The effect of the level of the emotional intelligence of the employees who are employed in family businesses on the social capital structure

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Abstract

In this study, the levels of emotional intelligence employees who are employed in family businesses on the effects of social capital structure was evaluated by a questionnaire. Research has been done in Konya where the questionnaire is carried out on workers in family businesses which operates in the automobile industry. Employees’ emotional intelligence levels and levels of social capital is determined and the relationship between levels were determined and discussed in detail.

Key Words: Emotional Intelligence, Social Capital

1. Introduction

Family enterprises act on many fields today. The characteristic feature of family enterprises is that these organizations are founded by individuals from the same family who have blood tie. Therefore, some factors such as trust between members in the family enterprise, mutual dependency and mutual communication may realize strongly. These factors also serve basis for formation of a dense social capital in these enterprises. Because, social capital is a concept which arises based on mutual acquaintance relations. However, conflicts between family member roles of the individuals working in family enterprises against this specific nature may reveal significant management problems. Emotional intelligence appears as a concept which has an increasing popularity since 1990s and should exist in directors. Many studies conducted have suggested that emotional intelligence is effective on success of individuals and successful individuals who comply with the environment have both intellectual and emotional intelligence. Emotional intelligence includes many emotional factors as well as the intelligence. Therefore, it is a factor which is analyzed to assess private and family lives of the individuals.

In the present study, preliminarily, determination of emotional intelligence levels of personnel in family enterprises through definitive questionnaires and whether the emotional intelligence owned is effective on social capital.

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capital nature will be analyzed. Basic concepts will be explained in the first section and our questionnaire will be mentioned in the second section; our assessments will be specified in the last section.

2. Basic Concepts Related With The Subject

2.1. Family Enterprises

Family enterprises are organizations which may respond love and working desires and undertake locomotive role of economies (Kırım, 2000:1).

Although many researchers have already defined the Family Enterprises in the literature, the emphasized main point is composing a group of people with blood, unity and adaptation among them who has not only political, financial, knowledge ties but also has emotional tie. Family enterprises primarily compose three sub systems. Those are family, property and management. At the performed studies, generally the affect of characteristic features of the family on the work rather than affects of the family on the work has been examined. However each family enterprise includes own characteristic features of the family. Merely, it is not impossible to understand family enterprises only through this view of aspect (Labaki, Tsabari and Zachary, 2013:2-10).

The relations among the family members at the family enterprises are complex, based to mutual dependency and devotion but it is an interaction and interchange system that is often conflict to rationalism. Therefore, regarding to continuity of family enterprises, unity and devote among the family members is being considered as basic requirement. Family values and beliefs affect the way of performing the works at the enterprise, relations among the people, methods used at the order of performing the works, in another mean organization culture. At the same time, property and management association at the family enterprises causes more efficiency on the enterprise management resolution and activities for individual morality, value, belief and standards of ownerships (Özler et al.: 443).

The head of family and a family member becomes responsible at the family enterprises. The organization is generally begun by an entrepreneur from the family and then includes the family later. The property belongs to the family at family enterprises; the family affects the work, the work affects the family. The culture of the enterprise is mostly affected by the culture of the family. So, enterprises with dense social capital occur (Asunakutlu and Avcı, 2010:96-97).

Family enterprises include many negativeness due to its features. For example, family enterprises don’t have efficient and productive human resource. Many family enterprises assign anyone from the family members to the key positions without considering his/her ability, skills and experience so they don’t use personnel selection and assessment variables. This case causes nepotism among the personnel. Another main problem at the family enterprises is family and business concepts cannot be separated from each others. In this case, family problems and resolutions becomes integrated into enterprise problems and resolutions. Any conflict among the family may cause problems at the enterprise. At the same time, family enterprises are known with their conservative structures. Especially, the resist against to owner manager position change and refrain from getting risk. And conflicts may occur; when family members and enterprise interests don’t compromise in another mean family interests and enterprise interests are not considered and balanced separately and priorities are not determined (Arslan, 2006:27-40).

2.2. Intelligence

Lewis Terman has been expressed the 1920's intelligence concept as abstract thinking (Aslan, 2009:5-10). The intelligence is individual and global capacity through causing the individual thinking logically and coping with his/her environment affectively and making intentionally act the individual (Salovey and Mayer, 1990:186). Thorndike
defines the intelligence as reacting with good reflections and considers the intelligence within three frames. Those are abstract intelligence, mechanic intelligence and social intelligence. Social intelligence is thinking ability through using symbol. Mechanic intelligence is making and using tools-equipments and machines ability and social intelligence is compromising to social environment and building good relations with the people ability (Aslan, 2009:5-10). Thorndike’s social intelligence model composes theoretical infrastructure of emotional intelligence. In this model, understanding and sensation of others emotion ability has a separate feature from general intelligence (Gürbüz and Yüksel,2008:176).

2.3. Emotion

The emotion is considered as a factor having deep and power in Latin and is defined as a spirit that make act us (Cooper and Sawaf, 2000:xi-xii). Emotions are expressed as organized adoptive reflections including experimental psychological systems based to physiologic, cognitive motivation (Çakar and Arbak, 2004:27). Contrary to traditional thought, the emotions are neither positive nor negative. They mostly functionalize as sole and most powerful resource of human energy, sincerity and instinct and they present infinity of heuristical wisdom (Cooper and Sawaf, 2000: xii).

Emotion are intensive feelings against to someone or something. Emotion can be also expressed as orientation of individual against to nature and society (Özaslan et al., 2009:100).

2.4. Emotional intelligence

The studies about emotional intelligence in the literature have been begun to research why the individuals with high intelligence level are not always the best at both their private life and work life (Acar, 2002:55).

The thing that leads the individuals following to their potentials and targets, that actuates our sincerest values and missings and that turns what we think about them into living things is emotional intelligence. The reason of occurring the emotional intelligence is working of human’s heart contrary to decreasing affect of the logic (Cooper and Sawaf, 2000:xi-xii).

Emotional intelligence means smart using of the feelings (Weisinger, 1998:12). According to many people, emotional intelligence is expressed as combining of conflicts. Emotion and intelligence are contrary concepts and also it is thought that complex structure of feelings, thinking, deciding and being unconcern with working methods even being dangerous (Caruse ve Salovey, 2010:29).

Emotional intelligence is ability of perception, understanding and efficiently using as a resource of feelings’ power, fast sensation, human energy, relations and affects (Cooper and Sawaf, 2000: xii). Emotional intelligence skills are in synergy with cognitive skills. People with high performance have both of them.

Emotional intelligence composes five basic skills. Those are as follows; knowing self, management of feelings, motivation, understanding of others’ feelings and social abilities (Doğan and Demiral, 2007:214; Aslan, 2009:88; Tuğril, 1999:15-16; Yüksek Özdemir and Özdemir, 395).

3. Social Capital

Capital concept can be referred as asset stock that provides benefit flow like income and earning flow. Social capital is a concept composed with behaviors such as trust, mutual understanding and common values allowing cooperation and providing connecting the active relations among the people and human networks and groups to each other (Öğüt and Erbil, 2009:8-10).

“The social capital that is one of the most significant concepts of especially recent years is used as a key concept upon calling of Halpern 2007 at both understanding of sociological motivations under economy frame and understanding of social dynamics for specially sociology and generally social sciences” (Aydemir, 2011:51).

Social capital is a concept including some moralities such as working, cooperation, adaptation, honesty, common sharing, human relations, trust and social solidarity. Social capital suggests to share those social moralities by the personnel (Gerşil and Araci, 2011:41). Social capital theory gives importance to human relations and proposes that
the people can work together to realize what they cannot succeed as an individual or what they may succeed with great difficulties through developed relations among the people in time (Töremen and Ersözlü, 2010:33).

"Social capital makes an organization or a group in cooperation much more a thing that is individual society with intention to realize their special purposes. Social capital is a bridge that was built on distance between the people. Among the typical elements and indicators, you may find everything that make the individuals into a group through trust in high level, sound personal networks and live societies, understanding cooperation, equal attendance feeling for a common invention. Such kind of dependence supports cooperation, loyalty, fast access to knowledge and ability and regular organizational behavior” (Choen and Prusak, 2001:20).

3.1. Elements of Social Capital

The elements of social capital are facts that provide composing and developing social capital and that are resources with interaction among them and that can be result of social capital (Öğüt and Erbil, 2009:15).

The elements of social capital are as follows (Kapu, 2008:271-272; Karadogan Doruk, 2009:160-161; Choen and Prusak, 2001:51).

3.1.1. Interaction

One of the most emphasized facts of Social Capital literature is mutual relation or interaction way. It can be mostly referred as a combination of short term altruism and long term personal interest. In another means it can be explained that a service that is grant without any benefit can find its value in long term period. The people in societies including this understanding work for their benefits.

3.1.2. Trust

Recently, the trust has been used by the researchers as a key concept that examines the changes at the social structure, relations among the individuals, great social actions or economical relations and that leads the society through obtained results. Trust that is one of the most important dynamics of human relations and assumed to be exist naturally most of personal and professional relations is a field that cannot be seen but felt. The trust is subject to promising, committing and implementing to the counter party through behaviors, sayings or mimics. Also, trust is a thing that is produced, built, protected and sustained by inner consistency of individuals through committings, feelings. Trust is a precondition, indicator, product of social capital; there is benefit from trust also it provides obtaining other benefits. Social capital is based to trust. The relations, societies, cooperation and mutual dependencies that characterize the social capital cannot be exist without a reasonable trust level.

3.1.3. Social Norms

Social norms can be said as an informal social control style. The social norms that are not generally in written form decrease need of formal control styles or organizational legal punishments. On the contrary case, in a place with less social trust and social norms, the people can make cooperation under a system with formal rules and regulations. This case causes increasing the process costs.

4. Relation Between Emotional Intelligence And Social Capital

The most important two things that obtained in the life for many people are family and their business, job. The Family Enterprises that concludes those two elements have been examined in many studies. Because of including emotional dimension, Family Enterprises have so many different features than an ordinary enterprise (Kırım, 2000:1). The family is a unit where the individual meet to the world and at where he/she has the first and the most
affective property. Therefore, the role of the family is too important for development of the person at both psychological and physiological field. The family structure and values of the person have great importance at establishing a regular communication, determining the trust level to themselves and their environment. Because, the family provides to compose rules with social bounds and to establish social communication network for need of members. At the same time, the family is the first social organization in which family members are educated. Therefore, the first education having at the family is effective on both success of people at their formal education and developing their social capital (Karagül and Masca, 2005:44-45).

Family enterprises are managed by the people coming from the same family and continued during generations. Inner family social capital structure can be shown as resource of this structure. Because, shared vision is affective to create important benefits among the groups in long period and to compose organizational social capital at a family enterprise in which the enterprise and its members are shaped. Furthermore, so many points at family enterprises including norms, values, vision, purpose and trust are close related with social capital. Consequently, it can be said that the long term growing relations of the family is affected by social capital at the family enterprises. Therefore, social capital theory is one of the applied tools to determine potential areas to provide rivalry advantageous for those enterprises at the studies about the family enterprises. Social interactions, structures and bounds in the family can be effective to develop social capital (Carr, et al., 2011:1210).

Social capital provides great contribution to family enterprises. Family enterprises have highest social capital structure. Because of the structure of those enterprises and the family is the ideal environment for developing social capital. Family environment provides trust that is one of the important elements of social capital. The individual grows with awareness of shared norms and values in a family since his/her childhood. The individual becomes socialized at the family environment for the first time and so, a group with self sacrificing, generous and in solidarity is composed (Arregle et al., 2007:76-77).

5. Research

The objective of this research is assessing the emotional intelligence of personnel at the family enterprises on social capital. From this point of view, the application was realized on family enterprises active in automotive sector in Konya. Survey method has been used as research method in this performed research. The questionnaires have been applied to personnel under different titles and positions at the enterprises. The questionnaire composed two sections. The first section included the questions to determine demographic data, the second section included the questions to determine emotional intelligence level and the last section included the questions about social capital. The attendants of the questionnaire were requested to sign 5 likert type scale varying between "I don’t agree strictly (1) and ‘I certainly agree (5)’ to show their agreeing in which rate on the their judicial sentences 5 likert type scale. Each dimension close to highest value at the enterprise shows that this application is exist. Analysis of replies has been done through SPSS 16.0 program.

5.1. Findings

Meanings of the options at the inquiry are as follows: 1. I don’t agree strictly, 2. I don’t agree, 3. I’m indecisive, 4. I agree, 5. I certainly agree. Cronbach's Alpha value was used to determine reliability of scales at the study. Cronbach's Alpha value is between 0 and 1 values and reliability increases as much as reaching to 1. Through the answers of the participants at the inquiry, inter consistency coefficient of the scale was calculated and Cronbach-Alpha value was calculated as 0,71 for all of scale. Cronbach-Alpha value for Emotional Intelligence scale was calculated as 0,61 and Cronbach-Alpha value for Social Capital Scale was calculated as 0,75. The reliability analysis scale is a statistical analysis method with various variant that shows us priory how the scales gives consistent results. In this scale, we can say that the scale gave reliable results in % 70,6 (Cronbach’s Alpha) rate through replies against to 54 pieces questions which were asked in likert type.

Table 1. Demographic Features
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<table>
<thead>
<tr>
<th>Sex</th>
<th>Number</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Female</td>
<td>20</td>
<td>18.4</td>
</tr>
<tr>
<td>Male</td>
<td>72</td>
<td>47.6</td>
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<table>
<thead>
<tr>
<th>Age</th>
<th>Number</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>20-35</td>
<td>48</td>
<td>44.1</td>
</tr>
<tr>
<td>36-40</td>
<td>25</td>
<td>23.0</td>
</tr>
<tr>
<td>41 and over</td>
<td>19</td>
<td>17.4</td>
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<table>
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<tr>
<th>Education Situation</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school and Equivalent</td>
<td>36</td>
<td>33.1</td>
</tr>
<tr>
<td>University</td>
<td>42</td>
<td>38.6</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>14</td>
<td>12.8</td>
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</tbody>
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<table>
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<tr>
<th>Employment Period</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 years</td>
<td>11</td>
<td>10.2</td>
</tr>
<tr>
<td>6-10 years</td>
<td>44</td>
<td>40.4</td>
</tr>
<tr>
<td>11 years and more</td>
<td>37</td>
<td>34.0</td>
</tr>
</tbody>
</table>

According to Table 1, a great majority of the participants of the inquiry are male. 44.1% of the participants are 20-35 age group, 23.0% are 36-40 age group and 17.4% are 41 and over age group. It is seen that 33.1% of the participants are graduated from high school and its equivalent, 38.6% of participants are graduated from university and 12.8% of participants are graduated from post graduate. Regarding to employment period at the enterprise, it has been determined that the most accumulation was between 6-10 years and in 40.4% rate. The rate of participants between 1-5 years is 10.2% and the rate of participants 11 years and over period is 40.4%. Simple regression analysis was applied to test the hypothesis at the study.

**Hypothesis 1:** There is a meaningful relation between Emotional Intelligence and Social Capital.

**Dependant Variable:** Social Capital  
**Independent Variable:** Emotional Intelligence

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Capital</td>
<td>0.390</td>
<td>6.262</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The regression analysis results that was applied among emotional intelligence and social capital factor groups about testing the hypotheses have been given at Table 2 and Table 3. As it is seen at Table 2, value R is 0.433. this value shows that the relation has positive directions and medium intensity. Explanation level of Emotional intelligence on social capital, R² value was found as 0.188. explanation of Social capital by emotional intelligence is 18.4. Beta coefficient number is at 0.390 p<0.01 meaningful level, it has positive sign and has positive and
meaningful unity. According to those results “H1: There is a meaningful relation between emotional intelligence and Social Capital.” Hypothesis has been accepted.

7. Conclusion

This study has been determined affection of emotional intelligence on social capital structure that was recently researched so much. Emotional intelligence requires understanding of own feelings and thoughts of individual, understanding others’ feelings and thoughts; to put herself/himself instead of counter party and high communication ability. Social capital is a network based to mutual acquaintance relation, the relations are based to trust, norm and interaction. According to Akintayo et al. (2010) education is necessary for efficiently management of business and roles and emotional intelligence of any personnel who will be deployed should be measured. According to Arregle et al. , (2007), although the family enterprises are a sole company, they mentioned that those firms have social capital in two different norms. Those are social capital forms composed with family values and enterprise values.

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