



# An Investigation on the Relation between Personal Characteristics and Emotional Intelligence among Small Business Entrepreneurs in the Zanjan Province, Iran

Homa Droudi

Full-time faculty member of Islamic Azad University, Zanjan- Branch, Institute of Humanities and Social Sciences, Department of Business Administration, IRAN

Available online at: [www.isca.in](http://www.isca.in), [www.isca.me](http://www.isca.me)

Received 25<sup>th</sup> May 2014, revised 25<sup>th</sup> June 2014, accepted 1<sup>st</sup> July 2014

## Abstract

*In this paper aim is to study relationship between emotional intelligence and personality of entrepreneurs. The descriptive research method, correlation analysis and data collection methods is combination of questionnaire and library method and sample were selected among of managers, entrepreneurs and small businesses in the Zanjan province. Results show that entrepreneur's personality factors such as successful seeking, risk taking, high ambiguity tolerance, creativity, independence and entrepreneurship Internal Control have significant positive correlation with emotional intelligence.*

**Keywords:** Characteristics, emotional intelligence, entrepreneur, personality.

## Introduction

Nowadays, emotional Intelligence is an important topic in management and in this area it is possible to evaluate the characteristics of entrepreneurs as drivers of small businesses. For characteristics of entrepreneurs many indicators are considerable, In this paper we mainly are seeking seven dimensions such as, need for achievement, risk taking, ambiguity tolerance, creativity, independence and internal control and we will consider the relationship between these variables and emotional. Today, small businesses are very important in the world and many industries and businesses are moving towards small is beautiful. In this part by consideration the important roles of entrepreneurs, Identifying and understanding the characteristics of this relationship and Impact of emotional intelligence and its effect help on the management performance and organizations progress.

In present paper, We emphasis that having the characteristics of entrepreneurial managers impact on increasing Emotional Intelligence so study this relationship and its detection in addition to clarifying the issue effect on management and organizational performance.

## Problem statement and importance

Due to the increasing importance of emotional intelligence in contemporary it is important to study criteria affecting entrepreneurs and managers in organizations. Personality characteristics of entrepreneurs are important to study as one of the important issues and effective on management skills and emotional intelligence. Because according to Goleman, emotional intelligence can effect on the individual success in an

organization and also studies show that emotional intelligence increases performance, and productivity<sup>1,2</sup>. Considering the fact that little empirical research has been on the relationship between personality traits and emotional intelligence, This study is to identify first the variables has effect or not which are relevant to entrepreneurs and emotional intelligence. The other point is investigation of contact between some personality characteristics of entrepreneurs and their emotional intelligence. Because of the important goals of EI satisfies, can have particular importance including the identification of individuals who use their entrepreneurial skills to benefit the organization and helping their country and also the recognition of emotional intelligence is necessary to identify as an important factor that affecting entrepreneurship, if help in the investigation and evaluation of personality traits of entrepreneurs.

## Theoretical basis

Entrepreneur is a person that organizes and manages a business or corporation and accepts the associated risks with it<sup>3</sup>. Entrepreneurs who distinguishes itself from the others and find resources needed to exploitation opportunities. They provide value added and use the opportunities<sup>4</sup>. Entrepreneur is always looking for change and responds it to identify opportunities. Cantillon consider entrepreneurial as a technical term and in his view, the essence of the function of the entrepreneur is indeed enduring uncertainty<sup>5</sup>. Entrepreneurship is viewed from different perspectives and viewpoints that we mention some of them. Looking entrepreneurship as rationality<sup>6</sup>, is one of these perspectives, psychologists view that examine the characteristics of entrepreneurs and note to features such as achievement, internal control, willing to take risks, tolerance for ambiguity, Independence, viewpoint of social – cultural theory

that attempts to integrate entrepreneurship to the larger of social, cultural context. The network theory that has emphasizes on the social bonds is another viewpoint like this<sup>6</sup>. In the behavioral approach is considered the impact of other factors such as children condition and families, education, social status, lack of exposure, previous job experiences, role models, migration, etc. The innovation in entrepreneurship is among other approaches in organizational studies as a generalization of behavior management<sup>7</sup>. Contingency perspective on entrepreneurship emphasis and attention the histological criteria – content and population ecology perspective knows environmental factors as the most powerful of entrepreneurship determinants<sup>6</sup>. Various types of entrepreneurship discussed about kind of entrepreneurship and they classified it in three groups of individual entrepreneurs, organization entrepreneurship and entrepreneurship within the organization. Among the characteristics of entrepreneurs that the survey will be as follows:

**Seeking success:** That individual wishes to achieve their goal and do something more effective than before<sup>8</sup>.

**Internal control:** Individual belief that he is controlled finally by external or internal events is defined as internal control<sup>9,10</sup>. The notion that luck or fate did not control their own lives is upstanding characteristics of entrepreneurs. Entrepreneur believes that can overcome all problems with its attempt<sup>11</sup>.

**Willingness to risk:** Means to accept the moderate risks that can be tackled through individual efforts<sup>12</sup>. Several arguments have been made in this field types of risks, including studies financial, social, psychological and familial<sup>13</sup>.

**Need for independence:** This keyword could be define phrases like "Having control over its own destiny," " doing something for themselves" and " be her master"<sup>14</sup>. Discussed the need for independence and its relationship has also been discussed to entrepreneurship<sup>15,16</sup>.

**Creativity and Innovation:** Some defined creativity as being able to bring ability to a new phenomenon and others describe it not as a capability but as a psychological process or processes that they are creating value through new products<sup>5</sup>.

**Tolerance of ambiguity:** Ambiguity tolerance is to accept uncertainty as part of life, ability to survive with little knowledge about the environment and the desire to start an independent work without knowing whether he will success or not handling ambiguity and uncertainty is one the characteristics of the entrepreneur<sup>17</sup>. Among other characteristics of entrepreneurs is to use intuition in decision making, conflict resolution higher power and use all modes of I, challenge and stimulate the mind. Now we consider study of emotional intelligence and its relation to entrepreneurship and other variables.

Emotional intelligence and emotional is the "ability to get the emotions, create excitement and achievement, to assist thought, to understand emotions and emotional knowledge and emotional regulation to enhance intellectual development (intellectual, mental, emotional)<sup>18</sup>. In the Goleman idea emotional intelligence is the ability in relationship to recognize emotions in self and others evoke feelings and emotions in self and others and the management. Roots of the concept of emotional intelligence come from social intelligence.

However, the concept of emotional intelligence raised to the last history. Aristotle is perhaps the first person who gives pay attention to the importance of emotions in human interactions. He says it is easy to get angry but to be angry is not easy with the right person and to the right. Several variables influence on emotional intelligence such as personality of entrepreneurs<sup>19</sup> that this is studied further. Theorists have looked at various aspects of emotional intelligence and have tried to exam many different variables such as effectiveness of the system<sup>20</sup>, the work<sup>21</sup>, education<sup>22</sup>, the effect of negotiation<sup>23</sup> and lead<sup>24</sup>.

**The purpose of this study:** The main objective of this research is to investigation the relationship between personality characteristics of entrepreneurs and their level of emotional intelligence.

## Hypotheses

**The main hypothesis:** There is a significant relationship between entrepreneur's personality characteristics and the level of emotional intelligence. H1: There is a difference, H0: there is no difference.

**Sub- hypotheses:** i. There is a significant relationship between entrepreneur's need for success seeking and the level of emotional intelligence. H1: There is a difference, H0: there is no difference, ii. There is a significant relationship between entrepreneur's risk-taking amounts and the level of emotional intelligence. H1: There is a difference, H0: there is no difference, iii. There is a significant relationship between entrepreneur's tolerate ambiguity and the level of emotional intelligence. H1: There is a difference, H0: there is no difference, iv. There is a significant relationship between entrepreneur's creative and the level of emotional intelligence. H1: There is a difference, H0: there is no difference, v. There is a significant relationship between entrepreneur's independence and the level of emotional intelligence. H1: There is a difference, H0: there is no difference, vi. There is a significant relationship between entrepreneur's having an internal control and the level of emotional intelligence. H1: There is a difference, H0: there is no difference.

**Research methods:** Current research as aim is applied and as method is Descriptive survey.

**Data collection method:** Data collection methods are based on questionnaire and Library Studies.

**Statistical population:** The statistical population is included managers of small businesses as enterprises (manufacturing and services) in the Zanjan province.

**Sample size:** The sample size is obtained by the Cokeran formula as follows:

$$n = \frac{n.t^2.p.q}{n.d^2.t^2.p.q} = 11$$

The achieved number is for of entrepreneurs (small business owners) number that are selected and questionnaire distributed among them. The reliability of the questionnaire by Cronbakh Alpha by 742/0, indicates high reliability of two questionnaires Entrepreneur’s characteristics and emotional intelligence.

**Data analysis methods**

After collecting data from questionnaires, we used SPSS statistical software and correlation coefficient test, T test, relationship, correlation between the mentioned variables and Friedman test used to prioritize test the independent variable.

**Data Analysis: Analysis of the main hypotheses:** The research hypothesis: There is a significant relationship between entrepreneur’s personality characteristics and the level of emotional intelligence. By consideration that all the six studied sub- hypotheses, the needs for seeking success of entrepreneurs, risk rate, tolerance of ambiguity, creativity, independence and Internal control Were confirmed so the main hypothesis confirmed also.

**Analysis of first sub- hypotheses:** The research hypothesis: There is a significant relationship between entrepreneur’s need for success seeking and the level of emotional intelligence (H1).

**Table-1**  
**Analyze the first sub- hypothesis**

<b>Correlation:</b> R=0/55 the number shows positive and significant relationship between entrepreneur’s need for success seeking and the level of emotional intelligence Correlations is in the highly `significant level (sig = 000).
<b>Correlation test:</b> Obtained t (615/65) with 109 degrees of freedom and the error level of 0/01 is less than error level 0/07 for the need for successful variable so according to this hypothesis H_1 confirmed to have relationship between entrepreneur’s need for success seeking and the level of emotional intelligence.
<b>Friedman test:</b> The test used in the study is to be prioritized six variables and for need to seeking success priority shows that number average rate is 3/54.

Conclusion of the first hypothesis: with study on the correlation coefficient and the correlation coefficient test it found that H\_1 confirmed which indicates that there is a significant relationship between entrepreneur’s need for success seeking and the level of emotional intelligence.

**Analysis of second sub- hypotheses:** The research hypothesis: There is a significant relationship between entrepreneur’s risk-taking amounts and the level of emotional intelligence (H1).

**Table-2**  
**Analyze the second sub- hypothesis**

<b>Correlation:</b> R=0/452 the number shows positive and significant relationship between entrepreneur’s risk-taking amounts and the level of emotional intelligence correlations is in the highly significant level (sig = 000).
<b>Correlation test:</b> Obtained t (72/605 ) with 109 degrees of freedom and the error level of 0/01 is less than error level 0/07 for the entrepreneur’s risk-taking amounts variable so according to this hypothesis H_1 confirmed to have relationship between entrepreneur’s risk-taking amounts and the level of emotional intelligence.
<b>Friedman test:</b> The test used in the study is to be prioritized six variables and for entrepreneur’s risk-taking amounts priority shows that number average rate is 2/86.

Conclusion of the first hypothesis: with study on the correlation coefficient and the correlation coefficient test it found that H\_1 confirmed which indicates that there is a significant relationship between entrepreneur’s risk-taking amounts and the level of emotional intelligence.

**Analysis of third sub- hypotheses:** The research hypothesis: There is a significant relationship between entrepreneur’s tolerate ambiguity and the level of emotional intelligence (H1).

**Table-3**  
**Analyze the third sub- hypothesis**

<b>Correlation:</b> R=0/474 the number shows positive and significant relationship between entrepreneur’s tolerate ambiguity and the level of emotional intelligence correlations is in the highly significant level(sig = 000).
<b>Correlation test :</b> Obtained t (61/248 ) with 109 degrees of freedom and the error level of 0/01 is less than error level 0/07 for the entrepreneur’s tolerate ambiguity variable so according to this hypothesis H_1 confirmed to have relationship between entrepreneur’s tolerate ambiguity and the level of emotional intelligence.
<b>Friedman test:</b> The test used in the study is to be prioritized six variables and for entrepreneurs tolerate ambiguity priority shows that number average rate is 3/35.

Conclusion of the first hypothesis: with study on the correlation coefficient and the correlation coefficient test it found that H\_1 confirmed which indicates that there is a significant relationship

between entrepreneurs tolerates ambiguity and the level of emotional intelligence.

**Analysis of fourth sub- hypotheses:** The research hypothesis: There is a significant relationship between entrepreneur’s creative and the level of emotional intelligence (H1).

**Table-4**  
**Analyze the fourth sub- hypothesis**

<b>Correlation:</b> R=0/528 the number shows positive and significant relationship between entrepreneur’s creative and the level of emotional intelligence Correlations is in the highly significant level(sig = 000).
<b>Correlation test :</b> Obtained t ( 61/284 ) with 109 degrees of freedom and the error level of 0/01 is less than error level 0/001 for the entrepreneur’s creative variable so according to this hypothesis H_1 confirmed to have relationship between entrepreneur’s creative and the level of emotional intelligence
<b>Friedman test:</b> The test used in the study is to be prioritized six variables and for entrepreneur’s creative priority shows that number average rate is 2/66.

Conclusion of the first hypothesis: with study on the correlation coefficient and the correlation coefficient test it found that H\_1 confirmed which indicates that there is a significant relationship between entrepreneurs creative and the level of emotional intelligence.

**Analysis of fifth sub- hypotheses:** The research hypothesis: There is a significant relationship between entrepreneur’s independence and the level of emotional intelligence (H1).

**Table-5**  
**Analyze the fifth sub- hypothesis**

<b>Correlation:</b> R=0/480 the number shows positive and significant relationship between entrepreneur’s independence and the level of emotional intelligence correlations is in the highly significant level (sig = 000).
<b>Correlation test :</b> obtained t ( 68/151 ) with 109 degrees of freedom and the error level of 0/01 is less than error level 0/000 for the entrepreneur’s independence variable so according to this hypothesis H_1 confirmed to have relationship between entrepreneur’s independence and the level of emotional intelligence.
<b>Friedman test:</b> The test used in the study is to be prioritized six variables and for entrepreneur’s independence priority shows that number average rate is 2/61.

Conclusion of the first hypothesis: with study on the correlation coefficient and the correlation coefficient test it found that H\_1 confirmed which indicates that there is a significant relationship between entrepreneur’s independence and the level of emotional intelligence.

**Analysis of sixth sub- hypotheses:** The research hypothesis: There is a significant relationship between entrepreneur’s having an internal control and the level of emotional intelligence (H1).

**Table-6**  
**Analyze the sixth sub- hypothesis**

<b>Correlation:</b> R=0/425 the number shows positive and significant relationship between entrepreneur’s having an internal control and the level of emotional intelligence correlations is in the highly significant level (sig = 000).
<b>Correlation test:</b> obtained t ( 62/826 ) with 109 degrees of freedom and the error level of 0/01 is less than error level 0/005 for the entrepreneur’s having an internal control variable so according to this hypothesis H_1 confirmed to have relationship between entrepreneur’s having an internal control and the level of emotional intelligence.
<b>Friedman test:</b> The test used in the study is to be prioritized six variables and for entrepreneur’s having an internal control priority shows that number average rate is 2/57.

Conclusion of the first hypothesis: with study on the correlation coefficient and the correlation coefficient test it found that H\_1 confirmed which indicates that there is a significant relationship between entrepreneur’s having an internal control and the level of emotional intelligence.

## Conclusion

As proposed in the assumptions in the analysis part the main hypothesis of the study was approved that means there is a significant relationship between emotional intelligence by the characteristics of entrepreneurs. In addition, each of the sub-hypothesis studied and confirmed that there is a significant relationship between the dependent independent variables, In six sub-hypotheses therefore, we can conclude that between the level of risk, tolerance of ambiguity, creativity, independence and internal control is significant relationship with the level of emotional intelligence that among those by the test Feridman the need for success seeking is the more important variable and Internal control variable is less important. Therefore, in order to increase emotional intelligence of entrepreneurs Individual has to give priority to improve needs for success by seeking by training and then improve other variables to improve the success rate to high up in the entrepreneurs business.

## References

1. Goleman D., An EI-based theory of performance, in Cherniss C. and Goleman D. (Eds), *The emotionally Intelligent Workplace*, Jossey-Bass, San Francisco, CA, (2001)
2. Lam L.T. and Kirby S.L., Is Emotional Intelligence an advantage? An exploration of the impact of emotional and Genreal intelligence on individual performance, *The Journal of The Social Psychology*, 121(1), 133-43 (2002)

3. Miles R. and Snow, Organizations New Concepts for New Forms, *California Management Review*, **28(3)**, (2006)
4. Thompson J., The Facets of the Entrepreneur: Identifying Entrepreneurial Potential, *Management Decision*, **42(2)**, (2004)
5. Cochran T., Entrepreneurship in D.L. Sills (Ed), *International Encyclopedia of the social sciences*, New Yourk: Free Press (1968)
6. Amit R., Gloston L. and Muller E., Challenging to theory development in entrepreneurship research, *Journal of Management Studies*, **3**, (1993)
7. Hisrich R.D. and Peters P.M., *Entrepreneurship*, (fourth ed.), Mc Graw – Hill (1998)
8. Mclellan D., Achievement Motivation Can Be Developed, *Harvard Business Review*, **43**, (1965)
9. Jennings D. and Zetihaml C., Locus of Control: A review an directions for entrepreneurial research, *National Academy of Management Proceedings*, (1983)
10. Hornaday J. and Aboud J., Characteristics of successful Entrepreneurs, *Personnel Psychology*, **24**, (1971)
11. Peterson R., *Entrepreneurship and Organization*, in R. Ronstadt(ed), *Frontiers of Entrepreneurial Research*, Babson College: Babson (1980)
12. Brackhaus R. and Horwitz P., The Psychology of the Enterepreneur, in d. Sexton & R. Smilor(eds), *The Art and Science of Entrepreneurship* Canbridge, Mass : Ballinger (1986)
13. Kuratko D. and Hodgetts R., *Entrepreneurship: A Contemporary Approach*, (3<sup>rd</sup> ed.), N2: The Dryden Press (1989)
14. Mckeran D. and Flannigan E., *Shaping the Entrepreneurial Company*, Chalford: Management Books 2000 Ltd. (1996)
15. Fry F., *Entrepreneurship: A planning Approach*", Englewood cliffs NJ: Prentice – Hall, (1993)
16. Longenecker G., Moore C. and Petty W., *Small Business Management: An Entrepreneurial Emphasis*, Cinicinnati, Ohio: South- western College pvb. (1997)
17. Jennings R., Cox C. and Cooper C., *Business Elites*, London: Routledge (1994)
18. Salovey P. and Mayer J.D., *Emotional Intelligence, Imaginations, Cognition and Personality*, **9(3)**, 185-211 (1990)
19. Leary, Myleen M. and et al., A study of Personality Preferences and emotional intelligence, *leadership and Organization Development Journal*, **30(5)**, 421-434 (2008)
20. Poly Chroniou, Panagiotis V., Relationship between emotional intelligence and transformational leadership of Supervisors, *Team Performance Management*, **15(28)**, 343-356 (2008)
21. Morehouse, Michelle M. and et al., An exploration of emotional intelligence across career arenas, *Leadership & Organization Development Journal*, **28(4)**, 296-307 (2006)
22. Grant Anthony M., Enhancing coaching skills and Emotional Intelligence through training, **39(5)**, 257-266 (2007)
23. Mueller, Jennifer S. and et al, Emotional Intelligence and counterpart mood induction in a negotiation, *International Journal of conflict Management*, **17(2)**, 110–128 (2006)
24. Hopkins Margaret M. and et al., Emotional Intelligence and Board Governance: Leadership Lessons from the Public Sector, *Journal of Managerial Psychology*, **22(7)**, 683 – 700 (2007)