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## THE IMPACT OF EMOTIONAL INTELLIGENCE SKILLS TO ENTREPRENEURIAL BUSINESS SUCCESS

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### **Abstract**

Business leaders are playing entrepreneurial roles in the process of decision making. As entrepreneurs, they are characterized with high level of creativity, innovation, taking chances and risks but also their high emotional intelligence can be extremely beneficial. These EQ skills give them better understanding of the needs, feelings, and overall situation of others.

Therefore, entrepreneurs with high emotional intelligence can effectively create a product or service to fit the needs and expectations of their target customers, and business leaders with high emotional intelligence can create quality interpersonal relationships and enhance employees' motivation. As a result, business success can be achieved, operating performance can increase, as well as the overall business effectiveness and efficiency.

The purpose of this paper is to elaborate the influence of EQ skills on business leaders and entrepreneurial success. The analysis is focused on the connection between emotional intelligence and intellectual intelligence, models and components of emotional intelligence, dimensions and factors of emotional intelligence. The importance of assessing, developing and upgrading the emotional skills is also highlighted. Secondary research is provided and supported by survey conducted in North Macedonia on representative number of 30 entrepreneurs in order to determine their awareness for EQ, the usage of EQ skills, and the importance of enhancing EQ skills for business success.

Keywords: entrepreneurship, business, emotional intelligence, EQ skills

*JEL classification:* M13; L26

### **INTRODUCTION**

Emotional intelligence allows a person to identify and accept their own and other people's emotions and to recognize their manifestation. Therefore, emotional intelligence is the most important for building and enhancing interpersonal relationships. Those who are emotionally intelligent can approach a problem from different point of view and quickly develop a creative solution. Emotional intelligence enables easier social integration in the society.

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In both private life and business, social interactions are key to a healthy and stable communication. Creating good and strong relationships with employees and subordinates helps the leader performing tasks in efficient way and achieving organization's goals. In order for the employees to be more productive in the workplace, there is a need of making a creative working atmosphere, intrapreneurial organization culture and a flexible organizational structure with authority of the leader based on respect and trust.

Developing emotional intelligence allows the leader to gain the knowledge necessary to maintain a well-balanced and compact working climate in order to improve the business. A true leader that employees gladly follow, has a high level of various types of intelligence and continuously focuses on skill development. As a person who is responsible for managing large number of processes in the organization, the leader must be representative and reliable. Study shows that emotionally intelligent leaders are perceived to be highly effective by their followers (Hur, van den Berg, and Wilderom 2011).

Emotional intelligence is one of the main factors influencing the success of an entrepreneurial business leader. Increasing the competencies, abilities and skills, especially in the five domains where emotional intelligence is manifested, is crucial due to their direct impact on the leader's professionalism and success, as well as his productivity, which affects employee's motivation, encourages their creativity and innovation and significantly influences interpersonal relationships, work environment, organizational culture and business ethics.

## **1. HIGH PERFORMANCE LEADERSHIP**

High-performance leadership style is established on a mechanism of cooperation based on freedom of choice, dropping out the system of constraint, force, pressure and control with dominance of democratic, real and enduring values in the organization. It creates organizational culture, where obedience and mechanical approach to work are replaced by creativity, autonomy and continuity in the acquisition of new knowledge. Such a leader encourages innovation, experimentation and risk-taking. It is a person who has positive influence on others, who creates new relationships within the organization and enables new connections within the team. Results of a meta-analysis indicate that emotional intelligence should be considered as a valuable predictor of performance (Van Rooy, and Viswesvaran 2014).

The high performance leader has an unbiased real self-awareness, knows his own abilities and uses them to build and realize his vision. Such a leader thinks about the future and analysis every possibility to achieve his goals. One characteristic that all effective leaders have, is motivation. They are forced to achieve and exceed their own expectations and everyone else's. Additionally, both the intrapersonal and interpersonal dimensions of emotional intelligence of business leaders can have an indirect influence on firm performance via interpersonal processes that entail functioning in key activities within the firm (Ingram, Peake, Stewart, and Watson 2019).

Research results in more than 200 global companies has shown that traditional leadership qualities such as vision, intelligence and perseverance are not enough for today's success. However, emotional intelligence is one of the most important links to

effective and successful entrepreneurial leadership. No matter what leadership style is implemented, all leaders need to have a high degree of emotional intelligence, because without it they cannot be successful. EI ability also can be used by HR and leadership development professionals to optimally design EI-based leadership development programs (Foster and Roche 2014).

Emotional intelligence is defined as the ability to identify and control emotions, own feelings and those of others, ability to motivate and manage emotions positively, both internally and in relationships. Leaders must have a high degree of emotional intelligence to understand employees and their emotions and be able to choose the leadership method tailored to the given situation. Accordingly, managers must fully understand their physical and social environment. After establishing an autocratic or democratic leadership style, they need to convey positive emotional energy to their employees and inspire them. This type of intelligence helps employees trust their managers, which is a very important component of successful leadership. If managers are not emotionally intelligent, they may find themselves using the wrong leadership model. This kind of wrong approach can cost them the expected success. Emotional intelligence is increasingly relevant to employees' organizational development, as the principles of emotional intelligence provide a new way of understanding and evaluating employees' behaviors, attitudes, interpersonal relations and potentials. Emotional intelligence is the ability to think correctly involving emotions and to use emotions to improve thinking. Emotional intelligence helps business leaders to develop a vision for their organizations, motivates subordinates to commit to the vision and energize them to enthusiastically work to achieve this vision (Ugoani 2016). However, studies show that emotional intelligence can also affect emotional exhaustion (burnout) resulting from emotional labor, and this emotional exhaustion can influence on the job performance in terms of organizational commitment and job satisfaction (Moon, and Hur 2011).

One of the most requested skills or qualities of successful business leaders is the emotional intelligence. According to Goleman, an individual's ability to recognize and manage their own emotions and the emotions of others accounts for 80% of leadership success, both in the workplace and in life. In general, a leader who is able to govern himself first and then others with passion and commitment, creates a kind of useful resonance, defined as "emotional resonance" in the organization. Furthermore, results of a study revealed that emotional intelligence has positive significant relationship with organizational commitment (Taboli 2013).

## **2. EMOTIONAL VS INTELECTUAL INTELLIGENCE**

In the context of entrepreneurial business, emotional intelligence is the ability of the leader to manage support and relationships within a group to focus their work, commitment and skills towards achieving organization's goals. These skills range from the ability to nurture and maintain personal relationships to that of negotiating and resolving conflicts, the ability to analyze themselves and other people, identifying interests, emotions, and motivation to better manage them, to the ability to organize work teams. However, people vary in their ability to perceive, understand, use, and

manage emotions; and these variances affect individual capability in a variety of contexts, including organizational leadership (McCleskey 2014).

Emotional intelligence is entrepreneurial leader capacity that allows him to control emotions in an appropriate way. Emotions and intellect are not opposed to each other, but they are both sides of the same coin. Things can be understood through the intellect, but emotions allow action. However, emotional intelligence is the ability to use the energy of emotions effectively. Emotional intelligence is found in the basic element of human behavior that is different from the intellect. Intelligence represents the learning ability which at the age of 15 is the same as at the age of 50. Emotional intelligence, on the other hand, is a flexible set of skills that can be acquired and improved through practice. Although some people are naturally more emotionally intelligent than others, high emotional intelligence can be developed.

Emotional intelligence is actually the intelligent use of emotions and the use of the power or information contained in emotions to make effective decisions. The EQ concept is based on the fact that IQ, or conventional intelligence, is too narrow and that there are wider areas of emotional intelligence that dictate and enable success. Emotions related to emotional intelligence work in synergy with the cognitive; one who is capable of excellent performance possesses both. Rational intelligence, or the ability to give effective and efficient answers to a problem through cognitive processes (which can be assessed by IQ tests), is constantly interacting with the emotional one. Therefore, these two intelligences function in synergy. The more complex the work, the more important emotional intelligence is. In general, the emotional intelligence is particularly important and useful for career progress (job success). IQ and technical skills are important, but emotional intelligence is the *sine qua non* of leadership (Goleman 2004).

The emotional intelligence skills although complementary, differ substantially from rational intelligence, i.e. purely cognitive abilities measured by IQ. These two different types of intelligence - intellectual and emotional - express the activity of different parts of the brain. The intellect is based exclusively on the elaborations that take place at the level of the neocortex, i.e. on the surface layers of the brain, on recent evolution. Emotional centers are located in depth, in the oldest subcortical regions. Emotional intelligence implies integrated functioning of these centers with intellectual. Emotional intelligence includes self-control, enthusiasm, perseverance, and the ability to motivate oneself, and is clearly focused on motivational characteristics.

Scientific research strongly suggests that there is a genetic component to emotional intelligence. Scientific studies show that certain individuals have an inborn affinity for emotional intelligence. Psychological research shows that nurturing plays a big role. Finally, research and practice clearly show that emotional intelligence can be learned. Emotional intelligence can be improved throughout life, and actually tends to increase. Emotional intelligence is a mixture of natural predisposition and experiential background. Unlike IQ, which remains almost unchanged throughout life, emotional intelligence can be nurtured and strengthened.

In the last twenty years, in fact, a number of studies have dealt with the mutual interaction between feelings and thought, and thanks to this area of research, we now know that emotions change thought, but not necessarily in a way to make a person

more intelligent. Since the eighteenth century, psychologists have made a powerful division of the human mind into three parts: knowledge (or thought), affectedness (including emotions), and motivation. The cognitive field includes functions such as memory, reasoning, abstract thinking, and traditionally the term intelligence is used by psychology to qualify for the proper functioning of this field. Thus, the concept of intelligence is related to the ability to think, to elaborate abstract thoughts, to judge and to "power to divide and combine" concepts. Emotions, by contrast, belong to the second area, the so-called affective, which also includes: assessment, mood, and other states of mind, such as fatigue and energy. Motivation is a third area and refers to biological needs and behaviors aimed at achieving goals. This area should be considered involved in emotional intelligence, only as secondary.

### 3. MODELS OF EMOTIONAL INTELLIGENCE

There are three main models: the EI Capacity Model, the EI Character Model and the Mixed EI Model.

Mayer and Salovey model of emotional intelligence (2008) is based on abilities. According to them, EI is the ability to perceive emotion, to integrate emotions to facilitate thought, to understand emotions, and to regulate emotions to promote personal development.

The main principle of this model is that emotions are means of useful information for interaction in social environments and social relations. It is also important to understand that not all individuals have the same ability to process emotional information and then relate that information to overall cognitive processes.

The model proposes four main types of emotional abilities:

- Emotional perception - the ability of the individual to recognize their own emotions and to understand the emotions expressed on the face, through voices and images.
- Emotional use - the ability to use emotions to perform other cognitive activities.
- Emotional understanding - the ability to perceive the nuances of emotions that exist and how different emotions communicate with each other.
- Emotional management - the ability to self-manage emotions and regulate the emotions of others.

Situational emotional intensity refers to the degree to which the characteristics of the situation are affectively evocative and it strengthens relationships between leader attributes and leader emotional management (Kaplan, Cortina, Ruark, LaPort, and Nicolaides 2014).

The model based on EI characteristics was released in 2009 by Petrides and colleagues. This model makes a break from the idea that emotional intelligence is based on ability. Instead, he suggests that people have a number of emotional perceptions and emotional characteristics as part of their personalities. These attributes are not measured in a scientific sense, but are measured independently. Of course, there is the assumption whether the respondent is able to accurately describe his own characteristics.

The mixed EI model was described by Daniel Goleman in 1995, and today is the most widely accepted EI model. It includes a number of competencies that are divided into groups or sets of skills that form the picture of a person's EI level. Goleman combines emotional skills with elements of personality, motivation and social skills. Finally, emotional intelligence is based on two major skills classified as:

- personal competencies (awareness, self-control and motivation);
- social competencies, managing relations with others (empathy and social skills).

Awareness is a key competence. Being aware of themselves and the situations they live in with a careful approach can help leaders and managers better focus their strengths and lead appropriately. Another important skill is the so-called resilience, which can be defined as "the ability to adapt positively in highly challenging situations, successfully developed throughout life and as a consequence of different events or experiences. Equally important is "empathy", the ability to perceive another person's mood and feelings, achieving emotional harmony with him. It is also related to consciousness, because deep knowledge of emotions is the basis of the ability to recognize and understand the emotions of others. Above all, it develops by listening. Active listening puts the individual in a position to better understand what he is saying to another person without judgment and without interpreting it according to his own knowledge / experience / beliefs, but also to really pay attention to what others are saying, trying to understand not only the content but also the reasons and motives for communication. Empathy also develops by learning to recognize nonverbal signals while emotions are expressed, and because they are difficult to control, they can reveal much more than is explicitly stated.

For the business leaders is important the fact that believing in co-workers' abilities and supporting them, improves the work and the organizational climate. EI has been an essential component in determining the leadership effectiveness mainly when leaders are dealing with teams in the workplace (Srivastava 2013).

In conclusion, the organizational evolution in recent years has led to the importance of teamwork and the development of cooperation mentality in companies, which is partly expressed through the need of a leadership figure as a team builder who should gain awareness and knowledge of all the factors that affect the effectiveness of the team and therefore, enhance successful performance.

#### **4. DEVELOPING AND IMPROVING EMOTIONAL INTELLIGENCE**

Emotional intelligence requires the acquisition of certain emotional skills. Managers need to learn these skills in order to achieve success in their professional life. Emotional intelligence increases with age. There is an old-fashioned word for the phenomenon: maturity. Yet, even with maturity, some people need training to improve their emotional intelligence. Individual success is predicted largely by emotional and social measures, but teachers and parents should be helping also in the development of the emotional intelligence (Goleman 1996). Studies show that students need to possess more emotional values than the cognitive, and need to develop these intelligences, especially communication skills, memory, self-awareness, and empathy, as found to be

the most significant predictors of their performances, thus can assist them to be more successful in both academics and professional careers (Khan 2019).

Unfortunately, too many training programs that aim to build leadership skills, including emotional intelligence, are a waste of time and money. The problem is simple: they focus on the wrong part of the brain. Emotional intelligence is born mainly in the neurotransmitters of the limbic system of the brain, which regulates feelings, impulses and discs. Research shows that the limbic system learns best through motivation, extended practice and feedback. Compare this to the kind of learning that goes on in the neocortex, which manages analytical and technical skills. The neocortex understands concepts and logic. It is the part of the brain that understands how to use a computer or make a sales call by reading a book. Not surprisingly, but wrong, it is also the part of the brain targeted by most training programs aimed at improving emotional intelligence. When such programs actually take a neocortical approach, research on emotional intelligence in organizations has shown that they can even have a negative impact on people's performance. Research results suggest that groups receiving EI interventions improved. EI is associated with many important work-related outcomes such as increased management skills and work satisfaction performance (Kotsou, Mikolajczak, Heeren, Grégoire, and Leys 2018).

To improve emotional intelligence, organizations and business leaders must refocus their training to include the limbic system. They must help people leave old behaviors and establish new ones. Not only does this take much longer than conventional training programs, but it also requires an individualized approach. On the other hand, scientific research clearly show that emotional intelligence can be learned. In order to make employees emotionally intelligent, companies must have training programs in which they will examine the emotional intelligence of employees and change the habits already acquired. It is important to emphasize that building emotional intelligence will not happen without sincere desire and joint effort. A short seminar will not help; nor can it be purchased as a manual. It is much harder to learn to empathize, to internalize empathy as a natural human response, than to become proficient in statistic and econometric analysis.

## **5. KEY COMPONENTS OF THE EMOTIONAL INTELLIGENCE**

Daniel Goleman proposes a framework for competencies arising from the concept of emotional intelligence. An ideal state of all qualities is not necessary, everyone has strengths and weaknesses. Usually, to achieve outstanding performance several of these skills are needed. They are included in 5 groups: self-awareness (through knowledge and control of their emotions, knowledge and control of their nature and development of self-confidence), self-discipline (by managing moods, by adapting their emotions to a given situation and reacting according to the current environment), motivation (through the inner desire for success and achievement of the set goals), empathy (through knowing other people, ability to listen, understand and recognize other people's emotions) and social skills (sociability through conflict resolution, managing interpersonal interactions, developing teams, and developing inspirational leadership), or categorized in two main groups: personal and social skills.

*Self-awareness.* Leaders, managers and workers who have a high degree of self-awareness know their own emotions, strengths, weaknesses, feelings and needs. These managers know how their emotions affect them and their work habits, as well as other employees and their productivity. Many leaders, with a high degree of self-awareness, are usually self-confident. This self-confidence comes from their perception of their own capabilities. Leaders who possess this component of emotional intelligence uncompromisingly pursue their predetermined goals. They know what they want and how to achieve it. Self-awareness includes three skills: emotional self-awareness, accurate self-esteem and self-confidence.

*Self-discipline* or self-management. Leaders with a high degree of self-discipline can control their emotions and potential reactions conditioned by emotions. They direct their emotions in a way that increases their productivity. Self-discipline is one of the most important components of emotional intelligence, as leaders who possess this characteristic can create an organizational culture in which justice and trust will prevail. In such a culture, personal conflicts are minimized and productivity itself maximized. Leaders and workers who are able to manage their emotions are usually able to cope with various changes in the external and internal business environment. On the other hand, managers who have a high level of self-discipline will overcome their emotions and will work only in the interest of their company. Self-management refers to the act of taking responsibility for own emotions. It helps leaders to overcome obstacles and stay in action towards what they want to achieve. It allows them to experience emotions without being controlled by them and it helps their ability to build strong, lasting and rewarding relationships - both in and out of the workplace.

*Motivation.* Leaders with high levels of emotional intelligence are not motivated only by high salaries. They are primarily motivated by the desire to succeed, and they constantly set themselves increasingly difficult goals and objectives. This type of motivation, combined with self-discipline, helps leaders to be optimistic in difficult business situations. Namely, leaders, managers and workers who set high goals for themselves, set high goals for companies too. They work very effectively in their environment and motivate other employees to follow their example. In this way, leaders, managers and employees convey their personal characteristics in the business culture and create an environment in which optimism, work enthusiasm and dedication are highly appreciated and valued.

*Social awareness and empathy.* Leaders capable of understanding other people, in the decision-making process, take into account the feelings and opinions of their subordinates. In the modern business world, successful leaders must more than ever have a developed sense of understanding for others, primarily because of team based concept of work and the need to recruit and retain the most talented individuals. To successfully manage a team in today's multicultural world, a leader must understand situations from the perspective its members and to be able to preserve relationships with different types of people. Furthermore, empathy is the ability of a leader to perceive emotions and perspectives of others, to cultivate an active interest in their concerns, to be compassionate and knowing how to meet the needs of others by offering appropriate and relevant solutions.

*Social skills.* Leaders who have a high degree of sociability as a component of emotional intelligence can guide their employees on achieving company goals. Leaders, managers and employees, who have this skills, have a wide range of business contacts that enable them to cope with various business challenges. These skills help leaders to read the complexity of social interactions, to communicate well in different social situations and to them in order to influence, persuade, negotiate and lead. Social Skills include social relationship management, leadership, communication, change management, conflict Management, team building and collaboration. These skills offer a way of interacting with others that help increase productivity, improve relationships and overall quality of life and work. Social skills can also be called "human skills". Leaders who have a high level of this competence are: easy to talk to, good team players, good at resolving conflicts, communicate well, focused on helping others and building strong relationships.

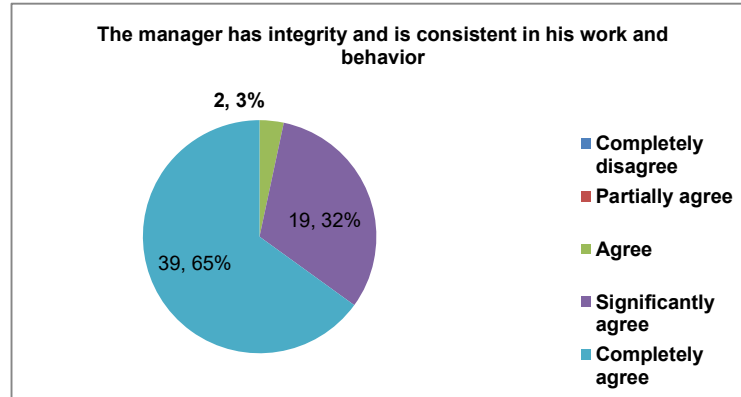
## **6. ANALYSIS OF THE EMOTIONAL INTELLIGENCE COMPETENCES OF BUSINESS LEADERS AND ENTREPRENEURS IN NORTH MACEDONIA**

The research was conducted by survey on 60 respondents, two middle level managers in each of the representative sample of 30 entrepreneurial business in the Republic of North Macedonia. In order to identify the key elements for development and enhancing emotional intelligence skills of entrepreneurs and business leaders in North Macedonia a questionnaire was send for measuring respondents' opinions.

The general assumption for the survey was that if entrepreneurial business leaders improve their personal competencies (self-awareness and self-management) and their social competencies (social self-awareness and relationship management), they will improve their performance and achieve professional success, increase employees' motivation and effectiveness, and positively influence the organizational behavior and the quality of interpersonal relationships.

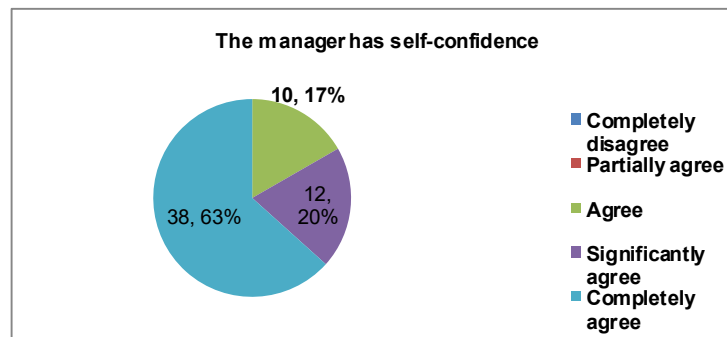
The analysis of the survey questions gave the following results:

On the claim: *The manager has integrity and is consistent in his work and behavior*, out of 60 respondents, with Completely disagree replied 0 respondents, with Partially agree 0 respondents answered, with Agree 2 respondent, with Significantly agree 19 respondents and with Completely agree 39 respondents. The percentage of these answers is presented in Figure 1.



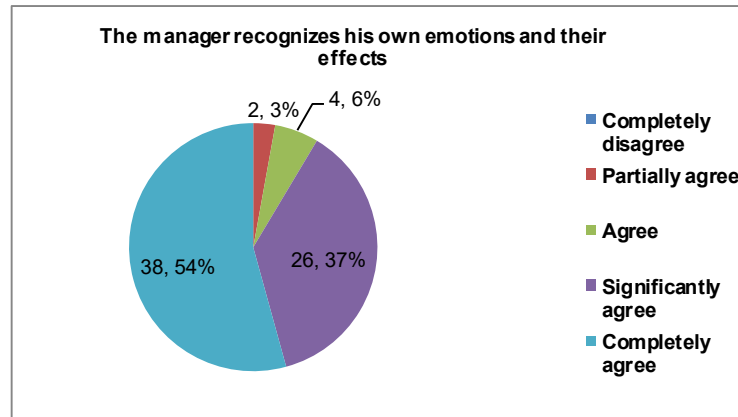
**Figure 1.** Integrity and consistence

On the claim: *The manager has self-confidence*, out of 60 respondents, with Completely disagree replied 0 respondents, with Partially agree 0 respondents answered, with Agree 10 respondent, with Significantly agree 12 respondents and with Completely agree 38 respondents. The percentage of these answers is presented in Figure 2.



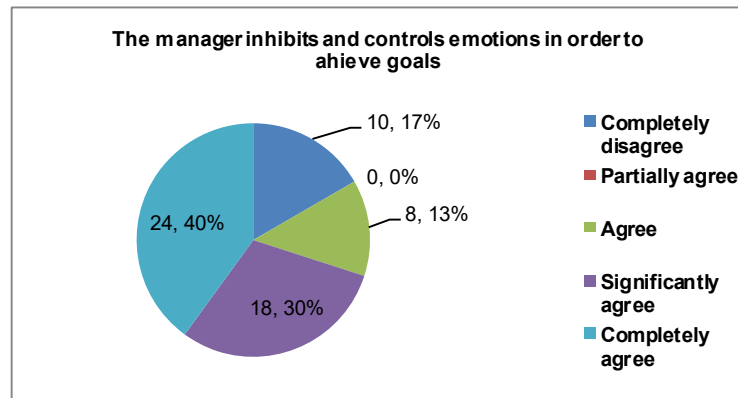
**Figure 2.** Self-confidence

On the claim: *The manager recognizes his own emotions and their effects*, out of 60 respondents, with Completely disagree replied 0 respondents, with Partially agree 2 respondents answered, with Agree 4 respondent, with Significantly agree 26 respondents and with Completely agree 38 respondents. The percentage of these answers is presented in Figure 3.



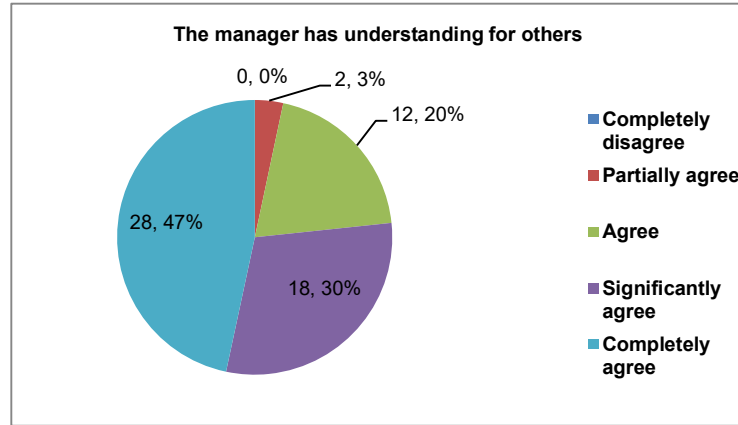
**Figure 3.** Identifying own emotions

On the claim: *The manager inhibits and controls emotions in order to achieve goals*, out of 60 respondents, with Completely disagree replied 10 respondents, with Partially agree 0 respondents answered, with Agree 8 respondent, with Significantly agree 18 respondents and with Completely agree 24 respondents. The percentage of these answers is presented in Figure 4.



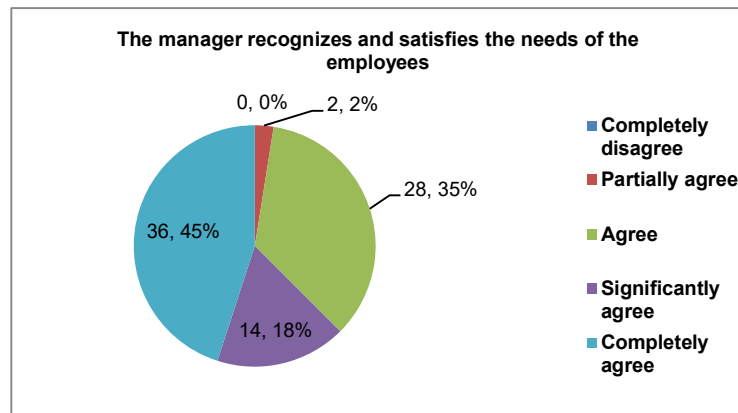
**Figure 4.** Controlling emotions

On the claim: *The manager has understanding for others*, out of 60 respondents, with Completely disagree replied 0 respondents, with Partially agree 2 respondents answered, with Agree 12 respondent, with Significantly agree 18 respondents and with Completely agree 28 respondents. The percentage of these answers is presented in Figure 5.



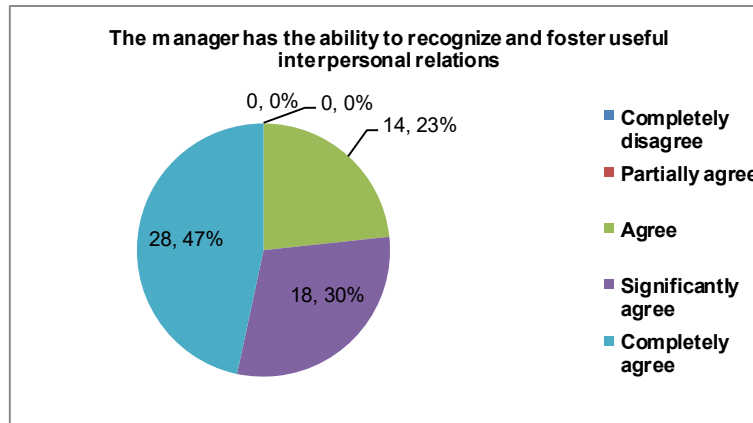
**Figure 5.** Understanding for others

On the claim: *The manager recognizes and satisfies the needs of the employees*, out of 60 respondents, with Completely disagree replied 0 respondents, with Partially agree 2 respondents answered, with Agree 28 respondent, with Significantly agree 14 respondents and with Completely agree 36 respondents. The percentage of these answers is presented in Figure 6.



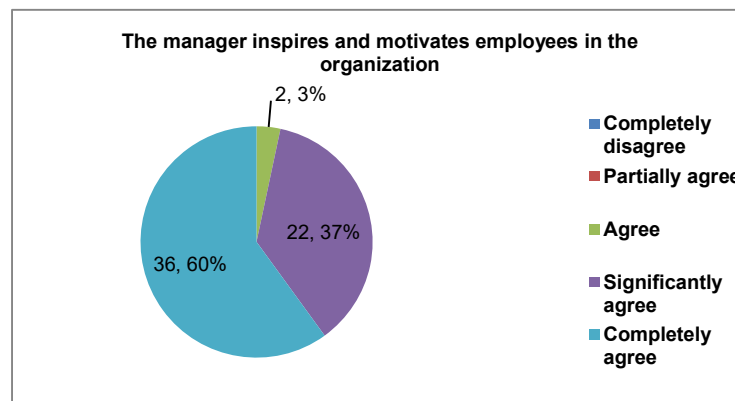
**Figure 6.** Recognizes employees' needs

On the claim: *The manager has the ability to recognize and foster useful interpersonal relations*, out of 60 respondents, with Completely disagree replied 0 respondents, with Partially agree 0 respondents answered, with Agree 14 respondent, with Significantly agree 18 respondents and with Completely agree 28 respondents. The percentage of these answers is presented in Figure 7.



**Figure 7.** Understanding and fostering interpersonal relations

On the claim: *The manager inspires and motivates employees in the organization*, out of 60 respondents, with Completely disagree replied 0 respondents, with Partially agree 0 respondents answered, with Agree 2 respondent, with Significantly agree 22 respondents and with Completely agree 36 respondents. The percentage of these answers is presented in Figure 8.



**Figure 8.** Motivating employees

In the Republic of North Macedonia, entrepreneurial business leaders generally are aware of their emotional intelligence, they are using their emotional intelligence skills partially and they have a need of upgrading and developing their emotional intelligence competencies in order to fully benefit from this key factor in enhancing business performance and success. It should be kept in mind that emotional intelligence can be developed over time and improved through training and seminars that can help in creation of better interpersonal relationships in the organizations, and leaders should

continuously analyze their own emotional intelligence competences and skills that can encourage the use of so called emotional leadership.

## CONCLUSION

People who possess emotional intelligence are more successful professionally than others. Researches have shown that it is possible to increase the level of emotional intelligence through various workshops and seminars, so the manager can become more competent to lead a group of people according to the needs of the company or will develop qualities that are necessary for effective leadership.

Emotional intelligence is the skill of a leader who never allows his temperament and emotions to be out of control in times of crisis or adverse conditions. This leader completely trusts his staff, subordinates find it easy to talk to him and he always makes careful decisions. Emotional intelligence is not limited to personal qualities, but is the ability to understand and manage the emotions and feelings of other people. Emotionally intelligent business leaders usually know their own mind, and how their emotions and actions can affect others. Building good relationships and successful cooperation with employees help the leader in performing tasks that are directly aimed at achieving the goals of the organization.

In the new way of doing business, the emphasis is on teams, not the individual, therefore, relationship between employees and their superiors is important. Employees, who feel comfortable in their work environment, become more productive. They also respect and follow the leaders. We can say that emotional intelligence is indirectly related to the financial success of the organization and it should be developed as other types of intelligence.

Considering the results from the conducted empirical research, entrepreneurs and business leaders in North Macedonia have sufficiently developed personal competencies, not excluding the need for further improvement and development to a higher degree. They are aware of their emotions, advantages and disadvantages and they know how to manage them. They have gained respect and desired status in the society and the business community due to the level of development of their personal competencies of emotional intelligence. Their greatest wisdom and self-control lies in their ability to make logical decisions in unexpected and uncertain situations, without being "slaves" to emotional storms.

In terms of social competencies of emotional intelligence, it can be concluded that they are developed to a less extent than personal ones between business leaders in North Macedonia. Entrepreneurs have developed empathy for others, they are aware of the emotions and needs of others, and use this with their influence tactics and persuasion skills to guide employees toward common goals. They put a special emphasis on motivating, inspiring and supporting employees through guidance and feedback. In order to achieve a positive working environment, the main precondition for them is establishing a high quality of interpersonal relations. The results indicate that business leaders successfully resolve situations, disagreements or conflicts, manage change and build teamwork, therefore, enhance collaboration by creating a synergy in achieving common goals.

The research shows that in the Republic of North Macedonia, the emotional intelligence competencies are highly developed between entrepreneurial business leaders, but they still need to be promoted, especially in terms of social competencies that would lead to greater employee motivation, better interpersonal relationships and more effective work, and thus greater professional success.

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