

## The Influence of Emotional Intelligence on the Adaptive Performance of Entrepreneurs in Jos-North LGA

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### Abstract

Adaptive performance being a set of behaviours that drive entrepreneurs to adequately handle uncertainties, emergencies/crises situations, work stress, interpersonal adaptability and cultural adaptability, was considered within the context of a polarized post-conflict commercial space – Jos-North LGA of Plateau State. The sectarian conflicts within the State created an emotional state which comprised of fear, lackluster passion for entrepreneurial actions and heightened security consciousness, which contributed to the dwindling entrepreneurial intentions within the State. The objective of the study was to examine the influence of Emotional Intelligence on the Adaptive Performance of entrepreneurs in Jos-North LGA. Primary data were collected using questionnaires issued to a sample size of 248 entrepreneurs (from an estimated population of 700). However, only 210 questionnaires were returned for analyses. A Cronbach Alpha test with coefficient 0.741 showed that the instrument was reliable, therefore, the five hypotheses formulated were tested through the use of Structural equation modelling technique. The study concluded that Emotional Intelligence does not significantly influence how Entrepreneurs handle crises situations, demonstrate interpersonal adaptability and adapt to changing cultures. However, Emotional Intelligence significantly influences how entrepreneurs handle work stress and unpredictable work situations in Jos-North LGA. The study recommends that entrepreneurs should develop high emotional intelligence with a view to developing efficiency in handling work stress and coping with unpredictable situations in business.

**Keywords:** *Adaptive Performance, Emotional Intelligence, Entrepreneurship*

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## **Background to the Study**

Entrepreneurs, organizational agents, managers and employees are required to get attuned to changes at work or business environments by adjusting their behaviours in order to achieve set objectives. The need for entrepreneurs to adapt to novel situations in business settings and perform at optimal levels is more crucial now than ever before. This is because the environment in which businesses operate is dynamic and rapidly changing, requiring constant adjustments of strategies and operations (Kennerley & Neely, 2003). Drucker, (1954) has come to the conclusion that survival is the ultimate measure of the long-term performance of any business. This implies that the primary measure of an effective and efficient business or organization is its capacity to survive in spite of changes and challenges within the business environment.

The entire entrepreneurial process is viewed as a very emotional journey, for the reason that it creates a close bond between the founder and the venture (Sullivan, 2011). The extreme uncertainty and the high personal risk involved practically engages the emotions of the entrepreneur, thus, influencing his/her judgments, decision making, as well as behavior (Sjoberg, 2007). Specifically, passion is one emotion which has been recognized as an important motivator for entrepreneurial action (Rhee, and White, 2007) and this has aroused the interest of macro-level scholars impelling them to investigate how firms adapt to changes in demands from external environments and how such adaptations translate to business performance (Shoss, Witt & Dusya, (2011).

## **Statement of the Problem**

The business environment in Jos-North LGA of Plateau State between 2001-2011 was riddled with recurrent violent conflicts leading to the loss of thousands of lives, extensive damage to properties, displacement of hundreds of people and ultimately, poisoning of socio-cultural and economic relationships. The sectarian crises within the State created an emotional state of fear, lackluster passion for entrepreneurial actions and security consciousness which were the factors responsible for dwindling entrepreneurial intentions within the State (Best, 2004). The challenge for entrepreneurship had been to develop strategies towards adapting to post-conflict commercial uncertainties, emergencies, stress, interpersonal relationships, and cultural engagements. Even though adaptive performance is recognized as a very vital component for success in organizations (Joung, Hesketh, & Neal, 2006) it is somewhat surprising that there is limited integrated research on the construct, with the resultant effect that it remains poorly understood ("Adaptive enterprise creating and leading sense-and-respond organizations", 2000) and often applied in a limited dimension (Pulakos, Schmitt, Dorsey, Arad, Borman, & Hedge, 2002) in business or entrepreneurship.

## **Objective of the Study**

This study has the objective of examining the influence of emotional intelligence on the adaptive performance of entrepreneurs in Jos-North LGA of Plateau State. Specifically, the study sought to;

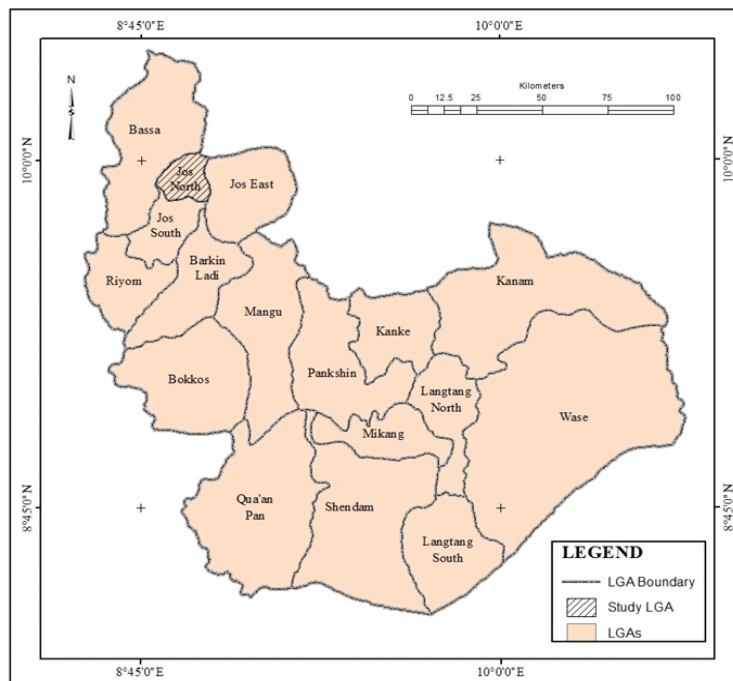
1. Examine the influence of emotional intelligence on entrepreneurs' capacity to handle emergencies in Jos-North LGA of Plateau State.
2. Examine the influence of emotional intelligence on entrepreneurs' ability to handle work stress in Jos-North LGA of Plateau State.

3. Examine the influence of emotional intelligence on entrepreneurs' ability to deal with uncertain work situations in Jos-North LGA of Plateau State.
4. Examine the influence of emotional intelligence on entrepreneurs' interpersonal adaptability in Jos-North LGA of Plateau State.
5. Examine the influence of emotional intelligence on entrepreneurs' cultural adaptability in Jos-North LGA of Plateau State.

### Statements of Hypotheses

#### Hypotheses

- H<sub>0</sub>:1 Emotional Intelligence does not significantly influence entrepreneurs' capacity to handle emergencies in Jos-North LGA of Plateau State.
- H<sub>0</sub>:2 Emotional Intelligence does not significantly influence entrepreneurs' ability to handle work stress in Jos-North LGA of Plateau State.
- H<sub>0</sub>:3 Emotional Intelligence does not significantly influence entrepreneurs' ability to deal with uncertainty in Jos-North LGA of Plateau State.
- H<sub>0</sub>:4 Emotional Intelligence does not significantly influence entrepreneurs' interpersonal adaptability in Jos-North LGA of Plateau State.
- H<sub>0</sub>:5 Emotional Intelligence does not significantly influence entrepreneurs' cultural adaptability in Jos-North LGA of Plateau State.



Source: Laka, (2015)

Figure 2: Jos North LGA, Plateau State

## **Literature Review**

### **Conceptual Framework**

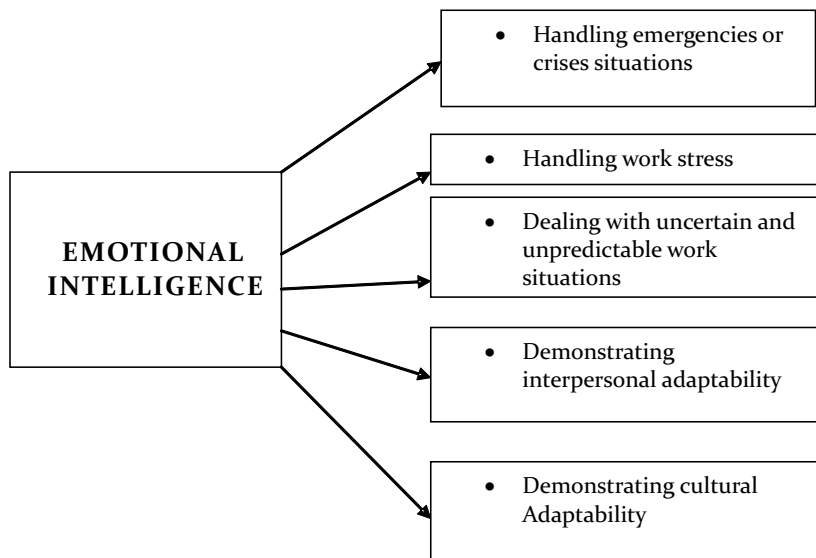
#### **Emotional Intelligence**

The concept of Emotional Intelligence developed from the writings of Howard Gardener's "frames of the mind; the theory of multiple intelligence". However, the components of Emotional Intelligence were developed by Salovey and Mayer (1993), which include; (a) The perception, appraisal, and expression of emotions (b) the emotional facilitation of thinking; (c) understanding and analyzing emotions, and employing emotional knowledge; (d) the regulation of emotions. However, the concept languished in relative obscurity until Goleman (1995) wrote a compelling book entitled 'Emotional Intelligence (Weiten 2007). Goleman, (2004) considers Emotional Intelligence as a social skill being concerned with relating well to people, controlling excitements, keeping motivation, controlling oneself in a critical situation, regulating mental states and not letting confusion and prejudice distort one's approach. Pant & Yadav, (2016) observed that Emotional Intelligence draws on two simple concepts; to be intelligent or 'applying knowledge appropriately', and to be 'emotionally astute' or tuned in or 'applying feelings appropriately'. While these definitions seem quiet comprehensive and have encapsulated several variables, the working definition of emotional intelligence as used in this research is limited to self-regulation.

Emotional Intelligence is considered a major factor for the achievement of success in life Goleman, (2004). It is believed to be a better forecaster of excellence than general intelligence and it might predict up to 80% of success in life (Goleman 1995). Several other studies have actually highlighted that higher levels of Emotional Intelligence correlates with adaptive performance (Salovey, Stroud, Woolery, & Epel, 2002), contributes to the achievement of better academic results (Van Der Zee, Thijs & Schakel, 2002) is associated with better interpersonal relations (Mayer, Salovey, & Caruso, 2003), and is a protective factor in both physical and mental health including security mindfulness (Schulze & Roberts, 2005;Tsaousis & Nikolaou, 2005).

#### **Adaptive Performance**

The concept of adaptive performance is defined in general terms as an individual's ability to adapt to dynamic work situations (Joung, Hesketh, & Neal, 2006). It is the ability of an individual to change his or her behaviour to meet the demands of an evolving business environment. Adaptive performance consists of acquiring enhanced competencies in response to changing business circumstances and has been described as a unique performance concept since it responds to the dynamics of business performance in diverse ways including conflict situations (Griffin, Neal & Parker, 2007). Including adaptive performance to existing performance concepts has been accepted by scholars primarily to meet the unexpected or changing demands of the business environment (Joung, Hesketh, & Neal, 2006). Successful entrepreneurs scan their environment, convert existing problems into opportunities and formulate strategies for taking advantage of changing environments through adaptation. Thus, the entrepreneurs that are adept at adapting both in the present and for the future are usually considered the superior business organizations (Carton, 2004). Pulakos, et. al., (2002) identified the components of adaptive performance to include; handling emergencies or crises situations, handling work stress, dealing with uncertain and unpredictable work situations, demonstrating interpersonal adaptability and demonstrating cultural Adaptability. Thus the research model in figure 2 below;



**Figure 2: Model of the Research**  
**Source:** Authors, 2015

### Theoretical Framework

#### Regulatory Focus Theory (RFT)

According to the Regulatory focus theory (Higgins, Shah, & Friedman, 1997; Crowe & Higgins, 1997), all goal-directed behaviour is regulated by two distinct motivational systems – Promotion and Prevention. The theory is basically a goal pursuit theory which can be applied to the field of entrepreneurship. It examines the relationship between the motivation of a person and the way in which they go about achieving their goal. It assumes that at any given time, people may engage in Emotional Intelligence with a promotion focus or a prevention focus (Brockner & Higgins, 2001). Promotion and prevention focused Emotional Intelligence are distinct or differ in three respects. First, the underlying motives people are trying to satisfy. Secondly, the nature of the goals or standards that they are trying to attain and finally, the types of outcomes that are salient to people (Förster, Grant, Idson, & Higgins, 2001; Brockner, Higgins, & Low, 2004). When promotion-focused, people's growth and advancement needs motivate them to try to bring themselves into alignment with their ideal selves (based on their dreams and aspirations), thereby heightening the salience of potential gains to be attained (felt presence of positive outcomes). When prevention-focused people's security and safety needs prompt them to attempt to bring themselves into alignment with their 'ought selves' (based on their sense of duty and responsibility), thereby increasing the salience of potential losses to be avoided (felt absence of negative outcomes).

Brockner, Higgins & Low, (2004) suggested that both promotion-focus and prevention focus are necessary for entrepreneurial success. For certain aspects of the entrepreneurial process (e.g. generating ideas with the potential to be successful), greater promotion focus is necessary. For other aspects of the entrepreneurial process (e.g., doing the “due diligence” when screening ideas), greater prevention focus is necessary.

## Empirical Review

Research has recognized entrepreneurs as the catalysts to the new venture (Job creation). In their research, Rhee and White (2007) used web based exploratory study to collect self-assessment data of emotional competences on successful young entrepreneurs. The instrument used was made up of 72 questionnaire items measuring 18 emotional competency scales grouped into 4 (self-awareness, self-management, social awareness and social skills). It was found that trust worthiness ranked highest of all competencies while emotional self-control was the lowest demonstrated competence. The research also found that both initiative and adaptability were lower among respondents (Rhee and White, 2007). Wrانik, and Salovey (2009) found that investors with high degree of Emotional Intelligence are more likely to invest wisely. Research has also discovered that individuals with high score on Emotional Intelligence traits have the ability to regulate behaviour in a way that promotes well-being, job satisfaction, motivation level, and interpersonal relation, quality of work, life and retention time in an organization.

## Research Methodology

The population of the study was made up of the private enterprise entrepreneurs within Jos-North Local Government Area. The study population constitutes 700 SMEs within Jos metropolis (National Association of Small Scale Industries, 2010). A sample size of 248 was determined, using the Krejcie & Morgan (1970) table. However, only a total of 210 questionnaires were retrieved for this study. The questionnaires were coded and analysed after being tested for reliability of instrument using the Cronbach Alpha test. Being that a value of 0.70 is required for the reliability of instrument, the Cronbach Alpha for this study which revealed a value of 0.741 is reliable and good for further analyses. This is shown in the table below.

**Table 1: Reliability Statistics**

Cronbach's Alpha	N of Items
.741	24

## Model Fit Summary

Chi-square = 25.420

Degrees of freedom = 10

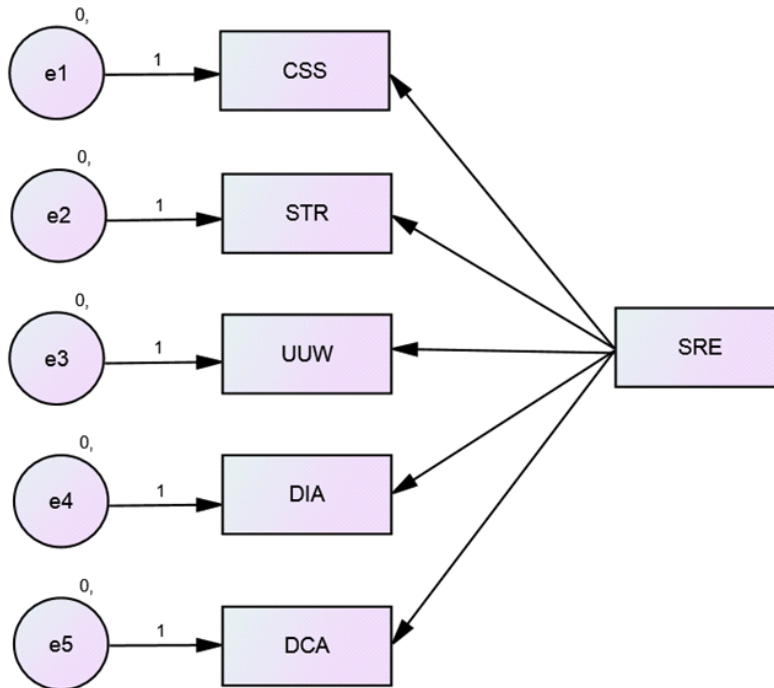
Probability level = .005

Table 2: RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.149	.078	.223	.016
Independence model	.122	.068	.175	.019

The goodness of fit test statistic, which is the Chi-square, is significant at 0.05, suggesting that the model is a good fit. The root mean square error of approximation (RMSEA) is 0.233 and is greater than 0.05, indicating an acceptable fit.

The Structural Equation Modeling Technique was used in the analyses and for the test of hypotheses. The data was collected and analyzed using scientific and computerized packages, specifically, IBM SPSS AMOS software version 22 (structural equation modeling - SEM).



**Figure 2: Recursive Structural Equation Model for Hypotheses (1-5)**

**Where:**

**Observed, Endogenous Variables**

$Y_1$  = CSS = crises situations

$Y_2$  = STR = work stress

$Y_3$  = UUW = uncertain and unpredictable work situations

$Y_4$  = DIA = demonstrate interpersonal adaptability

$Y_5$  = DCA = demonstrate cultural adaptability

**Observed, Exogenous Variables**

$X_1$  = SRE = Emotional Intelligence

**Unobserved, Exogenous Variables**

$e_1$  = error term for CSS

$e_2$  = error term for STR

$e_3$  = error term for UUW

$e_4$  = error term for DIA

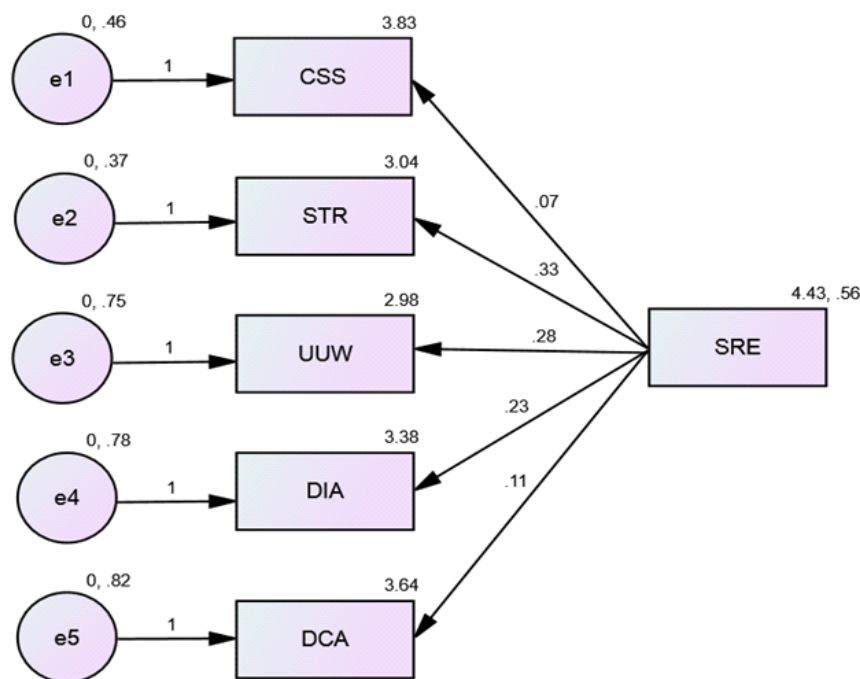
$e_5$  = error term for DCA

## Results

**Table 3: SEM Regression Result**

Hypotheses	Path	Coefficient	S.E	P-value	Remark
H <sub>1</sub>	CSS <-- SRE	0.072	0.112	0.520	Not Significant
H <sub>2</sub>	STR <-- SRE	0.326	0.101	0.001**	Significant
H <sub>3</sub>	UUW <-- SRE	0.275	0.144	0.056*	Significant
H <sub>4</sub>	DIA <-- SRE	0.234	0.150	0.119	Not Significant
H <sub>5</sub>	DCA <-- SRE	0.113	0.151	0.456	Not Significant

Significant at 5%



**Figure**

The relationship between Emotional Intelligence and handling crises situations is positive. That is, Emotional Intelligence impact on handling crises situation in business by 7.2%. This means that handling emergencies or crises situations increases for every one-unit increase in Emotional Intelligence. The result also revealed that the P-value is 0.520 which is greater than the level of significance of 5%. This implies that there are no enough reasons to reject the null hypothesis. Therefore, Emotional Intelligence does not significantly influence how Entrepreneurs handled crises situations in their businesses in Jos-North.

The coefficient of Emotional Intelligence shows that there is a positive relationship between Emotional Intelligence and work stress. The value of the coefficient shows that a unit increase in the level of Emotional Intelligence will increase the level of stress by 32.6%. The P-value indicated a significant relationship, i.e. Emotional Intelligence does significantly influence how Entrepreneurs handled work stress in Jos-North.



The relationship Emotional Intelligence and uncertain and unpredictable work situations shows a positive impact. That is, Emotional Intelligence impact on uncertain and unpredictable work situations by 27.5%. This means that uncertain and unpredictable work situation increase for every one-unit increase in Emotional Intelligence. The result showed that the P-value of the relationship is less than 0.1 level of significance. This implies that there are enough reasons to reject the null hypothesis and accept the alternate hypothesis that, Emotional Intelligence does significantly influence how Entrepreneurs deal with uncertain and unpredictable work situations in Jos-North.

The coefficient of Emotional Intelligence shows that there is a positive relationship between Emotional Intelligence and demonstrating cultural adaptability. The value of the coefficient shows that a unit increase in the level of Emotional Intelligence will increase the level of demonstrating cultural adaptability by 23.4%. The P-value indicated an insignificant relationship, i.e. Emotional Intelligence does not significantly influence how Entrepreneurs demonstrate interpersonal adaptability in Jos-North.

Emotional Intelligence and demonstrating cultural adaptability shows a positive impact. That is, Emotional Intelligence impact on demonstrating cultural adaptability by 11.3%. This means that demonstrating cultural adaptability increases for every one unit increase in Emotional Intelligence. The result showed that the P-value of the relationship is greater than 0.05 level of significance. This implies that there are no enough reasons to reject the null hypothesis and accept the alternate hypothesis that, Emotional Intelligence does not significantly influence how entrepreneurs demonstrate cultural adaptability in Jos-North.

## **Conclusion**

In the context of business, adaptive performance has mainly been examined in studies that focused on specific behaviours such as innovation implementation (Orth, 2002) or concentrated on individuals' adaptation to specific tasks which had been changed (Chen, Ploy hart, Thomas, Anderson, & Bliese, 2011). This study however, has examined adaptive performance and the influence of emotional intelligence of entrepreneurs on the ability of entrepreneurs to sustain their businesses in Jos-North. Even though the results reveal that Emotional Intelligence does not significantly influence how Entrepreneurs handle crises situations, demonstrate interpersonal adaptability and adapt to changing cultures, the study largely agrees with Ejikeme (2014) who concluded that low frustration tolerance, inability to regulate violent emotions, hatred, anger, and other hostile feelings affect socio-cultural and economic relationships. The study however, reveals that Emotional Intelligence significantly influences how entrepreneurs handle work stress and unpredictable work situations in Jos-North LGA. Thus, the study recommends that entrepreneurs should develop high emotional intelligence with a view to developing efficiency in handling work stress and coping with unpredictable situations in business.

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