

The Relationship of Emotional Intelligence and Stress In Smes

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Abstract: Emotional intelligence is an important topic in management and entrepreneurial education. This study focused on the relationship between Emotional Intelligence (Cognition & Ability, Understanding Emotions, and Emotional Decision Making) and stress among SMEs. A total of 70 entrepreneurs from different areas in Melaka participated in the survey. Reliability analysis was applied to test the instrument's reliability. Moreover, correlation analysis was applied to examine the relationship of EI factors with stress in SMEs. Regression analysis applied to determine the predicted factors of EI towards stress. The results of the analysis indicated cognition & ability, understanding other's emotions and emotional decision making had a positive relationship with stress among SMEs. For the practicality of this study, emotional intelligence can be well implemented through education to instill a sound stress management to all potential entrepreneurs.

Keywords: Emotional Intelligence; Stress; Small and Medium Enterprises

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I. Introduction

Emotional intelligence (EI) has been highlighted as an important theoretical and practical construct. It has a potential to enable individuals to cope better and experience less stress thus contributing to a healthy and stable workforce [1]. Emotional intelligence of entrepreneurs, found that entrepreneurs demonstrated high level of self-confidence, trustworthiness, achievement and service orientation, teamwork and collaboration [2]. Emotional intelligence is the ability to handle the emotions in a step to improve and enhance the personal power, productivity and life quality that would make emotions work for people [3]. Emotional intelligence closely related to entrepreneurial education in order to providing tools to guide the next generation who has the intention to build up business in ensuring stress factor would not go against by them [4]. Furthermore entrepreneurial education creates change in expectation, market structure, availability resources and new knowledge emerges [5] to the next generation. Entrepreneurial education provides young graduates with enough training and support that will enable them to establish a career in SME business sector because they have to fight in this intense competition in order to be able to gain their own market share [4], [6], [7]. Although the success of SMEs business is very much depending on its overall performances [8], [12], to become entrepreneur, the person must also be capable of demonstrating high self- confidence, trustworthiness, achievement and serving orientation and teamwork spirit [13], [14]. These are the emotional intelligence (EI) toward entrepreneurs. EI has been hypothesized to be an extremely important factor for predicting entrepreneurial success [15] and it remains controversial because only a few studies test them [16], [17]. However, stress among entrepreneurs is much higher compared with other job occupations [18]. In business, uncertain or obscure issues create uneasiness which causes worrisome in many individuals, rather than the more general sentiment of fear caused by known or understood threats [19]. Many scholars believe that entrepreneurial stress and emotional intelligence are separate conception, but highly interrelated. Stress is a ubiquitous challenge in society as we constantly interact with others under the influence of stress [20]. Stress in organizations is a wide-spread phenomenon with far-reaching practical and economic consequences [21]. Moreover, stress leads to outcomes harmful to organizations, many stressors, such as family conflict or dead-end job perceptions, are outside the scope of organizational action and/or cannot be easily managed [22]. EI is a set of unknown abilities and skills that increase individual's ability against stress [23]. Since emotions can have an effect on work outcomes, emotional intelligence may explain the individual differences in dealing with work stress [24]. Previous study [25] asserted that elements of emotional intelligence are cognition and ability to express emotion, understanding others' emotion and emotional decision making. Additionally, increased feelings of control and emotional competence assist individuals to adopt active and effective coping strategies when dealing with stress, which in turn enhances their subjective well-being [1]. Comprehension and capacity to express feelings is simply the capacity to create passionate mindfulness and to express these feelings and

enthusiastic needs accurately [26]. Despite the fact that the experience at some point may give and offer uneasiness to an individual particularly for the representative, incitement and stress are vital to the operation of complex brains[27], scholars suggested that repeated experiences with a stimulus allows individuals to adapt and control themselves [28], [29]. Moreover, understanding others' feelings is alluded to perceiving others' feelings which is to perceive the exchanging feelings between two people [23], [30]. This tip can be referred to the ability to view situations without prejudice, or objectively and thus to understand ourselves and other people depends on balancing and integrating the read/write head and heart. Understanding others' emotion requires the need to learn which is to acknowledge and understand tactile sensation in ourselves or others. Thought produces feeling which can be viewed as what sort of contemplations we are considering, and what sort of feeling that we make[31], [32]. Emotional decision making is defined as passionate assistance of intuition which incorporates the capacity to separate between assortment of feelings and cognizance of those that reflect [33]. An emotional decision contains the inspiration to go about when it has been made[34]. The explanation behind this immediate activity and inspiration is that there is a distinction between reasonable and enthusiastic, which is about what individuals require and what individuals need. Individuals may know whether there is an earnest need to begin to recognize and separate between what the advantages are and what the expenses will be. Then again, when individuals truly need to settle on choice while lacking of something that is required, it might instantly prompt a positive change in choice conduct because feeling implies inspiration. Naudé [35],[36] asserted that profitability comes from how the people especially entrepreneurs decide.

II. Methodology

The method used in sampling was a convenience sampling, which is a type of non-random probability sampling technique. The study used survey through questionnaires. Questionnaire consisted of EI factors. EI factors were measured by 7-point Likert scale. These items were measured using a Likert scale ranging from 1=strongly disagree, 2=disagree, 3=quite disagree, 4=neutral, 5=quite agree, 6=agree to 7=strongly agree. A total of 150 questionnaires were distributed through email but only 70 were returned. Reliability analyses were applied to test the instrument's reliability. Moreover, correlation analysis was applied to examine the relationship between EI factors and stress in SMEs. Correlation refers to how closely two or more variables are related [37]. Regression analysis was applied to determine the predicted factors of EI towards stress. Regression analysis is a statistical technique for estimating the relationship among variables which have reason and result relation [38] This study identified the relationship between emotional intelligence and stress among SME entrepreneurs in Melaka. Figure 1 shows the research framework of the study. The study focused on the organizational context in terms of entrepreneurial behavior. The model, therefore, estimated that hypotheses H1, H2 and H3 were positively related to stress.

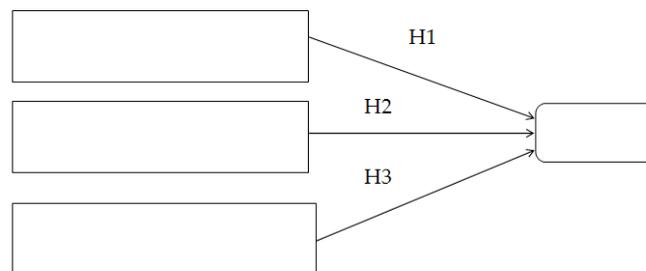


Figure 1: Conceptual model

III. Results and Discussions

A Cronbach alpha greater than 0.60 is generally accepted for exploratory research to indicate reliability for the measurement although a value greater than 0.70 is preferable [39], [40]. Hence, the instruments are reliable for the study. For reliable test, Cronbach's alpha for all variables were acceptable for Cognition and Ability, 0.871 (very good); Understanding other's Emotions, 0.811 (very good); and 0.980 (excellent) Emotional Decision Making. Based on correlation analysis, emotional decision making showed the highest correlation which was 0.805, followed by cognition and ability which showed 0.764. Meanwhile, understanding other's emotions (0.416) showed the lowest correlation of the EI. Furthermore, the analysis showed H1, H2 and H3 were supported by analytical analysis. Regression analysis showed that $R^2 = 0.55$, implying that emotional decision making contributed the most whereby it explained 55% of the variability of the implementation of EI. Cognition and ability explained 37% to the implementation of EI. Meanwhile, understanding others' emotions explained the lowest (22%) which contributed to the implementation of EI. Table 1 shows a summary of the analysis.

Table 1: Summary of the analysis

Variables	Reliability Analysis	Correlation Analysis	Regression Analysis (R ²)	Hypotheses
Cognition and Ability	0.871	0.764**	0.37**	supported
Understanding other's Emotions	0.811	0.416**	0.22**	supported
Emotional Decision Making	0.980	0.805**	0.55**	supported

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

This study has revealed the existence of a highest significant correlation between emotional decision making (0.805) and implementation of EI to handle the stress. The correlation analysis has interpreted a very good positive correlation between emotional decision making and the EI. Study by L. Dar et al., [21] also mentioned poor decision making in organization management when employers facing high stress level. According to this analysis, appearance issue had a significant relationship between independent and dependent variables of this study. H. Darvish and A. Nasrollahi [12] stated that cognition and ability are controlling emotions to improve the growth of emotion and ration which can build a deeper and richer understanding of how individual learn to see opportunities [14], [41]. A. Fabio and M. Kenny [13] stressed that EI construct is also conceptually relevant and consistently associated with career emotional decision making. Additionally, EI consisting of interrelated abilities of effectively perceiving emotion in the self and others utilize emotion to enhance decision making [15].

IV. Conclusion

In conclusion, cognition and ability, understanding other's emotions and emotional decision making are the influencing factors which contribute to the abilities and skills that increase the individual's ability against stress among SMEs in Melaka. Treatment encompassing all of these skills may improve an individual's ability to regulate difficult emotion states more adaptively and thereby lessen aggressive behavior [42] [43]. D. Ruiz-Arada et al., [44] found out, individuals with higher EI reported less perceived stress and higher levels of life satisfaction and happiness. Moreover, the roles of educational institution become crucial in providing tools to guide the next generation who has the intention to build business. Educational EI programmes that explicitly work with the emotional abilities based on the capacity to perceive, use, understand and regulate emotions enhance diverse relevant dimensions of psychosocial adjustment and well-being [44]. However, the study has limitations of the variables whereby three variables are taken account in this study to represent training and development towards the implementation of EI. The study also has limited size of sample; it should be expanded by including more companies which implement EI.

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