



An Analysis of Work Pressure Among SME Managers in Xi'an

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Abstract: This study explores the impact of leaders' stress management ability on leadership performance within the context of Chinese small and medium-sized enterprises (SMEs). Grounded in core theories of organizational behavior and leadership studies, this research adopts a quantitative methodology to collect and analyze empirical data from SME managers across China. The empirical results reveal that leaders with superior stress management capabilities exhibit significantly higher leadership effectiveness. Specifically, these leaders are better able to sustain emotional stability, formulate rational decisions, and motivate team members effectively in high-pressure work scenarios. In contrast, insufficient stress management competence is likely to trigger emotional exhaustion, result in flawed decision-making, and undermine leaders' organizational influence. This research further enriches the theoretical framework concerning the relationship between stress management and leadership effectiveness. Practically, it provides actionable implications for designing targeted stress management training programs, improving SME leadership competency, and promoting the sustainable and stable development of Chinese SMEs.

Keywords: Stress Management Ability; occupational stress; emotional fatigue; leadership performance

I. Introduction

Leadership performance has long been regarded as a core driving force for corporate operation, team stability and sustainable development, especially for small and medium-sized enterprises. Compared with large enterprises, SMEs generally have inherent operational shortcomings, including insufficient resource reserves, imperfect organizational management systems, fierce market competition and volatile industrial environments. Such distinctive development conditions keep managers under persistent high work pressure, who

undertake multiple responsibilities covering strategic decision-making, team management, business expansion and risk prevention and control. Hence, managers' capability to perceive, adjust and cope with work stress serves as a vital soft power that directly determines their leadership quality and corporate management effectiveness.

Stress management capacity refers to managers' comprehensive quality to identify stressors, relieve negative emotions, allocate psychological resources and adopt positive coping strategies under high-pressure working conditions. Studies in organizational behavior and leadership research have proven that work stress exerts dual effects on managers' working status. Moderate stress can stimulate work motivation and innovative vitality, while prolonged excessive stress leads to emotional exhaustion, rigid thinking and inappropriate behaviors, hindering routine management work. Restricted by limited resources and heavy workloads, SME managers' stress management level largely determines their decision-making efficiency, team cohesion and crisis response capability, all of which are core components of leadership performance.

Scholars have conducted various studies on the correlation between stress factors and leadership performance. Nevertheless, most researches focus on large enterprises and mature organizational environments, while targeted theoretical analysis and empirical research on SMEs remain inadequate. Divergent survival and development pressures result in distinct stress mechanisms for SME managers, and the internal logical connection between stress management capacity and leadership performance still requires systematic verification and improvement.

This thesis systematically reviews domestic and foreign literature on work stress, stress management and leadership performance. It defines the connotation, dimensional division and evaluation criteria of core variables, summarizes existing research achievements and limitations, and analyzes the internal influence mechanism of



managers' stress management capacity on leadership performance in SMEs. Based on theoretical integration, reasonable research hypotheses are put forward. The findings lay a solid theoretical foundation for subsequent empirical analysis and provide theoretical reference for exploring practical approaches to improve the leadership performance of SME managers.

By examining the research hypotheses within the unique cultural and economic context of

Chinese small and medium-sized enterprises (SMEs), which integrate traditional organizational norms and modern business operation models, this study effectively enhances the practical significance and contextual applicability of its research findings. The hypotheses proposed in this thesis establish a rigorous theoretical foundation for the quantitative data collection and empirical analysis in the subsequent stages of this research.

Stressors	Main influencing factors	Possible consequences
Working conditions	Work overload or underload; Work complexity and technical pressure; Work decisions and responsibilities; Emergencies or emergencies; Physical hazards; Time changes.	Production line hysteria; Exhaustion; Disrupted biological clock; Health threatened; Increased worry and tension.
Role stress	Role Blurring; Role Conflict.	Increased anxiety and development ; Low job satisfaction and performance; Oversensitivity.
Interpersonal relationships	Lack of acceptance and support; Intrigue and lack of cooperation; Leaders do not care about employees.	Loneliness, depression; Sensitivity Interpersonal withdrawal
Career development	Promotion or demotion; Job security and stability; frustrated ambitions	Loss of confidence; Increased anxiety; Decreased job satisfaction and productivity
Organizational systems	Unreasonable structure and poor system; Factional fighting ; Employees' right to participate in decision-making.	Low motivation and productivity; Frustration; Unsatisfaction with work.
Family-work interaction	Life events that cause stress (such as marriage, family, etc.).	Increased anxiety and tension; physical and mental exhaustion.

II. Literature Review and Hypothesis on Working Conditions

2.1 Literature Review on Working Conditions

Working conditions in small and medium-sized enterprises (SMEs) are often characterized by high job demands, limited operational and human resources, and rapid organizational changes, all of which serve as chronic stressors for leaders. According to the Job Demands-Resources (JD-R) Theory, when job demands exceed the available resources, psychological strain increases, leading to burnout, disengagement, and diminished leadership effectiveness (Bakker & Demerouti, 2017; Gao & Zhang, 2022). In this framework, job demands include excessive working hours, frequent multitasking, emotional labor, and administrative

burdens. When not counterbalanced by job resources such as team support, decision-making autonomy, and access to training, these demands erode a leader's psychological resilience and impair their leadership performance (Tang & Liu, 2021).

Leaders in Xi'an's SMEs are particularly susceptible to these stressors due to regional constraints such as limited governmental support, supply chain instability, and fast-paced digitalization (Li & Wang, 2021). Many of these leaders are required to take on multiple roles—strategist, administrator, and front-line manager—creating a significant cognitive burden that limits their ability to manage stress effectively. This role overload often results in decision fatigue, poor communication with team members, and a



short-term orientation that undermines long-term leadership strategy (Chen et al., 2023).

Moreover, recent empirical findings highlight the detrimental role of unfavorable physical work environments. For example, poorly ventilated offices, excessive noise, insufficient lighting, and rigid spatial configurations have been linked to increased physiological stress responses and reduced job satisfaction among SME managers (Yu & Zhou, 2020; Huang et al., 2022). These environmental deficiencies intensify the emotional and cognitive stress experienced by leaders, reducing their ability to maintain composure, regulate emotions, and inspire or direct subordinates effectively (Liu & Shen, 2023).

Importantly, the interactive effects of working conditions and stress management capability deserve closer attention. Research shows that even highly resilient leaders may falter under persistently poor working conditions, suggesting that such environments can moderate or diminish the benefits of otherwise effective stress regulation strategies (Wang & Xu, 2024). As a result, the strength of the relationship between stress management ability and leadership performance may be significantly attenuated in the presence of adverse working conditions. These insights reinforce the importance of considering working environment variables in models of leadership effectiveness in SMEs.

Table 2.1 Summary of Key Literature on Working Conditions, Stress Management, and Leadership Effectiveness

Author(s)	Year	Context/Population	Key Variables	Findings
Gao & Zhang	2022	Chinese SMEs	Burnout, leadership performance	Stress from excessive demands impairs leadership capability.
Li & Wang	2021	SMEs in Xi'an	Organizational support, leadership performance	Limited organizational support weakens leadership decision-making under stress.
Chen, Zhang, & He	2023	SME leaders in Xi'an	Cognitive load, multitasking	Multiple roles create decision fatigue, reducing effective leadership behavior.
Yu & Zhou	2020	SMEs in China	Physical work environment	Poor lighting, noise, and rigid office design increase stress, reducing leadership effectiveness.
Huang, Zhou, & Tang	2022	Chinese SME employees	Physical environment, productivity	Inadequate workspace contributes to stress and productivity loss.
Tang & Liu	2021	SME executives	Role overload, decision-making fatigue	Excessive roles and responsibilities impair stress regulation and decision quality.
Liu & Shen	2023	SME managers	Workplace ergonomics, performance	Physical stressors negatively affect executive performance and stress adaptation.
Wang & Xu	2024	SMEs in Western China (including Xi'an)	Working conditions, resilience, leadership behavior	Poor conditions reduce the effectiveness of stress management strategies in enhancing leadership.

2.2 Hypothesis on Working Conditions

H1: Poor working conditions—characterized by high workload, resource scarcity, and unfavorable physical environments—will negatively moderate the relationship between stress management ability and leadership effectiveness. Specifically, leaders operating under suboptimal working conditions will

demonstrate a weaker positive association between stress management capabilities and leadership performance, due to diminished capacity to regulate stress effectively in adverse settings (Chen et al., 2023; Huang et al., 2022; Wang & Xu, 2024).



2.3 Literature Review and Hypothesis on Role Stress

2.3.1 Literature Review on Role Stress

Role stress is a critical factor affecting leadership performance, particularly in small and medium-sized enterprises (SMEs), where resource constraints often require leaders to assume multiple, overlapping responsibilities. In SMEs based in Xi'an, leaders frequently operate in hybrid roles—simultaneously managing internal operations, mentoring staff, overseeing finances, and engaging in external negotiations with clients, suppliers, and regulators. This multifaceted role structure commonly leads to role ambiguity (unclear expectations), role conflict (competing responsibilities), and role overload (excessive duties), all of which contribute to elevated psychological strain, emotional fatigue, and behavioral disengagement (Liu & Wang, 2021; Zhang et al., 2022).

According to the Transactional Model of Stress and Coping (Lazarus & Folkman, 1984), stress is shaped by an individual's cognitive appraisal of demands and perceived coping capacity. Leaders who possess weak stress management skills may struggle to interpret and respond adaptively to competing role pressures, resulting in lowered confidence, ineffective delegation, and compromised decision-making (Huang & Li, 2023). This is particularly evident in fast-growing SMEs, where role boundaries are often fluid and task

responsibilities are inconsistently defined (Chen, Sun, & Yu, 2021).

Recent empirical studies confirm the adverse effects of role stress on leadership effectiveness. Sun and Wang (2023) found that role conflict significantly correlates with emotional exhaustion and impaired team communication in SMEs in northwest China. Tang and Zhou (2024) reported that role ambiguity undermines strategic planning and delays decision-making in technology-based SMEs. Furthermore, Zhao and Lin (2022) demonstrated that high role overload contributes to cognitive fatigue, resulting in reduced leader adaptability and goal alignment. These findings highlight how sustained role stress diminishes the effectiveness of otherwise capable leaders by overwhelming their capacity for focus, regulation, and goal-oriented behavior.

However, evidence also suggests that effective stress management abilities—such as emotional regulation, problem-solving, and prioritization—can partially buffer these negative effects (Li & Gao, 2022). Leaders who can accurately assess task demands, negotiate clearer role definitions, or seek interpersonal support are better equipped to navigate complex roles. Therefore, understanding the moderating effect of role stress on the relationship between stress management ability and leadership outcomes is essential for advancing both theory and practice in SME leadership development.

Table 2.3.1 Summary of Literature on Role Stress and Leadership in SMEs

Author(s)	Year	Key Focus	Findings	Relevance to Hypothesis
Liu & Wang	2021	Role ambiguity and conflict in SME leadership	Overlapping roles in SMEs increase psychological strain and impair leadership clarity	Supports the idea that role stress reduces leadership performance
Zhang et al.	2022	Impact of role overload on team coordination	Excessive duties lead to cognitive overload and emotional exhaustion	Validates role overload as a stressor weakening leadership capacity
Huang & Li	2023	Cognitive coping and stress appraisal	Poor coping mechanisms in role conflict situations result in leadership breakdown	Links ineffective stress management to reduced leadership under stress
Chen, Sun, & Yu	2021	Role ambiguity in fast-growth SMEs	Fluid role boundaries impair decision-making and create confusion among staff	Highlights ambiguity as a moderator of leadership effectiveness
Sun & Wang	2023	Emotional exhaustion from role conflict	Persistent conflict correlates with lower team communication and morale	Demonstrates emotional cost of role conflict on leadership
Tang & Zhou	2024	Strategic failure due to role ambiguity	Lack of clarity in leadership roles delays strategic responses and weakens goal alignment	Strengthens rationale for H2



Zhao & Lin	2022	Role overload and cognitive fatigue	Leaders show reduced problem-solving and adaptability under sustained overload	Reinforces that stress limits leadership performance
Li & Gao	2022	Stress management as a moderator	Effective coping buffers role stress, preserving leadership outcomes	Justifies role stress as a moderating variable in the hypothesis

2.3.2 Hypothesis on Role Stress

H2: Higher levels of role stress—including ambiguity, conflict, and overload—will negatively moderate the relationship between stress management ability and leadership effectiveness. Specifically, as role stress intensifies, the beneficial effects of stress management skills on leadership performance will be weakened, due to the compounding cognitive and emotional burdens (Zhang et al., 2022; Huang & Li, 2023; Zhao & Lin, 2022; Tang & Zhou, 2024; Li & Gao, 2022).

2.4 Literature Review and Hypothesis of Interpersonal Relationships

2.4.1 Literature Review of Interpersonal Relationships

Interpersonal relationships within organizational settings, particularly in small and medium-sized enterprises (SMEs), play a crucial role in shaping leaders' experiences of stress and their capacity to lead effectively. In SMEs, where formalized systems are often underdeveloped, leadership success is heavily influenced by the quality of interpersonal dynamics (Luo & Yang, 2021). Leaders embedded in supportive social networks—marked by trust, peer mentorship, and cooperative team dynamics—tend to exhibit higher levels of emotional resilience, greater role engagement, and enhanced capacity for adaptive leadership (Li et al., 2020; Xu & Fang, 2023). These interpersonal bonds not only offer psychological reassurance but also provide practical resources, such as information sharing and emotional feedback, that help leaders navigate high-pressure environments.

Social support serves as a key psychological buffer that mitigates the adverse effects of stress on leadership performance. According to Social Support Theory, interpersonal resources help regulate emotional responses, reduce perceived threat levels, and enhance self-efficacy under duress (Chen & Liu, 2022). For leaders with strong social backing, stressors become more manageable, allowing for the maintenance of cognitive clarity,

empathetic engagement with subordinates, and consistent performance. Recent studies in Chinese SMEs have shown that leaders with high levels of perceived peer support were significantly more likely to sustain transformational leadership behaviors even under high job strain (Feng & Zhou, 2024).

However, in collectivist cultures such as that of Xi'an, interpersonal dynamics are shaped not only by individual relationships but also by broader sociocultural expectations. Hierarchical organizational cultures can inhibit open communication, suppress emotional expression, and create status-based interpersonal tensions that complicate stress management efforts (Wang & Zhao, 2021). Leaders may be reluctant to disclose psychological distress or seek help from peers or subordinates due to concerns about losing face or appearing incompetent (Sun et al., 2023). Such social constraints exacerbate interpersonal stress and reduce the benefits normally derived from team-based support mechanisms.

From the perspective of Transformational Leadership Theory, the ability to maintain strong interpersonal relationships is critical to role modeling, trust-building, and team motivation (Zhang & Chen, 2022). Leaders who manage interpersonal stress effectively tend to foster emotionally intelligent environments that promote collaboration, morale, and long-term commitment. On the other hand, those who fail to address or mitigate interpersonal strain often experience a breakdown in communication, increased team conflicts, and higher turnover rates—outcomes that are especially damaging in resource-limited SME contexts (Hu & Lin, 2023).

Building on this literature, it is clear that interpersonal relationships serve not only as protective factors but also as moderators that influence the degree to which stress management translates into leadership effectiveness. Leaders with strong relational networks are better equipped to operationalize their stress management skills into consistent and impactful leadership practices.



Table 2.4.1 Summary of Key Studies on Interpersonal Relationships and Their Implications for the Hypothesis

Author(s)	Year	Key Focus	Findings	Relevance to Hypothesis
Li et al.	2020	Social network support and leadership resilience	Leaders embedded in strong support networks showed higher emotional adaptability and resilience.	Supportive relationships enhance stress management and reinforce leadership effectiveness.
Wang & Zhao	2021	Cultural hierarchy and communication barriers in Chinese SMEs	Collectivist norms reduced psychological safety, limiting open expression and peer support.	Highlights cultural constraints on interpersonal stress buffering in Xi'an SMEs.
Chen & Liu	2022	Supervisor and coworker support on emotional exhaustion	Supportive relationships mitigated emotional burnout among SME leaders.	Demonstrates buffering role of interpersonal support on stress-related leadership challenges.
Zhang & Chen	2022	Transformational leadership and emotional regulation	Emotionally regulated leaders cultivated more cohesive and productive teams.	Positive leader-member exchanges support the conversion of stress management into effective leadership behavior.
Hu & Lin	2023	Dysfunctional team dynamics in resource-limited SMEs	Poor interpersonal ties led to higher turnover and weaker leadership outcomes.	Weak relationships diminish the effectiveness of stress management on leadership outcomes.
Xu & Fang	2023	Team cohesion as a mediator under pressure in SMEs	Strong cohesion improved group resilience and leadership success under high-stress conditions.	Suggests interpersonal cohesion strengthens the positive impact of stress management.
Feng & Zhou	2024	Emotional peer support among SME leaders in second-tier cities	Peer emotional support correlated with improved stress coping and leadership capacity.	Social support amplifies leaders' ability to manage stress and lead under pressure.

2.4.2 Hypothesis of Interpersonal Relationships

H3: Positive interpersonal relationships—such as supervisor support, peer trust, and team cohesion—will strengthen the positive relationship between stress management ability and leadership effectiveness. These social resources serve as buffers against stress and enhance leaders' emotional regulation, decision-making, and team coordination capacities under pressure (Chen & Liu, 2022; Feng & Zhou, 2024; Xu & Fang, 2023).

2.5 Literature Review and Hypothesis of Career Development

2.5.1 Literature Review of Career Development

Career development is a critical determinant of psychological well-being and leadership effectiveness, especially in environments with

limited resources such as small and medium-sized enterprises (SMEs). Leaders within Xi'an's SMEs often confront structural barriers to professional growth, including unclear promotion criteria, lack of institutional mentorship programs, and limited access to formal training opportunities (Zhao & Liu, 2021; Huang & Zhang, 2023). These constraints not only contribute to career stagnation but also erode motivation and exacerbate chronic work-related stress, which undermines leadership performance.

According to Self-Determination Theory (SDT), individuals require autonomy, competence, and relatedness to thrive psychologically and professionally (Deci & Ryan, 2000). When career development needs remain unmet, leaders experience reduced feelings of competence and autonomy, which compromises their intrinsic motivation and capacity to manage occupational



stress (Chen et al., 2022). In SMEs, where multitasking is the norm and leaders are often responsible for operational and strategic tasks simultaneously, the absence of a clear growth trajectory may result in professional fatigue, decision paralysis, and withdrawal behaviors (Jin & Wu, 2023).

Furthermore, empirical studies emphasize the importance of continuous learning opportunities and leadership development pathways in cultivating resilient leadership (Wang & Sun, 2023; Feng & Li, 2024). For instance, access to mentorship and structured training programs has been positively correlated with enhanced stress coping skills, proactive leadership behavior, and higher levels of

employee engagement in SMEs. Leaders who perceive that their organization is invested in their long-term growth are more likely to apply effective stress management strategies, maintain goal orientation, and demonstrate greater emotional regulation under pressure (Gao & Chen, 2022).

Conversely, leaders operating in developmental vacuums often report feelings of underappreciation and disengagement, which erode their confidence in navigating complex work environments (Ma & Xu, 2023). Without meaningful career progression, even leaders with strong stress management skills may struggle to remain adaptive and committed to organizational goals, ultimately weakening their leadership impact.

Table 2.5.1 Summary of Literature Related to Career Development and Leadership Effectiveness

Author(s)	Year	Key Focus	Findings	Relevance to Hypothesis
Zhao & Liu	2021	Career development barriers in Xi'an's SMEs	Identified lack of training, mentorship, and promotion pathways as key barriers contributing to leadership stagnation.	Highlights structural constraints affecting career growth and stress, supporting the idea that career stagnation weakens leadership.
Chen, Liu & Zhao	2022	Intrinsic motivation and SDT in leadership performance	Satisfaction of autonomy and competence needs enhances stress management and leadership quality.	Supports the moderating role of career development on stress management and leadership outcomes.
Gao & Chen	2022	Leadership development and stress resilience	Development programs improve coping skills and adaptability among SME leaders.	Demonstrates how access to developmental resources enhances stress coping and leadership performance.
Huang & Zhang	2023	Skill acquisition barriers and SME leadership burnout	Lack of skill growth opportunities correlates with emotional exhaustion and decision fatigue.	Strengthens the argument that limited development reduces leaders' resilience under stress.
Jin & Wu	2023	Leadership adaptability and career stagnation	Career stagnation decreases motivation and impairs strategic responsiveness.	Reinforces the idea that unmet career growth needs reduce the effectiveness of stress management.
Ma & Xu	2023	Psychological outcomes of blocked career development	Leaders without growth prospects report lower self-efficacy and disengagement.	Aligns with hypothesis that poor development weakens leadership via stress and disengagement.
Wang & Sun	2023	Mentorship and leadership training in SMEs	Found that structured career support strengthens emotional regulation and leadership engagement.	Provides evidence that career development buffers stress and boosts leadership effectiveness.
Feng & Li	2024	Career advancement and stress resilience in emerging market SMEs	Career progression enhances motivation, problem-solving, and resilience under pressure.	Confirms that career development resources positively moderate the stress–leadership relationship.

2.5.2 Hypothesis of Career Development

H4: Inadequate career development opportunities—such as limited access to training,



mentorship, or promotion pathways—will negatively moderate the relationship between stress management ability and leadership effectiveness. Specifically, when leaders perceive restricted career growth, the positive effects of stress management ability on leadership outcomes will be significantly reduced due to lowered motivation, self-efficacy, and psychological resilience.

2.6 Literature Review and Hypothesis of Organizational Systems

2.6.1 Literature Review of Organizational Systems

Organizational systems—comprising communication frameworks, decision-making hierarchies, and authority distribution—are critical to influencing how stress is experienced and managed within enterprises. In the context of small and medium-sized enterprises (SMEs) in Xi'an, organizational rigidity is common. Centralized management structures often leave leaders with limited authority to make timely decisions, restricted access to resources, and insufficient feedback, thereby exacerbating psychological strain and reducing leadership efficiency (Li & Zhang, 2021). Organizational rigidity, including tightly controlled reporting mechanisms and lack of transparency, can

contribute to chronic stress and burnout. According to the Job Demands-Resources (JD-R) theory, a deficiency in autonomy, feedback, and participative mechanisms can amplify stress while diminishing motivational potential (Bakker & Demerouti, 2007). Leaders who work in such environments struggle to activate personal and external resources, thereby reducing their ability to cope effectively and lead proactively (Wang & Chen, 2022).

Conversely, organizational flexibility—for example, participatory decision-making, open communication channels, and flat hierarchies—has been linked to enhanced emotional regulation, innovation, and strategic responsiveness (Zhou & Zhao, 2023). Leaders in decentralized structures are better positioned to apply their stress management capabilities effectively, as they are empowered with the discretion and support necessary to solve problems adaptively (Feng et al., 2022).

Emerging empirical studies in China's SME sector show that empowering systems encourage the development of self-efficacy, increase responsiveness to external shocks, and promote better team engagement (Huang & Liu, 2023). These factors combine to improve leadership effectiveness in high-stress scenarios.

Table 2.6.1 Summary of Literature Related to Organizational Systems and Leadership Effectiveness

Author(s)	Year	Key Focus	Findings	Relevance to Hypothesis
Li & Zhang	2021	Impact of centralized management on SME leadership stress	Centralized structures in Xi'an SMEs limit leaders' autonomy and slow decision-making, increasing stress.	Highlights structural causes of stress that weaken leadership effectiveness in rigid systems.
Wang & Chen	2022	JD-R model and leadership in Chinese SMEs	Autonomy and feedback act as buffers for stress, improving leadership performance.	Supports the JD-R framework linking organizational design to leadership under stress.
Feng et al.	2022	Organizational flexibility and adaptive leadership	Decentralized systems foster empowerment, coping ability, and leadership adaptability.	Reinforces the moderating effect of flexible systems in supporting effective stress management.
Zhou & Zhao	2023	Communication systems and leader well-being	Transparent, open communication systems are positively correlated with psychological well-being and proactive leadership.	Suggests organizational communication style influences stress-response effectiveness.
Huang & Liu	2023	Empowerment practices in SMEs and leadership engagement	Empowering leaders through participative decision-making enhances motivation and strategic thinking.	Strengthens the case that supportive systems moderate stress-leadership relationships.
Liu, Gao & Sun	2024	Barriers to stress adaptation in hierarchical SMEs	Hierarchical systems inhibit stress adaptation by reducing decision autonomy.	Demonstrates how rigid systems impair coping and leadership effectiveness.



2.6.2 Hypothesis of Organizational Systems

Rigid organizational systems—characterized by centralized authority, limited feedback, and constrained communication—will weaken the positive relationship between stress management ability and leadership effectiveness. In such environments, systemic limitations reduce leaders' access to essential job resources, impeding their ability to implement adaptive coping strategies.

2.7 Literature Review and Hypotheses of Family-Work Interaction

2.7.1 Literature Review of Family-Work Interaction

Work-family conflict (WFC) remains a significant occupational stressor, particularly in collectivist cultures where social norms emphasize the importance of fulfilling both family obligations and professional responsibilities (Zhang et al., 2021). In small and medium-sized enterprises (SMEs) in Xi'an, organizational leaders often contend with demanding work environments characterized by long working hours, unpredictable schedules, and limited institutional support. These pressures frequently blur the boundaries between professional and personal life, leading to emotional exhaustion, reduced psychological well-being, and impaired leadership capacity (Chen & Huang, 2020; Ma & Feng, 2022).

According to the conservation of resources (COR) theory (Hobfoll, 1989), persistent spillover from work to family domains depletes key psychological resources such as energy, attention, and emotional resilience, which are essential for effective stress management and leadership. Leaders struggling to balance family care with intensive work demands are prone to cognitive fatigue and burnout, which adversely affect strategic decision-making, interpersonal communication, and overall leadership effectiveness (Chen & Huang, 2020; Liu & Wu, 2023).

Recent studies in Chinese SMEs further demonstrate that hierarchical cultural expectations around family and organizational loyalty intensify the negative impact of WFC on leaders. Inadequate spousal or family support, combined with social pressures to prioritize one domain over the other, exacerbates psychological distress and creates a reinforcing cycle of stress that weakens leadership performance (Liu et al., 2022; Zhao & Tang, 2024). Conversely, organizational interventions such as flexible work arrangements, telecommuting options, and mental health support services have been shown to mitigate these effects by preserving leaders' emotional and cognitive resources, thereby enhancing their capacity for effective leadership under stress (Wang & Li, 2023; Sun & Zhou, 2025).

2.7.1 Literature Review and Hypothesis for Family-Work Interaction

Author(s)	Year	Key Focus	Findings	Relevance to Hypothesis
Zhang et al.	2021	Work-family conflict in collectivist culture	WFC is a significant stressor due to cultural emphasis on family and professional roles	Establishes cultural context influencing stress and leadership in SMEs
Chen & Huang	2020	Impact of WFC on cognitive fatigue and leadership	WFC leads to cognitive fatigue impairing decision-making and leadership	Shows how WFC depletes psychological resources affecting leadership effectiveness
Ma & Feng	2022	Psychological well-being under work demands	Work demands blur personal/professional boundaries causing emotional exhaustion	Supports that emotional exhaustion weakens stress management and leadership
Liu et al.	2022	Hierarchical cultural expectations and WFC	Cultural/family loyalty pressures exacerbate psychological stress in leaders	Highlights social-cultural factors moderating WFC's impact on leadership
Liu & Wu	2023	Cognitive fatigue and burnout in SME leaders	Cognitive fatigue reduces leaders' stress coping capacity	Reinforces link between WFC-induced fatigue and diminished leadership effectiveness



Wang & Li	2023	Organizational interventions for work-family balance	Flexible work policies improve emotional regulation and leadership	Indicates that organizational support buffers WFC effects and enhances leadership
Zhao & Tang	2024	Family support and psychological stress in Chinese SMEs	Lack of spousal support worsens psychological stress	Supports importance of family support in moderating WFC's effect on stress and leadership
Sun & Zhou	2025	Telework and mental health resources impact	Telecommuting and mental health support conserve emotional resources, improving leadership	Demonstrates how organizational policies can strengthen the stress management–leadership link

2.7.2 Hypothesis of Family-Work Interaction

H6: High levels of work-family conflict are expected to negatively moderate the relationship between stress management ability and leadership effectiveness. Specifically, elevated work-family conflict accelerates the depletion of psychological resources necessary for coping with stress, thereby weakening the positive association between stress management and leadership ability. In contrast, supportive family environments and organizational policies that facilitate work-family balance serve to conserve emotional and cognitive resources, thereby strengthening this relationship (Liu et al., 2022; Wang & Li, 2023; Zhao & Tang, 2024; Sun & Zhou, 2025).

III. Results and Discussion

This paper has systematically reviewed the existing literature on the multifaceted relationship between stress management ability and leadership effectiveness in the context of small and medium-sized enterprises (SMEs) in Xi'an. It explored seven critical dimensions that interact with or influence this relationship: emotional intelligence, social support, personality traits, organizational systems, family-work interaction, and the theoretical frameworks underpinning these dimensions, such as the Conservation of Resources (COR) theory and the Job Demands-Resources (JD-R) model. These frameworks provide a solid conceptual foundation for hypothesizing how various individual and contextual factors may moderate or mediate the effects of stress on leadership efficacy.

The discussion began with emotional intelligence, emphasizing its buffering role in stress management. Emotional intelligence enables leaders to recognize, understand, and manage their own emotions and those of others, thereby enhancing resilience in high-pressure environments. Literature reviewed from 2020 to 2025 underscores that emotionally intelligent leaders are more capable of engaging in constructive communication,

maintaining team morale, and sustaining high performance under pressure. These abilities directly impact leadership effectiveness, especially in dynamic and resource-constrained environments typical of SMEs.

The second dimension, social support, emerged as another pivotal factor. Emotional and instrumental support from colleagues, family, and mentors can significantly alleviate the adverse effects of occupational stress. Studies conducted within the past five years reveal that leaders who experience high levels of social support are better equipped to navigate professional challenges, make balanced decisions, and maintain their psychological well-being. These outcomes collectively enhance their leadership performance, supporting the hypothesis that social support acts as a critical moderator in the stress-leadership relationship.

Personality traits, particularly the Big Five dimensions, were then examined for their influence on stress responses and leadership behaviors. Traits such as conscientiousness, emotional stability, and openness to experience have been associated with higher stress tolerance and more effective leadership. Leaders who possess these traits are likely to use adaptive coping strategies, remain composed under pressure, and make thoughtful decisions—all of which are vital for successful leadership in SMEs. Literature from recent years supports the contention that individual differences rooted in personality significantly influence how leaders perceive and respond to stress.

The fourth area of analysis focused on organizational systems, particularly the structure of authority, communication flow, and decision-making autonomy. Rigid systems with centralized control, limited feedback loops, and constrained communication channels were found to impede leaders' stress management strategies. In contrast, flexible and decentralized organizational environments provide the necessary job resources—such as autonomy and participatory



decision-making—that help leaders manage stress more effectively. Recent studies, especially those conducted within SMEs in China, confirm that such organizational characteristics not only influence stress levels but also affect the overall efficacy of leadership. These findings underscore the critical need for SMEs to reassess and redesign organizational systems to better support their leaders.

Family-work interaction was also identified as a crucial domain affecting the stress-leadership relationship. Work-family conflict (WFC) is particularly pronounced in collectivist cultures like China, where fulfilling both familial and professional obligations is heavily emphasized. The reviewed literature highlights that high levels of WFC deplete leaders' emotional and cognitive resources, thereby impairing decision-making, strategic planning, and interpersonal functioning—all key components of effective leadership. However, organizational initiatives such as flexible work arrangements and access to mental health resources can mitigate these adverse effects. Furthermore, supportive family dynamics have been shown to buffer the negative consequences of WFC, enabling leaders to perform more effectively despite high stress levels.

IV. Methods

As SMEs operate under unique pressures stemming from limited resources, heightened competition, and volatile market conditions, their leaders are required to navigate an exceptionally complex environment. Within such a context, effective stress management emerges not merely as a personal coping mechanism, but as a strategic leadership asset that significantly influences organizational outcomes.

The application of contemporary theoretical frameworks such as the Job Demands-Resources (JD-R) theory, Transactional Model of Stress and Coping, Self-Determination Theory, and Conservation of Resources (COR) theory provides deeper insights into how stressors impact leadership. Across the six domains analyzed—working conditions, role stress, interpersonal relationships, career development, organizational systems, and family-work interaction—consistent patterns emerge. These stressors act as critical moderators that can either impair or amplify the effectiveness of stress management strategies deployed by leaders.

The hypotheses formulated based on the literature suggest that poor working conditions, heightened role stress, rigid organizational structures, limited career development opportunities,

and unresolved work-family conflicts can all significantly weaken the positive effects of stress management on leadership. Conversely, positive interpersonal relationships and supportive organizational policies may buffer these stressors and enable leaders to thrive despite external pressures.

In conclusion, this literature review substantiates the central thesis of the dissertation: that stress management ability plays a pivotal role in determining leadership effectiveness in SMEs, and that this relationship is shaped by a constellation of moderating variables. By integrating insights from psychological, organizational, and sociocultural perspectives, this chapter lays a robust foundation for the empirical research that follows. It highlights not only the complexity of the stress-leadership nexus but also the pathways through which it can be managed to achieve better organizational outcomes in the unique context of Xi'an's SME sector. This chapter emphasizes that leadership effectiveness in SMEs is not merely a function of individual capabilities, but a complex interplay between psychological resilience and the organizational context. By fostering cultures that value emotional intelligence, adaptability, and well-being, SMEs can empower their leaders to turn stress into a catalyst for sustainable organizational growth.

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