6-12-2010

DOES ENTREPRENEURS’ EMOTIONAL INTELLIGENCE IMPACT PERFORMANCE? THE MEDIATING ROLE OF MANAGERIAL STYLE AND SOCIAL CAPITAL (INTERACTIVE PAPER)

Ronit Yitshaki-Hagai
Bar Ilan University, yitshr@mail.biu.ac.il

Mirly Rothstein
Bar Ilan University

Recommended Citation
Available at: http://digitalknowledge.babson.edu/fer/vol30/iss4/15
Research in the field of entrepreneurship focuses objective characteristics of entrepreneurs that tend to under-represent the role of affects in the entrepreneurial activity (Goss, 2005; Lindgren and Packendorff, 2009). This study seeks to examine the relationship between entrepreneurs’ emotional intelligence, managerial style and the creation of social capital on the one hand and the venture’s performance on the other. Emotional intelligence relates to the ability to identify and express emotions, emotional adjustment and using emotions as self-motivation and a means to motivate others (Mayer and Salovey, 1990; Goleman, 1995). Emotional intelligence is found to be associated with managers’ ability to motivate their followers and with higher performance (Bass and Avolio, 1990; Cherniss, 2001). Moreover, entrepreneurs’ ability to lead is dependent on their authenticity and their ability to communicate and create social capital, viz., an ability to create consistency between their values, actions and words (Wieand, 2002). It is therefore hypothesized that entrepreneurs’ social capital and managerial style plays a mediating role between entrepreneurs’ emotional intelligence and their venture’s performance.

Method

The study is based on data collected from 99 entrepreneurs: 54 high-tech entrepreneurs and 45 low-tech entrepreneurs (real estate, marketing and advertising). The survey instrument was sent out by e-mail between 2006-2007 to entrepreneurs on the lists of Israel’s 50 fastest growing entrepreneurial firms for 2001-2005. Additional data were collected from low-tech entrepreneurs that attended the yearly conference for business ventures organized by the Globes (Israeli) business newspaper.

Results and Implications

Preliminary findings suggest that while entrepreneurs’ emotional intelligence and social capital do not have a direct influence on ventures’ performance, entrepreneurs’ managerial style does have a direct influence on this. The findings suggest that entrepreneurs’ managerial style mediates the relationship between entrepreneurs’ emotional intelligence and their ability to create social capital on the one hand and their venture’s performance on the other.

The findings contribute to the literature by suggesting that entrepreneurs’ emotional intelligence have an indirect effect on their venture’s performance. Practically, the findings suggest that entrepreneurs and investors should pay attention to the interrelationships between entrepreneurs’ affects and their ability to lead and the impact of this relationship on the venture’s chances of success.

CONTACT: Ronit Yitshaki; yitshr@mail.biu.ac.il; (T): +972-3-5318843; (F) +972-3-7384037; Bar Ilan University, Ramat Gan, Israel 52900.