



# Analysis of the Effect of Intellectual Intelligence and Emotional Intelligence in Improving Msme Business Success in Citraland Bagya City Medan

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## ABSTRACT

The purpose of this research is to find out how the influence given by intellectual intelligence and emotional intelligence in increasing the business success of MSMEs at the Citraland Bagya City Medan Complex. The research method that will be used is descriptive quantitative, while the data collection method used is a questionnaire which will then be measured with a Likert scale. The data analysis technique used is multiple linear regression analysis, partial testing, simultaneous testing and testing the coefficient of determination. The results of this study indicate that partially or simultaneously the variables of intellectual intelligence and emotional intelligence have a significant influence on the success of the UMKM business in the Citraland Bagya City Medan complex.

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## INTRODUCTION

Today's economic activity, both on a global and national scale, is experiencing a decline, and Indonesia is no exception. This condition is due to the fact that people are facing the Covid-19 pandemic. The decline in economic activity is unavoidable because the main focus of every policy taken by the government lies in health. The Indonesian government has made many policies such as Large-Scale Social Restrictions (PSBB) and the Enforcement of Community Activity Restrictions (PPKM) which have a direct impact on the decline in economic activity compared to conditions before the pandemic.

The decline in economic activity has an impact on the condition of entrepreneurs where many entrepreneurs experience a decrease in income and even losses. The impact of Covid-19 is becoming increasingly felt for the Indonesian people, especially in running the MSME sector, which has been the backbone of the economy as the sector that has been most affected. MSME is an abbreviation of Micro, Small and Medium Enterprises which can be defined as businesses run by individuals, households, or small business entities that can be located according to the needs of the entrepreneur.

Many complaints were received from MSME actors such as declining sales, difficulty in obtaining raw materials, and hampered distribution processes. As a result of this economic downturn, a number of countries are slowly implementing the new normal to push back the wheels of the economy where they are slowly starting to lift social restrictions in order to save people's jobs and restart economic activity. Indonesia is no exception where the government has started implementing the new normal. With the implementation of the new normal era, it is hoped that the economy will grow again and existing MSME businesses can start to run again.

Citraland Bagya City is a luxury housing complex that has beauty as well as a variety of unique housing. The complex has a lot of housing that can be used as an opportunity for entrepreneurs. Therefore, it is seen that more and more entrepreneurs are starting their business by offering various products that can be offered to consumers. However, in this case, not all of these businesses run smoothly because from the initial observations made, there are still some businesses that are not going well or it can be said that they have not succeeded in introducing their business which is for this reason because the intellectuals of the entrepreneurs are lacking in understanding their business. and also emotionally lacking in understanding the needs and desires of its consumers.

## RESEARCH METHOD

### Location and Time

The research locations are: Citraland Bagya City Medan. The research period starts from August 2021 to November 2022.

### Population and Sample.

The population is the whole subject or the totality of the research subject which can be in the form of people, objects or something that can be obtained and or can provide research information. The sample is part of the overall object under study which is considered to represent the entire population. Sampling research uses a certain technique so that the sample is as representative of the population as possible, which is called the sampling technique. The population used in this study were all MSMEs in the Citra Land Bagya City complex as many as 67 MSMEs. The sampling technique used is a saturated sample where the entire population will be used as the research sample.

### Method of collecting data

Data collection through questionnaires is done by asking questions to the parties related to the problem. A questionnaire is a collection of written questions to be answered by a group of research respondents. To assess respondents' responses, the author uses a Likert scale that uses several question items to measure individual behavior by responding to 5 choice points on each question item. Likert scale is a psychometric scale commonly used in questionnaires and is the most widely used scale in survey research. The Likert scale puts the response on a continuum. The following is an example of a Likert scale with 5 options.

- a. Strongly Disagree
- b. Disagree
- c. Ordinary
- d. Agree
- e. Strongly Agree

### Validity and Reliability Test

The item validity test is used to determine how accurate an item is in measuring what it wants to measure. Validity testing shows the level of validity of the measurement results of a questionnaire. To determine whether a questionnaire item is feasible to use or not, it is done by

testing the significance of the correlation coefficient at a significance level of 0.05 (5%) which means an item is considered valid if it has a significant correlation with the total score of the item. The data obtained need to be tested for accuracy and reliability so that the results of data processing can be more precise and accurate. Therefore, it is necessary to know how high the validity and reliability of the measuring instrument (instruments) used are. Based on the research, each questionnaire item variable was tested for validity, all questionnaires had met the valid criteria and were eligible to be used as questionnaires in further research. Meanwhile, in the reliability test, all questionnaire items are reliable variables and can be used as instruments.

## RESULTS AND DISCUSSIONS

### Normality Test

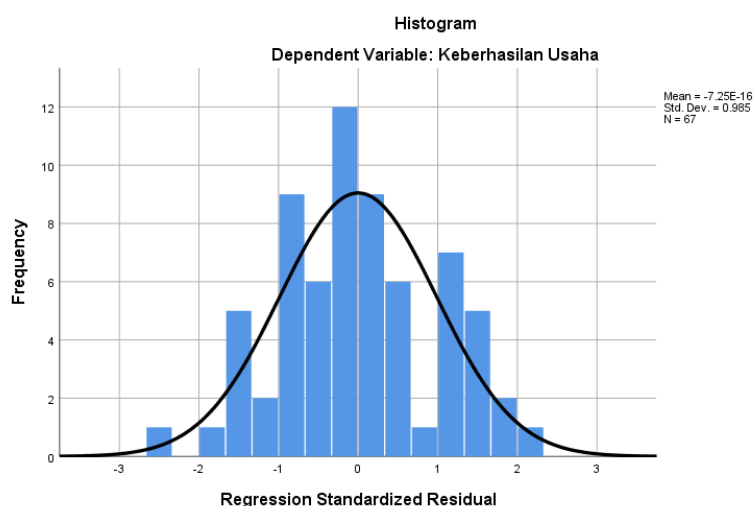
The residual normality test is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is to have residuals that are normally distributed. There are several methods to perform normality test such as histogram graph, normal probability graph regression plot and Kolmogorov Smirnov one sample statistic. The normality test is for screening the normality of the data with the aim that if there is normality, then the residuals will be normally and independently distributed. For testing the normality of the data, in this study the normality test will be detected through graphical analysis and statistics generated through regression calculations.

#### a. Histogram

For the measurement of data normality, if the histogram graph follows a normal curve that forms mountains or bells, the data will be normally distributed.

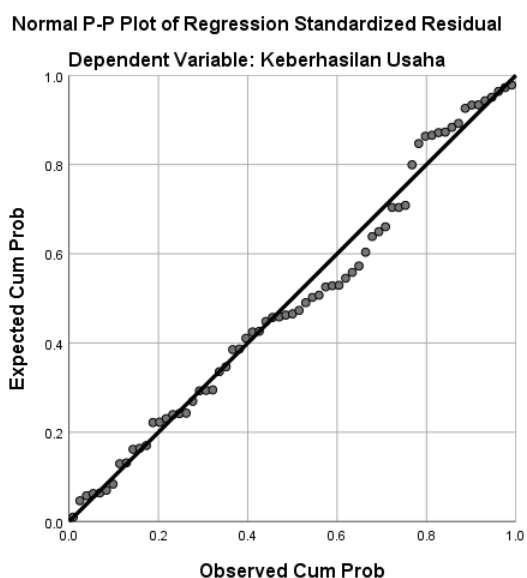
#### b. Normal Probability Plot of Regression

For normality measurement, if the form of the Normal Probability Plot of Regression graph follows a normal diagonal line, the data will be considered normally distributed.



**Figure 1.** Histogram Graphic

Based on the picture above, it can be seen that the line forms a bell, neither to the left nor to the right. This shows that the data are normally distributed and meet the assumption of normality.



**Figure 2.** Normal Probability Plot of Regression Graphic

Based on the picture above, it can be seen that the data (dots) spread around the diagonal line and follow the diagonal line. So from the picture it can be concluded that the residuals of the regression model are normally distributed. According to Jatmiko (2021:35), the normality test can also be done by looking at the normal distribution graph and by testing the Kolmogorov Smirnov Test with the following criteria.

- a. Significant number > 0.05 then the data is normally distributed.
- b. Significant number < 0.05 then the data is not normally distributed

**Table 1.** One-Sample Kolmogorov Smirnov Test

		Unstandardized Residual
N		67
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.19640985
Most Extreme Differences	Absolute	.083
	Positive	.083
	Negative	-.076
Test Statistic		.083
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Based on the table above, the results of the Kolmogorov-Smirnov normality test prove that the significance value is greater than 0.05, namely 0.200, so it can be concluded that the data is classified as normally distributed

**Multicollinearity Test**

The multicollinearity test is intended to test the regression model whether there is a correlation between the independent variables. A good regression model is a regression model in which there is no relationship between the independent variables. If there is multicollinearity, it can be concluded that these variables are not orthogonal. The orthogonal variable is the independent variable and the correlation value between the independent variables is equal to zero.

Multicollinearity is a condition in the regression model where there is a perfect or near perfect correlation between the independent variables where a good regression model should not have a perfect or almost perfect correlation between the independent variables. The test method commonly used is to look at the Tolerance and Variance Inflation Factor (VIF) value in the regression model where the VIF value is less than 10 and has a Tolerance value of more than 0.1

**Table 2.** Multicollinearity Test

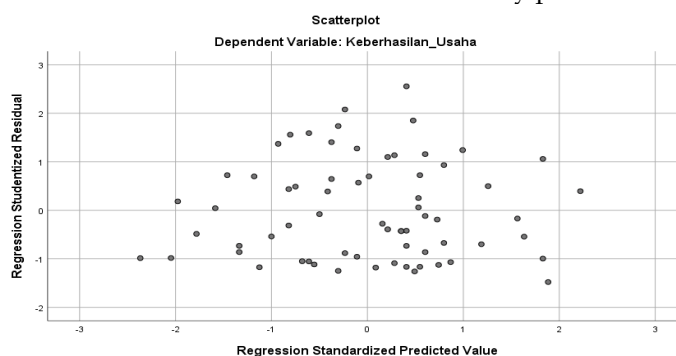
Model	Coefficients <sup>a</sup>						Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Tolerance	VIF
	B	Std. Error	Beta					
1 (Constant)	8.636	4.110			2.101	.040		
Kecerdasan Intelektual	.434	.092	.478		4.718	.000	.997	1.003
Kecerdasan Emosional	.353	.113	.317		3.125	.003	.997	1.003

a. Dependent Variable: Keberhasilan Usaha

Based on the table above, it can be seen that all variables have a tolerance value of more than 0.1 and a VIF value of less than 10 which can be concluded that there is no correlation between the independent variables in this study.

### Heteroscedasticity Test

Heteroscedasticity is a condition where in the regression model there is an inequality of variance from the residuals from one observation to another where in a good regression model there is no heteroscedasticity. There is a test that is used in general, namely the Scatterplots test which is carried out by seeing the pattern points on the graph spread randomly and not in the form of a pattern on the graph, it is stated that there is no heteroscedasticity problem.



**Figure 3.** Scatterplot Graphic

Based on the scatterplot graph presented, it can be seen that the points spread randomly and do not form a clear pattern and spread both above and below zero on the Y axis. This means that there is no heteroscedasticity in the regression model, so the regression model can be used to predict achievement based on input of the independent variable.

### Multiple Linear Regression Analysis

Multiple regression analysis is an analysis to determine whether there is a significant effect between two or more independent variables on one dependent variable. Regression analysis is a technique for building equations and using those equations to make predictions. Thus, regression analysis is often referred to as predictive analysis. Because it is a prediction, the predicted value is not always correct with the real value, the smaller the deviation level between the predicted value and the real value, the more precise the regression equation formed. Multiple linear regression

equation is a linear regression equation model with more than one independent variable. The general form of this equation is as follows.

**Table 4. Multiple Linear Regression Analysis Test**

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1 (Constant)	8.636	4.110			2.101	.040		
Kecerdasan Intelektual	.434	.092	.478		4.718	.000	.997	1.003
Kecerdasan Emosional	.353	.113	.317		3.125	.003	.997	1.003

a. Dependent Variable: Keberhasilan Usaha

$$Y = 8,636 + 0,434 X1 + 0,353 X2 + e \quad (1)$$

Based on the above equation, it can be described as follows:

- The constant ( $\alpha$ ) = 8.636 indicates a constant value, if the value of the independent variable (X1) is: intellectual intelligence and the variable (X2) is: emotional intelligence is worth 0, then business success is: still worth 8.636.
- The coefficient of X1( $b_1$ ) = 0.434 indicates that the intellectual intelligence variable (X1) has a positive effect on business success of 0.434. This means: for every increase in the value of intellectual intelligence (X1) by 1 unit, the value of business success will increase by 43.4%.
- The coefficient of X2( $b_2$ ) = 0.353 indicates that the emotional intelligence variable (X2) has a positive effect on business success of 0.353. This means: every 1 unit increase in the value of emotional intelligence (X2), the value of business success will increase by 35.3%.

**Coefficient of Determination**

The coefficient of determination analysis measures how far the model's ability to explain the variation of the dependent variable. The value of the coefficient of determination ranges from 0 to 1. A small value of the coefficient of determination indicates the ability of the independent variables to explain the dependent variable is very limited. On the other hand, the value of the coefficient of determination which is large and close to 1 indicates that almost all the information needed to predict the dependent variable is. The fundamental weakness of using the coefficient of determination is the bias towards the number of independent variables included in the model. Each addition of one independent variable, the value of the coefficient of determination must increase no matter whether the variable has a significant effect on the dependent variable. Therefore, it is recommended to use the adjusted R2 value when evaluating which regression model is the best. Unlike the coefficient of determination, the adjusted R2 value can increase or decrease if one independent variable is added to the model.

**Table 5. Model Summary<sup>b</sup>**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588 <sup>a</sup>	.345	.325	2.230

a. Predictors: (Constant), Kecerdasan Emosional, Kecerdasan Intelektual

b. Dependent Variable: Keberhasilan Usaha

Based on the table above, the Adjusted R Square value or the coefficient of determination that has been correlated with the number of variables and sample size so as to reduce the element of bias if there is an additional variable or additional sample size obtained is 0.325. This means that the influence of intellectual intelligence and emotional intelligence on business success is: 32.5% and the remaining 67.5% is influenced by other factors originating from outside this research model such as: self-efficacy, motivation, enthusiasm, education, training and other variables.

### Simultaneous Hypothesis Testing (F Test)

The F test or regression coefficient test is used to determine whether the independent variable simultaneously has a significant effect on the dependent variable. In this case, to find out whether the independent variable simultaneously has a significant effect or not on the dependent variable. The test uses a significance level of 0.05. In this study, the value of  $F_{count}$  will be compared with the value of  $F_{table}$ , at a significant level ( $\alpha$ ) = 5%. The criteria for evaluating the hypothesis in this F test are:

$H_0$  is accepted if:  $F_{count} < F_{table}$

$H_a$  Accepted if:  $F_{count} > F_{table}$

**Table 6.** Anovaa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	167.870	2	83.935	16.871	.000 <sup>b</sup>
	Residual	318.398	64	4.975		
	Total	486.269	66			

a. Dependent Variable: Keberhasilan Usaha

b. Predictors: (Constant), Kecerdasan Emosional, Kecerdasan Intelektual

Based on the table above, it is known that the value of  $F_{count}$  (16.871) >  $F_{table}$  (3.13) with a significant level of  $0.00 < 0.05$  so it can be concluded that there is a significant influence between intellectual intelligence and emotional intelligence on business success.

### Partial Hypothesis Test (t Test)

This t test is also called a partial test, this test aims to test the partial significant effect between the independent variable and the dependent variable. In this study, the calculated t value will be compared with the t table value, at a significant level ( $\alpha$ ) = 5%. The test uses a significance level of 0.05 and a two-tailed test. The criteria for evaluating the hypothesis in this t-test are:

$H_0$  Accepted if:  $t_{count} < t_{table}$ ,  $H_a$  Accepted if:  $t_{count} > t_{table}$ .

**Table 7.** Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.636	4.110		2.101	.040		
	Kecerdasan Intelektual	.434	.092	.478	4.718	.000	.997	1.003
	Kecerdasan Emosional	.353	.113	.317	3.125	.003	.997	1.003

a. Dependent Variable: Keberhasilan Usaha

Based on the table above, it can be seen that:

- In the intellectual intelligence variable ( $X_1$ ) it can be seen that the value of  $t_{count}$  (4.718) >  $t_{table}$  (1.996) with a significance of  $0.000 < 0.05$  so it can be concluded that there is a positive and significant influence between intellectual intelligence on business success.
- In the variable of emotional intelligence ( $X_2$ ), it can be seen that the value of  $t_{count}$  (3.125) >  $t_{table}$  (1.996) with a significance of  $0.003 < 0.05$  so it can be concluded that there is a positive and significant influence between emotional intelligence on business success.

## CONCLUSION

The conclusions that researchers can draw from the results of this study are as follows: Emotional intelligence has a positive and significant effect on the success of the UMKM business in the Citraland Bagya City Medan complex. Emotional intelligence has a positive and significant effect on the success of the UMKM business in the Citraland Bagya City Medan complex. Intellectual

intelligence and emotional intelligence have a positive and significant impact on the success of the MSME business in the Citraland Bagya City Medan complex.

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