IS EMOTIONAL INTELLIGENCE THE MOST INTOXICATING FACTOR IN THE ENTREPRENEURIAL SUCCESS EQUATION? (SUMMARY)

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SUMMARY

IS EMOTIONAL INTELLIGENCE THE MOST INTOXICATING FACTOR IN THE ENTREPRENEURIAL SUCCESS EQUATION?

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Principal Topic

The empirical evidence accumulated illustrates that emotional intelligence does have a significant impact on the individuals’ economic performance. It has been shown that emotional intelligence is just as important as regular intelligence in being a well-balanced employee. This formal and informal mix of knowledge is the basis for creating an environment, which gives support to various functions leading to entrepreneurial success.

In this context, the objective of the current paper is to investigate the impact of founder’s emotional intelligence on the entrepreneurial success measured by two main indicators such as volume of sales per employee and age of company conditional on various internal and external factors.

Method

The empirical analysis is based on a detailed unique survey of 1,450 immigrant entrepreneurs from Former-Yugoslavia, Poland and Turkey venturing in Austria. The survey was conducted during the period March-December 2007 by means of mail questionnaire to study the emotional intelligence and other aspects of immigrant entrepreneurship.

Results and Implications

The main findings suggest that emotional intelligence does vary across the enterprises included in the study. The Turkish founders, for instance, accounted for the highest value of emotional intelligence (0.67), followed by Poland (0.52) and the Former-Yugoslavia (0.36). However, having worked in Austria prior to venturing an own business increases significantly the volume of sales by 12.39 % ceteris paribus. This effect is negative for the experience cumulated in the country of origin. The estimated coefficient for years of education obtained either in Austria or abroad depicts that the sales per employee increase by 4.38 %.

How did our empirical evidence change when including the emotional intelligence? We are surprised to encounter that the volume of sales per employee was indeed positively correlated with the emotional intelligence and the estimated effects across all immigrant entrepreneurs are much stronger compared to those for years of working experience and formal education. More precisely, the volume of sales rises by 16.28 % while increasing the value of emotional intelligence by 10 %.

Overall, the patterns of emotional intelligence among the immigrant entrepreneurs studied in Austria are remarkably robust over the varying types of relations investigated in the study. As a consequence, we can conclude that the emotional intelligence does lead to improved performance and should be considered as a significant factor in the entrepreneurial success equation.

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