIEW

Emotional intelligence and its components

The notion of Emotional Intelligence was first proposed by (Salovey and Mayer, 1990). This initial conceptualization emphasized an individual's capacity to identify, comprehend, and manage emotions within oneself and in others. This pioneering perspective extended the traditional understanding of intelligence beyond mere academic or cognitive abilities, incorporating emotional and social skills into the framework as well. (Habib et al., 2023) elucidates that Emotional Intelligence (EI) comprises capabilities essential for the effectively recognize emotions and understand the multifaceted nature of emotional intelligence, focusing on emotional perception as an important pillar in distinguishing the origins of emotions and their effects. In particular, it discusses emotional management, which increases the ability to adapt and make wise decisions, and examines how to benefit from emotions and employ them in solving problems and establishing creative relationships.

Emotional intelligence and the board of directors

emotional intelligence makes board decisions better. It helps board members discuss problems thoughtfully, leading to the best solutions that are achieved quickly and efficiently (Alzoubi and Aziz, 2021). Moreover, It also works to improve the quality of decisions, as emotional intelligence helps to manage emotions and empathize with others, which reduces the influence of emotions on decisions and improves the quality of decisions (Rahim et al., 2021). Emotional intelligence also works to improve communication and interaction and helps build positive relationships between the board, which reduces tensions and disagreements, and improves communication and interaction within the board (Goleman, 2021). Additionally,

Emotional intelligence improves leadership in understanding the needs of the organization and its employees, and developing a clear vision and strategy that takes these needs into account, which reduces tensions and disagreements. (Cherniss and Roche, 2020). It also helps to manage change and adapt to the changing environment of the board, which reduces tensions and disagreements, and improves the management's changes (Drigas and Papoutsis, 2020). Collectively, emotional intelligence profoundly impacts board resolutions by refining decision-making, decision quality, communication, leadership, and change management. Research by (Nouri, 2022), indicates a definitive role of emotional intelligence in diminishing workplace stress, asserting its pivotal role in alleviating such pressures. Additionally, rational decision-making is notably facilitated by emotional intelligence, while a study by (Hashem, 2020) suggests that leveraging the facets of strategic emotional intelligence collectively propels organizational success through motivational impacts that boost efficiency and effectiveness, thereby optimizing performance. (Aljanabi, 2022), observes a pronounced emphasis on enhancing aspects of emotional intelligence, particularly in managing, understanding, and leveraging emotions, with a moderate focus on recognizing them. The incorporation of virtues such as optimism, trust, integrity, compassion, and tolerance are significantly instrumental in fostering organizational virtue.

Emotional intelligence and financial performance

The (KORPES, 2023) demonstrated the influence of emotional intelligence on the efficacy of financial managers. Utilizing linear regression analysis on a diverse array of firms, the research uncovered a substantial positive correlation between the emotional intelligence of financial managers and the enhancement of financial business performance. Additionally, the findings revealed that Chief Financial Officers possessing elevated levels of emotional intelligence are capable of fostering trust within the workplace, thereby bolstering productivity, sales, and profit margins. Consequently, this study finds that superior emotional intelligence in financial management is associated with greater company value and strong financial performance. The study by (Mahdi and Al-Rabaiwi, 2020) further suggested that emotional intelligence skills are a pivotal interactive variable that strengthens the link between internal marketing and customer satisfaction. Therefore, emotional intelligence is considered an essential factor in developing management practices and improving internal marketing activities by adopting strategies tailored to the company's operations, which ultimately aim to raise the level of customer satisfaction.

Emotional intelligence significantly improves financial decision-making by enhancing communication, adaptability under pressure, and leadership acumen. It plays a pivotal role in decision-making, problem resolution, and the cultivation of social competencies, which are crucial for financial prosperity. Emotional intelligence fosters a positive workplace atmosphere, leading to improved collaboration and effective leadership, which in turn culminates in superior financial outcomes (Bouzguenda, 2018). Additionally, the study by (Hassoun and Sakhr, 2021) indicated a statistically significant relationship between emotional intelligence and the personal and professional traits of accountants, impacting their auditing efficiency. The research also recommended the augmentation of emotional intelligence among auditors to elevate their performance levels and mitigate their responsibilities.

While emotional intelligence is integral to the decision-making process and can influence stock prices (Momtaz, 2021, Ruqayyah et al., 2022), it encompasses the comprehension and management of emotions, impacting individual interactions and decision-making. Research correlates emotional intelligence with social intelligence and adaptive behaviors. Although not directly tied to stock prices, emotional intelligence influences individuals' cognitive processes and relationships, which may indirectly affect their financial decisions and, consequently, stock prices (Badawi, 2023, Buccioli et al., 2021). Emotional intelligence is also associated with customer retention and the enhancement of service quality. Therefore, emotional intelligence is a crucial element in elevating the quality of financial, accounting, and controlling work performance (Hassoun and Sakhr, 2021).

Impact of emotional intelligence on governance

Emotional intelligence significantly influences organizational governance by enabling leaders to regulate their emotions effectively and make challenging decisions through deliberate problem identification and optimal solution discovery, ensuring minimal cost and maximum efficiency (Moon, 2021). In today's dynamic and complex work environment, leadership imbued with emotional intelligence is crucial for maintaining organizational continuity and achieving strategic objectives (Goleman, 2021, Reshetnikov et al., 2020). Leaders endowed with emotional intelligence are adept at making judicious governance decisions that consider the interests of all stakeholders (Blaiq Hourani et al., 2023), by mastering self-awareness and enhancing their interpersonal relations, which are pivotal for effective leadership.

Research indicates that insufficient emotional intelligence can lead to diminished decision-making capabilities and lower performance levels among managers. Crucial

emotional intelligence competencies for board members include self-management and empathy. Navigating and resonating with others' emotions necessitates the development of these competencies (Bostrack, 2023, Ruqayyah et al., 2022). Consequently, board members' proficiency in emotional intelligence fosters a deeper understanding of others' emotions and enhances their social interactions, positively impacting the frequency and success of board meetings (Trong Tuan, 2013, Hall et al., 2024). Emotional intelligence also plays a pivotal role in reward policies for board members, where rewards are allocated for exemplary contributions (Elleuch et al., 2015).

Furthermore, emotional intelligence is paramount in augmenting the efficiency and effectiveness of auditing processes. Auditors firmly believe that emotional intelligence enriches both personal and professional attributes (Pinatik, 2021, Zhao et al., 2022). Emotional intelligence is of great importance in the accounting profession, as it helps accountants better exercise professional judgment and enhance integrity and transparency in preparing financial reports. Emotional intelligence and accounting conservatism are two complementary concepts in accounting. Emotional intelligence helps to make sound ethical decisions, while accounting conservatism ensures accuracy and transparency in preparing financial reports. Combining them enhances the professional integrity of accountants (Khalil, 2019).

The study by (Supramaniam and Singaravelloo, 2019) investigated between emotional intelligence (EI) of management and organizational culture (OC) in influencing the efficacy and efficiency of institutional performance focused on the interaction between EI and governance practices, demonstrating a significant positive correlation between emotional intelligence and organizational performance, these findings suggest that prioritizing the development of emotional intelligence within management ranks can lead to improved policy implementation and ultimately contribute to achieving strategic governance objectives. Furthermore, research conducted by (Al-Zubaidi, 2013) investigated the integration of emotional intelligence strategies within university settings, focusing on their impact on institutional performance.

Gender difference in leadership

Impact of EI on Women as Leader — A Study by (Shabani et al., 2021) It recognizes EI as the most important component of leadership, especially for females who are assumed to be more caring. The study recommends improving women skills development and increasing training opportunities on EI for better leadership effectiveness both at a personal level as well as organizational level in order to have more female leaders. Kiris, S. (2021) Explore

differences in emotional intelligence (EI) between men and women. Papoutsis, Michail /Salas Muratore, Elizabeth /Bouchard, Michael (2022) study investigate the gender differences of EI scores from women were found to score higher overall than men. In signaling EI as an important spoke in the wheel of the leadership strategies with potential to put more women into more positions of power and equality, this finding presents an opportunity. This research suggests implementing measures to improve EI in both sexes and highlights the benefits of technology, especially ICT in empowering women all over the world and promoting gender equality. The study (Azouzi and Jarboui), discussed the important role of emotional intelligence (EI) in decision making within leadership, focusing on women's leadership. This paper explores the impacts of EI and how it affects decision biases along with governance mechanisms. The results indicate that the high level of emotional intelligence high in women leaders helps them make decisions, which often leads to effective governance and strategy. As a result, harnessing emotional intelligence (EI) competencies in women leaders can help strengthen their influence and effectiveness as decision-makers.

3. RESEARCH METHODOLOGY

Research Problem

On 1: Irfan Khan et al Emotions and the Dynamics of Governance; The Role of Emotional Intelligence (EI) in mediating between Financial Crisis and Gender Composition with Organizational Decision-Making used with permission, The key question addressed studied is to what extent social decisions derived from organizational decision-making process and data governance procedures are influenced by emotional intelligence (EI), especially during periods of financial crises that require the involvement a more substantial percentage of women on boards. Here, evidence is taken from organisational crisis literature to inform questions of governance and performance in times of crisis, arguing that emotional intelligence can play a vital role, particularly as women are increasingly occupying more leadership positions across sectors. This discrepancy manifests itself in the conservative accounting methods, board remuneration, frequency of meetings and other financial metrics of businesses dealing with economic uncertainty. It extends beyond identifying how these traits relate to financial performance in stable conditions as compared with catastrophe (think COVID-19).

Research Objectives

1. To Explore the Impact of Emotional Intelligence: Examine how the emotional intelligence of women on the board influences the board's effectiveness in governance and decision-making during crises.
2. To Analyze Governance Practices: Investigate the relationship between the presence of emotionally intelligent women on the board and various governance practices, including conservative accounting, board compensation, and the frequency of board meetings.
3. To Assess Financial Performance: Determine the impact of emotional intelligence on key financial metrics such as external auditor fees, enterprise capital, share profitability, and market-to-share profitability ratios during and before the crisis.
4. Comparative Analysis: Compare the influence of emotional intelligence on board dynamics and financial outcomes in periods of stability versus periods of crisis.

Research Aims

The primary objective of this research is to explain how emotional intelligence, especially with relation to female board members, leads to better organizational performance and crisis resilience as well as higher board governance efficacy. This study seeks to provide empirical evidence on how emotional intelligence affects conservative behaviors, board management, and financial performance in the face of major economic upheavals by focusing on the banking sector in Iraq during the prior to the crisis and crisis times in 2019 and 2020. Also, by providing insights into the possibility for emotional intelligence to function as a crucial asset in handling crises and stability in organizations, this research aims to advance the conversation on gender and leadership.

Research hypothesis

- The hypotheses were developed based on the theoretical presentation of the link between the study's variables, and the study's hypothesis is comprised of several hypotheses:
- First hypothesis: there is a correlation between the financial crisis framework's conservative accounting practices and emotional intelligence, as measured by the proportion of women on the board of directors.
- Hypothesis 2: The frequency of female representation on the board of directors and their emotional intelligence are related to the board meetings during financial crises.

- Hypothesis 3: In the scope of financial crises, there is a correlation between bonuses and compensation for the board of directors and emotional intelligence, as measured by the proportion of women on the board.
- Hypothesis 4: In the scope of financial crises, there is a relationship between emotional intelligence (the proportion of women on the board of directors) and the salary of the accountable external auditor.
- Hypothesis 5: According to the financial crisis's framework, there is a correlation between an institution's book value and emotional intelligence, which is measured by the proportion of women on the board of directors.
- Hypothesis 6: the relationship between a single arrow's profitability in the face of financial crises and emotional intelligence, as measured by the proportion of women on the board of directors.
- Hypothesis 7: the relation between emotional intelligence (the number of females in the board of directors) and the ratio of market share price to stock profitability in the face of financial crises.

Research community and sample

The study population is represented by banking institutions listed on the Iraq Stock Exchange for the year 2019, which is before the outbreak of the crisis and for the year 2020 when the crisis occurred. The number is 7 institutions. The importance of the selected period was in measuring the impact of the variables before the period of the crisis and the period of the crisis, while we chose the banking sector because it provides complete reports about governance.

Procedural

In this research, statistical methods, including the Pearson correlation coefficient, will be employed using the SPSS software to analyze the relationships between variables. To measure aspects such as the board of directors' structure, gender diversity, compensation, rewards, and meeting frequency, we will utilize data from published financial reports. The level of accounting conservatism will be assessed based on the model proposed by (Beaver and Ryan, 2000), which uses the ratio of market value to book value. For variables such as earnings per share, the ratio of market price to earnings per share, audit fees relative to the institution's capital, and the institution's capital itself, data will be extracted from the published financial

reports available on the Iraqi Stock Exchange Authority website (<https://Earningspersharewww.jsc.gov.jo/>) and the Companies Guide (<http://www.isx-iq.net/isxportal/portal/companyGuideList.html>).

Finding

First, the 2019 Pearson correlation between emotional intelligence on the board of directors (number of females) and study variables.

We note from the table (1) that the correlation coefficient between emotional intelligence (number of females) on the board of directors reached (0.029) with earnings per share, which is a direct relationship. While it was (-0.181) with the ratio of the market share price to earnings per share, which is an inverse relationship, while it was (0.167) with the compensation and rewards of the Board of Directors, which is a direct relationship, and it was (-0.214) with the number of meetings, which is an inverse relationship, while it was (0.499) With the ratio of audit fees to the institution's capital, which is a direct relationship, and it was (-0.167) with the institution's capital, which is an inverse relationship, and it was (-0.029) with accounting conservatism, which is an inverse relationship. Table (1) shows the relationship between emotional intelligence (number of females In the Board of Directors) and variables before the crisis period, chart (1) showing the relationship between accounting conservatism and variables.

Year	Earning Per Share	The Ratio Of Market Earnings Per Share To Earnings Per Share	Compensation Or Bonuses Of The Board Of Directors	Number Of Meetings	The Ratio Of Audit Fees To The Institution's Capital	The Enterprise's Capital	Accounting Reservation
2019	0.029	-0.181	0.167	-0.214	0.499	-0.167	-0.029

Table (1): the relationship between emotional intelligence and variables (Reference assembled by the author)

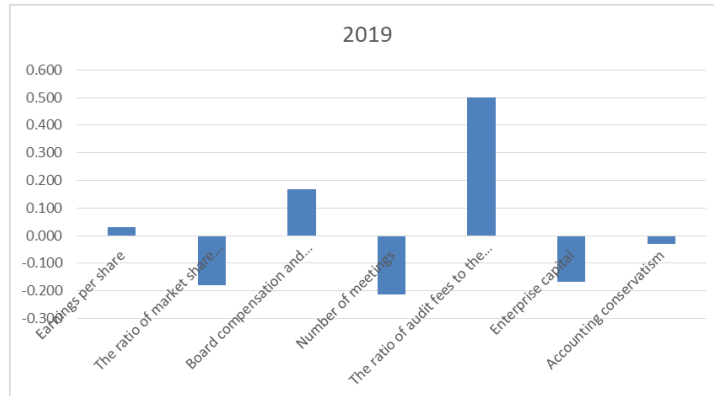


Chart (1): the relationship between emotional intelligence and variables (Reference assembled by the author)

Second: Pearson correlation coefficient for the year 2000 during the financial crisis between emotional intelligence in the board of directors (number of females) and the study variables.

We note from the table (2) below that the correlation coefficient between emotional intelligence (number of females) on the board of directors was (0.044) with earnings per share, which is a direct relationship, while it was (-0.012) with the ratio of market share price to earnings per share, which is an inverse relationship. While it was (-0.325) with the compensation and rewards of the Board of Directors, which is an inverse relationship, and it was (0.063) with the number of meetings, which is a direct relationship, while it was (-0.201) with the ratio of audit fees to the institution’s capital, which is an inverse relationship, and it was (0.808) with the institution’s capital. It is a direct relationship, and it was (0.659) with accounting conservatism, which is a direct relationship. Table (2) shows the relationship between emotional intelligence (number of females on the board of directors) and variables in light of the crisis, chart (2) showing the relationship between accounting conservatism and variables.

Year	Earning Per Share	The Ratio Of Market Earnings Per Share To Earnings Per Share	Compensation Or Bonuses Of The Board Of Directors	Number Of Meetings	The Ratio Of Audit Fees To The Institution’s Capital	The Enterprise's Capital	Accounting Reservation
2020	0.044	-0.012	-0.325	0.063	-0.201	0.808	0.659

Table (2): The relationship between emotional intelligence (number of females) and variables (Reference assembled by the author)

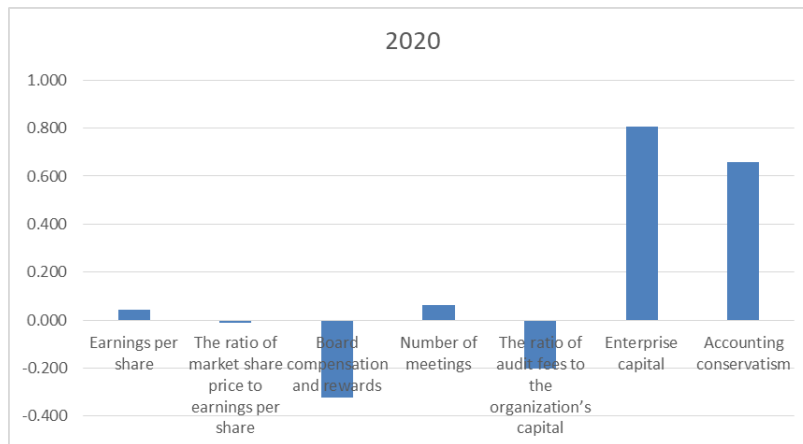


Chart (2): The relationship between emotional intelligence (the number of females on the board of directors) and variables (Reference assembled by the author)

4. RESULTS DISCUSSION

Analysis of Tables (1) and (2) reveals variations in the correlation coefficient concerning the emotional intelligence, quantified by the number of females on the board of directors, and several financial indicators during the crisis period. The correlation with earnings per share rose by 0.015 and exhibited a more pronounced increase of 0.170 in relation to the market share price to earnings per share ratio. Conversely, the association with compensation and bonuses for the Board of Directors decreased by 0.491, while it surged by 0.276 concerning the frequency of meetings. A significant decline of 0.700 was observed in the correlation with the ratio of audit fees to the institution's capital. However, a robust increase of 0.975 was observed with the institution's capital, and a significant rise of 0.689 was noted with accounting conservatism. Table (3), presented below, elucidates the differential impacts on these relationships amid the crisis with regards to the emotional intelligence reflected by female representation on the board, chart (3) showing the difference in the impact of the relationship between emotional intelligence (number of females on the board of directors) and variables.

Year	Earning Per Share	The Ratio Of Market Earnings Per Share To Earnings Per Share	Compensation Or Bonuses Of The Board Of Directors	Number Of Meetings	The Ratio Of Audit Fees To The Institution's Capital	The Enterprise's Capital	Accounting Reservation
The Difference	0.015	0.170	-0.491	0.276	-0.700	0.975	0.689

Table (3): The difference in influence of the relationship between emotional intelligence (number of females) and variables in light of the crisis (Reference assembled by the author)

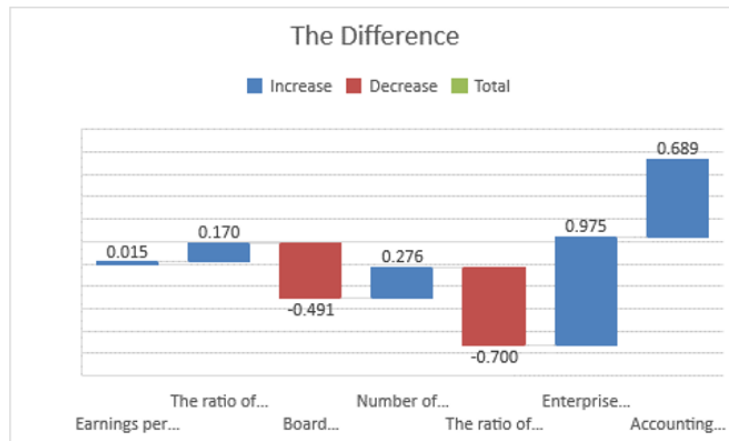


Chart (3): The difference in the relationship between emotional intelligence (the number of females on the board of directors) and variables in light of the crisis (Reference assembled by the author)

Chart (4), illustrates the relationship between emotional intelligence, measured by the number of females on the board of directors, and various financial variables, highlighting the differential impacts during the crisis. The relationship with earnings per share and the market share price to earnings per share ratio both strengthened. Notably, during the crisis, the relationships with the number of meetings, the institution's capital, and conservative accounting practices, which were inverse prior to the crisis, turned positive. In contrast, the relationship with compensation and rewards for the Board of Directors and external auditor wages, which were positive before the crisis, became inverse during the crisis. This shift underscores the role of emotional intelligence (reflected by the number of females on the board) in responding to crises by enhancing performance and value while reducing costs and expenses. Specifically, during the crisis, bonuses and compensation for the board, as well as external auditor wages, became more cautious, directly addressing the risks faced by the institution. Additionally, the necessity of holding meetings to address and resolve crisis-related issues caused the relationship between the number of meetings and the institution's performance to become direct during the crisis, reversing the pre-crisis inverse relationship. The results are consistent with what each study indicated(Hall et al., 2024), (Bostrack, 2023, Ruqayyah et al., 2022), (Nouri, 2022), (Goleman, 2021), (Cherniss and Roche, 2020), (Khalil, 2019). (Elleuch et al., 2015).

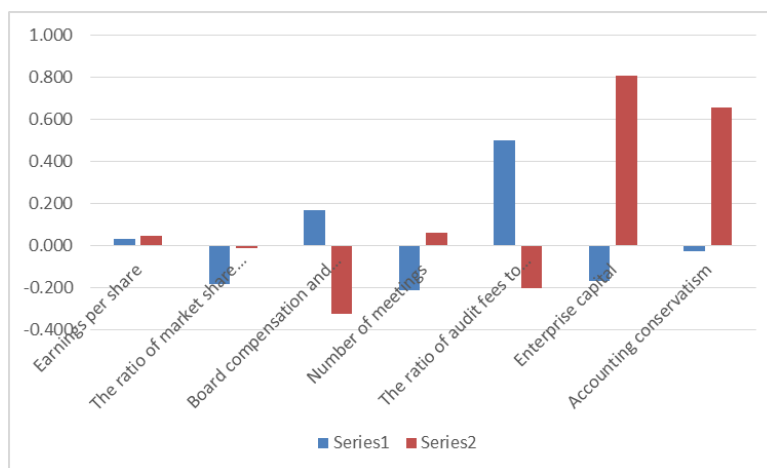


Chart (4): Comparing the relationship between emotional intelligence (number of females on the board of directors) and variables during the period before the crisis and during the crisis (Reference assembled by the author)

5. CONCLUSIONS

This study highlights the crucial role of emotional intelligence, particularly among female board members, in enhancing governance and performance during crises. Emotional intelligence positively correlated with financial metrics, such as earnings per share and market share price ratios. Relationships with board dynamics, previously inverse, turned positive, indicating a proactive governance approach. Cost management improved, with reduced board compensation and auditor fees. Increased meeting frequency during crises emphasized active crisis management. The study underscores the value of gender diversity on boards, advocating for more female representation to leverage emotional intelligence in navigating economic disruptions, especially in developing economies.

6. REFERENCES

- ALJANABI, A. H. M. S. (2022). The role of emotional intelligence in organizational virtuousness (Higher Diploma, University of Baghdad).
- ALZOUBI, H. M., & AZIZ, R. (2021). Does emotional intelligence contribute to the quality of strategic decisions? The mediating role of open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(2), 130. <https://doi.org/10.3390/joitmc7020130>
- AL-ZUBAIDI, S. A. K. (2013). The impact of emotional intelligence strategy in the collection of literary fifth grade students in the substance of literature and texts (Master's thesis, University of Baghdad).

- AWALAKKI, M. (2022). A study on the impact of emotional intelligence of retail investors on investment decisions. *Journal of Innovation and Entrepreneurship*.
- AZOUZI, M. A., & JARBOUI, A. (2021). CEO emotional intelligence and board of directors efficiency. *Iranian Journal of Management Studies*, 5(1), 115-144.
- BADAWI, A. (2023). Predicting the risk of stock price collapse using swarm intelligence algorithms and its impact on the continuity of the enterprise. *Journal of Accounting Research*, 10, 467-507.
- BLAIK HOURANI, R., LITZ, D. R., & PARKMAN, S. (2023). Linking emotional intelligence to professional leadership performance standards. *International Journal of Leadership in Education*, 26(2), 1005-1036.
- BOSTRACK, C. C. (2023). Self-management emotional intelligence and authentic leadership: A quantitative correlational study. *The Chicago School of Professional Psychology*.
- BOUZGUENDA, K. (2018). Emotional intelligence and financial decision-making: Are we talking about a paradigmatic shift or a change in practices? *Research in International Business and Finance*, 44, 273-284.
- BUCCIOL, A., GUERRERO, F., & PAPADOVASILAKI, D. (2021). Financial risk-taking and trait emotional intelligence. *Review of Behavioral Finance*, 13(3), 259-275.
- CHERNISS, C., & ROCHE, C. W. (2020). How outstanding leaders use emotional intelligence. *Leader to Leader*, 2020(3), 45-50.
- DRIGAS, A., & PAPOUTSI, C. (2020). The need for emotional intelligence training education in critical and stressful situations: The case of COVID-19. *International Journal of Recent Contributions in Engineering Science and IT*, 8(1), 20-36.
- DUAN, W. H., ASIF, M., NIK MAHMOOD, N. H., & WAN ZAKARIA, W. N. (2023). Emotional intelligence and high-performance leadership of women leaders: The mediating role of organizational culture. *Management Research Review*, 46(1), 100-115.
- ELLEUCH, Y., ALI, A. M., & ANIS, J. (2015). CEO emotional intelligence level and compensation: Evidence from Tunisia. *Economics*, 3(1), 71-85.
- GOLEMAN, D. (1998). The emotionally competent leader. *The Healthcare Forum Journal*, 36(3), 38-76.
- GOLEMAN, D. (2021). *Leadership: The power of emotional intelligence*. More Than Sound LLC.
- HABIB, M., NAQI, S. M. A., & ALI, M. (2023). Emotional intelligence: Understanding, assessing, and cultivating the key to personal and professional success. *South East Asia Journal of Contemporary Business, Economics and Law*, 6, 50-55.

- HALL, J., JONES, G., BEATTIE, C., & SANDS, J. (2024). Did emotional intelligence traits mitigate COVID-19 uncertainty effects on financial institutions' board decision-making process? *Journal of Risk and Financial Management*, 17(2), 106. <https://doi.org/10.3390/jrfm17020106>
- HASHEM, Y. R. (2020). The role of strategic intelligence in organizational success (Master's thesis, University of Baghdad).
- HASSOUN, N. S., & SAKHR, N. H. (2021). The role of emotional intelligence in enhancing the job performance of auditors and reducing their responsibility: Applied research in a sample of audit offices in Iraq. *Muthanna Journal of Administrative & Economic Sciences*, 11(1).
- KHALIL, W. N. (2019). Applying emotional intelligence and its reflection in audit quality: Applied research in the Federal Audit Office (PhD dissertation, University of Baghdad).
- KORPES, A. D. A. (2023). Does emotional intelligence have an effect on the success levels of the chief financial officers (CFOs)? *Journal of Finance and Accounting*, 14(2).
- MAHDI, A. G., & AL-RABAIWI, S. H. (2020). The role of soft skills in enhancing the impact of internal marketing on customer satisfaction: An applied study of a sample of private bank managers in Baghdad. *International Journal of Research in Social Sciences and Humanities*, 10(2), 247-267.
- MOMTAZ, P. P. (2021). CEO emotions and firm valuation in initial coin offerings: An artificial emotional intelligence approach. *Strategic Management Journal*, 42(3), 558-578.
- MOON, J. (2021). Effect of emotional intelligence and leadership styles on risk intelligent decision-making and risk management. *Journal of Engineering, Project & Production Management*, 11(1).
- NOURI, M. T. (2022). The effect of professional compatibility in alleviating work stress through the mediation of emotional intelligence (Master's thesis, University of Baghdad).
- PAPOUTSI, C., CHAIDI, I., DRIGAS, A., SKIANIS, C., & KARAGIANNIDIS, C. (2022). Emotional intelligence & ICTs for women and equality. *Technium Social Sciences Journal*, 27, 253. <https://doi.org/10.47577/tssj.v27i1.6857>
- PINATIK, S. (2021). The effect of auditor's emotional intelligence, competence, and independence on audit quality. *International Journal of Applied Business and International Management*, 6(1), 55-67.
- RAHIM, A., KHAWLA, DADU, MWAIMA, MUSTAFAWI, & SOUFYAN. (2021). The effect of emotional intelligence on the quality of decision-making. *Ahmed Draya University - Adrar*.
- RESHETNIKOV, V. A., TVOROGOVA, N. D., HERSONSKIY, I. I., SOKOLOV, N. A., PETRUNIN, A. D., & DROBYSHEV, D. A. (2020). Leadership and emotional intelligence: Current trends in public health professionals training. *Frontiers in Public Health*, 7, 413. <https://doi.org/10.3389/fpubh.2019.00413>

- RUQAYYAH, BAGHDADI, SOHAILA, BULHADED, SADEQ, & LSHAB. (2022). The role of emotional intelligence in improving the quality of decision-making: Case study of the Electricity and Gas Distribution Concession Corporation, El Bayadh State, during the period 2021/2022. Kasdi Merbah University Ouargla.
- SALOVEY, P., & MAYER, J. D. (1990). Emotional intelligence. *Imagination, Cognition and Personality*, 9(3), 185-211.
- SHABANI, S., CITAKU, F. T., RAMADANI, H., MANO, M. S., BARACH, P., WALDROP, M., ZILLIOUX, D., & HAYAT KHAN, Y. (2021). The impact of emotional intelligence on enhancing women's leadership competencies. *International Journal of Business and Management*, 16(3), 105-116. <https://doi.org/10.5539/ijbm.v16n3p105>
- SUPRAMANIAM, S., & SINGARAVELLOO, K. (2019). Impact of emotional intelligence and organisational culture on the performance of Malaysian administrative and diplomatic officers. *International Online Journal of Educational Leadership*, 3(1), 41-55.
- TRONG TUAN, L. (2013). Emotional intelligence as the departure of the path to corporate governance. *Corporate Governance: The International Journal of Business in Society*, 13(2), 148-168. <https://doi.org/10.1108/14658801311320711>
- ZHAO, M., LI, Y., & LU, J. (2022). The effect of audit team's emotional intelligence on reduced audit quality behavior in audit firms: Considering the mediating effect of team trust and the moderating effect of knowledge sharing. *Frontiers in Psychology*, 13, 1082889. <https://doi.org/10.3389/fpsyg.2022.1082889>