



**ORIGINAL RESEARCH PAPER**

**Management**

**A STUDY ON THE IMPACT ON EMOTIONAL INTELLIGENCE AND SOCIAL INTELLIGENCE ON CAREER SUCCESS OF THE MSME ENTREPRENEURS**

**KEY WORDS:** Emotional intelligence, social intelligence, career success, Emotional stability, and human relation.

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**ABSTRACT**

Emotional intelligence improves a individuals emotional stability and social intelligence allows an individual to get along with other people. Emotional stability and human relation are the important elements of the entrepreneurs to succeed in business and in personal. Therefore purpose of current study is to explore the importance of Emotional intelligence and social intelligence influence on career success of entrepreneur. The questionnaire is distributed to 150 entrepreneurs in coimbatore district and stratified random sampling method was adopted. Statistical tools like T test, ANOVA, and correlation are used for the study. The result reveals that the emotional intelligence impact 32% on career success of entrepreneur and social intelligence impact 30% on the career success of entrepreneur.The result provides the insight into the business practitioners and policy makers that individual factors determine the subjective career success of entrepreneur.

**1. INTRODUCTION**

In some developing countries as well as in India the growth of Micro, small and medium enterprises (MSMEs) is one of the crucial driving forces for economic growth. There are at least three motives underlying the developing countries recently considered it the essential presence of MSMEs (Berry et al., 2001). The first reason is that the performance of MSMEs tends to be better regarding generating productive employment. Secondly, as part of its dynamics, MSMEs often achieve increased productivity through investment and technological change. Third, it is believed that MSMEs have advantages concerning flexibility compared to large businesses. Career success is defined by Arthur et al. (2005) as the "accomplishment of desirable work-related outcomes at any point in a person's work experiences over time" (p. 179). Research on the topic suggests that certain factors are more important to success in those with a boundary less mind-set, such as learning and development (Granrose & Baccili, 2006) and work-life conflict (Wille, De Fruyt, & Feys, 2013). Lastly, the kaleidoscope career model (Mainiero & Sullivan, 2006) describes how people change the path of their career to match different aspects of their lives both inside and outside of work. The authors explicitly highlight the role of three key motivators: authenticity, challenge, and work-life balance. Thus, although these theoretical perspectives differ to some extent in their focus, the idea that success has an internal evaluative component based on multiple criteria is a consistent theme.

Therefore the current study focus on the emotional intelligence and the social intelligence of the entrepreneur which is more important to the the career success of the entrepreneur. The emotionally stable individual, and individual who is socially attached, managing people can shine in both business and personal life. Therefore emotional intelligence and social intelligence are considered as the main factors in determining the career success of the entrepreneur. The study aim at finding out the impact of emotional intelligence and social intelligence on career success of entrepreneur.

**2. REVIEW OF LITERATURE**

**Salovey and Mayer (1990)** introduced emotional intelligence in psychological literature. They defined emotional intelligence as a subset of social intelligence that involved "the ability to monitor one's own and other's feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and actions" (p. 189). With their conceptualization, they attempted to overcome the sometimes promoted dualism of the emotional and the cognitive system by putting emotional intelligence at the intersection between emotion and cognition (**Forgas, 2000; Matthews et al., 2005; Mayer & Salovey, 1997**). Traditional positions assumed that affect reduced individuals' ability to think rationally. More recent research conceives "affective states as a meaningful source for the regulation of cognitive processes" (**Bless et al., 2004, p. 179**).

In the year 1995, **Goleman** published his notorious book "EQ – Why it can matter more than IQ" and initiated a surge of research which accounted for a simultaneously growing market for the assessment and training of so-called soft skills and for emotional intelligence as a prototypical representative. Through subsequent research, the fathers of the construct **Mayer et al. (2000)** distanced themselves from those strands of research that presented emotional intelligence as an overinclusive new ability construct or which conceptualized emotional intelligence rather as a personality trait. Particularly, these approaches were criticized for being overinclusive by incorporating personality traits, behavioral skills, as well as emotional competencies or, in other words, everything else but IQ (**Hedlund & Sternberg, 2000**). **Mayer et al. (2000)** labeled these approaches mixed models or trait emotional intelligence (see also **Petrides & Furnham, 2001**) in contrast to ability models representing a mental ability. This distinction was adopted by subsequent research.

**3. THEORITICAL CONCEPT OF THE STUDY Intelligence**

The term "intelligence" is defined as the abilities of the human intellect in the sense of an individual's potential and the consecutive dynamic meanings (Dorsch "Psychologisches Wörterbuch" Häcker & Stapf, 1994). Carroll (1993) defined intelligence as a generic term for cognitive ability constructs that are generally valid for the accomplishment of heterogeneous tasks, problems, and situations.

**Emotional Intelligence-Overview**

Emotion refers to those "feelings" (Akgün et al. 2009) that have an immediate, automatic, and sometimes uncontrollable effect on human behavior and performance (Ostell 1996). Emotions are also described as an organized response system that coordinates physiological, perceptual, experiential, and cognitive changes into coherent experiences of moods and feelings (Mayer et al. 2000). Ashforth and Humphrey (1993) consider emotion as a sign of intelligence, while others see them as an ability to grasp and reason correctly with concepts (Coté and Miners 2006) or as personal intelligence because of one's access to one's own feeling life (Sanchez 1995). Accordingly there is a common tendency to combine emotion with intelligence (e.g., Mayer and Salovey 1995; Huy 1999; Reus and Liu 2004; Akerjordet and Severinsson 2004).

Mayer and Salovey (1995) emotional intelligence construct is an ability-based approach. Here, emotional intelligence is composed of a set of abilities to perceive emotions in the self and in others and to use emotions to facilitate performance, understand emotions and emotional knowledge, and regulate emotions in the self and in others (Mayer et al. 2000; Coté and Miners 2006). This definition of emotional intelligence addresses the four-dimensional emotional intelligence construct (Kelly and Barsade 2001; Caruso et al. 2002; Salovey and Pizarro 2003; Rubin et al. 2005; Coté and Miners 2006) consisting of self-awareness, self-management, social awareness, and social management. Self-

awareness is the ability to express emotions. Self-management refers to the ability to distinguish between different emotions that influence one's thought processes. The third skill, social awareness, is the ability to understand complex emotions and to identify the likely transitions between emotions. Finally, social management is the ability to connect with or to disconnect from an emotion based on its usefulness in a given situation (Jordan et al. 2002).

**Social Intelligence**

Social intelligence includes cognition, convergent and divergent production, memory, and evaluation of behavioral contents. These contents mostly consist of nonverbal information about social interactions that allow conclusions about thoughts, desires, feelings, moods, emotions, intentions, and actions of other persons and of ourselves.

**Social Intelligence Overview**

Goleman (2006) defined social intelligence as "being intelligent not just about our relationships but also in them" [p. 11, emphasis in original]. His definition includes both the capacity to be socially aware (with components of primal empathy, attunement, empathetic accuracy, and social cognition) as well as the ability to develop social skill or facility (including components of synchrony, self - preservation, influence, and concern). Latter Albrecht's (2006) primary focus - he defined social intelligence simply as "the ability to get along well with others and to get them to cooperate with you" (p. 3). In our opinion, Albrecht's definition is closer to defining social competence rather than social intelligence.

**4. STATEMENT OF THE PROBLEM**

Nearly every entrepreneur begins their new venture with hopes of great success in both objective terms and subjective terms. Nearly half of the 850,000 new businesses started every year close their doors within the first 12 months (Small Business Administration, 2010). A breakdown of these staggering statistics shows that only one-third of start-up firms survive at least two years, but less than half of the surviving businesses make it to the four year mark (Small Business Administration, 2010). In order to achieve success in both objective and subjective component the entrepreneur should first focus their own individual factors other than the environmental and technological factors. Thus, it is evident that understanding factors relating to entrepreneurial success is critical for the field of entrepreneurship; particularly for the entrepreneur, the stakeholders, and the health of the economy as a whole (Lussier & Halabi, 2010;).

**5. OBJECTIVE OF THE STUDY**

- To understand the socio demographic profile of MSME entrepreneurs
- To analyze the difference between the gender and variables.
- To examine the difference between the demographic profile and factors of emotional Intelligence
- To evaluate the relationship among the factors influencing the career success
- To investigate the impact of Emotional Intelligence, social Intelligence on career success.

**6. RESEARCH HYPOTHESES**

- H01: Emotional intelligence does not have impact on career success.
- H02: Social intelligence does not have impact on career success.

**7. LIMITATION OF THE STUDY**

- Respondents may have withheld information due to fear of being victimized.
- Unwillingness of respondents to fill questionnaires.
- Limitation of tools used is the limitation of the study also.

**8. RESEARCH METHODOLOGY**

The research design adopted for the study is descriptive in nature. The questionnaire consists of 91 questions of which 78 statements measures the influence of emotional intelligence and social intelligence on entrepreneurial performance. After finalizing the number of items in the research instrument, a pilot study was

undertaken. The population of the study is MSME entrepreneurs of Coimbatore district. The survey was conducted by means of Stratified Random Sampling; the MSME entrepreneurs are divided into different industries (strata) so that stratified sampling is used under this study. The target population for this study consists of 9,80 MSME entrepreneurs who are registered District Industrial Centre (DIC), in Coimbatore district. The sample selection was based on the criterion that the firm had to be established for at least three years because it is not possible to gather enough data to consider the performance of firms operating in a shorter period of time. Both primary and secondary sources were used for the data collection. The primary data was obtained mainly with the instruments of questionnaire methods. Finally 150 respondent's questionnaires are considered to be valid. Secondary data information was obtained from the published documents of SIDCO, Tamil Nadu small and Tiny Industries Association (TANSTIA).

**9. ANALYSIS AND INTERPRETATION ON THE IMPACT OF EMOTIONAL INTELLIGENCE AND SOCIAL INTELLIGENCE ON CAREER SUCCESS OF THE MSME ENTREPRENEURS**

**Table 2. Socio demographic details of the respondents – (n = 150)**

General Information	Characteristics	Frequency	Percentage
Gender	Male	104	69.3
	Female	46	30.7
Age	Less than 30	62	41.3
	31 – 35	61	40.7
	36 – 40	17	11.3
	> 40	10	6.7
Educational Qualification	Under Graduate	102	68.0
	Post Graduate	34	22.7
	Others	14	9.3
Work Experience	Less than 1	5	3.3
	1-3	50	33.3
	4-6	58	38.7
	> 7	37	24.7

From the above table it is clear that of the 150 respondents, 104 (69.3 per cent) were male respondents and the remaining 46 (30.7 per cent) were female respondents. The age of the respondents 41.3 per cent (62 respondents) were with the age less than 30 years, 40.7 per cent (61 respondents) were between the age group 31 – 35 years, 11.3 percent (17 respondents) were between the age group 36 – 40 years and the remaining 6.7 percent (10 respondents) were above 40 years. Of the total sample, 68 per cent (102 respondent) have done their under graduate programme 22.7 per cent (34 respondent) have their post graduate level of higher education like MBA, M.Com and the remaining 9.3 per cent (14 respondents) have undergone other courses. Of the total sample, 38.7 percent (58 respondents) were having 4 – 6 years' work experience, 33.3 per cent (50 respondents) were having 1 – 3 years' work experience, 24. 7 per cent (37 respondents) were having above 7 years' experience and remaining 3.3 per cent (5 respondent) were having less than 1 year experience.

**Table 3. Independent sample t – test between Gender of the respondents and All factors**

Factors	Gender	N	Mean	Standard deviation	Std. Error Mean	t - value	Sig
Emotional Intelligence	Male	104	3.726	.762	.074	.496	.620
	Female	46	3.665	.538	.079		
Social Intelligence	Male	104	3.556	.846	.083	.882	.379
	Female	46	3.434	.598	.088		
	Female	46	3.432	.627	.092		
Career success	Male	104	3.490	.790	.077	1.491	.063
	Female	46	3.260	.708	.104		

From the above table shows the independent sample t- test between gender of the respondents and MSME entrepreneur's

emotional intelligence, social intelligence on career success. The independent sample t-test is used to determine if a difference exist between the means of two independent groups. The independent samples t-test for the difference between two groups probability value is not significant. From this statistical result it is evident that there is no significant difference in respondent's opinion on emotional intelligence, social intelligence and Career success. The respondents do not differ in their emotional intelligence, social intelligence and Career success. It seems to be common with both male and female entrepreneurs irrespective of their gender.

**Table 4. One – Way ANOVA between Demographic profile of the respondents with Emotional intelligence**

Demographic variable	Emotional intelligence	Sum of squares	Df	Mean square	F	Sig
Age	Between Groups	41.295	28	1.475	2.427	.001
	Within Groups	73.538	121	.608		
	Total	114.833	149			
	Within Groups	79.368	121	.656		
	Total	121.333	149			
Educational Qualification	Between Groups	14.339	28	.512	1.999	.005
	Within Groups	30.995	121	.256		
	Total	45.333	149			
Work Experience	Between Groups	35.929	28	1.283	2.299	.001
	Within Groups	67.544	121	.558		
	Total	103.473	149			

From the above table shows that One-way ANOVA result between the demographic profile of the respondents and the emotional intelligence of MSME entrepreneurs. One-way ANOVA was used to determine whether the respondents' opinion on emotional intelligence differ among the age, Educational qualification and work experience of the respondents. It could be inferred from the table there is significant difference found in respondent's opinion on Emotional intelligence with respect to their Age, Educational Qualification and work experience.

**Table 5. One – Way ANOVA between Demographic profile of the respondents with social intelligence**

Demographic variable	Social Intelligence	Sum of squares	Df	Mean square	F	Sig
Age	Between Groups	28.634	25	1.145	1.648	.039
	Within Groups	86.200	124	.695		
	Total	114.833	149			
	Within Groups	86.640	124	.699		
	Total	121.333	149			
Educational Qualification	Between Groups	6.046	25	.242	.763	.780
	Within Groups	39.287	124	.317		
	Total	45.333	149			
Work Experience	Between Groups	45.724	25	1.829	3.927	.001
	Within Groups	57.749	124	.466		
	Total	103.473	149			

From the above table shows that One-way ANOVA result between the demographic profile of the respondents and the Social

Intelligence of MSME entrepreneurs. One-way ANOVA was used to determine whether the respondents' opinion on social intelligence differ among the age, Educational qualification and work experience of the respondents. It could be inferred from the table there is significant difference found in respondent's opinion on with social intelligence respect to their Age, and work experience.

**Table 6. One – Way ANOVA between Demographic profile of the respondents with career success**

Demographic variable	Depersonalization	Sum of squares	Df	Mean square	F	Sig
Age	Between Groups	44.817	17	2.636	4.970	.001
	Within Groups	70.016	132	.530		
	Total	114.833	149			
	Within Groups	100.484	132	.761		
	Total	121.333	149			
Educational Qualification	Between Groups	13.342	17	.785	3.238	.001
	Within Groups	31.992	132	.242		
	Total	45.333	149			
Work Experience	Between Groups	22.416	17	1.319	2.147	.008
	Within Groups	81.057	132	.614		
	Total	103.473	149			

From the above table shows that One-way ANOVA result between the demographic profile of the respondents and the career success of MSME entrepreneurs. One-way ANOVA was used to determine whether the respondents' opinion on career success differ among the age, Educational qualification and work experience of the respondents. It could be inferred from the table there is significant difference found in respondent's opinion on career success with respect to their Age, educational qualification and work experience.

**Table 7. Pearson correlation between emotional and social intelligence influencing Career success**

Factors	Emotional Intelligence	Social Intelligence	Career success
Emotional Intelligence	1		
Social Intelligence	.704**	1	
Career success	.568**	.447**	1

\*\*Significant at 5% level

From the above table it is inferred that the emotional intelligence, social intelligence and Career success are positively correlated. And the correlation values are found to be significant.

**Table 8. Model fit influence of Emotional Intelligence and Career success**

Model summary					
R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig
.568a	.322	.318	.63718	70.386	.001b
a. Dependent Variable: Career success					
b. Predictors: (Constant), Emotional Intelligence					

From the above table it is inferred that the model has R2 value of 0.32 thus implying that emotional Intelligence contribute 32% of MSME entrepreneurs Career success integrated in the model. R value of 0.568 shows moderate and significant relationship (F=70.386) between Career success. And also the probability value less than 0.05 hence the null hypothesis rejected (H01), the variables taken in the model explain around thirty two percent of the variations and the model emerged a best fit.

**Table 9. Model fit of the influence of Social Intelligence and Career success**

Model summary					
R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig
.556a	.309	.295	.64783	21.755	.001b
a. Dependent Variable: Career success					
b. Predictors: (Constant), Social Intelligence					

From the above table it is inferred that the model has R2 value of 0.30 thus implying that Social Intelligence contribute 30% of MSME entrepreneurs career success integrated in the model. R value of 0.556 shows moderate and significant relationship (F=21.755) between Social Intelligence components The variables taken in the model explain around thirty percent of the variations and the model emerged a best fit.

**Table 10. Multiple Regression results between emotional, social Intelligence and career success**

Factors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.298	.285		4.547	.001
Emotional Intelligence	2.221	.522	2.243	4.258	.001
Social Intelligence	0.297	.092	0.298	3.229	.002
Career success	-1.934	.508	-2.012	-3.807	.001

The above table shows the multiple regression results of the relationship between emotional, social Intelligence and career success. Form the table it could be inferred that the emotional, social Intelligence influences career success. The regression values are found to be significant, hence the null hypotheses rejected (H02, H03, H04). Using multiple regression analysis, the results showed that emotional, social Intelligence influences MSME entrepreneurs.

**5. Findings**

- Independent samples t-test was run as test of the statistical significance of the means of the responses between the gender of the respondents and Emotional Intelligence, social intelligence and career success of entrepreneur. There is no difference in Gender of the respondents and for all the factors. Irrespective of gender both male and female are equally having opinion on Emotional Intelligence, social intelligence and career success.
- One way ANOVA was run between all the other demographic variables (age, Educational qualification and work experience) and emotional intelligence in order to assess the difference in opinion among the respondents. It was found that there exists a significant difference on respondent’s opinion on emotional intelligence based on their age, Educational qualification and work experience.
- One-way ANOVA was run between all the other demographic variables (age, Educational qualification and work experience) and social intelligence in order to assess the difference in opinion among the respondents. It could be inferred from the table there is significant difference found in respondent’s opinion on with social intelligence respect to their Age, and work experience.
- One-way ANOVA was run between all the other demographic variables (age, Educational qualification and work experience) and career success in order to assess the difference in opinion among the respondents. It could be inferred from the table there is significant difference found in respondent’s opinion on career success with respect to their Age, educational qualification and work experience.
- Correlation was run between the factors Emotional Intelligence, social intelligence and career success of entrepreneur. All the factors are positively correlated. And the correlation values are found to be significant.
- From Multiple regression results of the relationship between emotional, social Intelligence and career success. It could be

inferred that the emotional, social Intelligence influences career success. The regression values are found to be significant, hence the null hypotheses rejected (H01, H02). Using multiple regression analysis, the results showed that emotional, social Intelligence influences MSME entrepreneurs.

**6. Suggestion**

In a business the entrepreneurs has no significant difference found in opinion of respondents in gender irrespective of male and female. Therefore the male entrepreneurs and female entrepreneurs have the intelligence factor equally in achieving career success. Both of them can be motivated accordingly.

**7. Conclusion**

From the result it reveals that emotional intelligence, social intelligence and Career success are positively correlated. Regression analysis shows emotional Intelligence contributes 32% of MSME entrepreneurs Career success and Social Intelligence contribute 30% of MSME entrepreneur’s career success. It can be concluded that emotional intelligence and social intelligence are the important factors to determine the career success (Subjective success) of the MSME entrepreneur. Therefore other than the entrepreneurial characteristics, an entrepreneur should be emotionally and socially intelligent when dealing with the customer and suppliers.

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