PENGARUH *EMOTIONAL INTELLIGENCE DAN RELASI PELAKU USAHA TERHADAP KESUKSESAN BISNIS*
(STUDI PADA PARA PELAKU USAHA DI DAERAH ISTIMEWA YOGYAKARTA)

TESIS

Diajukan sebagai salah satu syarat untuk memperoleh gelar Magister

Disusun Oleh:
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PROGRAM PASCA SARJANA
MAGISTER MANAJEMEN
SEKOLAH TINGGI ILMU EKONOMI
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UJIAN TESIS

Tesis berjudul:

PENGARUH EMOTIONAL INTELLIGENCE DAN RELASI PELAKU USAHA TERHADAP KESUKSESAN BISNIS
(Studi Pada Para Pelaku Usaha di Daerah Istimewa Yogyakarta)

Telah diuji pada tanggal: 29 Juli 2026

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0.1016/S1 Emotional Intelligence, Networking Behavior, and Business Success among Entrepreneurs in Yogyakarta

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ABSTRACT

Purpose *– This study examines whether emotional intelligence predicts business success and networking behavior, and whether networking behavior directly contributes to business success among entrepreneurs in the Special Region of Yogyakarta, Indonesia.* ***Design/methodology/approach*** *– A cross-sectional survey was completed by 101 business owners or principal managers selected through purposive sampling. Emotional intelligence, networking behavior, and perceived business success were measured on five-point scales and analyzed using partial least squares structural equation modeling with 5,000 bootstrap subsamples.* ***Findings*** *– Emotional intelligence was positively associated with business success (beta = 0.454, p < 0.001) and networking behavior (beta = 0.399, p = 0.022). Networking behavior did not have a significant direct association with business success (beta = 0.102, p = 0.453).* ***Research limitations/implications*** *– The cross-sectional, perceptual, and purposive design limits causal and population-level inference, while incomplete archived measurement diagnostics require cautious interpretation.* ***Practical implications*** *– Entrepreneurial development programs should strengthen emotional self-management and help entrepreneurs convert contacts into relevant information, trust, and collaboration rather than merely expanding network size.* ***Originality/value*** *– The study distinguishes an internal emotional resource from enacted networking behavior and identifies a boundary to the assumed network-performance relationship in a regional Indonesian business context.*

Keywords: *emotional intelligence; networking behavior; business success; entrepreneurship; PLS-SEM*
JEL Classification: *L26; M13; M12*

INTRODUCTION

Entrepreneurs increasingly operate in environments characterized by rapid technological change, intense competition, shifting consumer expectations, and growing demands for service quality. Under these conditions, financial capital and technical expertise are necessary but rarely sufficient. Business owners must also make judgments under uncertainty, regulate their reactions to setbacks, understand the needs of customers and partners, and sustain productive exchanges with employees, suppliers, communities, and supporting institutions. These personal and relational demands are particularly visible in the Special Region of Yogyakarta, where micro, small, and medium-sized businesses contribute to local economic activity while facing constraints related to finance, internet use, business assistance, and market distribution (Badan Pusat Statistik Provinsi Daerah Istimewa Yogyakarta, 2025). The capacity to manage emotions and mobilize relationships may therefore represent an important, yet unevenly effective, source of business advantage.

Business success is multidimensional. Revenue and profit matter, but owners also evaluate success through asset growth, employment, employee welfare, business continuity, reputation, customer retention, and achievement of personally meaningful goals. Richard et al. (2009) caution that a single financial indicator cannot fully represent organizational performance, while Gorgievski et al. (2011) show that small-business owners combine business-oriented and stakeholder-oriented criteria when judging success. The present study follows this broader view by assessing perceived changes in revenue, assets, employment, employee welfare, and business-network reach over the previous three years. This approach is relevant for privately held businesses whose audited financial data are often inaccessible, although it also introduces the limitations of subjective reporting.

The resource-based view (RBV) offers a useful explanation for why entrepreneurs facing similar markets may achieve different outcomes. RBV proposes that valuable, rare, difficult-to-imitate, and non-substitutable resources can support sustained competitive advantage (Barney, 1991). Such resources include not only physical and financial assets but also knowledge, managerial capabilities, reputation, and social relationships. Newbert (2007) further emphasizes that ownership alone does not guarantee performance; resources must be configured and deployed as capabilities. In an entrepreneurial setting, emotional intelligence can be viewed as an internal personal capability, whereas networking behavior represents the active development and use of relational access. Their value depends on whether they improve judgment, communication, conflict resolution, information acquisition, collaboration, and opportunity recognition.

Emotional intelligence refers to the capacity to recognize, understand, use, and regulate emotions in oneself and others (Salovey & Mayer, 1990). It may help entrepreneurs remain composed under pressure, interpret the reactions of other stakeholders, communicate persuasively, persist after rejection, and generate constructive responses to conflict. Prior research links emotion and affect to entrepreneurial cognition and action (Baron, 2008), emotion regulation to new-venture survival (De Cock et al., 2020), and emotional intelligence to sales performance and customer retention (Kidwell et al., 2011). Evidence also indicates that emotional intelligence is *related to entrepreneurial orientation and firm performance (Ali & Awwad, 2012; Boohene et al., 2020; Singh & Kovid, 2023). These findings suggest that emotional capability can operate as a business resource rather than merely a psychological trait.*

Entrepreneurial relationships are also frequently treated as performance-enhancing resources. Networks can provide market information, referrals, technical advice, financing access, legitimacy, and emotional support. However, a larger set of contacts does not automatically create value. Meta-analytic evidence shows that the relationship between entrepreneurial social capital and small-firm performance varies with firm age, industry, institutional context, network form, and performance measurement (Stam et al., 2014). Light and Dana (2013) argue that social capital has boundaries and becomes economically productive only when cultural and contextual conditions permit its mobilization. Hughes et al. (2014) similarly show that network-derived learning may require absorptive capacity before it improves performance. These arguments imply that the behavior of building and using a network may be necessary but not sufficient for business success.

A further issue concerns construct clarity. The original thesis referred broadly to the "quality of business relationships," yet its questionnaire, adapted from Singh and Basri (2024), measured active networking behavior: establishing contacts, attending business meetings, using business travel to expand contacts, exchanging information, seeking advice, and requesting assistance. Trust, commitment, satisfaction, and relationship closeness were not directly measured. To align the construct name with its indicators, this article uses the term networking behavior. This distinction matters because relationship quality and networking activity may have different consequences. Active networking may enlarge access, but performance should improve only when the accessed information and resources are relevant, trusted, absorbed, and converted into action.

Existing studies therefore leave three connected questions. First, does emotional intelligence contribute directly to business success in a regional Indonesian entrepreneurial context? Second, does active networking behavior have an independent relationship with business success once emotional intelligence is considered? Third, does emotional intelligence help entrepreneurs engage more effectively in networking behavior? The study addresses these questions using survey data from 101 owners or principal managers in Yogyakarta and partial least squares structural equation modeling (PLS-SEM). The central findings are that emotional intelligence is positively related to both business success and networking behavior, whereas networking behavior is not significantly related to business success.

The study makes three contributions. It first applies RBV by distinguishing an internal emotional capability from an enacted relational behavior within a single model. Second, it identifies emotional intelligence as an antecedent of networking behavior, extending the performance discussion beyond a simple direct emotional intelligence-outcome relationship. Third, the non-significant networking-performance path provides a useful boundary condition: relational activity alone may not constitute a strategically valuable resource. The remainder of the article develops the theoretical arguments and hypotheses, describes the research design, reports the measurement and structural findings, and discusses their theoretical and practical implications.

LITERATURE REVIEW AND THEORETICAL DEVELOPMENT

Theoretical Foundation: Resource-Based View

RBV explains performance differences through heterogeneity in firm resources and capabilities. Barney (1991) proposes that resources generate sustained advantage when they are valuable, rare, imperfectly imitable, and non-substitutable. For small businesses, many strategically important resources are inseparable from the owner or principal manager. Judgment, interpersonal credibility, emotional regulation, and the ability to access and mobilize external knowledge are embedded in experience and repeated interaction. These resources are difficult to purchase as complete packages and are often developed through learning, routines, and social exchange.

An important qualification is that resources must be used effectively. Newbert (2007) distinguishes resource possession from resource deployment and argues that performance gains arise when firms combine resources into capabilities that match environmental demands. Emotional intelligence may be valuable because it improves the use of technical knowledge under pressure and supports stakeholder interaction. Networking behavior may be valuable because it opens channels to information and assistance. Yet neither resource is automatically strategic. Emotional capability must shape decisions and conduct, while networking must yield relevant resources that can be absorbed and converted into business action. This deployment logic helps explain why one construct may show a direct performance relationship while another does not.

Emotional Intelligence and Business Success

Salovey and Mayer (1990) define emotional intelligence as the ability to monitor and differentiate feelings and to use emotional information to guide thought and action. Later ability-based and workplace models emphasize appraisal of one's own emotions, appraisal of others' emotions, the use of emotion, and emotion regulation (Mayer et al., 2004; Wong & Law, 2002). The instrument used in this study was adapted from the Brief Emotional Intelligence Scale developed by Davies et al. (2010), which captures self-emotion appraisal, other-emotion appraisal, regulation, and utilization.

Entrepreneurship provides a demanding context for emotional capability. Entrepreneurs face uncertainty, rejection, resource scarcity, customer complaints, employee problems, and the personal consequences of business failure. Affect influences opportunity recognition, risk interpretation, creativity, persistence, and social judgment (Baron, 2008). Emotion regulation can protect decision quality and persistence during the "emotional rollercoaster" of venture creation (De Cock et al., 2020). In market exchanges, emotionally intelligent actors can interpret customer cues and adjust communication, which may support sales performance and customer retention (Kidwell et al., 2011).

Empirical work generally supports a positive association between emotional capability and entrepreneurial outcomes. Ahmetoglu et al. (2011) link trait emotional intelligence to entrepreneurial behavior. Ali and Awwad (2012) connect managerial emotional intelligence with entrepreneurial orientation, while Boohene et al. (2020) report a positive relationship with small- and medium-enterprise performance. Singh and Kovid (2023) find that women entrepreneurs' emotional intelligence affects financial and non-financial performance and strengthens networking competence. Pathak and Muralidharan (2024) further show that self-control, adaptability, and sociability have context-dependent relevance across commercial and social entrepreneurship. Together, these studies suggest that emotional intelligence can improve business success by supporting calm judgment, adaptation, communication, leadership, and persistence.

From an RBV perspective, emotional intelligence is an intangible personal capability that is difficult to imitate because it develops through experience, self-awareness, learning, and habitual responses. It should be valuable when business outcomes depend on high-contact exchanges and uncertain decisions. Entrepreneurs with stronger emotional intelligence are expected to manage pressure more constructively, understand stakeholders more accurately, and maintain effort toward business goals. Thus, the first hypothesis is proposed.

H1. Emotional intelligence is positively associated with business success.

Networking Behavior and Business Success

Networking behavior refers to deliberate actions through which entrepreneurs build, maintain, and use relationships with business partners, customers, peers, and other contacts. The measure adapted from Singh and Basri (2024) captures contact formation, participation in business meetings, information exchange, the use of external connections for advice, and requests for assistance. This behavioral view differs from structural network size and from relationship-quality constructs centered on trust or commitment. It focuses on what entrepreneurs do to access and mobilize connections.

Networks can create several forms of value. Social capital embedded in relationships can facilitate the exchange and creation of knowledge (Nahapiet & Ghoshal, 1998). Strong and weak ties may provide different benefits across venture development stages (Pirolo & Presutti, 2010). Professional and institutional network resources can improve small-business economic performance, although their impact depends on competitive intensity and entrepreneurial experience (Hernández-Carrión et al., 2017). Social skills can also help entrepreneurs obtain information and resources that support venture performance (Baron & Tang, 2009). These mechanisms suggest that entrepreneurs who actively cultivate and use networks should be better positioned to identify opportunities, solve operational problems, and reach customers.

The relationship is nevertheless contingent. Stam et al. (2014) report a positive average association between entrepreneurial social capital and performance but identify substantial contextual and methodological moderators. Light and Dana (2013) show that social capital may remain economically inactive when cultural structures, trust, or resource relevance are weak. Hughes et al. (2014) argue that firms require absorptive capacity to turn social learning into *performance. Dimitriadis (2021) demonstrates that different ties may either support or harm resilience under the same external shock. These findings imply that networking activity may consume time and attention without generating returns when contacts are redundant, information is low quality, reciprocity is absent, or the entrepreneur lacks the capacity to act on advice.*

Despite these qualifications, the study follows the dominant theoretical expectation that active, useful networking increases access to external resources and therefore supports business success. Under RBV, network access can function as relational capital when it supplies valuable and difficult-to-replicate information, legitimacy, referrals, and collaboration opportunities. The second hypothesis is therefore stated in a positive direction.

H2. Networking behavior is positively associated with business success.

Emotional Intelligence and Networking Behavior

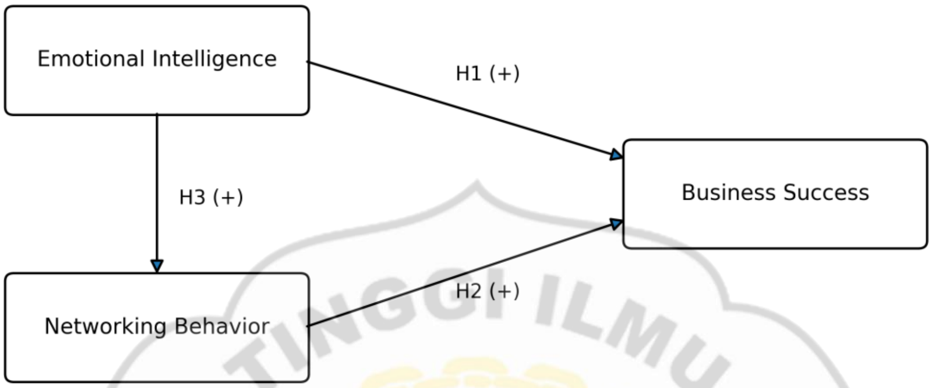
Networking is an interpersonal process. Initiating and maintaining business relationships requires entrepreneurs to read social cues, manage their own reactions, adapt communication, show empathy, and handle disagreement without damaging cooperation. Emotional intelligence should therefore influence not only performance directly but also the entrepreneur's willingness and capability to engage in networking behavior. Self-awareness can reduce impulsive reactions, other-emotion appraisal can improve perspective taking, and emotion regulation can preserve professionalism during conflict or rejection.

Prior evidence supports this logic. Baron and Tang (2009) show that entrepreneurs' social skills facilitate access to information and resources. Cabral et al. (2020) associate emotional and cultural intelligence with network behavior in international small and medium-sized enterprises. Singh and Kovid (2023) find that emotional intelligence contributes to networking competence, while Singh and Basri (2024) treat networking behavior as a behavioral mechanism associated with individual traits and business outcomes. Emotionally intelligent entrepreneurs should be more comfortable approaching others, better able to create mutually beneficial exchanges, and more capable of sustaining relationships after initial contact.

RBV further suggests that emotional intelligence may enable the deployment of relational resources. A network is not independent of the actor who creates and uses it; personal capabilities shape which ties are formed, how information is interpreted, and whether cooperation survives tension. Emotional intelligence is therefore expected to increase networking behavior. The conceptual model is shown in Figure 1.

H3. Emotional intelligence is positively associated with networking behavior.

Figure 1. Conceptual Model



Note. H1 tests emotional intelligence → business success; H2 tests networking behavior → business success; H3 tests emotional intelligence → networking behavior.

METHODS

Research Design and Context

The study used a quantitative, explanatory, cross-sectional survey design. The unit of analysis was the individual owner or principal manager who participated in business decision-making. The research context was the Special Region of Yogyakarta, Indonesia, an economy that combines trade, services, tourism, education, creative industries, and community-based enterprise. This setting is theoretically relevant because entrepreneurs frequently depend on interpersonal exchanges and informal or semi-formal networks while operating under resource constraints. The design tested three direct relationships: emotional intelligence to business success, networking behavior to business success, and emotional intelligence to networking behavior.

The study was confirmatory with respect to the three directional hypotheses, although the limited sample and archived diagnostic information require a cautious explanatory interpretation. Business success was reported through owner perceptions rather than audited accounts. This choice allowed a multidimensional assessment across heterogeneous private firms but may also reflect optimism, recall, and common-source biases.

Sample and Data Collection

The target population comprised active business owners or principal managers operating in Yogyakarta. A complete sampling frame covering all business sizes and industries was unavailable, so purposive sampling was used. Respondents had to be an owner or principal manager involved in decision-making, operate an active business in Yogyakarta, have at least one year of operating experience, represent only one business unit, and complete the questionnaire voluntarily.

Purposive sampling was appropriate because respondents needed sufficient experience to evaluate emotional demands, networking activities, and business development (Campbell et al., 2020).

Questionnaires were distributed through Google Forms and entrepreneurial or community networks. The introductory page explained the study purpose, voluntary participation, confidentiality, and completion instructions. No personally identifying information was used in the analysis, and responses were reported in aggregate. Procedural steps intended to reduce common-method bias included anonymity, the statement that there were no right or wrong answers, and short, specific questionnaire items (Podsakoff et al., 2003). The archived thesis reports 101 complete and eligible responses; the number initially approached, the response rate, and the exact fieldwork dates were not documented.

A power-based justification was used for the sample. The most complex endogenous construct, business success, had two predictors. For a regression with two predictors, a 5% significance level, 80% statistical power, and a medium effect size (f-squared = 0.15), the minimum sample is approximately 68 (Cohen, 1992). The final sample of 101 exceeded this benchmark. Nevertheless, the sampling strategy does not support probability-based generalization.

Measures

All items used a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Constructs were modeled reflectively. Emotional intelligence was adapted from the Brief Emotional Intelligence Scale of Davies et al. (2010). Nine items in the archived questionnaire represented self-emotion appraisal, appraisal of others' emotions, self-regulation, regulation in interpersonal contexts, and emotion utilization. Examples included recognizing the causes of emotional change, identifying other people's emotions from tone or facial expression, maintaining control over emotions, and using a positive mood to generate innovative ideas or persist under pressure.

Networking behavior was measured with ten items adapted from Singh and Basri (2024). The original thesis used the label quality of business relationships, but the items assessed active networking rather than trust, commitment, satisfaction, or relationship closeness. Items captured building relationships with business partners and peer entrepreneurs, attending business meetings, using business travel to expand contacts, exchanging current business information and development tips, and asking external contacts for advice or problem-solving assistance. The construct is therefore labeled networking behavior in this article.

Business success was measured with five items adapted from Leković and Marić (2015). Respondents assessed whether, during the previous three years, their business had experienced growth in revenue, assets, employee numbers, employee welfare or capacity, and the breadth of the business network. These measures combine financial and non-financial development and are consistent with multidimensional approaches to small-business performance (Gorgievski et al., 2011; Richard et al., 2009).

Item wording was simplified for the local entrepreneurial context. Two emotional-intelligence items and two networking-behavior items were removed during measurement assessment because *their loadings did not meet the retained-model threshold used in the thesis. The final model contained seven emotional-intelligence indicators, eight networking-behavior indicators, and all five business-success indicators.*

Analytical Strategy

Data were analyzed using PLS-SEM in SmartPLS. PLS-SEM is suitable for explanatory and prediction-oriented models with latent variables and does not require strict multivariate normality (Hair et al., 2019). The analysis proceeded through data screening, descriptive statistics, construct correlations, measurement-model assessment, structural-model evaluation, and hypothesis testing. The thesis reports that bootstrapping used 5,000 subsamples and two-tailed testing at the 5% significance level (Streukens & Leroi-Werelds, 2016). A directional hypothesis was considered supported when the path coefficient was positive, the t statistic exceeded 1.96, and p was below 0.05.

Indicator reliability was examined through outer loadings. Loadings near or above 0.708 are preferred, whereas indicators between 0.40 and 0.70 may be retained when theory and overall construct quality justify the decision (Hair et al., 2019). Internal consistency was reported through Cronbach's alpha. Because the archived SmartPLS output did not include average variance extracted (AVE), composite reliability, rho_A, heterotrait-monotrait ratios, variance inflation factors, predictive relevance, confidence intervals, or raw data, a complete contemporary PLS-SEM diagnostic assessment could not be reproduced. For transparency, approximate AVE and composite reliability values were reconstructed from the rounded retained-item loadings; these estimates are descriptive and should be verified against the original SmartPLS project before journal submission.

Ethics and Research Integrity

Participation was voluntary. Respondents received information about the study purpose and could discontinue completion. Data were used for academic purposes, analyzed without personal identifiers, and presented in aggregate. The thesis does not report a formal institutional ethics approval number. This absence should be clarified with the relevant institution before submission. The instrument and full SmartPLS project should also be archived in a controlled repository, subject to respondent confidentiality, to permit verification of the reported measurement and structural results.

Table 1. Construct Definitions and Measurement Sources

Construct	Operational definition	Initial / retained items	Source
Emotional intelligence	Ability to appraise, regulate, and use emotions in oneself and others for thought and action.	9 / 7	Davies et al. (2010)
Networking behavior	Active building, maintaining, and using business contacts for information, advice, and assistance.	10 / 8	Singh and Basri (2024)
Business success	Perceived growth in revenue, assets, employment, employee welfare/capacity, and network reach over three years.	5 / 5	Leković and Marić (2015)

Note. The thesis label “quality of business relationships” was changed to “networking behavior” because the items measured networking activity and use, not trust, commitment, or satisfaction.

RESULTS

Sample Profile and Descriptive Evidence

The sample consisted of 101 owners or principal managers. Most respondents were over 30 years old (84 respondents; 83.2%). Seventy respondents (69.3%) held a bachelor's degree, 16 (15.8%) held a postgraduate degree, and 15 (14.9%) had completed senior high school or an equivalent qualification. Men represented 65.3% of the sample and women 34.7%. Business size was reported as small for 52 respondents (51.5%), medium for 48 (47.5%), and large for one respondent (1.0%). The findings therefore primarily reflect established adult owner-managers of small and medium-sized businesses.

Table 2. Respondent Profile

Characteristic	Category	n	%
Age	30 years or younger	17	16.8
	Over 30 years	84	83.2
Education	Senior high school/equivalent	15	14.9
	Bachelor's degree	70	69.3
	Postgraduate degree	16	15.8
Gender	Male	66	65.3
	Female	35	34.7
Business size	Small	52	51.5
	Medium	48	47.5
	Large	1	1.0

Networking behavior had the highest mean ($M = 4.228$, $SD = 0.455$), followed by emotional intelligence ($M = 4.048$, $SD = 0.589$) and business success ($M = 3.578$, $SD = 0.724$). Respondents thus reported relatively high emotional capability and networking activity, while perceived business success was more moderate and more dispersed. Emotional intelligence correlated positively with networking behavior ($r = 0.296$, $p = 0.003$) and business success ($r = 0.480$, $p < 0.001$). The correlation between networking behavior and business success was positive but not significant at 5% ($r = 0.186$, $p = 0.062$).

Table 3. Descriptive Statistics and Construct Correlations

Variable	Mean	SD	1	2	3
1. Emotional intelligence	4.048	0.589	1.000		
2. Networking behavior	4.228	0.455	0.296**	1.000	
3. Business success	3.578	0.724	0.480***	0.186	1.000

Note. N = 101. Two-tailed significance: ** $p < 0.01$; *** $p < 0.001$.

Measurement Quality

Seven emotional-intelligence indicators were retained, with loadings from 0.533 to 0.781; two items were removed. Eight networking-behavior indicators were retained, with loadings from

0.521 to 0.754; two items were removed. All five business-success indicators were retained, with loadings from 0.770 to 0.849. Cronbach's alpha was 0.868 for emotional intelligence, 0.815 for networking behavior, and 0.897 for business success, exceeding the conventional 0.70 threshold.

The measurement results require qualified interpretation. Several emotional-intelligence and networking-behavior loadings were below 0.708. Approximate AVE values reconstructed from the rounded loadings were 0.419 for emotional intelligence, 0.401 for networking behavior, and 0.648 for business success. The corresponding approximate composite reliability values were 0.832, 0.841, and 0.902. The reliability estimates were acceptable, but the reconstructed AVE values for emotional intelligence and networking behavior were below 0.50, indicating limited convergent validity. Because formal HTMT and latent-variable correlation outputs were unavailable, discriminant validity could not be fully assessed. These limitations do not erase the reported structural associations, but they reduce confidence in precise construct interpretation and should be resolved using the original data before submission.

Table 4. Measurement Assessment

Construct	Retained items	Loading range	Cronbach's α	Approx. AVE	Approx. CR
Emotional intelligence	7	0.533–0.781	0.868	0.419	0.832
Networking behavior	8	0.521–0.754	0.815	0.401	0.841
Business success	5	0.770–0.849	0.897	0.648	0.902

Note. AVE and composite reliability were reconstructed from rounded retained-item loadings because the archived SmartPLS output did not contain these statistics. Values must be verified using the original data/project.

Structural Model and Hypothesis Tests

Emotional intelligence explained 15.9% of the variance in networking behavior (R-squared = 0.159). Emotional intelligence and networking behavior together explained 25.3% of the variance in business success (R-squared = 0.253). These values indicate limited explanatory power and suggest that business success also depends on other resources, capabilities, industry conditions, and institutional factors.

H1 was supported. Emotional intelligence had a positive and significant association with business success (beta = 0.454, standard error = 0.128, t = 3.540, p < 0.001). The coefficient was the largest path in the model and indicates that higher reported emotional intelligence was associated with higher perceived business success.

H2 was not supported. Networking behavior had a small positive but non-significant association with business success (beta = 0.102, standard error = 0.135, t = 0.751, p = 0.453). The estimate does not provide sufficient statistical evidence that active networking independently predicts business success in this sample after emotional intelligence is included.

H3 was supported. Emotional intelligence was positively associated with networking behavior (beta = 0.399, standard error = 0.174, t = 2.287, p = 0.022). Entrepreneurs reporting stronger emotional appraisal, regulation, and utilization also tended to report more active relationship building, information exchange, and use of external advice.

No indirect-effect test was reported, so the study cannot conclude that networking behavior mediates the emotional intelligence-business success relationship. Likewise, the archived results did not permit assessment of collinearity, predictive relevance, alternative model specifications, or subgroup heterogeneity. The findings should therefore be interpreted as direct associations within the specified cross-sectional model.

Table 5. Structural Path Results

Hypothesis	Path	β	SE	t	p	Decision
H1	Emotional intelligence → Business success	0.454	0.128	3.540	< 0.001	Supported
H2	Networking behavior → Business success	0.102	0.135	0.751	0.453	Not supported
H3	Emotional intelligence → Networking behavior	0.399	0.174	2.287	0.022	Supported

Note. Bootstrapping used 5,000 subsamples and two-tailed tests. $R^2 = 0.159$ for networking behavior and $R^2 = 0.253$ for business success.

DISCUSSION

Interpretation of Findings

The first finding supports the view that emotional intelligence is a meaningful personal resource for entrepreneurs. The positive emotional intelligence-business success path is consistent with research showing that affect and emotion regulation influence entrepreneurial cognition, persistence, and behavior (Baron, 2008; De Cock et al., 2020). It also aligns with evidence that emotional intelligence contributes to entrepreneurial orientation, small-business performance, sales exchanges, and firm outcomes (Ali & Awwad, 2012; Boohene et al., 2020; Kidwell et al., 2011; Singh & Kovid, 2023). In practical terms, entrepreneurs who understand their own emotional reactions may avoid impulsive decisions during stress, while those who read the emotions of others may respond more effectively to customers, employees, and partners. The capability may also sustain motivation and creativity when outcomes are uncertain.

The result is theoretically relevant because it frames emotional intelligence as a deployable capability rather than a generic personality advantage. Its value is likely realized through multiple everyday mechanisms: keeping negotiations constructive, handling complaints without escalation, maintaining leadership credibility, interpreting weak social signals, and continuing effort after rejection. These mechanisms are closely connected to the owner-manager role in small firms, where the individual often represents the business in strategic, operational, and relational decisions. However, the cross-sectional design means that reverse or reciprocal relationships remain possible. Business success may increase confidence and emotional stability, and unmeasured managerial competence may influence both constructs.

The second finding challenges a simple assumption that more networking behavior leads directly to better performance. The coefficient was positive but small and statistically uncertain. This result does not imply that networks are useless. Instead, it suggests that activity such as *attending meetings, approaching other entrepreneurs, exchanging tips, or requesting advice may not be sufficient to create measurable business gains. Network value depends on tie quality, resource relevance, reciprocity, trust, diversity, timing, and the entrepreneur's ability to absorb and apply knowledge. This interpretation is consistent with Light and Dana's (2013) boundaries of social capital, Stam et al.'s (2014) contextual moderators, and Hughes et al.'s (2014) argument that absorptive capacity converts social learning into performance.*

Construct operationalization offers an additional explanation. The original thesis used the phrase relationship quality, but the questionnaire measured networking behavior. Activities and contact frequency may expand exposure without capturing whether relationships are trustworthy, committed, strategically complementary, or capable of delivering resources. Relationship marketing theory treats trust and commitment as core mechanisms of productive exchange (Morgan & Hunt, 1994), while interorganizational evidence links interpersonal factors to trust and relationship performance (Barnes et al., 2015). Because those mechanisms were not measured, the non-significant path may reflect a gap between network activity and relational value rather than the absence of social-capital benefits.

The third finding indicates that emotional intelligence supports networking behavior. Entrepreneurs who regulate frustration and understand social cues may find it easier to initiate contact, participate in meetings, exchange information, and ask for help. This result is consistent with evidence connecting social skills to resource access (Baron & Tang, 2009), emotional and cultural intelligence to network behavior (Cabral et al., 2020), and emotional intelligence to networking competence (Singh & Kovid, 2023). The finding also reinforces the idea that relational resources are partly endogenous to personal capability: networks do not merely surround the entrepreneur; they are created and maintained through behavior shaped by emotional and social competence.

Theoretical Contributions

The study contributes to RBV in three ways. First, it separates an internal personal capability from an external-facing relational behavior. Emotional intelligence showed a direct association with success, whereas networking behavior did not. This contrast suggests that not all intangible resources have equivalent strategic value and that the resource-performance relationship depends on deployment. Emotional intelligence can affect many decisions and interactions across the business, while networking behavior produces value only when contacts supply relevant and usable resources.

Second, the positive emotional intelligence-networking path identifies a capability sequence. Emotional intelligence may act upstream by enabling entrepreneurs to create and use relational access. This sequence extends research that treats networking as an independent resource by showing that personal emotional capability can shape the behavior through which relational resources are developed. Future research can test a fuller chain in which emotional intelligence promotes higher-quality networking, which improves information acquisition or opportunity recognition, which then affects performance.

Third, the non-significant networking-performance path identifies a boundary condition for social-capital arguments. The study suggests that enacted networking should not be equated with valuable relational capital. Under RBV, a resource must be valuable in use. Repeated networking activity that produces redundant contacts, weak trust, low-quality information, or non-actionable advice may not meet that criterion. A more precise theory should distinguish network activity, network structure, relationship quality, resource content, and resource utilization.

Managerial and Policy Implications

For entrepreneurs, the results support deliberate development of emotional capability. Training and self-review can focus on recognizing emotional triggers, regulating reactions during stress, perspective taking, constructive communication, negotiation, and conflict management. These capabilities are especially relevant when owners handle customer complaints, employee performance, supplier disagreement, or financial pressure. The aim is not to suppress emotion but to use emotional information without allowing short-term reactions to dominate business judgment.

Networking strategies should move beyond contact accumulation. Entrepreneurs can evaluate relationships according to trust, complementarity, resource relevance, responsiveness, and evidence of mutual value. After business events or community meetings, follow-up should be tied to a concrete purpose such as customer referral, supplier improvement, market intelligence, joint promotion, mentoring, or problem solving. Maintaining a smaller portfolio of useful, reciprocal relationships may produce more value than attending many events without structured follow-through.

For local government, incubators, associations, and universities, entrepreneurship programs should balance technical instruction with nontechnical capabilities. Modules on emotional intelligence, stress management, communication, negotiation, and conflict resolution can complement financing, digital marketing, and accounting support. Networking programs should include participant curation, needs mapping, facilitated matching, follow-up milestones, and evaluation of actual collaborations. These design features can help convert meetings into resource exchange and reduce the risk that networking becomes symbolic participation.

The results also caution against evaluating support programs by the number of participants or contacts generated. More useful indicators include the number of verified referrals, mentoring interactions, collaborative projects, new supplier or customer relationships, and business problems solved through the network. Such measures better reflect the transition from activity to capability and outcome.

Societal Relevance

Stronger emotional and relational capabilities may support the resilience of locally owned enterprises, which contribute to employment and community economic activity. Responsible emotional management can improve treatment of employees and customers, while purposeful networking can spread knowledge and access among resource-constrained firms. These implications are credible at the stakeholder level, but the present design does not directly measure *social welfare or Sustainable Development Goal outcomes; broader societal claims should therefore remain limited.*

CONCLUSION

This study examined emotional intelligence, networking behavior, and business success among 101 entrepreneurs in Yogyakarta. Emotional intelligence was positively associated with both perceived business success and networking behavior, while networking behavior did not show a significant direct association with business success. The findings position emotional intelligence as the more consistent intangible resource in the model and show that relational activity alone should not be assumed to generate performance. For networks to become strategic resources, entrepreneurs must obtain relevant information, trust, collaboration, or other benefits and possess the capability to use them.

LIMITATIONS AND FUTURE RESEARCH

Several limitations affect interpretation. First, purposive sampling and a sample of 101 entrepreneurs from one Indonesian region limit generalizability across sectors, regions, and institutional environments. Second, the cross-sectional design and common respondent source do not establish causal direction. Longitudinal designs could examine whether emotional capability precedes changes in networking and business outcomes, while multi-source designs could combine owner reports with employee, partner, customer, or financial data.

Third, business success was perceptual and combined several financial and non-financial developments. Future studies should report objective revenue, profit, employment, survival, and growth measures where feasible and should distinguish outcome dimensions. Fourth, measurement quality for emotional intelligence and networking behavior was not fully satisfactory. Several retained loadings were below 0.708, reconstructed AVE values were below 0.50, and the archived output lacked HTMT, rho_A, and complete reliability and validity diagnostics. The original data and SmartPLS project should be reanalyzed before submission, potentially revising or removing weak items.

Fifth, the networking construct measured behavior rather than trust, commitment, tie strength, diversity, or resource content. Future research should model these dimensions separately and test whether absorptive capacity, entrepreneurial orientation, innovation capability, market orientation, or digital capability mediates or moderates the network-performance relationship. A specific indirect-effect test is also needed to determine whether emotional intelligence influences business success through networking-related mechanisms. Finally, the model explained only 25.3% of business-success variance, indicating substantial roles for capital, strategy, industry conditions, institutional support, and other managerial capabilities.

DECLARATIONS

Ethics approval: No formal institutional ethics approval number was reported in the thesis. The survey involved voluntary adult participants, no personal identifiers were analyzed, and results were reported in aggregate. The author should confirm institutional requirements before submission.

Informed consent: Participants received information about the study purpose and voluntarily completed the questionnaire.

Conflict of interest: The author should confirm the declaration before submission. Draft statement: The author declares no competing interests.

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Data availability: The original response data and SmartPLS project were not included in the uploaded thesis file. Availability and repository details must be confirmed before submission, subject to confidentiality obligations.

Code and materials availability: The questionnaire items are described in the thesis; the complete instrument and analysis project should be deposited or made available under appropriate access conditions.

Use of generative AI: OpenAI ChatGPT (GPT-5.6 Thinking) was used to assist with English-language editing, article restructuring, and document formatting. All empirical claims were checked against the uploaded thesis, and the author remains responsible for verification and the final manuscript.

CRediT authorship contribution: Single author: Conceptualization; data curation; formal analysis; investigation; methodology; project administration; writing—original draft; writing—review and editing. The author should verify this statement before submission.

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