

THE EFFECT OF EMOTIONAL INTELLIGENCE AND ENTREPRENEURIAL ATTITUDE ON ENTREPRENEURIAL INTENTION

Ramraini Ali Hassan

*Senior Lecturer - Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, Jalan
UMS, 88400, Kota Kinabalu, Sabah, Malaysia*

Siti Norashikin Binti Omar

*Postgraduate Student - Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah
Jalan UMS, 88400, Kota Kinabalu, Sabah, Malaysia*

Abstract

This study aims to investigate the the role of emotional intelligence and entrepreneurial attitude in determining the entrepreneurial intention among students in private college in Sabah, Malaysia. Structured questionnaire instrument was used in this study. The respondent of this study was 213 students and was selected from private college in Kota Kinabalu, Sabah. Based on the results and findings of this study, the result revealed that trait EI which is also known as emotional self-efficacy has a relationship with entrepreneurial attitude as well as the intention. Besides that, the results of this study also reported that entrepreneurial attitude has a significant relationship with entrepreneurial intention. This study through its research and findings has contributed significantly to both theoretical and practical implications. The result of this study is believed to have contributed significantly towards the understanding of key factors on entrepreneurial intention particularly among students.

Keywords: Emotional Intelligence, Entrepreneurial Attitude, Entrepreneurial Intention.

INTRODUCTION

Entrepreneurship, as widely known, is one of the factors that drive the economy of most nations. Interestingly, as reported by Global Entrepreneurship Monitor (GEM) [1] there are around 71% of people in Malaysia have the level of intention to become an entrepreneur with 59% of them chose entrepreneurship as their main career choice. Krueger, Reilly and Carsrud [2] highlighted that it is very crucial to study the factor that influence an entrepreneurial intention in order to understand the reason why certain people demonstrate the level of intention since intention can lead to an actual behavior of most individuals. Baron [3] indicated that one of the key influencing factors towards entrepreneurial intention is emotional intelligence. According to Dulewicz and Higgs [4], individuals possess emotional intelligence characteristic are said to have certain skills and competence which offers them the ability to negotiate and the ability to handle various situations effectively through interpersonal exchanges as compared to individuals with low level of emotional intelligence. Previous research supported that interpersonal or intrapersonal competence and emotional intelligence contribute more to the success in human life than linguistic intelligence [5].

Additionally, Wong and Law [6] stated that individuals who have the ability to recognize

their emotions might often have the skill to transfer the knowledge through their performance and other activities, which lead them to a better success. However, Zampetakis, Kafetsios, Bouranta, Dewett, & Moustakis [7] highlighted that less empirical research has been conducted to investigate the role of emotional intelligence in promoting an entrepreneurial intention. Therefore, it is the focus of this paper to investigate emotional intelligence as one of the key factors in influencing the intention of an individual to engage in entrepreneurial activities.

LITERATURE REVIEW

Previously, there were many research conducted on entrepreneurial intention [8] [2] [9]. However, most importantly, the focus should be directed to identifying key factors in influencing the intention through a factor such as emotional intelligence.

Emotional Intelligence

Salovey and Mayer [10] in their theory of emotional intelligence described emotional intelligence as the ability to identify others' emotion as well as one's emotions [11]. Salovey and Mayor [10] classified emotional intelligence into experiential (ability to respond to an environment without fully understanding the inputs) and strategic (ability to understand but unable to feel it). Bar-On [12] further defined emotional intelligence, as a set of emotion, feelings, social capabilities and skills that can influence others to succeed in a situation such as pressure and stress. Salovey and Mayer [10] described emotional intelligence as the ability of an individual to manage and control their own feelings and emotions by identifying the emotions of other individuals. Zampetakis et al., [13] argued that persons with high emotional intelligence are able to adjust their emotions as well as others' emotion based on different situations thus help them to influence others and resulted in the intention of creating a new business. Zampetakis et al. [13] mentioned that there is a relationship between trait emotional intelligence and entrepreneurial behavior, which indicates that emotional intelligence as one of the factors that can predict the entrepreneurial intention. Nikolaou and Tsaousis [14] mentioned that individuals with high trait emotional intelligence could easily manage their job stress, which leads to the tendency of this individual to get involved in an entrepreneurial activity. The process of starting up a business often linked with many problems, difficulties, hurdles and frustrations. By having a higher level of trait emotional intelligence, the individual is able to stay focus in the business activities and transfer all unnecessary feelings into motivational factors. Apart from that, Salovey & Mayer [10] suggested that individuals with high emotional intelligence could easily recover from psychological distress since they are able to self-regulate their emotions.

Entrepreneurial Attitude

Crant [15] described entrepreneurial attitude as an attitude that relates to the desire of an individual to own a business. This can be an attitude towards enterprise that motivates individual's intention to engage in a new venture. As mentioned by Gird and Bagraim [16], attitude towards entrepreneurship has a strong influence on entrepreneurial intention. Entrepreneurial attitude is best explained by the Attitude toward enterprise (ATE) theory, the theory that was developed by Athayde in 2009. According to Athayde [17], there are five dimensions of ATE. These include achievement, creativity, personal control, leadership and Intuition.

Entrepreneurial intention

According on Ajzen [18] the intention of carrying out a given behaviour depends on the person's attitude towards that behaviour. As such, attitude can increase or decrease the level of intention to engage in any activities. The intention is mostly dependent on an individual attitude and how they perceive behaviour control. According on Ajzen [18] intention is assumed to be one of the motivational factors that can influence behaviour, which is related to the willingness of an individual to try something new, and also the effort placed in performing such behaviour. It is also believed that the stronger the intention to get involved in any given activity, the better performance of that individual in that particular activity.

Emotional intelligence, entrepreneurial attitude and entrepreneurial intention

Tischeler et al [19] highlighted that people with high emotional intelligence tend to be much happier and more successful. Davis & Whitney [20] confirmed that emotional intelligence has a significant relationship with entrepreneurial intent. A study conducted by Goleman [21] implied that individual can in a way improve and increase their emotional intelligence with a proper education and training system. For instance, Harris and Gibson [22] argued that both the level of entrepreneurial attitude and emotional intelligence; could be increased by undergoing an entrepreneurship education and training programmes. Anderson and Jack [23] stated that entrepreneurship education programmes could influence the students' entrepreneurial attitudes by enhancing their awareness towards entrepreneurship as an alternative career choice and by encouraging favourable attitudes toward entrepreneurship.

METHODOLOGY

The population of this study consists of private college students in Kota Kinabalu, Sabah. Convenience sampling was used for data collection. Sekaran and Bougie [24] stated that convenience sampling is the collection of information from members of the population who are conveniently available to provide the information needed by the study. The population of this study consists of 213 students. The method of data collection for this study was structured questionnaire. All questionnaires were distributed to private colleges around Kota Kinabalu, Sabah.

RESULTS

Factor Analysis

Data reduction method through factor analysis was used in analysing the data. Factor analysis took a large set of variables where the data may be reduced or simplified by a set of factors [25]. Further, Coakes, Steed and Ong [26] stated that the value of the Kaiser-Meyer-Olkin (KMO) measure should be greater than 0.6 to assume factorability. Hence, the initial eigenvalues should be greater than 1, in order to determine the amount of factor that should be extracted and organized. The factor analysis for this study consists of emotional intelligence and entrepreneurial attitude as independent variables and entrepreneurial intention as the dependent variable.

Factor analysis for Trait Emotional Intelligence

The Bartlett's Test of Sphericity was significant (Chi-Square = 323.191, $p < 0.01$), while KMO measure of sampling was 0.672 indicating sufficient inter-correlations. The result for the factor analysis revealed that the entrepreneurial intention variable has five dimensions

with an eigenvalue of 2.647 and explained 58.846 % of the total variance. The value of communalities for five variables ranged from 0.532 to 0.703 and factor loadings for all variables ranged from 0.679 to 0.821. The factor loadings that measure emotional intelligence traits can be referred in Table 1.

Table 1 : Factor Analysis for Trait Emotional Intelligence

Items	F1	F2	F3	F4	F5
Factor 1: E Intelligence 1					
I often find it difficult to adjust my life according to the circumstances.	0.760				
I normally able to “get into someone’s shoes” and experience their emotions.	0.724				
Those close to me often complain that I don’t treat them right.	0.679				
Factor 2: E Intelligence 2					
I don’t have problem to express my emotion into words		0.738			
I can deal effectively with people		0.698			
I’m highly motivated person		0.679			
Factor 3: E Intelligence 3					
I don’t seem to have any power at all over other people’s feelings			0.744		
I tend to “back down” even if I know I’m right			0.740		
Factor 4: E Intelligence 4					
I generally able to adapt to new environments				0.821	
I generally believe that things will work out fine in my life				0.698	
Factor 5 : E Intelligence 5					
I’m pleased with my life as the whole					0.708
I’m usually able to find ways to control my emotions when I want to					0.682
Others admire me for being relaxed					0.471
Eigen Value	2.647	1.486	1.287	1.158	1.072
% of Variance	20.36	11.427	9.899	8.909	8.246
Total Variance Explained	58.8%				
Measure of Sampling Adequacy	0.672				
Bartlett’s Test of Sphericity	323.191				
Significant	.000				

Factor analysis for Entrepreneurial Attitude

The Bartlett’s Test of Sphericity was significant (Chi-Square = 322.771, $p < 0.01$), while KMO measure of sampling which was 0.648 indicating sufficient inter-correlations.

Table 2: Factor Analysis for Entrepreneurial Attitude

Items	F1	F2	F3	F4	F5
Factor 1: Leadership					
I believe I can persuade my classmates to agree on a plan	0.823				
I am good at motivating my class mates	0.775				
I am good at getting people to work well together	0.765				
Factor 2: Achievement					
It feels good when a school project works out well		0.700			
It does not matter if my project work is no good		-0.672			
I will keep trying out different solutions to a problem rather than give up		0.645			
Factor 3: Creativity					
I like lessons that really stretch my imagination			0.848		
I believe a good imagination helps you do well at school			0.757		
Factor 4: Intuition					
Making mistakes is a good way of finding out how to solve a problem				0.801	
If I do not know the answer to a problem then I will have a guess.				0.799	
Factor 5 : Personal Control					
I have a lot of faith in my own ability to succeed in my future career					0.720
It is important to finish off a project as well as you can					0.656
Eigen Value	2.355	1.600	1.408	1.150	1.014
% of Variance	19.63	13.33	11.73	9.584	8.454
Total Variance Explained	62.732%				
Measure of Sampling Adequacy	0.648				
Bartlett's Test of Sphericity	302.771				
Significant	.000				

As shown in Table 2, entrepreneurial attitude extracted five dimensions with an initial eigenvalue of 2.355 and accounted for 62.732% of the total variance. The communalities of all variables ranged from 0.473 to 0.728 with factor loadings of the variables ranging from -0.672 to 0.848.

Factor analysis for Entrepreneurial Intention

The Bartlett's Test of Sphericity was significant (Chi-Square =143.719, $p < 0.01$), while KMO measure of sampling was 0.683 indicating sufficient inter-correlations.

Table 3: Factor Analysis of Entrepreneurial Intention

Items	Factor Loadings
Entrepreneurial Intention	
I am prepared to do anything to be an entrepreneur	0.830
I will choose a career as an entrepreneur	0.827
I prefer to be an entrepreneur rather than be an employee in a company.	0.783
Eigen Value	1.986
Total Variance Explained	66.216 %
Measure of Sampling Adequacy	.683
Bartlett's test of Sphericity	143.719
Significant	.00

As shown in Table 3, factor analysis for entrepreneurial intention one dimension with eigenvalue of 1.986 and valued for 66.216% of the total variance. The communalities of variables ranged from 0.614 to 0.689 while factor loadings of the variable ranged from 0.783 to 0.830.

Reliability Analysis

Hair et al., [27] defined reliability as a “measure of degree of consistency between multiple measurements of a variable”. In order to achieve the consistency, the value of Cronbach's alpha was calculated. According on Sekaran [28], if the alpha value is close to 1.0, it shows high internal consistency reliability and if less than 0.6 it is considered to be poor. However, if Cronbach alpha is 0.7, it is considered acceptable and values above 0.8 are deemed to be good. As presented in Table 4. All Cronbach's alpha values scored above 0.6 except one dimension from creativity which scored less than 0.6 (0.533). However, this study maintained the creativity dimension in order to improve the construct. The Cronbach's alpha value for 7-items of trait EI ranged from 0.611 to 0.627. 5 items used to measure entrepreneurial attitude have values of an alpha coefficient from 0.533 to 0.723. While, the Cronbach's alpha value for 3-items of entrepreneurial intention was 0.748. Trait EI, excluded E Intelligence 3 (scored 0.411) and E Intelligence 4 (scored 0.472) from dimension since the score of both elements were less than 0.5. While, achievement under the entrepreneurial attitude dimension was removed since the scored were too low.

Table 4: Reliability Analysis on Variables of the Study

Construct	Variable	No of Items	Cronbach's alpha
Trait Emotional Intelligence	E Intelligence 1 (Self-Control)	4	0.611
	E Intelligence 2 (Sociability)	3	0.627
Entrepreneurial Attitude	Leadership	3	0.723
	Creativity	2	0.533
Intention	Entrepreneurial Intention	3	0.748

Multiple Regression Analysis

Multiple regression analysis was used to analyse a relationship between trait emotional intelligence (independent variable), entrepreneurial attitude (independent variable) and entrepreneurial intention (dependent variable).

The Relationship between Trait Emotional Intelligence, Entrepreneurial Attitude & Entrepreneurial Intention

The hypothesis examined whether there is a direct relationship between trait emotional intelligence and entrepreneurial intention. Results on Table 5 indicated that 15% variances in entrepreneurial intention can be explained by trait emotional intelligence and entrepreneurial attitude ($R^2 = 15.0$, $p < 0.01$).

Trait Emotional Intelligence

For the first hypothesis (H1), it was anticipated that there is a relationship between trait emotional intelligence and entrepreneurial intention. Table 5 shows the results for this hypothesis. From the result, Self-Control ($\beta = .215$, $p < 0.05$) has a direct and positive effect on entrepreneurial intention. So, H1 (a) is supported. However, H1 (b) is not supported since ($\beta = -.042$, $p > 0.05$). Overall, the first hypothesis H1 is partially supported.

Entrepreneurial Attitude

For the second hypothesis (H2), it was anticipated that there is a positive relationship between entrepreneurial attitude and entrepreneurial intention. Table 5 shows the results for this hypothesis. From the result, both leadership ($\beta = .172$, $p < 0.05$) and creativity ($\beta = .202$, $p < 0.05$) were found to have direct and positive effect on entrepreneurial intention. So, H2 (a) & H2 (b) is supported.

Table 5: Regression Analysis of Trait Emotional Intelligence with Entrepreneurial Intention

Dependent Variable	Independent Variable	Std. Coefficient Beta (β)	Sig.
Entrepreneurial intention	Trait Emotional Intelligence		
	E Intelligence 1 (Self-Control)	.215**	.003
	E Intelligence 2 (Sociability)	-.042	.561
	Entrepreneurial Attitude		
	Leadership	.172*	.081
	Creativity	.202**	.002
R^2		.150	
Adjust R^2		.134	

Note: Significant levels: ** $p < 0.01$, * $p < 0.05$

Table 6: Results of Hypothesis Testing

Hypothesis number	Statement of Hypothesis	Results
H1:	There is a significant positive relationship between trait emotional intelligence and entrepreneurial intention.	Partially supported
	<i>H1a: There is a significant positive relationship between Self-Control and entrepreneurial intention.</i>	Supported

<i>H1b: There is a significant positive relationship between Sociability and entrepreneurial intention.</i>	Not Supported
H2: There is a significant positive relationship between entrepreneurial attitude and entrepreneurial intention.	Supported
<i>H2a: There is a significant positive relationship between leadership and entrepreneurial intention.</i>	Supported
<i>H2b: There is a direct positive relationship between creativity and entrepreneurial intention.</i>	Supported

DISCUSSIONS AND CONCLUSION

The discussion addresses research issues on traits EI and entrepreneurial attitude, the role of two constructs in influencing the entrepreneurial intention among students in this study. Zampetakis et. al [13] stated that trait EI which is also known as emotional self-efficacy has a relationship with entrepreneurial attitude as well as the intention. It is consistent with the results found in this study. This study assumes that individual with high emotional self-efficacy (trait EI), will have a tendency to start a business in the future. Besides that, the results of this study also reported that entrepreneurial attitude has a significant relationship with intention. This is in line with a research done by Athayde [17] which found that ATE have a positive relationship towards entrepreneurial intention. It can be concluded that both trait EI and entrepreneurial attitude have a direct significant relationship with entrepreneurial intention. This study also confirmed that emotional intelligence, entrepreneurial attitude have a significant relationship with entrepreneurial intention as supported by Zampetakis et al. [13] and; David and Whitney (2012). This study is believed to be able to provide information about the role of emotional intelligence as one of mechanisms that can polish the internal competence of students in Sabah. As a conclusion, emotional intelligence is believed to be one of the key factors in determining the entrepreneurial intention of individuals, which lead them to participate in entrepreneurial activities. The result of this study is believed to have contributed significantly towards the understanding of key factors in entrepreneurial intention particularly among students.

REFERENCES

- [1] GEM Global Entrepreneurship Monitor. (n.d.).Retrieved from <http://www.gemconsortium.org/report>
- [2] Krueger, N., M.D. Reilly, & A.L. Carsrud, 2000, Competing Models of Entrepreneurial Intentions. *Journal of Business Venturing*, 15: 411-432.
- [3] Greenberg, J., & Baron, R. A. (2008). Behavior in organizations.
- [4] Dulewicz, S.V.D. & Higgs, M.J., 2000, Emotional Intelligence: A Review an Evaluation study, *Journal of Managerial Psychology*, 15 (4).
- [5] Tucker, M., Sojka, J., Barone, F., McCarthy, A., 2000, Training Tomorrow's Leaders: Enhancing The Emotional Intelligence of Business Graduates. *Journal of Education for Business*, Vol 75 (6), 331-338.
- [6] Wong, C.S., & K.S. Law, 2002, Development of an Emotional Intelligence Instrument and an Investigation of its Relationship with Leader and Follower Performance and Attitudes. *The Leadership Quarterly*, 13, 243-274.
- [7] Zampetakis, L., Kafetsios, K., Bouranta, N., Dewett, T., & Moustakis, V., 2009, On The Relationship Between Emotional Intelligence and Entrepreneurial Attitudes and Intentions. *International Journal of Entrepreneurial Behavior & Research*, 15(6), 595-618.
- [8] Basu, A. & Virick, M. , 2010, Assessing entrepreneurial intentions amongst students: A comparative study.
- [9] Hyder, A., Azhar, A., Javaid, A., & Rehman, M. (2011). Entrepreneurial intentions among business students in Pakistan. *Journal of Business Systems, Governance and Ethics*, 5(2).
- [10] Salovey, P., & Mayer, J. D. (1990). Emotional intelligence. *Imagination, cognition and personality*, 9(3), 185-211.
- [11] Mayer, J. D., Salovey, P., & Caruso, D. R. (2004). TARGET ARTICLES:" Emotional Intelligence: Theory, Findings, and Implications". *Psychological inquiry*, 15(3), 197-215.
- [12] Bar-On, R., 1997, The Emotional Quotient Inventory (EQ-i): Technical Manual. Multi-Health Systems, Toronto.
- [13] Zampetakis, L., Kafetsios, K., Bouranta, N., Dewett, T., & Moustakis, V., 2009, On The Relationship Between Emotional Intelligence and Entrepreneurial Attitudes and Intentions. *International Journal of Entrepreneurial Behavior & Research*, 15(6), 595-618.
- [14] Nikolaou, I. & Tsaousis, I., 2002, Emotional Intelligence in The Workplace: Exploring Its Effects on Occupational Stress and Organizational Commitment. *International Journal of Organizational Analysis*, 10, 327- 342.
- [15] Crant, J.M., 1996, The Proactive Personality Scale as a Predictor of Entrepreneurship Intention. *Journal of Small Business Management*, Vol 34 (3).
- [16] Gird, A., & Bagraim, J., 2008, The Theory of Planned Behaviour as Predictor of Entrepreneurial Intent amongst Final Year University Students. *South African Journal of Psychology*, 38(4), 711-724.
- [17] Athayde, R., 2009, Measuring Enterprise Potential in Young People. *Entrepreneurship Theory and Practice*, 481-500.
- [18] Ajzen, I., 1991, The Theory of Planned Behaviour. *Organizational Behaviour and Human Decision Processes*, Vol. 50, pp. 179-211.
- [19] Tischeler, L., Biberman, J. & Makeage, R., 2002, Linking Emotional Intelligence Spirituality and Workplace Performance. *Journal of Managerial Psychology*, School of Management, University of Scranton, Scranton Philadelphia, USA.

- [20] Davis, J. W., Hockney, D. J., & Wilson, W. K. (Eds.). (2012). *Philosophical logic* (Vol. 20). Springer Science & Business Media.
- [21] Ajzen, I., 1991, The Theory of Planned Behaviour. *Organizational Behaviour and Human Decision Processes*, Vol. 50, pp. 179-211.
- [22] Gibson, S. & Harris, M., 2008, An Examination of the Entrepreneurial Attitudes of U.S. versus Chinese Students. *Southern Journal of Entrepreneurship*, 1 (1).
- [23] Anderson, A. R., & Jack, S. L. (2008). Role typologies for enterprising education: the professional artisan?. *Journal of Small Business and Enterprise Development*, 15(2), 259-273.
- [24] Sekaran U., & Bougie R., 2010, *Research Methods for Business: A Skill Building Approach*. (5th edition), Cornwall: John Wiley and Sons Ltd. Publication.
- [25] Julie Pallant, 2005, *SPSS Survival Manual A Step By Step Guide To Data Analysis Using SPSS For Windows*, (Version 12). Bookhouse, Sydney.
- [26] Coakes, S.J., Steed, L., & Ong, C., 2009, *SPSS 16.0 for Windows: Analysis without Anguish*, Australia: John Wiley and Sons.
- [27] Hair J.F., Black W.C., Babin B.J., Anderson R.E., & Tatham R.L., 2006, *Multivariate Data Analysis 6th Edition*. Pearson Prentice Hall, New Jersey.
- [28] Sekaran. U., 2003, *Research Methods For Business : A Skill-building Approach*. (3rd edition), USA: John Wiley & Sons, Inc.
- [29] Phillip E. Davis & Whitney O. Peake, 2012, Student Entrepreneurial Intent: Exploring Political Skill as a Moderator of the Relationship Between Emotional Intelligence and Entrepreneurial Intent.