

**IMPACT OF EMOTIONAL INTELLIGENCE OF SMALL  
BUSINESS OWNERS ON THE FINANCIAL PERFORMANCE OF  
THEIR FIRMS  
(SPECIAL REFERENCE TO THE GAMPAHA DISTRICT)**

By

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## ABSTRACT

Successful small business activity is important for a healthy economy. Because very little research on emotional intelligence has been conducted in the Small industries realm, this study provides insight on the significance of studying Emotional Intelligence in this field. As such this effort is to identify what is the impact of emotional intelligence of Small business owners on the financial performance of their firms' special reference to Gampaha district. In this survey five variables are addressed under the independent variable (self awareness, self management, motivation, empathy and social skills) and two variables discussed under the financial performance such as growth and business volume.

Descriptive statistics, correlation and regression were formulated in order to come up with findings related to the above research problem. The study was conducted with hundred Small business owners throughout the Gampaha District. Frequency analysis was used to understand the sample profile and descriptive statistics were used to investigate the extent of emotional intelligence and financial performance of their firms. In order to test the correlation that was concerned with relationship between emotional intelligence and financial performance, the Pearson Correlation technique was applied. As well as regression was applied to test the impact of emotional intelligence of small business owners on financial performance their firms.

The results of the study showed that emotional intelligence is at high level and financial performance is at moderate level. The results of the correlation analysis indicated that there is a strong positive correlation between emotional intelligence and financial performance. The results of a regression analysis indicated that there is a positive impact between emotional intelligence and financial performance.

The implication of the finding is high level of emotional intelligence positively correlate with financial performance. Therefore, it is very important for the small business owners to pay attention on emotional intelligence level of owners that would be beneficial to achieve organizational goals and objectives. The results of the study provide insights for emotional intelligence researchers, entrepreneurship researchers, and individuals with entrepreneurial aspirations, academic institutions, as well as government and financial entities that provide resources to new ventures.

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