DOES EMOTIONAL INTELLIGENCE AFFECT ATTAINMENT OF STRATEGIC GOALS OF SMALL SCALE ENTERPRISES (SCEs) IN DEVELOPING ECONOMIES?

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ABSTRACT

The relationship between emotional intelligence and employees performance has continued to be the most fundamental issue that small scale enterprises in many developing economies like Nigeria continue to find solutions to so as to enhance the overall performance of the process. The study therefore, investigates the effect of cognitive ability of employees on the achievement of goals of the Nigerian small scale enterprises. The study utilized survey design, to gather data from five hundred and fifty four respondents who were staff of ten selected small scale enterprises in south west, Nigeria. The data collected through the closed ended questionnaires were tested with linear regression at 0.05 level of significance. The finding revealed that cognitive ability affect positively on the employees’ achievement of goals in the Nigerian small scale enterprises. Informed by this finding, the study concluded that emotional intelligence practices can be employed to achieve advanced goals and performance in the Nigerian small scale business sector. The study advised that the management of small scale enterprises in Nigeria should be resolute in observing the culture of establishing sound emotional stability on their employees. This will enable the organisation to achieve sustainability in employees’ achievement of given task and would improve swift employees’ utilizations of practices in the achievement of goals.

Keywords: Emotional Intelligence, Cognitive Ability, Employees Performance, Small Scale Enterprises.

INTRODUCTION

The idea of emotional intelligence has recently attracted a lot of interest from business managers all over the world, emotional intelligence is considered to be important as it affects the performances of employees all through their stay within the organisation (Bachman, Stein, Campbell & Sitarenios, 2000). Emotions are employees’ responses to the world around them and they are often as a result of mixtures of thoughts and actions of an individual. For employees to be reliable and consistent on the work roles, they must be in control of their emotions so that they work for cognition rather than against it (Krishnan & Choubey, 2014). Emotional intelligence cannot lead to higher performance unless it influence the ways how people use emotions at work settings (Shahzad et al., 2011). Generally, employees that handle their emotions effectively in the
workplace often gather better information and they make better decision about their activities that result in better performance on the job (Kim et al., 2009).

The need for success and competiveness by organisations puts more demand for better employees’ performance so as to meet up with the demands of organizational clients, pressure to deliver and at the same time identifying and exploiting opportunities (Bharwane et al., 2011). Self- awareness, self-confidence, self-control, commitment, integrity, ability to communicate and influence, ability to initiate and accept changes; are competences which are at premium and in demand in today’s job market and are the hallmark of emotional intelligence (Riggio, 2010). Emotionally intelligent individuals contain dysfunctional emotions and use them in adaptive ways to ease dissatisfaction (Bhalero & Kumar, 2016), they possess strong emotional attachment to the organizational goals and show intense commitment to their career (Carmelli, 2003). Thus, engaging individuals with ability to control their feelings and to recognize them in others will increase employees’ ability to adapt to organizational environment and enhance good working relationship, which leads to improved efficiency, task performance and behavioural tendencies (Shooshhtarian et al., 2013). Emotional intelligence is an indispensable factor liable for determining triumph in life and psychological health seems to play an essential part in shaping the contacts between employees in their working environment (Ahmed et al., 2016).

Recently, there have been increasing confusion and concerns as to the relevance of emotional intelligence as it affect employee’s performance, whether or not it accounted for better employees’ performance in organizations (Joseph et al., 2015; Lopes, 2016). Employees of small scale enterprises in Nigeria are presently faced with a number of challenges on their jobs due to the fact that the business environments around them are complex (Obi-Anike et al., 2017). Major issues, like industry competition, rapid changes in technological advancement, cultural complexity that interplay in the industry, places pressure for increasing demand for better employees performance in order to meet up with the current requirement in most small scale enterprises in Nigeria. With the employment procedures are more of rigorous tests and interviews centred on measuring academic intelligence (graduating grades and experience) little or nothing is done to ascertain the emotional intelligence state of the individual (especially emotional stability, cognitive ability, conscientiousness, self-management, self-efficacy). So such organizations have employees with excellent academic track record but yet may score low on emotional intelligence. This thus leads to lack of good understanding of individual employees, commitment, not been able to achieve given task and meeting deadlines. Since many organizations, especially the small scale enterprises, are looking for performance improvement with maximum efficiency, bestows on management to device means/strategies to enhance their employee’s performance. This is with timeliness, meeting deadlines and in terms of employee commitment. Generally, this study establishes how employees handle their emotions effectively and use certain behaviours in the workplace that give them ability to gather information and make better decisions. To this end, this study specifically investigates the effect of cognitive ability on employees’ achievement of strategic goals in the Nigerian small scale enterprises.

LITERATURE REVIEW

Concept of Emotional Intelligence

Notably, Gardner’s (1983) conceptualization of intra personal intelligence, interpersonal intelligence, as well as Steiner’s work on emotional literacy, were the building blocks for what Salovey & Mayer (1989) first termed as emotional intelligence. Based on previous work, Baron
(2000) views emotional intelligence as a cognitive intelligence which is defined as an array of emotional, personal and social abilities and skills that influence an individual’s ability to cope effectively with environmental demands and pressures. Goleman (2005) conceptualizes emotions as any feelings, thoughts, psychological or biological state unique to it and a part of personal tendency to act accordingly. Emotions over time, have captured the attention of researchers from various disciplines; psychology (Carmeli et al., 2009); Sociology (Suteu, 1996); science (Barbalet, 2004); conflict resolution (Mingkai & Oluremi, 2012) and management (Renae & Michelle, 2013).

Emotional intelligence is a skill with two key areas in his emotional competence framework. The first is the personal competence which explains how to manage our and the second is the social competence which explains how to manage relationships. Emotional intelligence is the abilities to motivate oneself and persist in the face of frustration as well as to control impulse and delay gratification. Further, it deals with ability to regulate one’s moods and keep distress from swamping the ability to think. Emotional intelligence provides opportunity for people to use emotion for better cognitive processing of information (Naseer et al., 2011). To Amy and Whitney (2016), emotional intelligence not only enables better understanding of emotions, but also informs research on cognition, including perceptions, problem solving, judgment and decision making in organizations. Someone who possess high emotional intelligence is (a) more adept to perceiving, understanding and managing emotions; (b) more likely to solve emotional problems with less effort; (c) more open and amenable in social interactions; (d) less prone to negative or problem solving behaviours; (e) more proficient at articulating goals (Mayer & Salovey, 2004).

Performance in Workplace Entities

Performance refers to the results or impact of activities of an individual over a given period of time (Shahzad et al., 2011). To Kazemi (2002), performance is an individual’s success criteria in their work which is usually evaluated as a personal output rate (example sales or production) or as the success rate compared to the expectations of the organization. To Durga (2017) it is an act of executing a task or an accomplishment or achievement. Human performance is seen as result of the actions set to achieve pre specified goals based on a specific standard (Gunu & Oladepo, 2014). This may include actions or behaviours of all non-observables mental processing, examples problems solving decision making, timeliness, and reasoning; (Bailey & Robert, 2003; as cited in Gunu & Oladepe, 2014). Performance is an individual’s behaviour and results. It is seen as the way in which people get their work done (Armstrong, 2006).

Performance is the ability of an employee to accomplish work related goals and expectations in accordance to certain predetermined work standards. Bambale et al. (2016) identified that there are two contextual performances: performance as changing concept behaviour which main purpose is to see that the present activities of the organization are carried smoothly without interruption; proactive behaviour is aimed at modifying and improving work procedures and organizational processes. Proactive behaviour of workers include personal initiatives, taking charge and proactive attitude.

Employee performance to O’Flynn et al. (2001), is defined using three criteria: First criteria is that employees output meets the standard of performance set by the organization’s external customers. Second criteria is that employees performance can be defined in terms of how the social processes utilized in the performance of their job enhances or maintains the
capability of the employee to work together as a subsequent group tasks. A third criterion is that employee’s personal needs are satisfied instead of them being frustrated by the group performance. However, O’Flynn et al. (2001) argues that the performance of employees is not timely representative of what a group performance is; rather it is the personal experience of group members and the subsequent ability of the employees to perform in the future that also defines the employee’s performance.

**Emotional Intelligence in Workplace Context of Small Scale Enterprises**

The interest in emotional intelligence in the workplace rests on the belief that emotional intelligence plays an important role in innovation, efficiency, productivity, the development of talent, task accomplishment, sales, quality of service, customer loyalty, timeliness, employee recruitment and retention, employee commitment, morale, meeting requirement, health, satisfaction and client outcomes (Cherniss, 2001). Thus, individuals must have more than just intellectual ability and great ideas; they must also possess certain human characteristics and personal qualities such as emotional intelligence (Cross & Travaglione, 2003). Organizations that promote more positive emotions at work are likely to have motivated workers. Also, workers emotional states influence customer service, which influences levels of repeat business and levels of customer satisfaction. Furthermore, subordinates are more positive and tend to perform better in cooperation when the leaders display emotion (Robins & Judge, 2009).

There is increasing evidence that high levels of emotional intelligence are positively associated with job performance, and its influencing workplace success via interpersonal relationship with colleagues, as well as strategies individuals use to manage stress and workplace conflict and overall performance. In terms of the interpersonal dimension of emotional intelligence, emotional awareness facilitates positive effective states, which increases individual’s attention, scope and behavioural flexibility (Joseph & Newman, 2010). In the organizational setting, much of the interest in emotional intelligence revolve around the assumption that emotional intelligence plays role in workplace productivity, profitability, and enhancing the overall quality of work and life (Mathews et al., 2006). Going by the foregoing, we hypothesized that:

\[ H_1: \text{Cognitive ability has a positive effect on the achievement of strategic goals in the Nigerian small scale enterprises.} \]

**Theoretical Model: Ability-Based Model of Emotional Intelligence**

The ability model of emotional intelligence which was propounded by Salovey and Mayer (1989) has been said to be most theoretically well clarified model relating to emotional intelligence (Cross & Travaglione, 2003). In the model, emotional intelligence was conceptualized as related to set of mental abilities to relate to how people form emotions and the processing of individual emotional information. The conception of Salovey & Mayer (1989) on emotional intelligence explains emotional intelligence in the context of the standard criteria. Following Salovey & Mayer (1989) research, there was redefinition of emotional intelligence as the ability to perceive emotion, integrate emotion to facilitate thought, understand emotions and to regulate emotions to promote personal growth.

Further, the ability based model sees emotions as useful origin of information that helps one to make meaningful decision and navigate the social environment (Gunu & Oladepo, 2014).
The model proposes that individuals differ in their ability to interpret and process information of an emotional nature and in their ability to relate emotional processing with cognition. The individual ability can manifest itself in certain adaptive behaviours. The model explains that emotional intelligence has four major forms of abilities which are: perceiving emotions, using emotions, understanding emotions, and managing emotions. Ability model of emotional intelligence also explains that the construct should overlap with cognitive ability to some extent, because emotional intelligence is a form of intellectual ability, (Mayer & Salovey 1997). Due to this submission, emotional intelligence was seen as the ability to carry out accurate reasoning about emotions (Mayer et al., 2008).

Ability based model of emotional intelligence has been viewed to be more theoretically sound. With the combination of the four emotion related abilities (perception of emotion, integration of emotion through thought process, understanding of relation between emotions and circumstances; and regulation of emotion), these abilities are positioned hierarchically, and emotion perception placed at the bottom, and emotion management at the top of the hierarchy (Mayer et al., 2000). Emotion perception forms the experimental area of emotional integration, while emotion understanding and emotion management both form the strategic area (Mayer et al., 2008). There is a relationship between emotional understanding and emotion management and the emotional understanding is considered to a more related to job performance than emotion management, which is thought to be a less to performance. Emotion management and job performance are closely related for two roles: First, it gives individuals to maintain positive affective states, which facilitates behavioural flexibility and enhance job performance and secondly, individuals that have lower emotion management are more likely to suppress their moods and to minimize expressing their emotions which can reduce cognitive resources that could be encourage effective job performance.

The Figure 1 (Adapted from Joseph & Newman (2010)) below describes the model of emotional intelligence as it links/relates conscientiousness, emotion perception, cognitive ability and emotional stability-as leading to emotional understanding, emotion regulation and ultimately job performance.

![Figure 1](Adapted from Joseph & Newman (2010))

**FIGURE 1**

**THE MODEL OF EMOTIONAL INTELLIGENCE**

**METHODOLOGY**

This study adopted survey design. Quantitative data was gathered in order to establish the effect of the independent on the dependent variables. The quantitative approach involves questionnaire survey that was utilized to analyse the effect of emotional intelligence on the
attainment of strategic goals of small scale enterprises in the six states of south west, Nigeria, which was the study area. The target population of the study comprised of staff of 10 randomly selected small scale enterprises in south west, Nigeria. These small scale enterprises were purposively selected because of their performance in the industry. The population of staff of the selected small scale enterprises was 5924 and sample size of 554 was drawn using Trek formula. Close-ended questionnaires were used to gather data from sampled respondents and a 5-point likert scale with: SA-Strongly Agree, A-Agree, U-Uncertain, D-Disagree, SD-Strongly Disagree was used to develop the answer options for the test instrument. Cronbach’s Alpha coefficient method was used to determine the reliability of the instrument. The result shows a value of 0.93 therefore indicating that the instrument is highly reliable. The formulated hypothesis was tested using ordinal logistic regression.

RESULTS

Out of the five hundred and fifty four (554) questionnaires distributed, five hundred and forty nine (549) were correctly filled and returned representing 99.2%. While the remaining five (5) filled representing 0.8% were found to be defective due to poor and wrong filling of the affected questionnaires and not returned. The responses disclosed that 97 (17.7 %) of the respondents were females while a total of 452 (82.3%) were males. The information revealed that males dominated the small scale enterprises in the south west, Nigeria. Further, the information from the data also shows that 116 (22.5%) of the respondents fall within the 20-30 years age bracket, 331 (57.3 %) are within the age bracket of 31-40 years, 102 (20.2%) of them were within the age bracket of 41 and above. This implies that more of the respondents were in 31-40 years. The data also indicated that 35 respondents representing 4.5% have senior school certificates, 57 respondents representing 12.6% have OND or NCE certificates, 331 respondents representing 55% have HND or B.Sc., 121 respondents representing 27% have Master’s degree and above. The Table 1 below shows the responses on the effect of cognitive ability of employees’ on the achievement of goals in the small scale enterprises.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Effect of Cognitive Ability of Employees’ On the Achievement of Strategic Goals in the Nigerian Small Scale Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items</td>
<td>SA(5) No. (%)</td>
</tr>
<tr>
<td>cognitive ability can enhance employees’ capacity to achieve strategic goals</td>
<td>142 (25.8%)</td>
</tr>
<tr>
<td>intellectual skill can improve employees’ ability to achieve strategic goals</td>
<td>265 (48.3%)</td>
</tr>
<tr>
<td>cognitive capability has chance to enable employees’ achieve strategic goals</td>
<td>152 (27.7%)</td>
</tr>
<tr>
<td>perceptive ability will enable employees’ achieve strategic goals</td>
<td>243 (44.3%)</td>
</tr>
</tbody>
</table>
The above Table 1 showed that 142 respondents representing (25.8%) and 246 respondents representing (44.8%) consented to strongly agree and agree that cognitive ability can enhance employees’ capacity to achieve strategic goals in small scale enterprises while 13 respondents representing (2.4%) were undecided, 86 respondents representing (15.7%) and 62 respondents representing (11.3%) disagree and strongly disagree.

Two hundred and sixty five (265) respondents representing (48.3%) and (98) ninety eight respondents representing (17.9%) of the small scale enterprises employees strongly agree and agree that intellectual skill can improve employees’ ability to achieve strategic goals while 44 respondents representing (8.0%) were undecided, 94 respondents representing (17.1%) and 48 respondents representing (8.7%) disagree and strongly disagree.

One hundred and fifty two (152) respondents representing (27.7%) and (142) one hundred and forty two respondents representing (25.9%) of small scale enterprises employees strongly agree and agree that cognitive capability has chance to enable employees’ achieve strategic goals while 83 respondents representing (15.1%) were undecided, 139 respondents representing (25.3%) and 33 respondents representing (6.0%) disagree and strongly disagree.

The above table showed that 243 respondents representing (44.3%) and 62 respondents representing (11.3%) consented to strongly agree and agree that perceptive ability will enable employees’ achieve strategic goals in small scale enterprises while 97 respondents representing (17.7%) were undecided, 33 respondents representing (6.0%) and 114 respondents representing (20.7%) disagree and strongly disagree.

The hypothesis on the effect of cognitive ability of employees’ on the achievement of strategic goals in the Nigerian small scale enterprises was tested using ordinal regression and the results shown below:

Model: \[ \text{ASG} = \beta_0 + \beta_1 \text{CA} + \mu_1 \] ......................................................... (1)

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Beta</th>
<th>t-value</th>
<th>Pearson Correlation(r)</th>
<th>Probability value</th>
</tr>
</thead>
<tbody>
<tr>
<td>cognitive ability</td>
<td>0.66</td>
<td>2.66</td>
<td>0.61892</td>
<td>0.0128</td>
</tr>
</tbody>
</table>

Source: Authors Computation, 2019 (Eview-9.0)

\[ \text{ASG} = 0.33+0.66\text{CA} \] ...........................................2
\[ \text{SEE} = 5.84 \quad 0.24 \]
\[ t^* = 0.05 \quad 2.66 \]
\[ F^* = 7.10; \text{Prob (F-statistic)} = 0.012 \]
\[ R^2 = 0.7082; \text{Adj.} R^2 = 0.6788 \]
\[ DW = 2.14 \]

Test of Hypothesis: \( H_A \)
From Table 2, the calculated t-value for cognitive ability is 2.66 and the tabulated value is given as ±1.96, under 95% confidence levels. Since the calculated t-value is greater than the tabulated value (2.66>1.96), therefore, we reject the null hypothesis (H0). We conclude that cognitive ability has a positive and significant effect on employees’ achievement of strategic goals.

The ANOVA F-statistic

Also, by examining the overall fit and significance of the cognitive ability model, it can be observed that the model does really have relevance, as indicated by the relatively high value of the F-statistic, 7.10 and it is significant at the 5.0 percent level. That is, the F-statistic value of 0.012 is less than 0.05 probability levels.

The R² (R-square)

$R^2$ (R-square) value of 0.7082 shows that the model does have a good fit too. It indicates that about 70.82 percent of the variation in employees’ achievement of strategic goals is explained by cognitive ability, while the remaining 29.18 percent is captured by the error term.

DISCUSSION

The analysis of research question two was to determine the effect of cognitive ability on employees’ achievement of strategic goals in selected small scale enterprises in Nigeria. From Table 2, the Adjusted ($R^2$) statistic was 0.7082. This showed that 70.8% variance in employees’ achievement of strategic goals was explained by the cognitive ability as an independent variable in the model. Therefore, 29.2% of the variance in employees’ achievement of strategic goals was account for by other predators not considered in the model. Taking into record the contribution of the explanatory variable to employees’ achievement of goals in small scale enterprises in Nigeria, the beta value for cognitive ability was 0.66. The beta value apparently indicated that the predictor variable of cognitive ability had a positive effect on employees’ achievement of goals manufacturing entities in Nigeria.

The analysis of the postulated hypothesis two was to ascertain if cognitive ability has a significant effect on employees’ achievement of strategic goals in small scale enterprises in Nigeria. The result from Table 2 4.10.2 demonstrated that the regression analysis of variance otherwise referred to as the F-ratio computed of 7.10 was greater than F-critical of 3.00 at 5% alpha ($F=7.10, p<0.05$). This clearly showed that the regression model had a good fit. Therefore, there was a significant relationship between cognitive ability and employees’ achievement of strategic goals. In order to investigate the statistically significant effect of cognitive ability on employees’ achievement of strategic goals in small scale enterprises in Nigeria, the t-test of significance was used. From Table 2 4.10.2, the results indicated cognitive ability had positive significant effect on employees’ achievement of strategic goals in small scale enterprises in Nigeria ($t$-computed 2.66>$t$-critical 1.960, $t=2.66, p<0.05$). The findings of this study agree with some earlier studies. The results are consistent with previous studies (Farh et al., 2012; Adipere, 2015; Subhashini & Shaju, 2016), as they asserted that the cognitive ability of individual employee significantly influences their work outcomes, especially in terms of commitments and achievement of set goals. Therefore, this study concludes that cognitive ability has significant and positive effect on employee achievement of strategic goals in the small scale enterprises in...
Nigeria.

CONCLUSION AND RECOMMENDATIONS

The study concluded that emotional intelligence practices can be employed to achieve advanced goals and better employees’ performance of small scale enterprises in Nigeria. With appropriate activation of emotional intelligence practices as were identified in this study the following outcomes will be expected:

1. Sustainability in employees’ achievement of given task.
2. Swift employees’ achievement of strategic goals.
3. Sustainability in employees’ ability to meet the requirement of the unit.
4. Progress in employees continuously meeting deadlines.
5. Improvement in employees’ commitment.

Based on the findings and the conclusion of the study, the following recommendations are offered and they would be relevant not only to small scale enterprises in Nigerian but also to policy-makers and captain of industry in Nigeria. First, the management of small scale enterprises should be resolute in observing the culture of establishing sound emotional stability on their employees. This will enable the organisation to achieve sustainability in employees’ achievement of given task. Small scale enterprises should create enabling environment for their employees to improve their cognitive ability as this will improved swift employees’ utilizations of practices in the achievement of goals and hence leads to stellar enterprise performance.

REFERENCES


