BRIDGING COMPETENCY GAPS IN YOUTH ENTERPRENEURSHIP: ENHANCING ENTERPRENEURIAL COMPETENCIES THROUGH EMOTIONAL INTELLIGENCE IN EMERGING ECONOMIES

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Abstract. *Youth entrepreneurship is increasingly recognized as a critical driver of economic growth, innovation, and employment generation in emerging economies. Despite numerous policy initiatives supporting youth-led businesses, many young entrepreneurs continue to face competency-related challenges that hinder business sustainability and growth. These challenges frequently include limited leadership capabilities, insufficient interpersonal skills, and inadequate decision-making competencies. Emotional Intelligence (EI) has emerged as a significant factor influencing professional performance and organizational outcomes. This paper examines the potential of emotional intelligence to enhance entrepreneurial effectiveness by improving leadership, communication, and adaptability. The paper argues that integrating emotional intelligence into entrepreneurial education and policies can help bridge existing competency gaps and enhance entrepreneurial outcomes.*

Keywords: *emotional intelligence, youth entrepreneurship, entrepreneurial competencies, leadership, emerging economies, business performance.*

Introduction

Youth entrepreneurship plays a vital role in fostering economic diversification, innovation, and employment opportunities in emerging economies. Governments increasingly view entrepreneurial activity among young people as an effective way to address unemployment and promote sustainable economic growth.

Nevertheless, despite expanded access to startup support programs, financing opportunities, and entrepreneurship education, many youth-led enterprises struggle to survive beyond the early stages of development.

A growing body of research suggests that entrepreneurial success depends not only on technical knowledge and financial resources but also on behavioral and socio-emotional competencies. Young entrepreneurs often face uncertainty, financial pressures, market volatility, and complex interpersonal dynamics, which require effective emotional regulation and leadership skills.

Emotional intelligence, defined as the capacity to perceive, understand, manage, and utilize emotions effectively, has received significant attention as a predictor of workplace and organizational success. In the entrepreneurial context, emotional intelligence facilitates opportunity recognition, team leadership, and resilience in the face of business challenges and failure. Therefore, emotional intelligence represents a critical mechanism for addressing competency gaps that limit youth entrepreneurship development in emerging economies.

Emotional intelligence as a foundation for entrepreneurial competencies

Entrepreneurial competencies encompass a range of knowledge, skills, and behaviors that enable individuals to identify opportunities and manage business ventures effectively. Among these, leadership, communication, adaptability, decision-making, and relationship management are particularly critical.

Research consistently demonstrates the positive influence of emotional intelligence on workplace outcomes. Miao, Humphrey, and Qian (2017) found significant positive relationships between emotional intelligence, job satisfaction, organizational commitment, and job performance. Their meta-analysis suggests that emotionally intelligent individuals are better able to maintain productive relationships and achieve greater effectiveness in professional settings. Similarly, Doğru (2022) concluded that emotional intelligence is positively associated with a broad range of employee and organizational outcomes. Sharma and Chand (2022) further highlighted the role of emotional intelligence in enhancing performance

through improved interpersonal effectiveness, adaptability, and problem-solving capabilities.

These findings are particularly relevant for young entrepreneurs, as entrepreneurial activity requires ongoing interaction with employees, customers, investors, suppliers, and other stakeholders. Emotional intelligence facilitates effective communication, negotiation, conflict management, and relationship building, all of which constitute essential entrepreneurial competencies. Moreover, Mehralian et al. (2025) demonstrated that emotional intelligence positively influences job performance through the mediating effect of professional competence. This evidence indicates that emotional intelligence can strengthen entrepreneurial competencies and enhance performance outcomes.

Emotional intelligence and entrepreneurial leadership

Leadership is widely regarded as a critical determinant of entrepreneurial success. Entrepreneurs are tasked with formulating a vision, motivating employees, shaping organizational culture, and directing business development in certain environments. Saha et al. (2023) argue that emotional intelligence is an increasingly significant factor in leadership effectiveness within contemporary organizations. Leaders with high emotional intelligence exhibit greater empathy, self-awareness, adaptability, and interpersonal competence, which facilitate stronger relationships with employees and stakeholders. Alwali and Alwali (2022) demonstrated that emotional intelligence positively affects organizational performance by enhancing transformational leadership and job satisfaction. The study suggests that leaders with higher emotional intelligence are more effective at inspiring employees, fostering innovation, and cultivating positive work environments. Gerhardt, Bauwens, and van Woerkom (2026) similarly argue that emotional intelligence facilitates effective leadership by improving leaders' ability to address complexity, foster positive interpersonal relationships, and promote employee development. These competencies are particularly important in entrepreneurial contexts defined by limited resources and frequent change. Furthermore, Coronado-Maldonado and Benítez-Márquez (2023) emphasize the significance of emotional intelligence in

enhancing team effectiveness and facilitating collaborative work. Given that the startup's success relies on small teams functioning under considerable pressure, emotionally intelligent leadership is a critical entrepreneurial asset.

Youth entrepreneurship in emerging economies: challenges and policy gaps

Despite the implementation of policies to support entrepreneurship development in many emerging economies, substantial competency gaps persist among young entrepreneurs. Most existing support programs emphasize financing, business registration, and technical training, yet provide limited attention to leadership and socio-emotional skill development. The circumstances in numerous emerging economies, such as Uzbekistan, exemplify this challenge. Government initiatives have broadened entrepreneurial opportunities for youth by establishing startup programs, innovation centers, and entrepreneurial education. However, young entrepreneurs frequently face persistent challenges related to leadership, communication, stress management, decision-making, and team management. These challenges indicate that entrepreneurship policies must extend beyond a solely technical perspective of entrepreneurial capacity. Entrepreneurial success relies not only on an individual’s knowledge but also on their ability to manage themselves and others within dynamic business environments.

Abede and Singh (2023) provide evidence supporting this perspective by identifying a positive relationship between emotional intelligence, job satisfaction, and job performance. Similarly, Deb et al. (2023) demonstrate that emotional intelligence mediates the relationship between employee satisfaction and firm performance. Collectively, these findings suggest that emotional intelligence contributes both directly and indirectly to organizational effectiveness and business sustainability.

Implications for entrepreneurship education and policy

A key advantage of emotional intelligence is its capacity for development through structured educational interventions. Mattingly and Kraiger (2019) demonstrated that emotional intelligence training programs produce significant

improvements in emotional competencies across various professional contexts. Hodzic et al. (2018) similarly confirmed the effectiveness of such training interventions through meta-analytic evidence.

The findings have significant implications for entrepreneurship education and youth development policies. It is recommended that universities, business incubators, entrepreneurship centers, and startup accelerators integrate emotional intelligence development into their training programs. These initiatives could include modules on self-awareness, emotional regulation, resilience, communication, negotiation, conflict resolution, teamwork, and leadership development.

Integrating emotional intelligence into entrepreneurial competency frameworks enables policymakers to foster the development of more resilient, adaptable, and effective entrepreneurs. This strategy can enhance startup survival rates, reinforce leadership capabilities, and promote sustainable business growth among young entrepreneurs.

Conclusion

Youth entrepreneurship significantly contributes to economic development and innovation within emerging economies. The success of youth-led enterprises relies not only on technical expertise and financial resources but also on the development of robust entrepreneurial competencies.

The literature reviewed in this paper demonstrates that emotional intelligence positively influences job performance, leadership effectiveness, professional competence, and organizational outcomes. Moreover, emotional intelligence can be effectively developed through educational and training interventions.

Therefore, emotional intelligence should be recognized as a critical component of entrepreneurial competency development. Incorporating emotional intelligence into entrepreneurship education and youth entrepreneurship policies can address existing competency gaps, improve entrepreneurial effectiveness, and promote sustainable economic development in emerging economies.

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