

Studying the Impact of Emotional Intelligence and Spiritual Intelligence on Organizational Entrepreneurship

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Abstract: The main objective of the present survey was to study the impact of emotional intelligence and spiritual intelligence on organizational entrepreneurship. Statistical population of the survey includes employees working in manufacturing companies of Sari County in 2011 that one-hundred eighty seven (187) persons have been studied as the research sample using simple random sampling method and Wang and La's emotional intelligence questionnaire and King's spiritual intelligence questionnaire. Validity of the model was measured by structural equations modeling method and the relationship among variables was confirmed based on results of path analysis. Results reveal that emotional intelligence and spiritual intelligence are effective on organizational entrepreneurship. Also research findings demonstrated that the research model has a suitable goodness.

Key words: Entrepreneurship, Organizational Entrepreneurship, Emotional Intelligence, Spiritual Intelligence.

INTRODUCTION

Innovation is a basic need for organizations seeking survival and effectiveness and many organizations are intensely looking for innovative and entrepreneurial approaches to improve their effectiveness, efficiency and flexibility. In this regard organizational entrepreneurship is rapidly converting into a selective tool for many of the organizations. Organizational entrepreneurship is an attempt to create entrepreneurial mentality and skills and also insertion of such characteristics and mentalities into the culture and activities of the organization (Stoner *et al*; 1995). Changes of the socio-economic system of the present age are related to great scientific and technological advances which have been led to create modern viewpoints, necessities and needs. In order to respond to such needs and accompanying the above changes the existing methods and processes are no longer sufficient. Therefore, assuring life and survival of societies needs optimal application of active labor force especially the elite and entrepreneur force (AhmadpourDariani 2003, Mirghafari *et al*. 2009).

Governmental sector and administrative system of a country are major beds of growth and development and main tools of performing activities and tasks of governments. Therefore, inefficiency of this sector will create several problems for a society. Scope of tasks that are the responsibility of governments are very extensive even if the field for participation of the private sector is provided and consequences of performing such tasks affect a high number of people in the society. Generally, it could be stated that major characteristics of entrepreneur organizations equip such organizations with capabilities so that are able to enjoy current opportunities better and more adaptability with their surrounding environment while efficiency is enhanced. Although the term entrepreneurship is often used in relation with the private and business sector but it is inserted in management issues of the governmental sector at present that is mainly due to the importance of the government's role in societies and trying to create change in governmental organizations and improving their performance (Haghshenas *et al*, 2008; Zampetakis 2007).

Results of different studies indicate that issues such as values and philosophy of management, encouragement and reward system, organizational structure, risk taking acceptance and support level of senior management of those who are innovative and accept risk have a considerable impact on developing organizational entrepreneurship. In addition to these factors, emotional intelligence and spiritual intelligence are one of the psychological variables which seem to have relation with organizational entrepreneurship. Given the importance of organizational entrepreneurship in governmental sector and the impact of personality characteristics including emotional and spiritual intelligence on organizational entrepreneurship the present survey intends to study the impact of emotional intelligence and spiritual intelligence on organizational entrepreneurship in small and medium size manufacturing companies in Sari County and thus improves the status of organizational entrepreneurship and enhances innovative and creative level of decisions by identifying components of emotional intelligence and spiritual intelligence that affect organizational entrepreneurship this

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may result in an effective step towards enhancement of efficiency of small and medium manufacturing companies in Sari County.

2- Theoretical Principles and Research Hypotheses:

2-1 Emotional Intelligence:

Spiritual or emotional intelligence has its root in the concept of social intelligence which was proposed by Trendick in 1920 for the first time. According to him social intelligence reveals the ability to perceive individuals and manage them in human relations. At the beginning of 1980 researchers started to conceptualize the idea of emotional intelligence systematically. Intra-individual intelligence of Gardner (1983) and Stiner (1984) studies about emotional literacy are the most well-known of them. These are the building block of a word that Salovey and Meyer called it emotional intelligence in 1989-1990 (Hadizade Moghadam, 2009). According to Salovey and Meyer emotional intelligence is a sort of social intelligence that states the ability to control feelings and emotions of oneself and others, distinction among them and using this information to direct thought and action (Salovey, 1990).

Emotional intelligence means the individual's ability to manage his emotions and feelings, empathy with other individuals and appropriate treatment in emotional relations (Harrison, 1997). Salovey and Meyer have defined emotional intelligence as the individual's ability to recognize his own emotions and feelings and those of others to use such information in order to direct others' thought and actions (Salovey and Meyer, 1990). Those who have a high organizational performance have higher levels of emotional intelligence and there is a strong link among their emotional capabilities and skills (Goleman, 1995). Indeed emotional inability causes individuals to be not able to realize their potentials. As a job is more complex emotional intelligence will become more important (Smigla and Pastoria, 2000). Goleman stated four aspects for emotional intelligence in his two books about emotional intelligence which were accepted by many researchers. These four aspects are self-awareness, self-regulation, self-motivation and empathy. Self-awareness means to have a deep perception of one's own emotions, feelings, strengths, weaknesses, needs and motivations (Goleman, 1995, 1998). The second aspect of emotional intelligence is self-regulation that Goleman called it emotions and feelings management too. Self-regulated individuals can keep anxiety, sadness or distraction away from themselves and deal with negative consequences or failures appropriately. The third aspect of Goleman's emotional intelligence is self-motivation that means to control emotions related to endeavor, enthusiasm and confidence in the individual and is led to gain success (Goleman, 1998). Self-motivation beside self-regulation causes the individual to be still hopeful if he is encountered with failure. The fourth aspect of emotional intelligence that was discussed by Goleman (1995) is empathy. Empathy causes individuals to be able to recognize change of emotional states and feelings of others and show appropriate reaction with regard to it that is resulted in more sensitivity and social self-confidence (Sasic and Magrian, 1999). Three first elements of emotional intelligence (self-awareness, self-regulation and self-motivation) refer to the individual's management on himself. Despite empathy is regarded as one of the components of emotional intelligence but it deals with the manner of individuals' relationship with others.

2-2 Spiritual Intelligence:

Zohar and Marshall (1999) define spiritual intelligence as the intelligence which helps us solve the problem of life significance and value and deepens the concept of our actions and life. King (2008) defined spiritual intelligence in this way: "spiritual intelligence as a set of mental capacities which helps awareness, integration and adaptive application from spiritual aspects outside of the material world of the individual's entity is led to outputs such as deep existential thought, enhancement of meaning, identifying the superior world and dominance of spiritual states (King, 2008).

Sisk (2008) defines spiritual intelligence as the capacity to use multiple senses (intuition, meditation and intellectual incarnation) to obtain the individual's tacit knowledge for solving global problems. He adds that spiritual intelligence includes awareness from existence of the individual's relationship with others, the society, earth and the superior world (Sisk, 2008).

Vaughan (2002) believes that spiritual intelligence is the inter-mediator between internal life of the spirit and mind with external world. Spiritual intelligence refers the capacity to perceive questions and existential insight deeply at multiple levels of vigilance and also mental awareness as the creative factor of change in life.

Spiritual intelligence is an intelligence by which we achieve our deepest states of significance, values, purposes and transcendental motivations. This intelligence helps how to apply such states in our thinking process, decisions we make and problems that we think have value to perform (Zohar and Marshall, 2004). Given the above definitions we can define spiritual intelligence as: "spiritual intelligence is created by the individual's awareness with regard to himself and is enhanced by his attention to the surrounding world and his creator. By spiritual intelligence the individual puts uni-dimensionality aside that is the same material life and takes action to create a "world for all" through a correct recognition of his physical and spiritual nature. In this survey King's model has been used.

King's Model:

1. Critical existential thinking: capacity of critical thinking is the nature of existentialism, rightfulness, the universe, space, time, death and other existential or metaphysical issues.
2. Representing personal concept: the ability to build personal concept and concept of mental and physical experiences including production capacity and dominance on life's purpose.
3. Transcendental awareness: the capacity of identifying one's and others transcendental aspects and material world through vigilance along with capacity of identifying their relationship with the individual.
4. Developing vigilance state: the ability to enter higher spiritual situations such as deep thinking, benediction and meditation and getting out of it (Mirghafouri *et al*, 2009).

2-3 Entrepreneurship and Organizational Entrepreneurship:

Entrepreneurship refers the process of value creation through providing a unique combination of resources to enjoy an opportunity (Stevenson *et al*, 1985). This process needs an entrepreneurial action and an entrepreneurial factor. Entrepreneurial action indicates conceptualization and implementation of a new idea, process, product, service or business. Entrepreneurial factor is the individual or group that has the responsibility of flourishing entrepreneurial action. Entrepreneurship process has attitudinal and behavioral elements. In attitudinal terms entrepreneurial process refers intention of an individual or organization to enjoy and use new opportunities and create creative change (Haghshenas *et al*, 2008; Miller, 1986). In behavioral terms entrepreneurship process includes a set of actions to identify and evaluate an opportunity, defining a commercial and working concept, identifying the required resources, obtaining essential resources and implementation and exploitation of business (Stevenson *et al*, 1985).

Various definitions have already been proposed about entrepreneurship. Peter Druker has stated entrepreneurship with the concept of permanent seeking of change, a reaction against it and exploiting it as an opportunity (Hezarjaribi, 2006). Also it is said that entrepreneurship is the process of value creation through constitution of a unique set of resources to enjoy opportunities that are led to create satisfaction or a new demand (AhmadpourDarani, 2006). Schumpeter believes that entrepreneurship is creative destruction process (Hezarjaribi, 2006, Schumpeter, 1934).

Various definitions of entrepreneur have been represented given different definitions of entrepreneurship. Since the beginning of proposing the term entrepreneur in scientific circles various definitions have been represented based on different viewpoints. The most important of them will be mentioned here. According to Britannica encyclopedia entrepreneur is a person who organizes and manages a business or a firm and accepts dangers of it. According to Webster academic dictionary entrepreneur is a person who is committed to organize, control and accept risks of an economic activity (Eskandani, 2001). Entrepreneur is a person who has the ability to recognize and evaluate business opportunities and can collect necessary resources and apply them and plan suitable operations in order to gain success (Merdith, 1993). Entrepreneur is a person who has a modern idea and offers new products or services to his society through process of establishing a business and risk acceptance (AhmadpourDarani, 2006).

Generally, entrepreneurship literature shows that entrepreneurship is shaped in three states of individual entrepreneurship, inter-organizational entrepreneurship and organizational entrepreneurship. Individual entrepreneurship is a process in which an individual establishes a new business by relying on financial and mostly personal resources based on personality characteristics like activity, risk acceptance being a man of action and directs it until obtaining success (Sang-Hoon, 2005). Individual entrepreneur is a person who is at the center of entrepreneurship process and is a manager who directs the process forward. Individual entrepreneurship is called entrepreneurship in the framework of individuals freedom, personal entrepreneurship or independent entrepreneurship as well (Arancibia, 2008). Inter-organizational entrepreneurship is the responsibility of bringing forth an innovative creation inside the organization. In other words, inter-organizational entrepreneurship is a process in which innovative products or processes are appeared through survival and creating entrepreneurial culture in a pre-established organization (Karbasi, 2003). Organizational entrepreneurship means to execute the process of entrepreneurship in the organization by means of characteristics such as high mentality, perseverance, risk acceptance, creativity and innovation during which a group of individuals in the organization are converted into its development engine (Upton NC, 1999). In other word, organizational entrepreneurship means commitment of an organization to create and consume new products, new processes and modern organizational system (Karbasi, 2003).

Organizational entrepreneurship is a process that the entrepreneur traverses to bring forth an entrepreneurial activity in a traditional and bureaucratic organization. In this state the entrepreneur individual or group apply capabilities of an organization and take action towards entrepreneurship. Existence of innovation, creativity and entrepreneurship atmosphere is among the most important characteristics of innovative and entrepreneur organizations (Maguire, 2005).

2-3 Research Model and Hypotheses:

Research model is illustrated in figure (1). The following primary hypothesis is studied given main questions of the survey:

Employees' emotional intelligence affects organizational entrepreneurship in small and medium manufacturing companies in Sari County.

Employees' spiritual intelligence affects organizational entrepreneurship in small and medium manufacturing companies in Sari County.

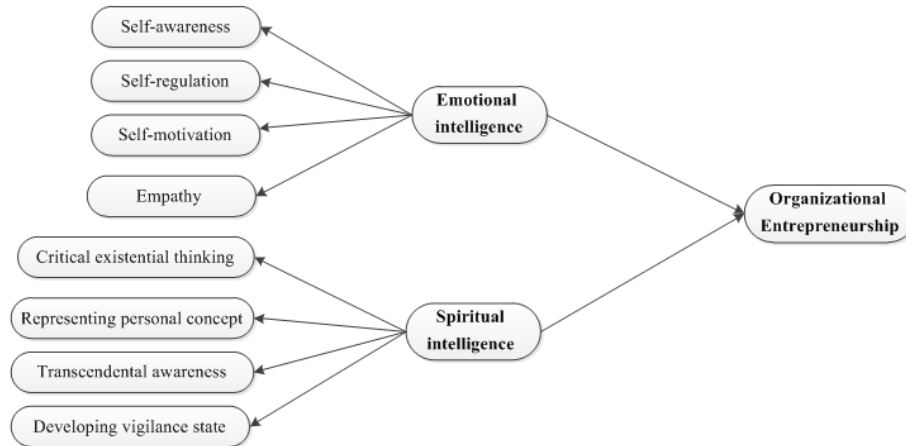


Fig. 1: Survy Research Model.

Therefore, Main Questions of this Survey Are Proposed as Below:

Does employees' emotional intelligence affect organizational entrepreneurship in small and medium manufacturing companies in Sari County?

Does employees' spiritual intelligence affect organizational entrepreneurship in small and medium manufacturing companies in Sari County?

3- Research Methodology:

Since this survey has been conducted in real organizations and its results could be used practically, it is an applied survey in terms of purpose and given that the relationship among variables is studied it is descriptive-correlation in terms of nature and data collection (Bazargan *et al*, 2010).

3-1 Statistical Population, Sample Volume and Sampling Method:

Statistical population of the survey included all employees of small and medium manufacturing companies in Sari County. Simple random sampling method was used to select the samples and questionnaires were distributed among the members. Standard deviation of samples was achieved by primary sampling that was equal to 30 persons. Therefore, given this standard deviation at confidence level 95% and average estimation error sample size was equal to 187 persons. According by, eight small and medium manufacturing companies were selected randomly and 24 questionnaires were distributed in each company.

3-2 Tools of Data Collection:

Field study method by means of questionnaire was used to collect the required data. Questions related to measuring the structures under study were based on Likert five-option scale which had been prepared by standard questionnaire of Wang and La's emotional intelligence questionnaire (2003), King's spiritual intelligence questionnaire (2008) and Zabihi and Moghadasi's organizational entrepreneurship were applied after the essential corrections.

3-3 Reliability and Validity of the Questionnaire:

Content validity was used to confirm validity of the questionnaire. The primary questionnaire was reviewed by obtaining views of experts in the field of organizational behavior and entrepreneurship about number of questions, manner of stating questions, transposition of questions and response options scale. Ultimately the final questionnaire was designed after several revision phases and conducting an experimental step. Cronbach alpha coefficient was applied to calculate reliability coefficient. Amount of the calculated Cronbach alpha of all variables in this survey was equal to 86% that showed high reliability of the questionnaire.

3-4 Data Analysis Method:

SPSS and LISREL software were used for data analysis. Test was used to analyze hypotheses and structural equations modeling was used to study total goodness of research model. In structural equations modeling adaptation level of data and the conceptual model were studied from one side and significance of relations in this model is tested from the other side. Suitable goodness indexes of model include χ^2/df , RMSEA, GFI and AGFI. A model has suitable goodness if χ^2 with regard to degree of freedom (df) is less than 3, amount of RMSEA is less than 10% and amounts of GFI and AGFI are more than 80%.

4-Findings

4-1: Findings Obtained From Demographic Characteristics:

Findings demonstrate that 84% of individuals were men and others were women. Forty five percent (45%) were in the age group 25-35, twenty one percent (21%) were between 36 and 45 and fifteen percent (15%) of individuals had more than 45 years ago. Only other individuals were lower than 25 years old. Twenty two percent (22%) of the individuals under study had associate degree and lower than it and fifty three percent (53%) had B.A. It is noteworthy that twenty five percent (25%) of the individuals had M.A degree.

4-2: Findings Obtained From Studying Research Hypotheses:

4-2-1: Studying Measurement Models:

Before dealing with hypotheses testing and conceptual model of the survey it is essential to ensure that measurement models of research variables are accurate. Measurement models of these variables are represented in table (1) and this has been conducted through confirmatory factorial analysis.

Table 1: Goodness Indexed of Research Variables.

variables	Indexes			
	RMSEA	AGFI	GFI	χ^2/df
Emotional intelligence	0.07	0.93	0.92	1.89
Spiritual intelligence	0.028	0.90	0.94	1.55
organizational entrepreneurship	0.034	0.95	0.91	1.73

Given output of the software and the obtained index amounts' it has been determined that all models were suitable and all parameters and numbers of the model were significant.

5-2 Structural Model:

After ensuring the correction of measurement models through software research hypotheses that were tested, results of conducted calculations are represented in figure (2).

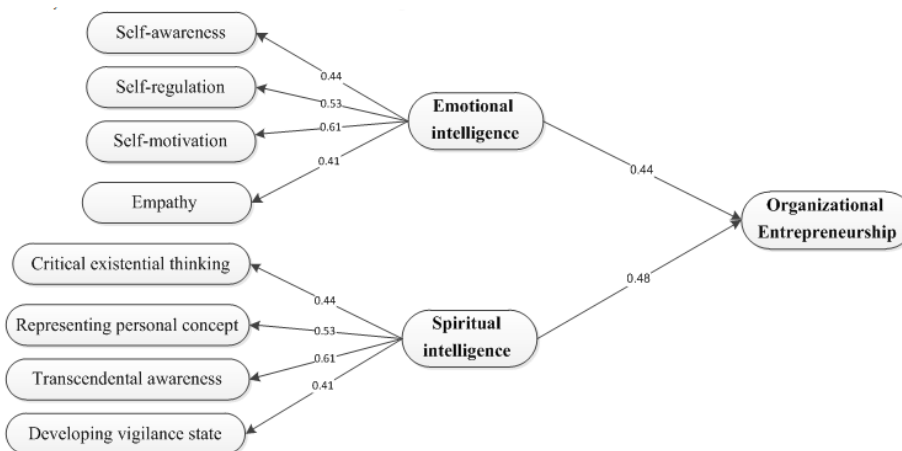


Fig. 2: Structural equation sample of survey research model.

A series of competency and adequacy of model indexes were used to determine model competency. These indexes which have been extracted from LISREL software are illustrated in table (2).

Table 2: Goodness indexes of research conceptual model.

Indexes name	RMSEA	AGFI	GFI	χ^2/df
Final model	0/044	0.914	0.923	2.78
Acceptable goodness	%<10	90%>	90%>	<3

Data of the above table reveal that conceptual model of the survey has a desirable goodness.

5-3 Studying the Relationship Among Variables:

Given confidence level 95% has been considered in this survey and considering table (3) it is specified that if numbers are higher, the existing significance in this table is confirmed by amount of 1.96 of the related hypothesis with the determined standard coefficient; otherwise the hypothesis is not confirmed. Hypotheses were tested in table (3) by t-amounts at error level 0.05 and all of them were confirmed.

Table 3: Results stemmed from structural equations model and hypotheses test.

No	Path	t-value	B	Result
1	EI.....OE	4.23	0.44	confirmed
2	SI.....OE	5.75	0.48	confirmed

EI: Emotional intelligence
SI: Spiritual intelligence

OE: organizational entrepreneurship

5- Discussion and Conclusion:

Results of this survey reveal that there is a direct and significant relationship among emotional and spiritual intelligence as one of the most important personality characteristics of individuals and organizational entrepreneurship. This means that, as people have more emotional intelligence and spiritual intelligence, their intention for participation in organizational entrepreneurship is higher. Among other results of this survey we can refer to the issue that employees under study were at a moderate to high level in terms of emotional and spiritual intelligences. This is while status of organizational entrepreneurship hasn't been satisfactory in employees' viewpoint.

Entrepreneur individuals have strong inter-individual relationships. Generally, they have strong social relations and try to eliminate problems of the society by representing creative and new ideas through investigation or searching in the society.

Given results of the present survey regarding direct impact of emotional and spiritual intelligences on organizational entrepreneurship and considering that emotional intelligence and spiritual intelligence are acquisitive and a part of intelligence is evolved through experience, rehearsal and attempt it is possible to increase it in individuals through education and learning. Therefore, it is recommended to hold educational courses in order to familiarize employees with concept of emotional intelligence and spiritual intelligence and its impact on individuals' life.

As emotional intelligence is not fixed in individuals and could be improved through education, it is recommended to enjoy maximum ability of individuals, hold educational courses and workshops, improve personal and social capabilities, develop emotional controls, rehearse unanimity and develop effective listening skill and evaluate others' feelings by emphasizing self-management capabilities and management relations.

It is recommended to identify and employ individuals with high level of inter-individual relations in project works and group activities in which applying personal and social capabilities is more to reveal the impact of emotional intelligence on individuals' success for others and create motivation to enhance and develop self-awareness and self-management skills and capabilities through this.

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