

The Relationship of Emotional Quotients of UNIKL TEKNOPUTRA Alumni entrepreneur on Business Performance

^[1]Nazatul Shima Abdul Rani, ^[2]Haniza Ahmad, ^[3]Zulkifli Saidun

^[1]Universiti Kuala Lumpur, Universiti Kuala Lumpur Business School, Kuala Lumpur, Malaysia, ^[2]Universiti Kuala Lumpur, Universiti Kuala Lumpur Business School, Kuala Lumpur, Malaysia

^[1]shima.rani@unikl.edu.my, ^[2]niza7119@gmail.com, ^[3]zulkiflisaidun@unikl.edu.my

Article Info

Volume 82

Page Number: 5622 - 5627

Publication Issue:

January-February 2020

Article History

Article Received: 18 May 2019

Revised: 14 July 2019

Accepted: 22 December 2019

Publication: 27 January 2020

Abstract

There are numerous studies conducted to evaluate factors or dimensions that contribute to the business performance such as knowledge, skills, products, services, financial supports, human resources, and other factors or dimensions. Thus, this study is conducted to measure the relationship between entrepreneur EQ with business performance. The respondents of the study are the UniKL Teknoputra Alumni who are business owners. About 800 questionnaires e-mailed, only 340 responded, and about 333 usable for the analysis. Most of the respondents are male, single, with Bachelor Degree, Malay, and have been in business for less than 10 years. The findings show that there is a positive and significant relationship between EQ and business performance, all dimensions have direct influence towards business performance. The strongest relationships are empathy ($r=0.460^{**}$; $p=0.000$) followed by social skills ($r=0.454^{**}$; $p=0.000$), self-awareness ($r=0.434^{**}$; $p=0.000$), self-motivation ($r=0.431^{**}$; $p=0.000$), and self-regulation ($r=0.424^{**}$; $p=0.000$). Thus, the higher the empathy among the UniKL TEKNOPUTRA Alumni business owners or entrepreneurs the higher their business performance.

Keywords: business, performance, emotional quotients, alumni, UniKL..

I. INTRODUCTION

There are numerous studies conducted to identify factors that contribute to business performance of SMEs such as the entrepreneur knowledge and skills, products and services, outlet, and financial supports [1]. In other studies, the human resource and intellectual capital identified as the most important factors influencing SMEs performance [2], [3].

However, [4] postulates that human capital is not significant to the entrepreneur's business performance. Whereas another study has identified business network also contributed to the business performance [5]. As such, studies on EQ of entrepreneurs towards business performance are quite limited, as such this study conducted to

identify whether there is a significant relationship between entrepreneur EQ with business performance.

II. LITERATURE REVIEW

A. Universiti Kuala Lumpur

Universiti Kuala Lumpur (UniKL) was established on 20th of August 2002, the main operation building located at Jalan Sultan Ismail, Kuala Lumpur, Malaysia. UniKL's has about thirteen (13) branch institutes located from Johor, Melaka, Kuala Lumpur and Selangor, Perak, and Kedah that offer various foundation, diploma, undergraduate and postgraduate programmes to local and international students [6].

In year 2018, about 7,998 graduated from UniKL that means about 56,293 graduates were produced

from UniKL as a whole [6]. Since the vision of UniKL is “*To be the leading entrepreneurial technical university.*”[6], and mission of the UniKL is “*To produce enterprising global technopreneurs*” [6], hence, is it critical for UniKL to produce or groom more technopreneurs from the graduates. Thus, the UniKL TEKNOPUTRA Programmes was introduced to serve the vision and mission of Universiti Kuala Lumpur.

B. Emotional Quotients

Emotional quotient comprised of self-awareness, self-regulation, self -motivation, empathy and social skills [7], [8]. Table 1, outline the details on items for emotional quotients.

Entrepreneurs with high emotional intelligence are more resilience when facing problems, more rationale in handling emotions with employees or family matters. Also, high tolerance with their employees, customers and other stakeholders when dealing with certain issues [9], [10]. [11].

Table 1: Items for Emotional Quotients

Items	Definition	Examples
Self-awareness	A deep understanding of one’s emotions and drives.	<ul style="list-style-type: none"> • Decisiveness • Issues about control • Personal assessment • Burnout/workaholic • Personal value/self-worth
Self-regulation	Adaptability to changes and control over impulses.	<ul style="list-style-type: none"> • Ethical behaviour • Temper/patience • Favouritism/nepotism • Multi-tasking/time management • Objectiveness
Self-motivation	Ability to enjoy challenges and to be passionate toward work.	<ul style="list-style-type: none"> • Being positive • Counter downsizing/cutbacks • Organizational culture concerns • Emphasizing cost-controls • Employee
Empathy	Social awareness	<ul style="list-style-type: none"> • Ethical issues • People centred

	skill: the ability to put oneself in another’s shoes.	<ul style="list-style-type: none"> • Family intervention • Employee problem • Employee assistance program
Social skills	Supportive communication skills: abilities to influence and inspire.	<ul style="list-style-type: none"> • Negotiation techniques • Being attentive • Personal evaluation • Figurehead role • Governing board/committee relations

Adopted from [8].

In a study by [12] the results showed emotional intelligence highly dependent on gender differences. The results showed female has more capability in emotional intelligence compared to male. However, few studies indicated male and female did not have any significant difference on emotional intelligence and innovativeness in achieving entrepreneurial success [10], [13]. [14].

C. Business Performance

Performance can be explained as achievements and results obtained as a measurement for achievement [15]. For the purpose of this study, the business performance is defined as the increase in number of profit and employees [16], [17], [18].

D. Conceptual Framework

Figure 1 below illustrate the conceptual framework for this study, whereby five hypotheses were developed to evaluate the relationship on emotional quotients in relation to business performance. The five hypotheses as following:

H1: There is positive and significant relationship between self-awareness and business performance.

H2: There is positive and significant relationship between self-regulation and business performance.

H3: There is positive and significant relationship between self-motivation and business performance.

H4: There is positive and significant relationship between social skills and business performance.

H5: There is positive and significant relationship between empathy and business performance.

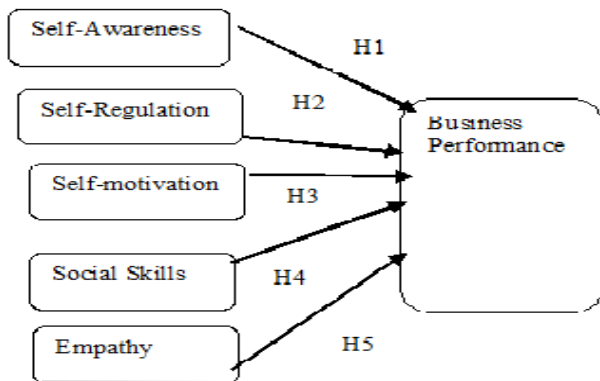


Figure 1: Conceptual Framework for the Study

III. METHODOLOGY

A. Sampling

About 800 questionnaires mailed to UniKL TEKNOPUTRA ALUMNI for about five (5) months, and about 340 responded to the survey. However, only 333 usable for the study.

B. Questionnaire Development

The questionnaires divided into two parts which are Part A and Part B. Part A is on the personal information and company information of the respondents. Part B consisted of EQ and business performance items. A 5 points Likert scale used for Part B to measure each items which 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, and 1 = strongly disagree.

C. Reliability Test

The reliability test was done, and results as shown on Table 2 below, where no items deleted, and the Cronbach's Alpha is above 0.800.

Table 2: Reliability Test Results

Dimensions	N of Items	Items Deleted	Total Items	Cronbach's Alpha
Self-Awareness	4	0	4	0.964
Self-Regulation	6	0	6	0.974
Self-motivation	5	0	5	0.971
Empathy	4	0	4	0.957
Social Skills	4	0	4	0.957
Business Performance	4	0	4	0.864

IV. ANALYSIS AND FINDINGS

A. Respondent Profiles

From Table 3 below, it shows that most of the respondents are male (197 respondents), single (277 respondents), Malay (323 respondents), with Bachelor degree (227 respondents), have less than 2 years working experience (229 respondents), service type of business (176 respondents), sole proprietorship (186 respondents), company income less than RM30K per year (258 respondents), and less than 10 years business operations (252 respondents).

Table 3: Respondents Profiles

	N	%		N	%
Gender			Marital Status		
Male	197	59	Married	56	16.
Female	7	41	Single	27	8
				7	83.
					2
Total	333	100	Total	333	100
Ethnicity			Education		
Malay	323	97	Diploma	10	30.
Chinese	3	1.8	Bachelor	2	6
Indian	6	0.9	Master	22	68.
Others	3	0.3		7	2
				4	1.2
Total	333	100	Total	333	100
Experience			Type of Business		
None	59	18	Retail	71	21.
Less than 10 years	27	81.	Manufacturing	43	3
More than 10 years	2	4	Services	17	12.
			Others	6	9
				43	52.
					9
					12.
					9
Total	333	100	Total	333	100
Years in Business			Income Per year		
Less than 5 years	14	42.	Less than RM30K per year	25	77.
5 to 10 years	3	9	Less than RM50K per year	8	5
More than 10 years	10	32.			
Total	333	100	Total	333	100

10 years	81	24.	year	5
		3	More than	
			100K per	20
			year	6.0
Total	33	100	Total	33 10
	3			3 0

B. Descriptive Analysis

Most of the respondents agreed that all items are important for self-awareness, self-regulation, self-motivation, empathy, and social skills as shown on Table 4.

Table 4: Descriptive Statistics

Items	Mean	S.D.	N
Self-Awareness			
EQSA1: Ability to be decisive.	4.05	0.80	333
EQSA2: Ability to handle issues on controlling.	4.14	0.77	333
EQSA3: Ability to perform personal assessment.	4.09	0.77	333
EQSA4: Ability to understand my self-worth.	4.07	0.75	333
Self- Regulation			
EQSR1: Ability to be more ethical.	4.10	0.765	333
EQSR2: Ability to be more patience.	4.14	0.747	333
EQSR3: Ability to avoid from practising favouritism.	4.06	0.758	333
EQSR4: Knowledge on trust on building group dynamics.	4.07	0.783	333
EQSR5: Ability to effectively manage my time.	4.11	0.805	333
EQSR6: Ability to be multi-tasking.	4.12	0.786	333
Self-Motivation			
EQSM1: Ability to be positive.	4.11	0.72	33
EQSM2: Ability to counter downsizing and increased my intention to start a new business.	4.09	0.74	33

EQSM3: Ability to understand work culture.	4.12	0.76	33
EQSM4: Ability to emphasize on cost-controls.	4.09	0.74	33
EQSM5: Ability to focus on employees.	4.10	0.77	33

Empathy

EQE1: Ability to be more people centred.	4.07	0.785	33
EQE2: Ability to understand family intervention in life.	4.11	0.743	33
EQE3: Ability to understand employee problem.	4.14	0.755	33
EQE4: Ability to understand employee assistance program.	4.07	0.746	33

Social Skills

EQSS1: Negotiation techniques ability.	4.08	0.78	333
EQSS2: Ability to be attentive.	4.08	0.80	333
EQSS3: Ability to perform figurehead role.	4.09	0.75	333
EQSS4: Ability to understand governing board roles.	4.12	0.77	333

C. Correlation Analysis

The most important dimensions based on mean score are self-motivation (mean = 4.1009, s.d.=0.71095), self-regulation (mean = 4.1001; s.d.=0.72901), empathy (mean= 4.0953; s.d.=0.71301), social skills (mean = 4.0916; s.d.=0.73776), and self-awareness (mean = 4.0848; s.d.=0.73896) as shown on Table 5.

Table 5: Descriptive Statistics

Dimensions	Mean	S.D.	N
SA: Self-Awareness	4.0848	0.73896	33
SR: Self-Regulation	4.1001	0.72901	33
SM: Self-Motivation	4.1009	0.71095	33
E: Empathy	4.0953	0.71301	33
SS: Social Skills	4.0916	0.73776	33

BP: Business Performance 3.6989 0.77349 33
3

From Table 6, it shows that all hypotheses are accepted, and the strongest correlation that contributes to the business performance is empathy ($r=0.460^{**}$; $p=0.000$) followed by social skills ($r=0.454^{**}$; $p=0.000$), self-awareness ($r=0.434^{**}$; $p=0.000$), self-motivation ($r=0.431^{**}$; $p=0.000$), and self-regulation ($r=0.424^{**}$; $p=0.000$).

Table 6: Pearson Correlation Analysis

	SA	SR	SM	E	SS
Pearson	0.434	0.424	0.431	0.460	0.454
Correlation	**	**	**	**	**
Sig. (2 tailed)	0.000	0.000	0.000	0.000	0.000
N	333	333	333	333	333

** Correlation is significant at 0.01 level (2 tailed)

V. DISCUSSION

A. Relationship between Emotional Quotients with Business Performance

From the analysis that were performed shows that all dimensions under EQ contributed to the business performance of UniKL Teknoputra Alumni businesses. Hence, the EQ of the entrepreneur are highly critical towards business performance of UniKL Teknoputra Alumni.

Interestingly, empathy and social skills are the most important dimensions of EQ that has positive and significant influence on the business performance. As such the higher the empathy will lead higher business performance, however, the low empathy will lead to low business performance [19].

In short, it can be assumed that EQ has a positive and significant influence on business performance [20], [21].

B. Implication to UniKL Teknoputra Programme

More trainings on EQ should be embedded into the UniKL Teknoputra programme, to increase the survival of the businesses owned by them in the future. More training to enhance student's empathy to others, and social skills of student need to be

enhanced to ensure high business performance in the future.

C. Implication to UniKL Teknoputra Alumni

From this study, it shows that most of them agreed that the dimensions for EQ has positive and direct relationship towards business performance. Thus, more trainings needed to enhance the UniKL Teknoputra Alumni business performance. The respondents profile shows most of the Alumni are earning less than RM50K income per year, hence, more skills needed to improve their skills in dealing with employees, customers, suppliers, creditors and others.

CONCLUSION

This study is only focused on UniKL Teknoputra Alumni, and most of the respondents are Malay, as such in the future similar study can be conducted to evaluate other universities students' alumni on their EQ and business performance.

Acknowledgements (If Any)

Appreciation to Universiti Kuala Lumpur for funding the publication of this research.

REFERENCES

- [1] F. Alom, M. A. Abdullah, A. R. Moten, and S. F. Azam, "Success factors of overall improvement of microenterprises in Malaysia: an empirical study." *Journal of global entrepreneurship research*, vol. 6, no. 1, pp. 7, 2016.
- [2] N. Abdullah, and N. F. Rosli, "An Evaluation on Determinants of Smes Performance in Malaysia." *South East Asia Journal of Contemporary Business, Economics and Law*, vol. 7 no. 2, pp. 16-23, 2015.
- [3] M. J. Hashim, I. Osman, and S. M. Alhabshi, "Effect of intellectual capital on organizational performance." *Procedia-Social and Behavioral Sciences*, vol. 211, pp. 207-214, 2015.
- [4] M. K. Moorthy, A. Tan, C. Choo, C. Wei, J. T. Y. Ping, and T. K. Leong, "A study on factors affecting the performance of SMEs in Malaysia." *International journal of academic research in business and social sciences*, vol. 2, no. 4, pp. 224, 2012.
- [5] E. F. Surin, and I. Ab Wahab, "The effect of social network on business performance in

- established manufacturing small and medium enterprises (SMEs) in Malaysia.” *International Proceedings of Economics Development and Research*, vol. 67, pp. 55, 2013.
- [6] Universiti Kuala Lumpur Official Website, “Overview”, Universiti Kuala Lumpur Website, (<https://www.unikl.edu.my/about-us/overview-of-unikl/>), Accessed: 21st
- [7] P. Piperopoulos, “Tacit knowledge and emotional intelligence: the ‘intangible’ values of SMEs.” *Strategic Change: Briefings in Entrepreneurial Finance*, vol. 19, no. 3- 4, pp.125-139, 2010.
- [8] B. Freshman, and L. Rubino, “ Emotional intelligence skills for maintaining social networks in healthcare organizations.” *Hospital Topics*, vol. 82, no.3, pp. 2-9, 2004.
- [9] M. Martina, M. Denisa, and S. Mariana, “Emotional intelligence of managers.” *Procedia Economics and Finance*, vol. 26, pp. 1119-1123, 2015.
- [10] R. Ngah, and Z. Salleh, “Emotional intelligence and entrepreneurs’ innovativeness towards entrepreneurial success: A preliminary study. “ *American Journal of Economics*, vol. 5, no. 2, pp. 285-290., 2015.
- [11] L. P., Ayiro, “Transformational leadership and school outcomes in Kenya: does emotional intelligence matter?.” *Forum for International Research in Education*, 2014.
- [12] A. Kanhai, “Emotional intelligence: a review of researches.” *European academic research*, vol. 2, no.1, pp. 797-834, 2014.
- [13] R. H. Humphrey, R. H. “The benefits of emotional intelligence and empathy to entrepreneurship.” *Entrepreneurship Research Journal*, vol. 3, no. 3, pp. 287-294, 2013.
- [14] S. T. S. Chin, K. Raman, J. A. Yeow, and U.C. Eze, “Relationship between emotional intelligence and spiritual intelligence in nurturing creativity and innovation among successful entrepreneurs: A conceptual framework.” *Procedia-Social and Behavioral Sciences*, vol. 57, pp. 261-267, 2012.
- [15] D. Ionita, “An exploratory research on change and performance in Small and Medium Enterprises in Romania.” *Management & Marketing*, vol. 8, no. 1, 2013.
- [16] S. B. Choi, H. Min, H. Y. Joo, and H. B. Choi, “Assessing the impact of green supply chain practices on firm performance in the Korean manufacturing industry.” *International Journal of Logistics Research and Applications*, vol. 20, no. 2, pp. 129-145, 2017.
- [17] A. Ramdhani, M. A. Ramdhani, and H. Ainissyifa, “Conceptual Framework of Corporate Culture Influenced on Employees Commitment to Organization.” *International Business Management*, vol. 11, no. 3, pp. 826-830, 2017.
- [18] G. M. Ngari, “The effect of internal controls on financial performance of microfinance institutions in Kenya.” *International Academic Journal of Economics and Finance*, vol. 2, no. 3, pp. 112-140, 2017.
- [21] D. Burger, “CEOs' Personality and Abilities matter: Their Influence on SME Behavior and Performance” (Doctoral dissertation, Difo-Druck GmbH), 2017.
- [20] F. Noori, “Components of Emotional Intelligence in Iranian Entrepreneurs.” *World Academy of Science, Engineering and Technology, International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering*, vol. 9, no. 4, pp. 1309-1312, 2015.
- [21] S. Jamshed, “Emotionally intelligent teams: can emotional intelligence enhance performance.” *Kuwait Chapter of the Arabian Journal of Business and Management Review*, vol. 7, no. 1, pp. 23-33, 2018.