THE EFFECT OF EMOTIONAL INTELLIGENCE AND ENTREPRENEURIAL ATTITUDE ON ENTREPRENEURIAL INTENTION

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Abstract
This study aims to investigate 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 Bagrain [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

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

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

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

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.
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**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Variable</th>
<th>No of Items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trait Emotional Intelligence</td>
<td>E Intelligence 1 (Self-Control)</td>
<td>4</td>
<td>0.611</td>
</tr>
<tr>
<td></td>
<td>E Intelligence 2 (Sociability)</td>
<td>3</td>
<td>0.627</td>
</tr>
<tr>
<td>Entrepreneurial Attitude</td>
<td>Leadership</td>
<td>3</td>
<td>0.723</td>
</tr>
<tr>
<td></td>
<td>Creativity</td>
<td>2</td>
<td>0.533</td>
</tr>
<tr>
<td>Intention</td>
<td>Entrepreneurial Intention</td>
<td>3</td>
<td>0.748</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Std. Coefficient</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>intention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trait Emotional</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intelligence</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>E Intelligence 1</td>
<td>.215**</td>
<td>-.003</td>
</tr>
<tr>
<td></td>
<td>(Self-Control)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>E Intelligence 2</td>
<td>-.042</td>
<td>.561</td>
</tr>
<tr>
<td></td>
<td>(Sociability)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitude</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
<td>.172*</td>
<td>.081</td>
</tr>
<tr>
<td></td>
<td>Creativity</td>
<td>.202**</td>
<td>.002</td>
</tr>
<tr>
<td>R²</td>
<td>.150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjust R²</td>
<td>.134</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Table 6: Results of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis number</th>
<th>Statement of Hypothesis</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>There is a significant positive relationship between trait emotional intelligence and entrepreneurial intention.</td>
<td>Partially supported</td>
</tr>
<tr>
<td>H1a</td>
<td>There is a significant positive relationship between Self-Control and entrepreneurial intention.</td>
<td>Supported</td>
</tr>
</tbody>
</table>
**H1b:** There is a significant positive relationship between Sociability and entrepreneurial intention.

**H2:** There is a significant positive relationship between entrepreneurial attitude and entrepreneurial intention.

**H2a:** There is a significant positive relationship between leadership and entrepreneurial intention.

**H2b:** There is a direct positive relationship between creativity and entrepreneurial intention.

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**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


