The Role and Importance of Emotional Intelligence in Knowledge Management

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Abstract:

Knowledge management is the main component of a knowledge-based society. Learning organizations are aware of the potential that lies in human resources, and are prone to developing new concepts of leadership, where hierarchy and pyramid structured decision making no longer play the main role. The new concept is built on a partnership between professionals from different sectors of the organization. Partnership alliances depend on the quality of human relations. We suggest that emotional intelligence enhanced with new concepts of leadership increases generating and transfer of knowledge. The study has a qualitative approach taken through interviews that were conducted with top management to investigate the role of emotional intelligence and its impact on management in correlation with sharing knowledge. The findings confirmed our hypothesis since research has shown how the leadership strategy reflects on the input of employees, and the way resulting in stimulation or discouragement of the transfer of knowledge in the organization.

Keywords: Knowledge, Emotional Intelligence, Leadership, Human Resources, Organization, Employees.

Introduction

Modern ways of doing business are changing considerably from the original structure which was initially based solely on an authoritarian model of leadership. Experts believe that the integration of the personal potential of an individual plays a significant role in developing a successful management style. Referring to human relations, success depends on recognition and awareness of our emotional reactions towards obstacles and conflict situations. The intensity of conflicts reflects on the organizational climate within the company, and the quality of relations between individuals. In this paper, we will identify and examine dimensions of emotional intelligence, and its impact on leadership and creative decision-making, while trying to encourage the Board of Executives for using more innovative decisions concerning human resource management. Emotional intelligence serves as an added value in leading people. Emotionally intelligent abilities are not innate gifts, but learned skills, and each of them contributes in its way to more effective management.

Knowledge management

Knowledge management is by definition part of the overall management process that focuses on systems analysis, acquirement, creation, development, storage and use of knowledge. Its main purpose is to maximize human capital to the extent where we can transform it into structural capital, a part of intellectual property which allows organizations to develop competitive advantages and efficiently
achieve goals. Intellectual capital can be parted into two crucial segments which are also really important for understanding the meaning of knowledge. First segment belongs to employees, and after finishing work and leaving the office, they strike it home with them. We make it as human capital. Second part of this segment belongs to the governing body and stays in that location even after employees leave work. We bring up to it as structural capital. Thus, we can conclude that knowledge of employee presents only a percentage of the entire intellectual capital and overall knowledge, taking a larger position.

**Objectives**

There are two objectives of the research paper. They are –

1. To find the relationship between emotional intelligence and knowledge management.

2. To find the impact of emotional intelligence and knowledge management.

**THE CORRELATION BETWEEN LEADERSHIP SKILLS AND KNOWLEDGE MANAGEMENT**

Knowledge management is the center of all strategic planning on how to increase the value of human resources while trying to conduct the most effective form of stimulating their potential. From a manager’s perspective, knowledge, its effective use, and integration in all pores of the work process stand for a corporal value that must be nurtured and respected. Effective leadership and management skills that reflect a successful stimulation of generating new knowledge, transfer of knowledge, and other knowledge-based processes delineate the company as a learning organization. Knowledge, like innovation and creativity, needs to be encouraged and stimulated inappropriate ways, it can not be produced on command. Commitment to acquiring new knowledge is related to the quality of interpersonal relations. Those relations rely to a great extent on the emotional intelligence of key individuals. They create synergistic effects at all levels of the organization, which leads to enrichment of intellectual capital while allowing a transparent flow and transfer of knowledge through different sectors of the organization.

H1: Knowledge Management and Organizational Performance are significantly and positively correlated with each other.

**Observation**

H1: there is significant and positive relationship between Knowledge Management and Organizational Performance also support H1. As Knowledge Management improves the organizational knowledge, and significantly affect the performance of organization and also enhance the quality and effectiveness of products.

**Design of the study**

A research design is the arrangement of conditions for collection and analysis of data. This study is descriptive as the study describes the emotional intelligence of the business executives working across various sectors in and also seeks to explore and measure the effect of emotional intelligence on job stress and job performance of the business executives. The purpose of current study is to investigate the
affiliation of Knowledge Management and Emotional Intelligence on Organizational Performance. The study is descriptive and quantitative in nature.

EMOTIONAL INTELLIGENCE SCALE

To measure the emotional intelligence of the respondents Emotional Intelligence Scale developed by Hyde, Pethe and Dhar (2002) was used. The scale consists of 10 factors having 34 items with reliability of 0.88 and validity 0.93, standardized on the Indian population. It is used to measure the level of emotional intelligence. The items of the scale are directly related to the concept of emotional intelligence. It includes self-awareness, empathy, self motivation, emotional stability, managing relations, integrity, self-development, value-orientation, commitment and altruistic behavior. The respondents were required to respond to each item on a 5 point Likert scale.

Conclusion

The main objective of this study was to outline new dimensions of leadership practice, which incorporate elements of emotional intelligence in order to strengthen mutual relations and employee loyalty. The analysis provided evidence that this creates an organizational culture, which is based on knowledge and trust and which allows and encourages knowledge sharing among employees. Top management is responsible for creation of company’s culture, therefore their strategy must not be focused on retention of knowledge by individuals who feel threatened and consequently have low level of confidence. The primary task of all line managers focuses on promoting the emotional potential of employees, whereby each participant provides a unique contribution to overall team performance in accordance with its capabilities. This promotes synergy instead of leading to conflicts and competitive behavior. The survey also indicates the importance of developing leadership competencies, since all line managers must be able to recognize the potentials and limitations of their team members, which could then be systematically developed in the areas, where such progress is needed. Our overall conclusion states, that emotional intelligence, which starts on top with the Head managers and CEO’s and operates throughout the company, affects all levels of the organization. Obtaining employee commitment to achieve common objectives remains an art of those managers who have internalized the desire to continuously develop their leadership potential and create synergistic effects that can be noticed and measured in the entire organization.

FUTURE RESEARCH ON EMOTIONAL INTELLIGENCE

As emotional intelligence may provide a theoretical account for organizing personality, it may also indicate an outline for personality researchers who study emotion. Investigators may wish to analyze emotions in the ego, the appraisal of others' emotions, the ways in which emotion is regulated, or the adaptive functions of emotion. Merely, in addition, others may take a research scheme that requires the identification of emotionally intelligent individuals through the utilization of laboratory tasks or conventional scales. They might as well study the acquisition of emotionally intelligent skills and interventions to encourage them. We would hope as well that researchers in this area might examine the part played by emotional intelligence in understanding other complex social processes such as the growth of friendships and other close relationships. In the close, by distinguishing the contribution of
emotional intelligence to a healthy personality, and how to foster it, we may come to recognize advantageous qualities or needed alterations in social establishments and ethnic exercises.

References