

EMOTIONAL INTELLIGENCE AND ENTREPRENEURIAL SKILLS

Norina POPOVICI

Ovidius University of Constanta

1st Aleea Universitatii, 900470 Constanta, RO

norinapopovici@yahoo.com

Ionela MUNTEANU FLOREA

Bucharest University of Economic Studies

6 Piata Romana, 1st District, 010374 Bucharest, Romania

csultant.munteanu@gmail.com

Oana OPRISAN

Ovidius University of Constanta

1st Aleea Universitatii, 900470 Constanta, RO

oana.oprisan@yahoo.com

Abstract

Emotional intelligence is a story hidden behind the entrepreneurial phenomenon. The entrepreneurial process goes beyond the job, profession, and lifestyle, and the basis of entrepreneurial infrastructure includes innovation, creativity, love for continuous work, dynamics, risk-taking, forward-looking value, idealism, need for progress, and positive thinking. Entrepreneurs are people who have well-developed emotional skills, are productive and efficient but who feel the need to do more. Emotionally intelligent entrepreneurs can manage their emotions. If they get angry or upset, they did not unload those around them, thus creating a tense atmosphere; rather, they calmly deal with the problem and find a way to control and alleviate their anger. Being able to control emotions is essential when communicating with investors and other important allies for their business. Starting from these elements, in this paper, we want to analyze whether there is a connection between an individual's emotional intelligence and entrepreneurial abilities. Applying two questionnaires to a significant sample of students: one that measures the individual's emotional intelligence based on self-awareness, empathy, social skill, managing emotions, and self-motivation, and the other that assesses the necessary skills for starting a business. At the end of the paper, based on the correlations between the two questionnaires, we highlight the connection between the spirit of initiative, the attitude towards people, the spirit of leadership, the ability to take risks, the desire for a job well done, the confidence in people, the health, on one hand, and abilities such as self-awareness, empathy, social skill, managing emotions, and self-motivation, on another one.

Keywords

Emotional intelligence; entrepreneurial abilities; business; motivation.

Introduction

Entrepreneurial activity is at the heart of the spirit of economic innovation, increased productivity, economic competitiveness, and job creation. At this moment, entrepreneurship is manifesting itself with a much higher incidence than ever in the last 100 years. Recent studies show that entrepreneurship has reached a significant lifestyle, and a career for many and that 1 in 25 adults is trying to start a business.

Young people who are encouraged to develop their emotional skills, know each other better, know how to express more empathy, increase their degree of self-control, and enjoy more harmonious human relationships, which are essential in shaping successful entrepreneurs.

We consider the development of entrepreneurial skills as a national long-term priority, considering emotional intelligence as a motivational factor that determines the involved stakeholders to move from a passive position of intention to dynamic action, by planning, organizing, and involvement in activities that instill entrepreneurial skills.

Theoretical aspects concerning emotional intelligence and entrepreneurial capability

The term intelligence has a double meaning: on one hand, it represents the process of assimilation and processing of variable information with the purpose of optimal adaptation and on the other hand, it signifies aptitude, residing in operational structures endowed with certain qualities (complexity, flexibility, fluidity, productivity), through which is ensured the efficiency of the conduct. The term of adapting consists of balancing the assimilation of information to the pre-existing schemes and the accommodation or restructuring imposed by the new information that does not fit perfectly with the old schemes (Cretu, 1993, p.4). Emotional intelligence is "the ability to perceive and express, to resemble emotions in thought, to understand the prism of emotions, and to regulate one's own and others' emotions" (Caruso et. al., 2002, p.306).

Emotional Intelligence is self-knowledge, self-awareness, social sensitivity, and the ability to communicate successfully with our peers. It is that state of synchronization and social opportunity and is manifested through the courage to recognize our mistakes, to express differences, and to respect them (Everac, 1967, p.2).

To the five dimensions of emotional intelligence (self-knowledge, self-motivation, self-regulation, social consciousness, and social skills) there is a correspond of 25 emotional competencies, but no one has them all. But to achieve outstanding performances, we need to be strong in just a few of these skills - about six - and those to be "spread" across all five areas of emotional intelligence (Goleman, 1998, p.123).

From Daniel Goleman's point of view, emotional intelligence has the following components (Goleman, 2007, p.20):

- **Self-knowledge** - emotional self-knowledge - realistic and correct self-knowledge - self-confidence,
- **Self-control** - emotional self-control - transparency and maintaining integrity - adaptability to change - orientated towards results - initiative - optimism and perseverance,
- **Social "Awareness"** (social awareness, group awareness) - empathy (feeling the feelings and perspective of others, a real interest towards the worries of others) - service orientated,
- **Interpersonal relationship management** - developing others, their skills, coaching - inspirational leadership - initiating and managing change - influence - conflict management (related to negotiating and resolving disputes) - teamwork and collaboration (creating group synergy in pursuit of group goals).

In general, emotional intelligence consists of four elements (Togan, 2016):

1. Better identification and understanding of one's emotions.
2. Effective management of one's emotions and a significant increase in life quality.
3. Better understanding of those around you and coexistence with a high degree of comfort.
4. Creating better relationships at all levels with those around you and increasing productivity and self-image.

In terms of entrepreneurship skills and spirit, the specialized literature and practice have shown that not everyone can be an entrepreneur. These necessary characteristics are innate or acquired throughout life, and in the following, we will present some of them, as we have deduced them from the materials consulted for the realization of this article (Bugaian et. al., 2010).

Determination and perseverance. More than any other factor, total dedication to success determines the entrepreneur to overcome all obstacles. Strong determination and perseverance help him cope with any difficulties that others may find insurmountable and can sometimes make up for the lack of experience and skill of the staff.

The desire to win. Entrepreneurs examine a situation; determine how they can increase their chances of winning and act accordingly. As a result, the risks considered high by ordinary people are easily assumed by entrepreneurs.

Seeking feedback. Effective entrepreneurs are often described as having the ability to learn quickly and the strong desire to know how well they are doing and how they can improve their results. Feedback is important because the entrepreneur is willing to learn from mistakes and past experiences.

Initiative and responsibility. Entrepreneurs have always been considered independent people; they seek and take the initiative; they do not avoid situations in which they are personally responsible for the success or failure of the whole operation. They like to get involved in issues where their impact can be measured.

Opportunity orientated. What characterizes entrepreneurs is the focus on opportunity rather than on resources, structure, or strategy. Once the decision has been made, they act in a calculated way, trying to get as many chances of winning as possible, but they avoid taking unnecessary risks.

Failure tolerance. Entrepreneurs see failure as an experience from which they can learn. The most efficient entrepreneurs are those who expect difficulties and are not disappointed, discouraged, or depressed by failure.

Self-confidence and optimism. Although entrepreneurs often face major obstacles, confidence in their personal abilities leads them to overcome them and makes others maintain optimism.

Clairvoyance. Entrepreneurs know where they want to go. They have a clear vision of what their company should be like. Not all entrepreneurs have predetermined concepts

for their companies, some develop them over time, realizing what the company is and what it can be in the future.

High energy level. The enormous work done by entrepreneurs requires enormous energy. Many entrepreneurs dose their energy by carefully monitoring what they eat, drink, do physical exercise, and know when to retire for relaxation.

Creativity and innovation spirit. Creativity has long been seen as something genetic, with which you are born with and which you cannot acquire.

Independence. Frustration with bureaucratic systems, along with the desire to change something, make from entrepreneurs' independent people, acting according to their conceptions.

Teamwork. The desire for independence and autonomy does not prevent the entrepreneur from working in a team. In fact, while the entrepreneur is dealing with the future of the company, the staff performs the current activities, just as necessary.

Managerial skills. These are not indispensable, but a successful entrepreneur also needs this type of knowledge.

Starting from the theoretical elements presented above, in this paper, we wanted to see if there is a connection between emotional intelligence and entrepreneurial abilities. The study was conducted on a sample of 98 students of the Faculty of Economics from the Ovidius University of Constanta. These students completed 2 questionnaires that assessed both emotional intelligence and entrepreneurial ability. One of the questionnaires has a number of 10 closed questions to determine whether the individual has entrepreneurial skills, and the second questionnaire, with a number of 50 statements (10 for each of the five specific IE skills) with answers ranked in ranks, has the role of determining whether the individual possesses specific IE skills: self-knowledge, self-control/self-control, the ability to remain motivated to achieve goals, empathy and relationship management. Statistical analysis was performed based on an R environment that contains a set of software packages specialized in data manipulation, calculus, and graphical display (Rahlf, 2013).

Statistical study

The steps undertaken in our empirical study are:

- (1) preparation of the dataset composed of answers from the questionnaire
- (2) the exploratory data analysis of the empirical data
- (3) choosing the appropriate statistical tests to be applied
- (4) interpretation of the results of the statistical analysis.

First, the answers to the individual items in the dataset were logged. The first 3 variables in the dataset refer to demographic characteristics of the individuals, namely age, sex, and the environment of origin (their distribution is presented in Figure 1). The rest of the items consist of questions with Likert answers on a scale of 1 to 5. These items in the questionnaire were grouped according to their meaning, and 6 new statistical variables were defined, each corresponding to a certain category: Self-awareness,

Managing.emotions, Motivating.oneself, Empathy, Social.skill, and Entrepreneurial.capability.

The values of these variables were constructed as average aggregates of the scores of the individual items corresponding to the respective categories from the questionnaire (Harpe, 2015; Sullivan & Anthony, 2013).

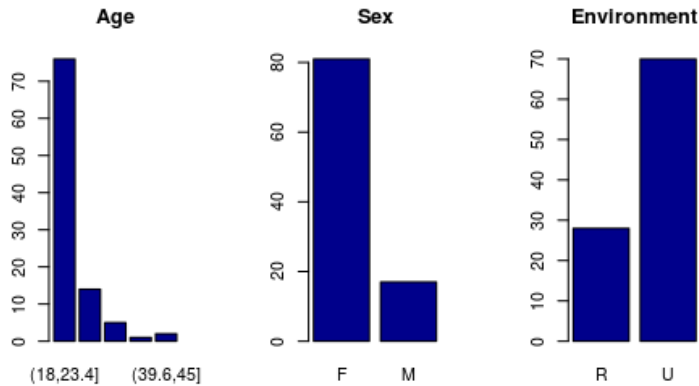


Figure 1. Demographic characteristics of the respondents.

The exploratory data analysis started with the computation of descriptive statistics for the variables in the dataset. We computed means and standard deviations of the numerical aggregated variables previously mentioned (see Table 1). We can observe the fact that the mean and median values are very close, which means that our data did not contain outliers.

Table 1. Numerical aggregated variables summaries.

Variable	Min.	1 st Qu.	Median	Mean	3 rd Qu.	Max.
Self.awareness	2.100	3.700	4.050	3.971	4.300	4.800
Managing.emotions	1.900	2.900	3.300	3.315	3.800	4.600
Motivating.oneself	2.100	3.300	3.800	3.787	4.200	5.000
Empathy	2.200	3.400	3.800	3.859	4.300	6.400
Social.skill	2.300	3.500	3.800	3.791	4.200	5.000
Entrepreneurial.capability	17.00	24.00	26.00	25.96	27.75	30.00

The statistical distributions of the indicators are depicted graphically in the histograms in Figure 2. It can be noted that, while the Social.skill and the Managing.emotion indicators seem to be Normally distributed, we cannot say the same about the rest of the indicators. Moreover, it seems that the Self.awareness and the Entrepreneurial.capability indicators are left-skewed, suggesting a non-Normal distribution.

This is to be analyzed with statistical tests. More precisely, we employed the Shapiro-Wilks test to verify the hypothesis that the indicator series are Normally distributed. The results are Self.awareness, Empathy, and Entrepreneurial.capability are Normally distributed (the p-values are 7×10^{-4} , 6.4×10^{-3} , respectively 2.1×10^{-5}); while the Managing.emotions, Motivating.oneself, and Social.skill do not follow the Normal

distribution (the p-values obtained for the Shapiro-Wilks test are 0.418, 0.307, respectively 0.703).

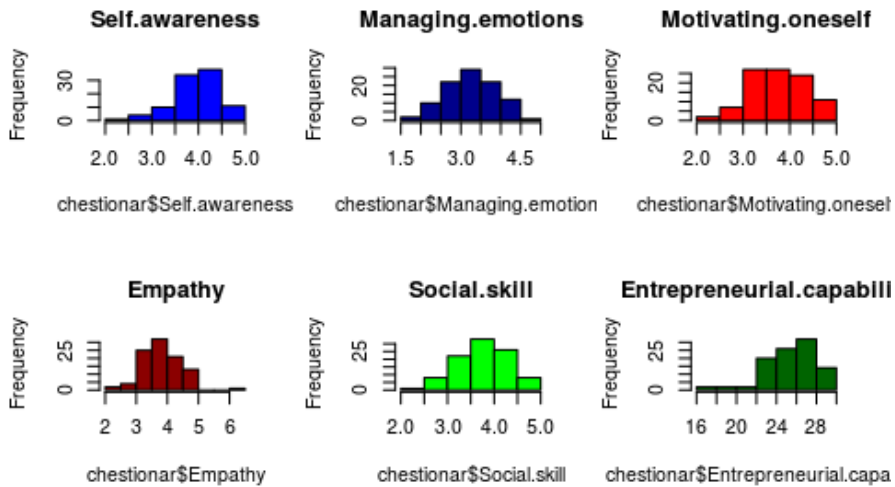


Figure 2. Histograms of the emotional intelligence indicators

Concerning the aim of this study, this is a noteworthy conclusion, which implies that the respondents have higher scores at the respective issues, which makes them suitable for the carrier they have chosen.

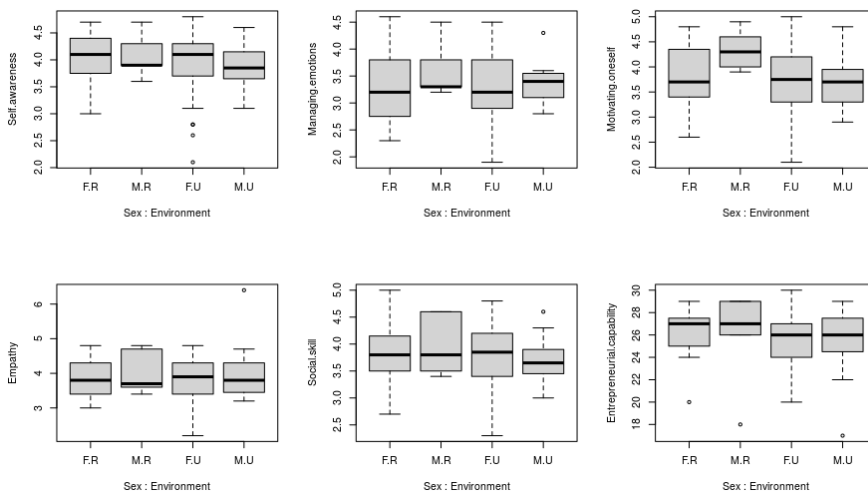


Figure 3. Boxplots of the distribution of the indicators, as influenced by grouping by age and environment

The distribution of the indicators with respect to the factors Sex and Environment are presented in Figures 3, 4, and 5. It can be noted that, while the mean values of the indicators seem to be rather equal between the groups defined by the joint factors, the indicators seem to be quite inhomogeneous with respect to their variances; but this remains to be verified further.

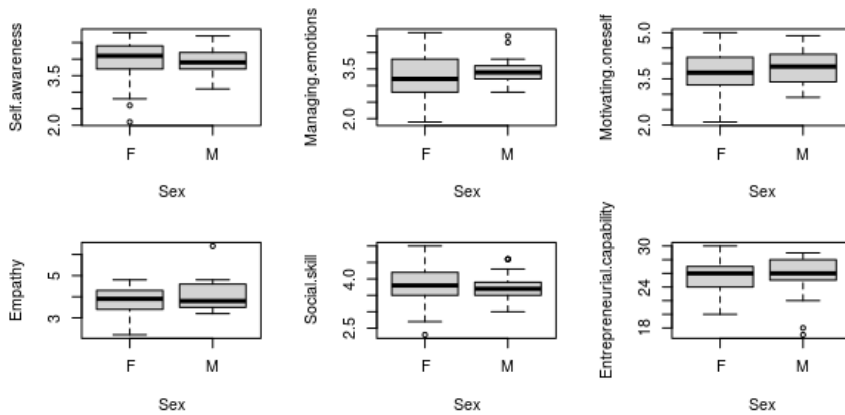


Figure 4. Distribution of the indicators factored by Sex of the respondents.

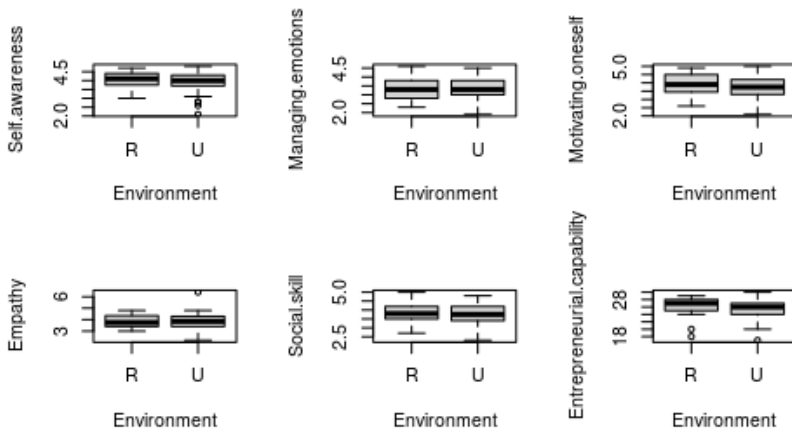


Figure 5. Distributions of the indicators factored by the Environment

We were interested to find out if the sex and the environment of origin influence the emotional intelligence of the respondents, as measured by the aforementioned indicators. To this end, we examined the interaction plots, to inspect the means of each indicator. We observe the fact that the lines in the interaction plots are parallel for Empathy and Entrepreneurial capability – meaning that these indicators are not influenced by the interaction between Sex and Environment (see Figure 6). The other indicators are indeed influenced by the two mentioned factors.

To be certain, we performed a Factorial ANOVA test to verify whether being male/female and coming from an urban/rural environment influences the entrepreneurial abilities of our students that participated in the study. The results were not significant (p-value of 0.84), hence the interpretation from the interaction plot was accurate.

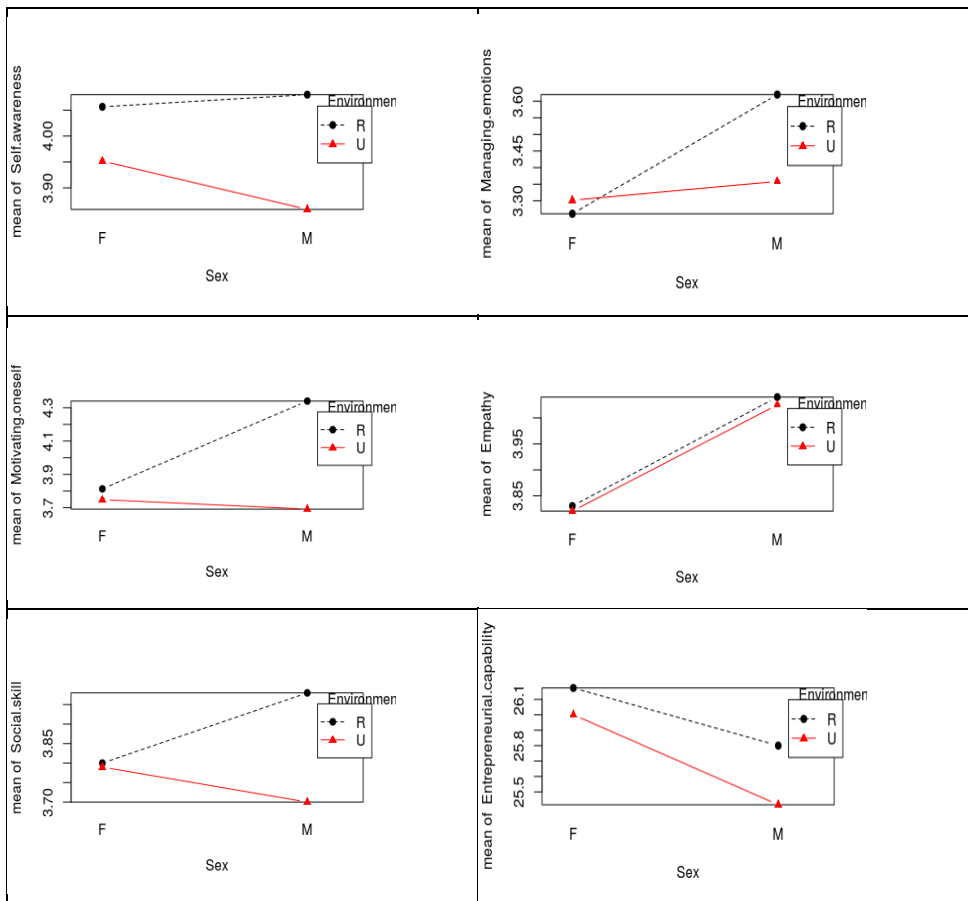


Figure 6. Interaction plots

We were also interested to test the homogeneity of the variances in the groups defined by the factors Sex and Environment. We employed the Levene test for this purpose. The groups defined by the environment are homogeneous, for each of the indicators (all p-values were greater than the significance level 0.05). The p-values are in Table 2 below.

The only exception is the variable Managing.emotions, where the variability of the responses differs significantly with respect to the sex of the respondents (notice the p-value < 0.05). Also, a certain difference exists between respondents of different Sex with respect to their entrepreneurial abilities, since the p-value obtained for the Entrepreneurial.capability is very close to the threshold.

The conclusions we draw from this are that the results are encouraging: we note that there are no significant differences between the students that come from a rural environment and those that come from urban environments. The same is true for the grouping with respect to sex. Our results will further be enforced by studying students from other specialties within our faculty.

Table 2. The p-values obtained in the Levene test for homogeneity of variances

Variable	Group by Environment	Group by Sex	Groups by Environment*Sex
Self.awareness	0.4584	0.3461	0.6938
Managing.emotions	0.6472	0.01838	0.1148
Motivating.oneself	0.9696	0.5826	0.5914
Empathy	0.9673	0.4325	0.8902
Social.skill	0.5094	0.4573	0.5271
Entrepreneurial.capability	0.9243	0.06353	0.3624

Next, we analyzed the pairwise correlation coefficients. They are depicted graphically below, in Figure 7. It can be noted that the Entrepreneurial.capability is poorly correlated to the rest of the emotional intelligence indicators. At the same time, strong correlations exist between Empathy and Social.skill, between Self.awareness and Motivating.oneself, Empathy, and, respectively, Social.skill.



Figure 7. Correlations between emotional intelligence indicators

When building a general linear model that tries to explain the Entrepreneurial.capability based on the other EI indicators, we find that the only statistically significant coefficient is the Intercept; none of the indicators are relevant for the Entrepreneurial.capability (see Table 3).

Table 3. Variables' coefficients and their associated p-values

Variable	Estimate	Std. Error	t value	Pr(> t)	indication
(Intercept)	29.74859	2.12118	14.025	<2e-16	***
Self.awareness	-0.20033	0.69562	-0.288	0.774	
Managing.emotions	-0.28734	0.46084	-0.624	0.534	
Motivating.oneself	-0.08312	0.62047	-0.134	0.894	
Empathy	0.15832	0.59674	0.265	0.791	
Social.skill	-0.61660	0.73880	-0.835	0.406	

Conclusions

This result is surprising since we expected the Entrepreneurial.capability to be strongly related to Emotional Intelligence indicators such as Empathy and Social.skills. Further

studies should be devoted to identifying relevant features to distinguish among possibly successful future entrepreneurs.

Surprisingly compared to the conclusions of previous scientific papers on this topic and what happens in current practice, our research has shown that there is no direct link between emotional intelligence and entrepreneurial skills. We attribute this to the fact that students completed the questionnaires looking for an ideal situation, not considering their traits and characteristics. Maybe out of the desire to assert themselves, maybe out of certain frustrations, maybe out of the multiple unmet needs and hopes that characterize the age of adolescence, young people have built through these questionnaires an ideal image that unfortunately has nothing to do with reality.

Much can be said about the importance of IE in entrepreneurship. As its importance has been highlighted over time in many areas of activity, IE is certainly not only useful but even necessary to become a successful entrepreneur. Young people need emotional literacy, financial education, and also need to know what entrepreneurship entails. These young people, through their businesses, through the companies created, will raise the Romanian economy and implicitly will create more jobs, thus raising the standard of living and reducing the degree of poverty.

References

- Bugaian, L., Catanoi, V., Cotelnic, A., Curagău, N., Dolghi, C., Enicov, I., Gheorghiuță, M., Golovco, V., Jalencu, M., Levitschi, A., Melinte, C., Solcan, A., & Tomiță P. (2010). *Entrepreneurship: Starting a business*, Chisinau, MD: Technical University of Moldova.
- Caruso, D.R., Mayer, J.D., & Salovey P. (2002). Relation of an ability measure of emotional intelligence to personality. *J Pers Assess.* 79(2), 306-320.
- Cretu, T. (1993). *Psychology*, Bucharest Publishing House.
- Drucker, P.F. (1995). *Innovation and Entrepreneurship*, Elsevier.
- Everac, P. (1967). *Reflections on intelligence*, Bucharest, RO: Politica Publishing House.
- Farrell, L. (2008). *How to Become an Entrepreneur*, Curtea veche Publishing House.
- Goleman D. (1998). *Working with Emotional Intelligence*, Bantam Books Publishing House.
- Goleman D. (2007). *Emotional Intelligence*, Bucharest, RO: Curtea Veche Publishing House.
- Harpe, S.E. (2015). How to analyze Likert and other rating scale data. *Currents in Pharmacy Teaching and Learning* 7(6), 836-850.
<https://doi.org/10.1016/j.cptl.2015.08.001>
- Rahlf, T. (2013). *Data Visualisation with R*. New York, NY: Springer.
- Sullivan, G.M., & Anthony, R.A. Jr. (2013). Analyzing and interpreting data from Likert-type scales. *Journal of Graduate Medical Education* 5(4), 541-542.
- Togan, D. (2016). *Emotional Intelligence*. Retrieved from <http://a-man-apart.com/wpcontent/uploads/2016/06/Inteligenta-emotionala-ebook2-10.pdf>.