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THE INVISIBLE SHADOW OF EMOTIONS: DOES EMOTIONAL INTELLIGENCE DOMINATE THE ENTREPRENEURIAL SURVIVAL EQUATION? (SUMMARY)

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SUMMARY

THE INVISIBLE SHADOW OF EMOTIONS: DOES EMOTIONAL INTELLIGENCE DOMINATE THE ENTREPRENEURIAL SURVIVAL EQUATION?

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Principal Topic

The empirical evidence produced throughout the years illustrates 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 supports various functions leading to success. Although the psychological literature has provided some important theoretical and empirical insights there exist only few studies that have attempted to address the interaction between emotional intelligence and entrepreneurial performance.

In this context, the objective of the current study is to investigate the impact of emotional intelligence on the entrepreneurial success measured by survival conditional on various factors. More precisely, we aim to provide an evidence on following specific questions: (1) Is emotional intelligence the most potent factor in the entrepreneurial survival equation? (2) What is the impact of the staff emotional intelligence on the company success? (3) Are there gender differences regarding emotions and business survival?

Methodology/Key Propositions

The empirical analysis in this study is based on a detailed unique survey of 180 enterprises in Vienna, Austria. The data on enterprise establishments are available for the period 2009-2013, and on liquidations for 2010-2014 respectively. The emotional intelligence is measured by employing the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT). We develop a Gompertz-Makeham hazard model to predict the survival chance impact by the emotional intelligence.

Results and Implications

We estimated two different econometric specifications: First, we concentrate on the main characteristics of the founder, and second we consider the impact of the emotional intelligence on the enterprise survival.

The main finding suggests that there exist significant differences among the enterprises studied regarding the relationship between emotional intelligence and survival. Male founders indicate higher levels of emotional intelligence measured by the MSCEIT test. The chances of survival for male entrepreneurs are noticeably higher than for females. Taking all founders into consideration, the median for the males amounts to 4.71 years (56.54 months), and for females, 4.05 years (48.58 months) respectively.

In total, the patterns of emotional intelligence among the enterprises are remarkably robust over those varying types of relations investigated in the study.

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