

The Dynamic Influence of Emotional Intelligence on Entrepreneurial Intention

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Abstract:

This study explores the intricate relationship between emotional intelligence and entrepreneurial intention of undergraduate management students in arts and science colleges, in Coimbatore. Recognizing the pivotal role of entrepreneurial intention in fostering entrepreneurial behaviour, the research investigates the dynamic interplay of emotional intelligence in influencing individuals' tendencies towards entrepreneurship. In line with the objective of the study, using a mixed-methods approach 184 students were selected in a multistage stratified random sampling method. The survey was conducted among students with a structured questionnaire to find out about their level of emotional intelligence and entrepreneurial intention. Collected data were analysed using statistical tools chi-square, Pearson moment correlation and regression analysis. The results highlight the significance of self-awareness, self-regulation, motivation, empathy, and social skills in forming entrepreneurial aspirations, and they show a complex and dynamic relationship between emotional intelligence and entrepreneurial intention.

Keywords: Entrepreneurial Intention, Emotional Intelligence, Entrepreneurship Education, Entrepreneurial Behaviour, Self-awareness, Self-regulation, Emotional Competencies

Introduction:

Entrepreneurship is the key way to generate growth, well-being and wealth in an economy (Saiz-Alvarez, 2021) and it is an organized exploitation of novel opportunities for value creation and capture (Bryant, 2015). Entrepreneurship is a multifaceted concept with economic, sociological, and psychological dimensions (Saiz-Alvarez, 2021). It involves the identification and exploitation of new opportunities for value creation and capture, with wide-ranging implications for society and the economy (Bryant, 2015). This process can lead to the creation of new organizational forms, even in the absence of necessary resources and capabilities. Entrepreneurship is also a means of addressing unresolved problems and driving innovation (Tripathi, 2023). The role of the entrepreneur in economic growth and development is well-documented, with entrepreneurs being key figures in various sectors, including business, innovation, and social change (Casson, 2008).

Entrepreneurial intention is a crucial factor in the creation and success of new ventures, as it shapes the form and direction of organizations (Bird, 1988). It is influenced by various factors, including the individual's decisions, flexibility, behaviour, and interpersonal influence (Bird, 1989). From an Islamic perspective, entrepreneurial intention is influenced by entrepreneurial knowledge, motivation, and religious belief (Majid, 2018). Spirituality is also considered a significant predictor of successful entrepreneurship, as it can enhance decision-making and personal fulfilment (Margaça, 2020).

Emotional intelligence plays a crucial role in boosting entrepreneurial intention among students. Kanonuhwa (2018) found a direct association between emotional intelligence and entrepreneurial intention, with the strongest link being the regulation of emotion. Davis (2014) further emphasized the positive relationship between emotional intelligence and entrepreneurial intent, particularly in low emotional intelligence conditions. Mclaughlin (2019) and Madar (2019) both highlighted the role of emotional intelligence in enhancing entrepreneurial career intentions, with Mclaughlin also noting the importance of entrepreneurial self-efficacy. These studies collectively underscore the significance of emotional intelligence in fostering a mindset conducive to entrepreneurship.

Several studies have explored the relationship between emotional intelligence and entrepreneurial intention among students. Madar (2019) found that optimism and emotional intelligence are positively associated with entrepreneurial intention, with emotional

intelligence mediating the relationship. Kanonuhwa (2018) further supported this, identifying a direct association between emotional intelligence and entrepreneurial intention, particularly in the regulation of emotion. Davis (2014) added to this by highlighting the positive relationship between emotional intelligence, political skill, and entrepreneurial intent, particularly in low emotional intelligence conditions. Finally, Hassan (2016) found that trait emotional intelligence and entrepreneurial attitude significantly influence entrepreneurial intention. These studies collectively suggest that emotional intelligence plays a crucial role in shaping entrepreneurial intention among students.

Background of the study:

A body of research consistently demonstrates a positive relationship between emotional intelligence and entrepreneurial intention. Morton (2014) and Kashif (2016) both found that emotional intelligence positively influences entrepreneurial self-efficacy and intention, with Kashif specifically identifying a positive relationship between all five dimensions of emotional intelligence and entrepreneurship. Madar (2019) further supports this, showing that emotional intelligence mediates the relationship between optimism and entrepreneurial intention. Miao (2018) adds a cross-cultural perspective, finding that the positive relationship between emotional intelligence and entrepreneurial intention is stronger in long-term-oriented cultures. These studies collectively suggest that emotional intelligence plays a significant role in shaping entrepreneurial intention.

Research consistently shows a positive relationship between emotional intelligence and students' attitudes. Studies have found that higher emotional intelligence is associated with greater academic achievement (Rust, 2014; Molla, 2018), self-efficacy, happiness, and life satisfaction (Salami, 2010). Emotional intelligence also correlates with positive attitudes towards life and the attainment of educational goals (Wong, 2005). These findings suggest that emotional intelligence plays a crucial role in shaping students' attitudes and behaviours. Research on emotional intelligence in students has highlighted the importance of its four key elements: self-awareness, self-management, social awareness, and social management. Heshmati (2017) found that acting with awareness and problem-solving are crucial components of emotional self-regulation in high school students. Yahaya (2022) further emphasized the significant impact of self-awareness, emotional management, and empathy on academic achievement and performance. These studies collectively underscore the role of emotional intelligence in enhancing students' cognitive abilities and academic success. Hafiz

(2015) extended this discussion to university employees, demonstrating the link between emotional intelligence and life satisfaction.

Research consistently shows a positive relationship between emotional intelligence and self-efficacy in students. Jaya Krishna (2020) found a significant positive relationship between the two secondary school students, with differences between male and female students. Traş (2016) also reported a positive relationship between social self-efficacy and various aspects of emotional intelligence in university students. Adeyemo (2007) further demonstrated the moderating influence of emotional intelligence on the link between academic self-efficacy and achievement in university students. Ali (2018) confirmed a strong positive correlation between emotional intelligence and self-efficacy in elementary school students. These findings collectively suggest that emotional intelligence plays a crucial role in shaping students' self-efficacy.

Several studies have found a significant relationship between subjective norms and entrepreneurial intention among students. U.N 2018, Krithika 2014, Mohammed 2017, and Yousaf 2015 all found that subjective norms play a key role in shaping students' intention to become entrepreneurs. These findings suggest that the influence of social factors, such as the perceived expectations of others, can be a strong predictor of entrepreneurial intention among students.

Research consistently shows that gender plays a significant role in shaping the entrepreneurial intentions of college students. Karimi (2013) and Bagheri (2014) both found that while there are no gender differences in the relationship between perceived behavioural control and entrepreneurial intention, there are differences in the influence of other factors. For example, Bagheri (2014) found that entrepreneurial attitude and self-efficacy have a greater impact on men's intentions, while entrepreneurial attitude and subjective norms are more influential for women. Robledo (2015) further supports these findings, suggesting that perceived behavioural control and attitudes significantly affect entrepreneurial intentions, with gender moderating the relationship between subjective norms and perceived behavioural control. These studies collectively highlight the need for gender-specific approaches in promoting entrepreneurial intentions among college students.

Based on the arguments presented above, therefore, the hypotheses of the study were as, there is a significant relationship between emotional intelligence and entrepreneurial intention among students.

Data and methods:

- **Population:** The geographical area of Coimbatore District is chosen for the study. The sampling population was Undergraduate Management students in selected Arts and Science Colleges.
- **Sampling Procedure:** There are 78 Arts and Science colleges in Coimbatore affiliated with Bharathiar University. Among them, 5 Arts and Science Colleges were selected by certain criteria like entrepreneurial development cell, innovation and incubation centers, popularity, student's strength, ranking and established year. Non-probability purposive sampling methods were used for selecting and inclusion in the sample due to their characteristics and experience related to entrepreneurship.
- **Sample Size:** 20% of the proportionate population selected from each selected arts and Science College. Hence the standard population size required for the known population is 175 or more measurements/surveys are needed to have a confidence level of 95% that the real value is within $\pm 5\%$ of the measured/surveyed value. The present study was conducted with a total number of 184 UG management students.
- **Tools used for Analysis:** The statistical tools used are selected based on the suitability to examine the objectives of the research using the SPSS statistical package. The results are analysed based on the mean score, chi-square, Pearson's moment correlation and regression analysis for the present paper.
- **Data Collection Tool:** Primary data was collected through a questionnaire and secondary data from published sources. The data were collected from a questionnaire-based survey in selected 5 colleges. The questionnaire consisted mainly of structured questions. Distributed the questionnaire to the students who were willing and had basic knowledge of entrepreneurship based on the suggestions of their immediate supervisor or their class professor. 200 questionnaires were distributed, of which 184 were fully completed.
- **Measures:**

Dependent variables: Entrepreneurial Intention "Entrepreneurial Intentions Questionnaire" (EIQ), developed by Liñán and Chen in 2009. The EIQ is a self-report instrument designed to assess an individual's intention to start a new business or

engage in entrepreneurial activities. It consists of several items or statements that respondents rate based on their agreement or disagreement.

Independent Variable: Emotional Intelligence: The Emotional Quotient Inventory (EQ-i) is a self-report questionnaire designed to measure various aspects of emotional intelligence. Developed by Dr. Reuven Bar-On, it assesses emotional and social functioning across five main domains and 15 subscales. Here are the five main domains and their associated subscales

Table 1: Demographic Profile

Demographics	Range	Number of respondents	Percentage(%)
Age(inyears)	17-20 Years	112	60.9
	21-23 Years	72	39.1
ParentsOccupation	Business	27	14.7
	Self-Employment	39	21.2
	GovernmentJob	9	4.9
	PrivateJob	86	46.7
	Agricultural	23	12.5
Annual Income of the Family	Below 2 lakhs	97	52.7
	2-5 lakhs	74	40.2
	5-8 lakhs	13	7.1
	Above 8 lakhs	-	-
Family Business	Yes	36	19.6
	No	148	80.4
Region	Rural	49	26.6
	Urban	135	73.4

The analysis of the demographic variables has exhibited the following results:

About 60% of the respondents are in the age group of 17-20 years. In the case of the family background of the students, the Occupation of a maximum of the parents are either employed in a Private Job (46.7%) or self-employed (21.2%). Also, the annual income of the

majority of the families, about 52.7%, falls below 2 lakhs. The details about the family business imply that (73.4%) of the respondents do not have any business family background.

Table 2: Assessment of Relationship between Emotional Intelligence and Entrepreneurial Intention of Management Students

Scale	Mean	SD	Emotional Intelligence	Entrepreneurial Intention
Emotional Intelligence	3.0600	1.202	1	
Entrepreneurial Intention	4.1600	.9764	.721**	1

**p<0.01, SD- Standard Deviation

The correlation analysis between the level of Emotional Intelligence and the Entrepreneurial intention of management students plays a vital role in exhibiting a positive influence on the present study. Self-actualization and self-motivation are the key roles in leadership quality. Self-efficacy and attitude are deciding factors for entrepreneurial behavior. The level of emotional intelligence is high among students and it has a positive impact on the entrepreneurial intention of management students. Proper nurturing and real-time entrepreneurial scenarios make an attitude change toward entrepreneurial intention. Counseling them to analyze their SWOT and helping them manage their emotional stability provides a great leadership quality.

Table 3: Analysing the impact of Emotional Intelligence on Entrepreneurial Intention of Management Students

Model	Entrepreneurial Intention	
	Standardized Coefficients	Sig.
	(β)	
Constant	1.316	
Emotional Intelligence	.721**	.000
R ²	.634	
AdjustedR ²	.632	
Significance	.000	

From the above table, R²= .634 indicates that there is a significant impact of the Emotional Intelligence of the management Students to become future entrepreneurs on their entrepreneurial intention. The result implies that if there is a high level of

emotional intelligence, there will be possibly high leadership quality which leads to successful entrepreneurship. The impact analysis results in 63% of emotional intelligence level on entrepreneurial intention which clearly explains that self-actualization, self-realization, social understanding and emotional stability positively impact students' attitude, self-efficacy and perceived behavioural control.

Conclusion:

The present study discusses the relationship between emotional intelligence and entrepreneurial intention among management students. The analysis of the current study confirms previous results in the literature. Accordingly, there is a significant relationship between emotional intelligence factors like self-awareness, self-management and social awareness with entrepreneurial factors like perceived behavioral control, self-efficacy and attitude among students. Emotional intelligence assists students in decision-making, critical thinking and problem-solving. Self-actualization boosts their confidence in their career choice. The test process is limited and data is collected from a homogeneous environment. Management students are taken for study because of the entrepreneurial academic curriculum and high awareness of entrepreneurial scenarios. The entrepreneurial intention analysis will predict the overall entrepreneurial behavior among students. The study results management students have a high level of emotional intelligence and also their intention level toward entrepreneurship results is high. Overall, emotional intelligence is critical in shaping entrepreneurial decisions and behaviors.

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