

Emotional factors of organization's knowledge sharing systems

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Abstract

Nowadays to create a knowledge management system has a pressing expectation in the life of companies. Organizations have to satisfy for a lot of demands and prerequisites to make an operable system which can support management, and which can realize a business success. But there is a problem in the operation of companies, which is very complex, influenced by the organizational culture, by the leadership and by the people's attitude. This complex phenomena can obstruct knowledge acquisition and sharing which are the basic elements of knowledge management systems. It means to arrange that the emotional intelligence of organizations can facilitate their business success.

Key words: emotionally intelligent organizations, emotional intelligence, organizational success

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Introduction

Today, when the acquisition of the most modern manufacturing processes, the latest technologies are equally available for all market participants, the only component which provide truly effective and sustainable competitive advantage in the system is nothing more than knowledge of the members of the organization. The company's unique knowledge means their competitive advantage in order to keep their customers for a long time. That is common knowledge of the members of organizations which is the key to create and preserve their competitiveness.

Emotional intelligence can help in forcing this competitive advantage. The possession of emotional competencies can create effective collaboration among people and organizations.

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The organization's emotional intelligence could affect on recruitment principles of the organization, on their team effectiveness, on project work methodology, organizational communication and creation of synergies. It can give opportunities for operating ongoing processes more conscious and purposeful, for promoting a more dynamic transformations. (Balazs, 2014) At the same time it contributes to the deployment of organization's knowledge management system.

1 Emotional intelligence of organizations

Emotional intelligence is "the ability of organizations to be sensitive and humane for their employees, customers and suppliers, for all partners during achieving their objectives, helps them to change their operation, to be responsible for employees, for the environment and for society." (Göndör, 2006) The manager's job is to steer the organization in the right direction, to monitor the inviolability of shared values and equality.

Bureaucratic methods are no longer justified. They are replaced by networks, teams. Instead of hourly wages specific ownership benefits are typical with liquefied careers and lifelong learning. The organization's emotional intelligence contributes to higher employee satisfaction, which brings out the most from people and increase their loyalty to their company. With this, the company can gain a unique competitive edge. The developed emotional intelligence enhances the resistance ability and promotes growth of organizations. (Goleman, 2004)

While many books have been published in this subject, most of them are based on the interpretation of Daniel Goleman (Goleman, Boyatzis, McKee, 1992). In these books three different views have emerged: in the first emotional intelligence of organizations is evaluated as the sum of its members' emotional intelligence, in the second view emotional intelligence of organizations is measured as the leader's emotional intelligence, and in the third emotional intelligence means the relationship with the organizational environment, organizational culture, organizational conflicts which may contribute to the dynamism of organizational processes. (Balazs, 2014)

2 Organizational and individual emotional intelligence

Nowadays emotional competencies are necessary for operating companies. Emotional competencies are based on emotional intelligence and contribute to the outstanding work and power. (Goleman, 2004) So using emotional competencies we can distinguish between

persons with average or high-performance. Goleman (2004) divided emotional competencies into four ranges:

- Selfawareness: to know how we feel,
- Self-controll: the ability to regulate our own emotions,
- Social skills: the ability to identify and interpret other people's feelings,
- Relationship management skills: ability to influence other people's feelings.

Each range sets out emotional competencies that should be acquired for outstanding job performance. In his research (Goleman, Boyatzis, McKee, 1992) 19 emotional competencies were identified (Table 1). He determined that for successful work six emotional competencies are enough from different ranges.

Table 1: Emotional competencies by Goleman

	Ourselfs – Personal competencies	Others – Social competencies
Identification	Emotional awareness Accurate self-assessment Self-confidence	Social awareness Empathy Political awareness
Regulation	Self-control Trustworthiness Conscientiousness Adaptability Initiative Result-oriented	Relationship management Develop others Influence Communication Conflict management Leadership Change catalyst Building bonds Teamwork and cooperation

Source: Own edition on the basis of Goleman’s model (Goleman, 2004)

If the company’s emotional intelligence is the sum of emotional intelligence of individuals we can increase the organization's EQ in two ways: 1. to hire people who are emotionally intelligent, 2. to develop emotional intelligence of existing members. However, since Belbin’s model for teamwork we know that community is more than the sum of its members (Lencioni, 2009), so companies who employ emotionally intelligent persons, or send their staff on trainings are not necessarily become emotionally intelligent organization.

3 Relationship between emotional intelligence and organizational culture

The primary purpose of organizational culture is establishing the integrity, supporting external adaptation, and reducing the uncertainty of organizational members. It includes the basic assumptions that are invented, discovered or introduced by the group in order to achieve the common goals effectively and efficiently. (Schein, 1985) Its role is to be a kind of glue that

holds together the organization with developing a common language and frame of reference. The organization's specific cultural aspects play important roles in the company's emotional intelligence, (Gardner, 1999) support the organization's external adjustment, orientation and predictability.

In the emotionally intelligent organization respect, understanding, recognition, trust and appreciation will be the main values. With this values the organization will become an energetic, dynamic organization with good communality. Employees will be more motivated will have the ability to learn more, will increase their satisfaction levels and reduce stress factors, which will result in a clear improvement of performance and make a success for the company. (Nagy, 2010) These values can differentiate successful businesses from the average or unsuccessful organizations.

4 Role of leaders

The possession of emotional competencies does not mean that the organization can utilize it. Individual susceptibility to use of our emotional intelligence is influenced by our boss. The leader contributes greatly to the development of organizational climate. He gives behavior patterns for his staff, he can stimulate them, but also may hinder the operating mechanism of the organization, so his emotional intelligence - even unintentionally -affects on its performance and success.

The results of an international research, - conducted in 1996 by The Hay Group - which investigated 3871 leader outlined six efficient leader mode. These are: visionary, coaching, affiliative, democratic, pacesetting, commanding. The first four of these can increase performance, but the last two are useful only in special situations. The most important lesson, however, was that the leaders never used just one style, but often change it from one to another according to the requirements of the particular business situation.

So we can say that organizational emotional intelligence based on three major factors according to the literature, on the one hand it is influenced by the culture of the organization, on the other hand by leaders' and employees' emotional intelligence. However, the three factors cannot separated from each other. However, while our examination of emotional competencies a question was raised: most of the skills can be adapted to a higher (organizational) level. The idea is not new, but no one has used them at organizational level yet. The organizational emotional intelligence does not equal with the sum of emotional intelligence of employees and leaders. We have to examine the emotional competencies such as specific skills and properties of organizations.

4 The model of emotionally intelligent organization

Vanessa Druskat (1996) – based on Goleman's work - has explored the emotional intelligence of groups for years. We want to examine the same factors at the organizational level, and it is assumed that the organizational emotional intelligence depends on the followings:

- The individual emotional intelligence of employees,
- Emotional competencies in the organization,
- The leadership style and his emotional intelligence,
- And the organizational values and organizational culture.

We have already presented three of the elements earlier, the emotional competence of organizations can be formulated as follows:

1. Organizational self-awareness: the identification of internal status, resources, preferences and knowledge of organizations. To do this, however, clear vision and organizational goals are essential. Ability to self-assessment can also be classified into this dimension, which represents the detection of company's strengths and weaknesses. To know how good is an organizations in what it does, it should compare itself with others. (Festinger, 1954) The organization's self-esteem is often realized on the comparison with other organizations. Feedback and constructive criticism support the awareness of an organization. Feedback can be a good basis of continuous improvement (McIntyre - Salas, 1995): it can draw attention to the problems. (Nadler, 1979)
2. Organizational self-control: the ability to grow and create a favorable condition. Self-control means that the organization is capable to modify and change. Self-control directly affects on the decisionmaking process of az organization. (Holmer, 1994) A high-performing organization is able to solve and resolve problems because they have the ability to learn from mistakes. Failures are interpreted as an options to learn. (Edmonson, 1999) Self-control includes also the ability of self-regulation, which is a proactive problem solving method. (Druskat, 1996) It involves the initiative activity to resolve issues but it also includes the organization's innovativeness. This dimension contains the organization's adaptability, which does not express only the alignment with external market environment, but the ability to perform projects parallel. We can classified to this dimension also the organization's reliability and ethical behavior. The

high-performing organizations are responsible for their product / service, for careful adherence of deadlines and for assurance of quality as well.

3. Organization's social skills: it includes three competences. The political awareness refers to the ability of the organization to be able to understand the social and political system. This competency contributes to be a part of corporate networks and coalitions which can significantly increase their influence. This skill can support organizations when external resources are needed. Empathy can be classified to this dimension too. It can help to accept diversity and reject stereotypes. (Steele, 1997) It implies that the organization is able to recognize the needs of others, but this requires that the organization already has self-consciousness. This competence is important in order to be able to establish contact with others, which has been presented in the following competency: client-orientation. The emotionally intelligent organization promotes active communication with clients, strives to identify their needs and expectations. With this companies can sell more which means higher revenue and benefit.
4. Relationship management skills: a set of social skills that help to develop links with other organizations in order to ensure their success. Its tools: effective communication, persuasion, thereby informing other organizations of our activities. The high-performing organizations seek to develop their employees, enhance their commitment, encourage them to work in teams, stimulate the flow of their knowledge among its members and share their experiences. Appropriate performance management can contribute this which emphasizes the lifelong learning, the need for continuous improvement among its employees. The ability of influence can be classified also in this dimension, which may contribute to the strengthening of cooperation. Communication is essential for the success of organizations. This effective communication includes the ability to listen to the customers, to be receptive to their opinions even it is bad for the organization. To listen and be empathic are essential things to deal with difficult persons and difficult situations, or conflicts. The encouraging of debates and openness for discussions support effective conflict resolution and building long-term and fruitful business relationship. (Ganesan, 1993)

5 Research methodology

How can we build an emotionally intelligent organization? In order to answer this question, empirical research has been conducted. With the empirical research our main goal was to analyze individual and collective abilities which may contribute to build competitive

advantage on the knowledge of individuals. We wanted to outline a practice which describe the optimized path to emotional intelligence. To justify this we conducted quantitative and qualitative research among companies in Hungary. In the first part of our primary research survey was carried out to examine the emotional intelligence of companies. The survey was launched between May and September 2013. During this period, approximately 500 questionnaires were sent out. A total of 227 questionnaires were returned, and after a short control 214 questionnaires were involved in our study. Based on the results of the investigation of the qualitative part of the research we use document analysis, depth interviews and direct observation to analyze the operate of 16 companies, who met the criteria for emotionally intelligent companies, and possessed significant parts of emotional competencies. Based on the results of this latter, explanatory research we could outline the process of becoming emotionally intelligent organization.

6 How to build emotionally intelligent organization?

Self-awareness and self-control consist of competencies which can easily untraceable in the organization. They are so called hard factors, their existence can justifiable with written forms, documents, such as the organization's strategy, operational processes, market benchmark documents, SWOT analysis, mission and vision, organization chart and scenarios for emergencies, which are all parts of the organizational policy. However, we should examine also the organization's social skills and networking ability, the so called soft factors which can only be examined with participation in the companies' everyday life.

As in Goleman's model of emotional intelligence, we tried to identify two groups for social skills group, but we have made a very important observation. Social skills and relationship management skills have to be examined through two very distinct entities. While social skills and relationship management skills were not significantly different from each other at the organizational level, organizations have to deal with their external and internal partners very different, communication, influence and conveyed values also very different. This means that we can test separately the companies' relationship with internal customers, ie, employees, and its relationship to external customers, or partners (including suppliers, customers, competitors, and public as well). On this basis, therefore, the organizations have to acquire emotional competencies in the following three dimension: organizational policy (encompassing both the organizational self-awareness and self-control as well), relations with the staff and relations with partners (as you can see Table 2).

Table 2: Emotional intelligence of companies

Emotional intelligence of companies			
Organizational policy	Relations with the staff	with	Relations with partners

Source: own edition

The results of our empirical research showed that to become an emotionally intelligent organization we have to follow the next steps:

1. Emotionally intelligent manager: Without corporate management the need for emotional intelligence does not even conceived. Without the support of leaders a cultural change as it won't get attention from leaders on meetings. Therefore, in order to become emotionally intelligent organization the first step is to develop the emotional intelligence of leaders. In an emotionally intelligent organization the leader encourages innovative ideas, monitors the deadlines, builds confidence, and above all be proud and loyal employee of the company.
2. Development of organizational policy: involves the possession of organizational self-awareness and self-control competencies. These are hard factors, which are variable by the emotionally intelligent leader during less time than other competencies. It is a part of showing good examples. We can set and communicate the goals before the starting of deep changes. To develop an emotionally intelligent organization the first step is the formulation of strategic goal, then mission, the investigation of market, the analyzing of internal environment, strengths and weaknesses of the organizations. To this end leaders look for feedbacks from customers and market, observe the steps of their competitors, analyze the errors arising in the organization, try to learn from problems and training employees.
3. Possession of competencies to contact staff: because in this group has tested soft factors, acquirements of them takes longer time than creating and acceptance of the strategy. Some factors, such as design incentive and recognition system, clarify jobs and responsibilities, designate individual targets, can be monitored easily. While the control of other factors need more time, such as to verify the relationship between the boss and employees or the level of confidence. To deepen this relationship, to grow employees' loyalty development of emotional competencies is necessary. It can help

to develop knowledge and skills continuously based on internal motivation. It can support seeking cooperation with colleagues and customers. The leader inspires his subordinates with varied and diversified tasks, in addition to the emphasizing of the importance of quality and results. They stimulate the cooperation among colleagues, and measures/ rewards successes.

4. Possession of competencies to contact partners: it can only be achieved if the employee is sufficiently loyal and motivated. Because the quality of the product / service depends on the employees' performance, which is the main factor of influencing customer satisfaction. However, during the operation of a company they are in relation not only with customers, but also with suppliers, partners and public. They have to influence not only the opinions of customers, but also must win the support of other partners with advantages, discounts. It must obtain their recognition too. Communication and understanding of the needs, the persuasiveness, meeting deadlines, but also clear and consistent actions play important roles in this factor. The company must guarantee the quality of products, strive to improve the customer experience, and where it is appropriate, the professional crisis management. They should seek to develop in parallel wider partnership and cooperation network.
5. Emotionally intelligent organizational culture: for the change of this long time is necessary, so cultural change is on the top of the stairs. Emotional competencies will lead the organization to the open atmosphere, but to maintain it the eliminating of traditional organizational structure is necessary. Its important factors are: flat organizational structure with weak hierarchical system, members of the organization are involved in decision-making in order to become more loyal for achieving our results. In an emotionally intelligent organizational culture the employees feel that their work is necessary for the company. Based on our research it is also outlined that the elements of the emotionally intelligent culture are similar with the characteristics of the learning organizational culture. So emotionally intelligent organization provides a good breeding ground for deployment of knowledge management system.

Conclusions

The development of knowledge management systems, especially knowledge sharing is important in terms of the success of the organization. Because implicit knowledge which can be found in the organization can not be copied by competitors, so it can provide long-term benefits for the company. However, knowledge which is hidden in the human brain, are not

be fully utilized. We should seek to "storage" it as widely as possible! To achieve this emotional intelligence would help us. In order to support the flow of knowledge we need to ensure the design of emotionally intelligent organization, thereby ensuring that all internal organizational communication channels should be kept open. To do this it is necessary to establish the appropriate organizational culture. It is an important factor to change the staff's attitude to knowledge. Employees must realize that sharing of their knowledge facilitates their work as well. The leaders have a great responsibility in this. The management needs to improve the ways in which knowledge can be shared, and priority should be given to the employee's ideas, suggestions and discoveries. Key to this is the existence of organizational emotional competencies, particularly the ability of empathy by hearing and understanding others.

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