

IDENTIFY THE IMPACT OF EMOTIONAL INTELLIGENCE ON CORPORATE ENTREPRENEURSHIP

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Abstract

This study aims to identify the impact of emotional intelligence on corporate entrepreneurship of Student Department of Tehran University. The study is applied, and the data collection method was descriptive and causal. The study sample included 250 employees of Student Department of Tehran University, among which, using simple random sampling method and Cochran formula, a total of 151 subjects were considered as population. Data collection method was conducted based on standard questionnaires on emotional intelligence and corporate entrepreneurship. Reliability of the questionnaire using Cronbach's alpha was calculated 0/88. The analysis of the data obtained from the questionnaires was studied through correlation and regression in SPSS. The results showed that emotional intelligence and its components have positive significant influence on entrepreneurship of Student Department of Tehran University.

Keywords: Emotional Intelligence, Corporate Entrepreneurship, Innovation.

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Introduction

Due to extensive changes in the present age, organizations are considered successful and effective that in addition to coordination with developments in today's society, they can predict change direction in the future, and be able to make these changes in order to create favorable developments that lead to a better future (Talebi et al., 2015). To achieve this favorable development due to the unstable and challenging environment of the new century, an urgent need for innovation and entrepreneurial activities at the organizational level to generate new products and services is felt (Andriopoulos & Lowe, 2000).

Today, entrepreneurship is recognized as the backbone of economic development in all societies and plays an important role in employment, income and social change, especially in developing countries (Ihugba et al., 2014). An entrepreneurial organization, always ready and able to adapt to many essential changes in the external environment, and plan their programs for changing environmental needs. The idea of entrepreneurship in the global economy is an issue that leaders and managers must not only be familiar with the concept but rather should understand and implement it in their organization.

Corporate entrepreneurship involves a series of activities that makes the exploitation of the competitive advantages of innovation in an organization, possible. Corporate entrepreneurship refers to products or processes of innovation that appear through induction and creation of entrepreneurial culture within a pre-established organization. Peltola (2012) considers Entrepreneurship as a survival strategy for companies that act highly competitive in business environment. According to Kassa and Raju (2014), Entrepreneurship, is a person that focuses on creativity and innovation, and transforms an idea into a profitable investment in the organization.

Entrepreneurship consists of two parts of entrepreneurial orientation and entrepreneurial management. Entrepreneurial orientation refers to the activities of strategies that businesses apply to identify and lead new companies. And entrepreneurial management refers to the management's willingness as a follow-up and take-advantage of opportunities, regardless of the source control (Fox, 2005).

Organizations that want to be successful in entrepreneurship need to have an entrepreneurial orientation. Aktan and Bulut (2008) suggest that to make Entrepreneurship we must consider the desires of people in the organization for entrepreneurial activities and have particular importance

for aspects such as innovation, risk-taking, proactiveness and aggressive approach in the organization. Innovation refers to the desire to participate in new ideas and creative processes; Risk taking shows the willingness of companies to make substantial allocation of resources to projects that are likely to fail or succeed. Proactiveness refers to identification of future needs of current customers. And aggressive approach refers to the tendency of companies to challenge hard and straight with competitors to improve their market position.

Several studies suggested that encouraging employees to entrepreneurship and increasing entrepreneurial activities that leads to organizational success, depends on many factors that one of these factors is emotional intelligence (Nghah & Salleh, 2015; Ahmetoglu et al., 2011). Zampetakis et al (2009), in their research indicate that one of the most important factors in entrepreneurial organization is emotional intelligence. Livingston and Doerr (2012), also pointed out that to be able to have a more entrepreneurial organizations and lead individuals to these activities in the organization, emotional intelligence and emotional control should be specially considered.

It can be stated that employees with high emotional intelligence level in regulating and managing their and others' emotions in order to create positive interactions, skilled and achieve goals more quickly. Emotional intelligence is a kind of intelligence in organization, including the recognition of emotion in human resources of organization and using it is for decision making in the organization (Dong et al., 2014). From the perspective of Baron (2006), emotional intelligence is the non-cognitive abilities, capabilities and skills of people that affect their ability that they are able to overcome the environmental pressures. Jourdan et al., (2008), describes emotional intelligence as a set of social and emotional skills that affects the ability to deal with the pressures and environmental demands. From the perspective of Nelson and Low (2011), emotional intelligence, refers to the ability to understand and control theirs and others' emotions and feelings and use it to guide their thought and action. Gorji et al., (2014), suggests that emotional intelligence also reduce conflicts between people, help people solve problems and pushes people towards entrepreneurial activity in the organization.

Finally, Goleman (1998) in connection with the intelligence stated that emotional intelligence is a skill that through self-awareness its owner can control his emotions, and through self-management, improve it; through empathy, understand its impact and through relationship

management, act in a way that enhance his spirit and others. He defines four components of emotional intelligence as follows:

Self-awareness: the ability to identify and understand your own emotions, feelings, strengths and weaknesses.

Self-assertiveness: the ability to control the emotions, relieve themselves, distancing themselves from the anxieties and think before acting.

Empathy: having high energy and a desire to achieve more than just money and prestige.

Interpersonal Relationship: the ability to manage relationships and build networks to obtain optimal results.

Thus, it can be said that today, more competitive organizations today, and the entry of private organizations in various fields, caused the organizations to make more aggressive efforts to be more creative and more entrepreneurial according to their approach of emotional intelligence.

With regard to the issues raised in the above these assumptions and the model for this research are raised:

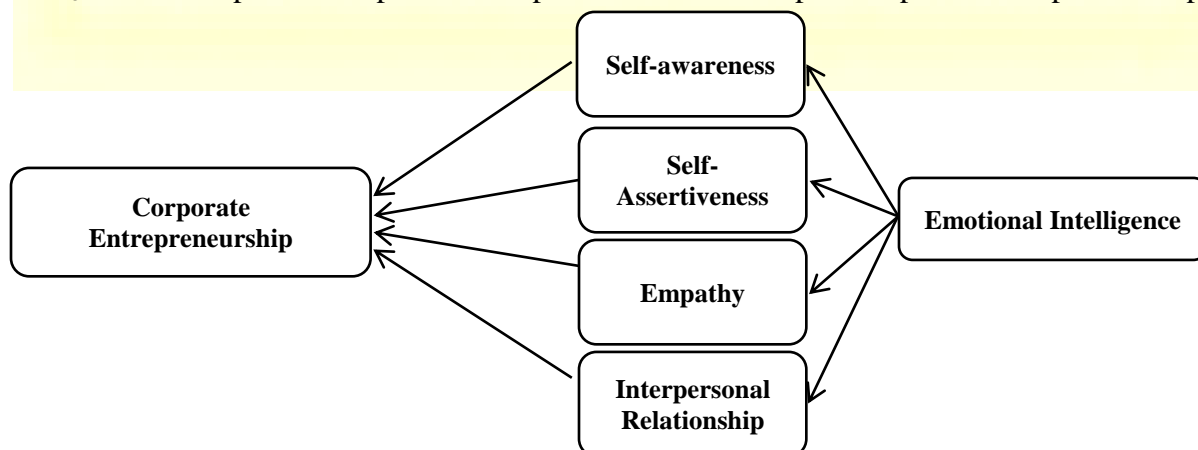
H₁: There is a positive impact of emotional intelligence on corporate entrepreneurship.

H₂: There is a positive impact of Self-awareness on corporate entrepreneurship.

H₃: There is a positive impact of Self-assertiveness on corporate entrepreneurship.

H₄: There is a positive impact of Empathy on corporate entrepreneurship.

H₅: There is a positive impact of Interpersonal Relationship on corporate entrepreneurship.



Research Methodology

The study is applied, and the data collection method was descriptive and causal and the type of data collected is quantitative. The study sample included 250 employees of Student Department of Tehran University, among which, using Cochran formula, a total of 151 subjects were considered as population and using simple random sampling method a questionnaire was distributed among them. Cause and effect relationship between the variables involved in the study was analyzed using Pearson's correlation test and using SPSS software. In the present study the variables of emotional intelligence and corporate entrepreneurship, are the main constructs that their dimensions and number of questions in the questionnaire are described in Table 1.

Table (1): Constructs and Dimensions of Variables

| Constructs | Dimensions | Question |
|---|-----------------------------------|-----------|
| Emotional Intelligence (Goleman, 1998) | Self-awareness | 28 |
| | Self-assertiveness | |
| | Empathy | |
| | Interpersonal Relationship | |
| Corporate Entrepreneurship (Aktan & Bulut, 2008) | Innovation | 14 |
| | Risk-Taking | |
| | Proactiveness | |
| | Agressive | |

Criterion validity was assessed by measuring the fitness. Thus, to evaluate the reliability, Cronbach's alpha was used in SPSS 21 software that is listed in Table 2. Given that all of the coefficients are higher than 0.7, it becomes clear that the reliability of measuring instrument is acceptable.

Table (2): Reability of Criteria

| Variables | Awareness | Assertiveness | Empathy | Interpersonal | Innovation | Risk | Proactiveness | Agressive |
|-----------|-----------|---------------|---------|---------------|------------|------|---------------|-----------|
| Alfa | 0.88 | 0.87 | 0.86 | 0.86 | 0.87 | 0.88 | 0.87 | 0.90 |

After checking the fit of the tool, we check the status of the variables in the target population. In this section, using the one-sample t-test we determine their status. The results of these tests are listed in Table 3.

Table (3): One Sample T-Test

| Variables | t-Value | Sig | Conclusion |
|---------------|---------|-------|------------|
| Awareness | 4.027 | 0.000 | + |
| Assertiveness | 6.788 | 0.000 | + |
| Empathy | 6.301 | 0.000 | + |
| Interpersonal | 2.498 | 0.014 | + |
| innovation | 12.615 | 0.040 | + |
| Risk | 2.774 | 0.008 | + |
| Proactiveness | 2.978 | 0.003 | + |
| Agressive | 22.672 | 0.000 | + |

According to the table above, given that in both variables and their dimensions, t-values are greater than 1.96, and subsequently the significance level is less than 0.05, it can stated that at 95% confidence level from the perspective of the respondents variables and dimensions of the situation in this organization is desirable and serious consideration should be given to them and also should try to improve their situation.

After reviewing the status of the variables in this study, it's time to assess the effect of emotional intelligence and its dimension in entrepreneurship. This was performed by using correlation test and regression analysis was done by SPSS software. To be able to check the impact of variables on each other, first the correlation test must be done. The results of the correlation test are given in the table below. Given that a significant level of test in the case of all assumptions is less than 0.05, at 95% confidence level we can confirm positive and significant relationship between emotional intelligence and its dimensions with corporate entrepreneurship.

Table (4): Correlations Test

| Hypothesis | Sig | Correlation coefficient |
|-------------|--------------|-------------------------|
| Main | 0.000 | 0.71 |
| 1 | 0.000 | 0.38 |
| 2 | 0.000 | 0.43 |
| 3 | 0.000 | 0.60 |
| 4 | 0.000 | 0.67 |

After correlation test, it is time to run regression tests to investigate the effect of emotional intelligence and its dimension in corporate entrepreneurship. As it is clear in the results of this test (Table 5), emotional intelligence and its dimensions have a significant positive impact on entrepreneurship. The results show that emotional intelligence predicts corporate entrepreneurship for 59%. Among the dimensions of emotional intelligence it can be stated that the most powerful predictive is relationship management, and could explain entrepreneurship at 92%.

Table (5): Regression Test

| Hypothesis | Sig | Regression coefficient |
|-------------|--------------|------------------------|
| Main | 0.000 | 0.59 |
| 1 | 0.000 | 0.48 |
| 2 | 0.000 | 0.39 |
| 3 | 0.000 | 0.61 |
| 4 | 0.000 | 0.92 |

Discussion and conclusion

Various researches suggest that individuals who have emotional skills are well developed and efficient in his life. They have the mental habits that cause them to be productive and efficient. People who do not have control over their emotional life have inner struggles, which reduces their ability to focus and think clearly, and thus prevents the formation of creative ideas that is the principles of entrepreneurship. So it seems that Emotional intelligence can play an important role in the development of creative ideas and entrepreneurial process.

The main hypothesis of this study showed Emotional intelligence has significant positive impact on corporate entrepreneurship of Student Department of Tehran University. This means that the more amount of Emotional intelligence we have in an organization, the more we will see an increase in entrepreneurial activity. It can be concluded that employees with high Emotional intelligence, possess interactive art and skill of managing the feelings of others. These skills strengthen popularity, power and personal influence and make the person successful in any social activities and intimate relationships, and causes people to be led towards innovative activities.

In this regard, Goleman et al (2002), states that the lively mood and feeling good makes people view others and events in a more positive light. This in turn helps people to be more optimistic in their ability to achieve a goal, and increases their creativity and decision-making skills and prepares them in order to be useful.

So we can say that people with high Emotional intelligence are more likely to exhibit a higher level of entrepreneurship with high achievement motivation as well as creativity and decision-making skills which are a result of creating good mood and livelihood, than those who have lower Emotional intelligence.

In the hypothesis of research it was concluded that self-awareness means having a deep understanding of emotions, strengths, weaknesses, needs and motives, self-assertiveness is ability to steer the emotions in a positive direction; empathy is the ability to recognize the feelings of others when facing them; and interpersonal relationships is the ability to communicate with people and teamwork, and they have a positive impact on corporate entrepreneurship. It can be said that organization that create such abilities in their employees, can

expect that the entrepreneurs in the organization conduct entrepreneurial activities and achieve more success for the organization.

Thus, according to the confirmation of hypothesis, it is proposed that both at the individual level and the organizational level, efforts are made to improve emotional intelligence. Also training the skills to upgrade Emotional intelligence at the organizational level is done. If employees have high emotional intelligence, they are able to understand and manage their own emotions, and understand the emotions and thoughts of others which this leads to increase in entrepreneurship activities.

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