

# Impact of Emotional Intelligence on Employee Entrepreneurial Behaviour- Postcovid



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*Covid -19 Pandemic create a huge expectation on employee entrepreneurial behavior (EEB) tha concept lead to several outcomes such as innovation, individual productivity and mainly organizational performance. The purpose of this research is to analyze the impact of emotional intelligence on EEB. A sample of 286 managers from start-up companies in Tamil Nādu participated in the research Results showed that there is a positive impact of Emotional Intelligence (all the 4 dimensions) on EEB. This research gave an insight both. Practically and theoretically for start-up companies to sustain in their business especially in the post covid 19 era.*

**Keywords:** Emotional Intelligence, Employee Entrepreneurial Behavior, Startup Companies, Post covid-19 Era.

## 1. Introduction

In a competitive world, identifying employees with entrepreneurial behavior is found to be the greater task of an organization. The organization highly values employees with this attitude, and employees with entrepreneurial behavior are highly known to be an intrapreneur.

Most companies proactively recruit entrepreneurially inclined individuals so that they endowment to know when to pivot, as they hold keys to the company's long-term achievement and have the ability to mitigate risk. The outcome of employee entrepreneurial behaviors is creating new products, new market identification, and implementing new skills and knowledge. This employee entrepreneurial behavior results in the improvement of company performance (Gartner & Teague, 2020)

This, in turn, proves that the effect of employee entrepreneurial behavior generates wealth and ensures the business's success. (Baron & Kenny, 1986) stated that a particular behavior of humans significantly impacts organizational success and helps establish new opportunities.

In the present scenario, all types of companies need employees with entrepreneurial behavior. The crucial reason behind this scenario is that employees will be great communicators, lifelong learners, and inquisitive in the growth of an organization for future orientation. More specifically, the pandemic resulted in a serious impact on change in the entrepreneurial behavior of employees compared to the pre-Covid period.

(Ratten, 2021) suggests that employee entrepreneurial activity combined well to support our society in recovering from the crisis. The need for employee entrepreneurial behavior is important because Covid19 has resulted in unprecedented worldwide. Suddenly, the economy fell and had a greater impact on society. To survive in the competitive world, an entrepreneurial behavior mindset is mandatory to create more innovative ideas and mainly for business sustainability. Researchers reviewed most Dimensions like planning, work orientation, personal efficacy, dynamism, etc., which influence entrepreneurial behavior (Chandrashekar et al., 2012) But in the current scenario, due to Covid19 impact on the emotional well-being of the employees becomes the most vital factor in getting any mode of output from the employees. A good quality performance is attained by being emotionally intelligent (Worokinasih et al., 2021). The employees' self-awareness helps in being conscious of their own emotions. It helps predict how others could unravel them easily(i.e.) if the employees are not involved in self-awareness, they cannot understand how others portray them. The individual skills of an employee positively impact employee entrepreneurial behavior, whereas it helps to focus on positive feelings.

Self-regulation of the employee deprives employees of control of their feelings, which helps control emotions like anger, sadness etc. Previous researchers (Brief and websites 2022) have stated that the role of emotions impacting employee performance and also work-related behaviors; emotional intelligence expertise is the personal feelings that are positively correlated to entrepreneurial success.

Emotions are treated as treasures in a workplace because they influence the behavior of employees and become a part of the function of an organization. Organizations that strongly believe that their objective will be achieved only by their skilled Human resources. The vibrant outcomes of emotional intelligence dimensions have been less concentrated in the previous literature. Suppose an employee has a high level of emotional intelligence. In that case, it reflects on many positive dimensions, such as work and organizational commitment, reduces the intention of leaving the organization and mainly improvises the overall behavior of an employee. In the present research study, we investigate the impact of emotional intelligence dimensions on employee entrepreneurial behavior.

The study was conducted on Indian startup companies for many reasons." Startup India" and "Make in India" are the programs that the Government of India has launched to provoke startup businesses. The Government of India introduced the scheme "funds of funds" to gain funds for the startup ecosystem in the world. The survey assures that 14000 startups have been made between 2021 and 2022 compared to 2016 and 2017. It is increased 20 times in five years. In the last year's survey, 17 startups were stud own; there may be several reasons that occurred, and one of the reasons could be considered to be employee behavior. To sustain themselves in the market, the organization should retain their employee. The major issues occur when the employee's expectation needs to be met with the organization's culture. To make a sustainable startup, companies have to think about the aspect of new employee-related strategies for sustainable development. Based on the prior studies, we know that there is an impact of EI on employee entrepreneurial behavior. However, there needs to be more research conducted on how COVID-19 affects positive or negative EI over employee entrepreneurial behavior, specifically in startups. In the present study, the researchers suggest that emotional intelligence plays an important role in the organization. It helps to reinstate the entrepreneurial behavior of employees that are affected due to covid19.To bring change and adoption for the beneficiary to the organization's growth, it is strongly believed that emotions can enhance thinking innovation and discover new ideas.

## 2. Literature Review

### Emotional intelligence and entrepreneurial behavior

In this business world, entrepreneurs' endeavoring behavior is considered a huge part of the business; EI is the part of entrepreneurial action which leads to the business's success. EI is widely used to identify knowledge about the skills, abilities, and personality of an individual, inner thoughts and ideas of individuals are expressed and controlled through emotions.

Based on previous research (Kibler, 2013), Entrepreneurial intention leads to creating a positive person and having stronger entrepreneurial behavior. However, EI inadvertently is a part of entrepreneurial intention because of the factors of emotions, taking a decision, ideas, innovation, and implementation about the role of EI.

Entrepreneurial opportunities are improved by self-awareness, whereas it was identified that specific information about entrepreneurship acquired from storytelling (awareness–building program) might lift the participant's interest and, as a result, strengthen their entrepreneurial beliefs and intentions.

The wise entrepreneurial self seeks social awareness with the consideration of both an ontological approach and an integrated perspective on what the potential outcomes of entrepreneurial education might be

Self-regulation theories are rooted in motivation science, which applies to psychological framework processes that help in understanding how opportunities are grabbed by entrepreneurs.

According to (Andrei et al., 2016)), the direct indicator of entrepreneurial intention is considered most important in employee entrepreneurial training and behavior characteristics which include attitude, subjective, norm, and perceived behavior control. EI is widely connected with motivation to bring the output that could be resulted in achieving goals; EI can bring out a positive attitude and behavior (Sony & Mekoth, 2016)

The psychology of a person is an inevitable character of an entrepreneur. In succinct, the relationship between EI and entrepreneurship entwined in the lifespan of an individual also includes reticence, intelligence, work performance, etc....people with high-level EI connotes to be a precursor of entrepreneurial behavior.

By strongly considering the existing literature, we attempt to analyze the direct impact of emotional intelligence on employee entrepreneurial behavior, especially with the employees working in startup companies in India, with the following hypothesis

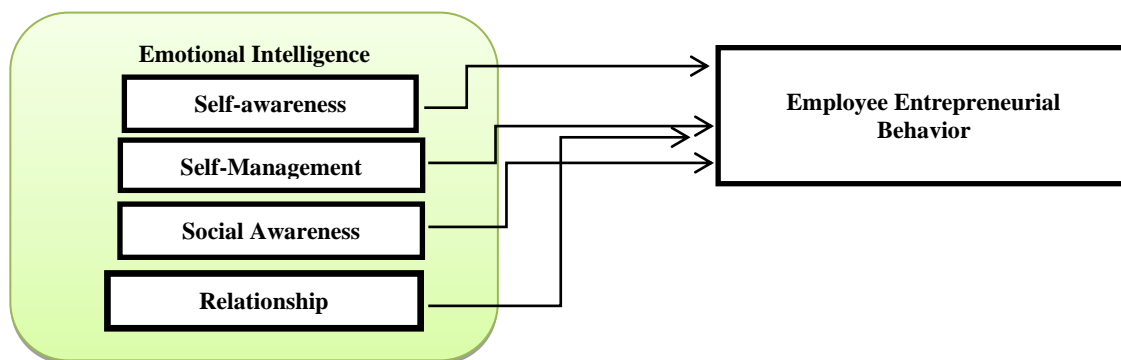


Figure 1 Conceptual Framework of the Study

**H1:** Emotional Intelligence will positively impact employee entrepreneurial behavior in Indian startup companies.

**H1a:** There is a significant relationship between self-awareness and employee entrepreneurial behavior

**H1b:** There is a significant relationship between self-regulation and employee

entrepreneurial behavior

**H1c:** There is a significant relationship between social awareness and employee entrepreneurial behavior

**H1d:** There is a significant relationship between relationship management and employee entrepreneurial behavior

### 3. Methodology

The data were collected from Tamil Nadu (TN) to conduct this study. Policies adopted by Tamilnadu were advantageous and hospitable, promoting the start-up ecosystem's growth. In Tamilnadu approx.2700 start-ups were registered under start-up, as per the survey of TANSIL (Tamilnadu start-up and innovation council) stated in the report.

JUNE 2022. Among these start-ups, the major study targets were considered based on the statistics of start-ups that reached their "Break-even point" within two years taken into account. Tamilnadu has a total of 78 start-ups with 2,340 full-time employees. Based on the fixed investments data, 78 start-ups were separated into three strata of sampling using proportionate random sampling, a sample of 13 start-ups was chosen, and 15% of each start-up's employees were considered in the data collection. A total of 350 questionnaires were distributed, and 286 were received to be completed, which is used for data analysis with a response rate of 81%. According to the data, 78.5% of the respondents were male; others were female. Whereas the data on respondents' educational background, 64.3% were graduates, 21.1% had postgraduate degrees, 0.9% had completed a degree, and other respondents belonged to the other category.

The majority of respondents belonged to lower-level management (46.81%), middle-level management (32.1%) and senior-level management (21.8%) were the next.

#### 3.1 Measures

To accomplish the study's goals, a well structure questionnaire was designed. The area of interest was Emotional intelligence, Employee entrepreneurial behaviour, start-ups, Covid 19 pandemic. To measure the variables, the existing scales were used.

##### 3.1.1 Emotional Intelligence Measure

The involvement of scales and emotional intelligence were extracted from Emotional Intelligence leadership. The scale of participation consists of five items. The respondents were asked to tick the score consisting of five. The scoring weight from 1-Strongly disagree 2-Disagree 3-Neutral 4-Agree 5- Strongly Agree to utilize Cronbach alpha, the reliability scales were determined from 0.814 to 0.937.

##### 3.1.2 Employee entrepreneurial behaviour measure:

Employee entrepreneurial behaviour was measured using Corporate Entrepreneurship Assessment Instrument [CEAI] systematic validation of a measure developed by Tassika M. Davis, the scores weights from 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-strongly Agree The reliability co-efficient alpha was found to be 0.908.

### 4. Data Analysis

The Statistical software AMOS 21 & SPSS 24 were used for analysis. The primary analysis tool, structural equation modeling, was used in this study.

Descriptive statistics:

#### 4.1 Findings from Descriptive Analysis and Correlational Analysis

Table 1 describes the reliability test results, descriptive statistics & Pearson products-moment correlations among the test variables. Mean value represents a positive attitude towards Emotional Intelligence, Employee Entrepreneurial Behavior, Self Awareness, Self-Management, Social Awareness, and Relationship Management. All scales are reliable in the Cronbach alpha values ( $\alpha > 0.70$ ) coefficient valve shows a good level of relationship at a sig level 0.01

**Table 1** Descriptive Statistics Reliability and Correlation

N=213	Mean	SD	$\alpha$	Correlation				
				SA	SM	SOA	RM	EEB
SA	3.83	0.76	0.892	1				
SM	2.84	0.71	0.814	.547**	1			
SOA	2.30	0.78	0.928	.366**	.419**	1		
RM	3.99	0.63	0.937	.359**	.306**	.262**	1	
EEB	3.82	0.53	0.908	.462**	.330**	.255**	.560**	1

Note: SA: Self-Awareness, SM: Self-Management, SOA: Social Awareness, RM: Relationship Management, EEB: Employee Entrepreneurial Behavior, SD: standard deviation  
a: Cronbach alpha \*\*\*p=0.001.

#### 4.2 Findings from CFA

Confirmatory factor analysis is used to determine whether the data fit hypothesized measurement model by using the

maximum likelihood method (MLE) to proceed with the process. (Joreskog.K.G., &Sorbom,. D. (1984)) Chi-Square (X2), GFI, the adjusted GFI (AGFI) and the root-mean-square residual index [RMR] are frequently used in model fit criteria. (Joreskog. K.G., & Sorbom, D. (1993)) When using large samples, X2 is sensitive to sample size, so it rejects the model, and when using small scale, it may not be a differential between a good fit and poor fit model (Bentler. P. M, and Bonnett, D. G (1980). Joreskog. K.G., & Sorbom. D. (1993) (Baron & Kenny, 1986) (Al-Ali et al., 2017).

The Sample size gets impacted due to relative / Normed Chi-Square (x2dt), which minimized and became relevant. On the other hand, concurrent prevail on the appropriate ratio of statistics ranging from as high as 5.0 to as low as 2.0 (Tabachnick, B.G., & Fidell, L.S(2007)).

To achieve an acceptable model fit, the relative X2 must be between 2&5, CFI, TLI, GFI, AGFI value 1 indicates good model fit, the RMSEA should fall below 0.08 (Schumaker. R.E, & Lomax, R.G. (2004)).

**4.2.1 CFA for Emotional Intelligence and Employee Entrepreneurial Behavior.**

The EI measurement scale consisted of 4 dimensions: self-awareness, social awareness, Self-management and relationship management; It is composed of 20 items combined as one factor and entered into the CFA process. All the factor loading was determined to be significant [p<0.001] except item Number 1 of the self-managements. This item was removed, and a new CFA was performed on 5 items of self-awareness, 4 items of Self-Management, 5 items of social awareness, and 5 items of Relationship Management. Therefore all the factor loading were determined to be significant (P<0.001)

The measurement scale for EEB with 10 Components combined was used in the CFA process. Every factor loading was determined to be significant except for item numbers, 1,2, & 10 of EEB. The items mentioned above were removed, and fresh CFA was performed on seven items of EEB. Therefore, each factor loading is determined as significant (p<0.001)

The absolute goodness of fit measures for Emotional intelligence and Employee entrepreneurial behavior is formalized in figure 1,2 and 3, respectively.

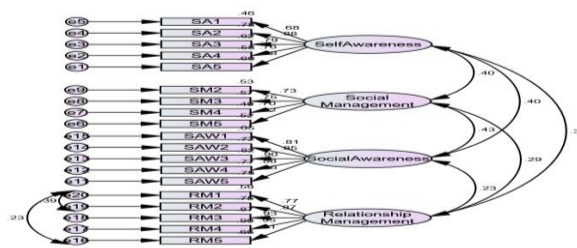


Figure 2 CFA For Emotional Intelligence

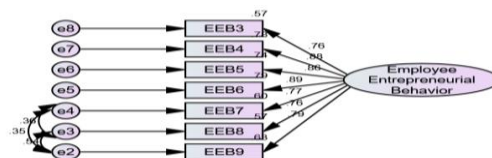


Figure 3 CFA for Employee Entrepreneurial Behavior

Table 2 Goodness -of -fit results for CFA on Emotional Intelligence and Employee Entrepreneurial Behavior

Model	x2 /df	GFI	AGFI	NFI	CFI	TLI	RMSEA
EI	1.314	.951	.936	.964	.991	.989	0.29
EEB	1.315	.989	.973	.994	.998	.997	0.29

**4.3 Findings from Structural Equation Model**

The Structural Equation Model examines the direct relation between independent and dependent components under the hypothesis H1a Self Awareness, H1b Self-Management, H1c Social awareness, H1d Relationship management will have a significant impact on Employee Entrepreneurial Behavior 39% of the variance in EEB is described by EI dimensions (Self Awareness and Relationship Management) (Source: Fig3)

The findings of the SEM model discover that the EI construct has a beneficial impact on employee entrepreneurial behavior. Consequently, H1a was supported and which indicates that there is a good relationship between Self-awareness and Employee Entrepreneurial Behavior ( $\beta=0.404$ ,  $CR=6.744$ ,  $P<0.001$ ). The second factor, the Self-management construct, had no positive effect on employee entrepreneurial behavior ( $\beta=0.71$ ,  $CR=1.234$   $P=0.217$ ), which shows no significant relationship between Self-Management and Employee Entrepreneurial Behavior. The third factor, the Social awareness construct, also has no positive effect on the EEB ( $\beta= -.034$ ,  $CR=-.645$ .

$P=0.519$ ). This states that there is no significant relationship between social awareness and EEB. The fourth factor, Relationship Management construct, positively impacted EEB ( $\beta= .330$ ,  $CR=6.362$ ,  $P<0.001$ ). This shows that there is significant relationship management between RM and EEB.

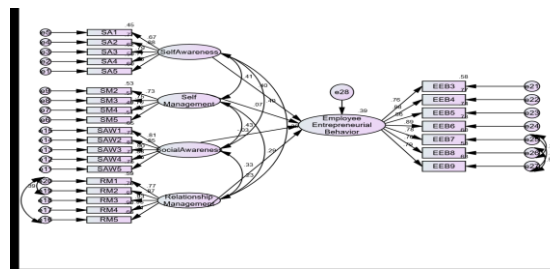


Figure 4 Structural Equation Modeling of EI and EEB

Table 3 The Direct Hypothesized Models

Hypothesis	Correlations	B	S. E	BETA	CR	P. Value	Significance	Evidence
H1a	SA>EEB	.390	.058	.404	6.744	***	Significance	Supported
H1b	SM<EEB	.068	.055	.071	1.234	.217	No significance	Not supported
H1c	SOA<EEB	-.032	.050	-.034	-.645	.519	No significance	Not supported
H1d	RM>EEB	.406	.064	.330	6.362	***	Significance	Supported

### 5. Discussion

This present study aims to analyse the influence of emotional intelligence on employee entrepreneurial behavior. As a result, two dimensions of EI (self-awareness, relationship management) were positively related to employee entrepreneurial behavior. In the first hypothesis, H1, the EI has a greater impact on EB in Indian startup companies. Similarly, the result of the research is consistent with the previous study manifesting an Emotional Intelligence is essential for an individual to acknowledge their own emotions that can admit the chance of discovering opportunities in a positive way; it also creates remarkable entrepreneurial effectuation.

Emotionally intelligent employees will have high self-awareness due to their capacity to maintain positive emotional enthusiasm. This study reveals that self-awareness positively affects EEB, influencing employees to establish positive emotions towards their work.

To communicate and regulate emotions with others, the individual must have good emotional intelligence, especially social awareness. It states that social awareness has a positive impact on EEB) But in our study, based on the result, social awareness has no significant relationship with EEB.

People with high EI (self-management) are usually more resilient to stress and have emotional control (López-núñez et al., 2022). However, our findings result suggested that Self-management has a low impact on EEB compared to the other two dimensions (self-awareness and relationship management)

Employees’ ability to connect with colleagues and their tactics to deal with stress and conflict helps improve relationship management (Oriarewo et al., 2019) EI brings a healthy work environment by reducing stress because work and personal and work-related factors may create stress. However, only EI can motivate others to reduce stress among individuals and create positivity. If individuals learn to control their emotions like stress, they may have capable of building strong entrepreneurial behavior.

### 6. Implications

Our research demonstrates that emotional intelligence has a beneficial effect on the entrepreneurial behavior of employees, which has several important practical consequences. In addition, analyses demonstrated that out of four components of emotional intelligence, two dimensions (Self -Awareness and Relationship Management) are associated with entrepreneurial activity. This may point to employees with higher emotional intelligence being more likely to find and capitalize on opportunities. In other terms, employees who can comprehend and control their own and others' emotions will act more entrepreneurially and be more productive than other employees.

### 7. Limitations and Future Research

The study mainly depends on an employee's Self-understanding, and there may be a chance of common method variance. Future studies may consider some mediating variables to find out if any hidden factors will be there that can travel along with EI to have a much more impact on EEB.

Emotional intelligence is one of the components of personality that can be improved via training, in contrast to other aspects of personality (By Daniel Goleman - Emotional Intelligence: Amazon.Com: Books, n.d.) In this context, the provision of an emotional intelligence training course for employees may increase the entrepreneurial behaviour of these individuals

### 8. Conclusion

The research successfully identified which dimension influences the performance of EEB conducted among start-ups in Tamilnadu. This study identified four dimensions –self-awareness, self-management, social awareness, and relationship management as the main determinants of EEB. The results of this study reveal that self-awareness has a positive relationship

with EEB. Meanwhile, there was no positive relationship between self-management, social awareness, and EEB. Moreover, there is a connection between relationship management and EEB. The Entrepreneurial behavior of employees support facing organizational challenges in overcoming growth-related organizational difficulties, by promoting collaboration and teamwork, upholding a trustworthy organization commitment by endorsing informal relationship among colleagues (Murawski, 2022)

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