



Emotional Intelligence and Its Role in Knowledge Management: Effects on Organizational Learning and Business Performance

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ARTICLE INFO

Article History:

Received: February 10, 2025
Revised: March 14, 2025
Accepted: March 16, 2025
Available Online: March 17, 2025

Keywords:

Emotional Intelligence, Knowledge Management, Organizational Learning, Business Performance, SMEs, Correlation Analysis, Leadership Development

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ABSTRACT

This study examines the relationship between Emotional Intelligence (EI), Knowledge Management (KM), and Organizational Learning (OL) in the context of small and medium-sized enterprises (SMEs) in Pakistan. Data were collected through a self-administered questionnaire from 198 SME owners under the assistance of a quantitative research design and validated through correlation, regression, and t-tests. The findings reveal a statistically significant but weak relationship between EI and KM ($r = 0.163$, $p = 0.022$), which shows that emotionally intelligent employees are most likely to have knowledge-sharing behavior. EI, however, does not predict OL significantly as evidenced by the regression analysis ($p = 0.171$), suggesting other factors affecting learning flexibility in SMEs. The study presents the need for leadership development, systematic learning frameworks, and technologically based knowledge management systems in order to sustain business performance enhancement. These empirical findings provide evidence-based implications to SME owners, policymakers, and researchers to devise more holistic approaches integrating EI, KM, and OL towards enduring business sustainability.



1.0 Introduction

In the rapidly changing, fast-paced business environment of today, organizations need to constantly change, innovate, and utilize knowledge in order to survive. Knowledge Management (KM) has emerged as a strategic means to facilitate the creation, sharing, and utilization of knowledge within organizations. Technology infrastructure and formal processes are significant components of KM, but human factors—especially EI—are increasingly becoming a key factor in maximizing knowledge-related processes. Emotional Intelligence, consisting of self-awareness,

self-regulation, motivation, empathy, and social skills, enhances healthier interpersonal relations and a cohesive work culture. Higher EI employees are more effective at knowledge sharing, conflict resolution, and decision-making, which collectively enhance the greater efficiency of organizations' learning environments. The relationship between EI and KM directly affects Organizational Learning (OL) and has impacts on how firms acquire new knowledge, generate creative solutions, and enhance performance overall. Additionally, the integration of EI into KM strategies not only improves business performance through enhanced employee motivation and leadership performance but also improves flexibility in dynamic markets. This research paper examines the complex interplay between Emotional Intelligence and Knowledge Management and its organizational learning and business performance consequences. Understanding how EI affects a knowledge-based culture can allow organizations to develop better management processes for long-term success.

In the contemporary business world, organizations rely extensively on knowledge as a key asset to facilitate innovation, enhance decision-making, and maintain competitiveness. Knowledge Management (KM) is the primary activity of facilitating the generation, structuring, sharing, and utilization of knowledge within organizations (Mubeen et al., 2016). However, in addition to technology and structure KM drivers, there are human elements—namely Emotional Intelligence (EI)—that contribute significantly to the success of knowledge processes. Emotional Intelligence, which includes self-awareness, self-regulation, motivation, empathy, and social skills, is one of the main facilitators of how individuals collaborate, communicate, and exchange information within an organization (Nanayakkara et al., 2018; Afaq et al., 2022). Studies show that workers high in emotional intelligence are more likely to engage in knowledge-sharing, leading to organizational learning and business results. This research examines the intersection between Emotional Intelligence and Knowledge Management and its implications for Business Performance and Organizational Learning. With the understanding of such intersections, businesses can develop strategies to enable emotionally intelligent employees that will produce enhanced knowledge flow and innovation (Shafait et al., 2021).

1.1 Understanding Emotional Intelligence

Emotional Intelligence (EI) refers to the capability to know, understand, and control one's emotions and to empathize with others and affect their emotions (Khalil & Mehmood, 2018). It is a major contributor to work relationships via communication, leadership, and collaboration. The term was later publicized by (Shariq et al., 2019), who stipulated five core elements of EI: self-awareness, self-regulation, motivation, empathy, and social skills. Self-awareness helps people understand their emotional states and how these affect others, while self-regulation helps keep impulsive responses in check. Motivation, usually intrinsic, helps people achieve work and stay goal-focused despite adversity. Empathy helps people grasp others' emotions, leading to successful relations between people, while social skills help build cooperation and conflict management (Pradhan et al., 2017).

Research has proven that Emotional Intelligence is closely linked with job performance, leadership ability, and teamwork (Rechberg, 2020). Employees with high EI are likely to handle stress more effectively, solve conflicts more diplomatically, and foster a healthy work environment that encourages teamwork. In knowledge-driven organizations, these employees play a significant role in ensuring effective practices of knowledge transfer as they can easily communicate ideas and trust others and also manage change effectively. Organizations that build EI through training and

organizational development initiatives can enhance team functioning, employee morale, and ultimately enhance overall organizational effectiveness (Lazovic, 2012; Shafait et al., 2021).

1.2 Knowledge Management and Its Importance in Organizations

Knowledge Management (KM) is an organized process of acquiring, storing, disseminating, and using knowledge to achieve maximum organizational performance (Ghosh et al., 2012). Organizations that effectively implement KM gain a competitive advantage in terms of improved innovation, decision-making, and operational efficiency. KM entails four fundamental processes: knowledge creation, knowledge storage, knowledge transfer, and knowledge application (Chiva & Alegre, 2008). These processes ensure that useful know-how and knowledge are not lost but instead are incorporated into an organization's learning system and decision-making processes.

Although technology plays an important role in knowledge management through databases, intranets, and computerized tools, KM success also depends on organizational culture and interpersonal relations (Blázquez Puerta et al., 2022). Cooperation of the employees to pass on knowledge normally relies on psychological and emotional states such as trust, motivation, and openness—issues that possess intimate connections to Emotional Intelligence (Cabrera & Cabrera, 2005). For instance, an organization that trusts greatly is more inclined to facilitate knowledge-sharing practices, whereas fear or competitive cultures are likely to impede them. This segment deals with the role of KM, its central elements, and issues organizations face in implementing good KM policies (Bal & Firat, 2017).

The integration of Knowledge Management and Emotional Intelligence is pivotal in creating an innovative, knowledge-based work culture. Employees who have high EI are more likely to engage in knowledge-sharing because they possess interpersonal skills, communicate effectively, and possess an innate motivation to facilitate organizational growth (Othman & Abdullah, 2012). A high EI team leader, for example, is able to generate a transparent and trusting culture within which employees can freely share ideas without criticism or judgment.

Research suggests that emotional skills such as trust, empathy, and social awareness are primary determinants of the effectiveness of knowledge-sharing initiatives (Arakelian et al., 2013). Trust enables workers to feel secure when revealing ideas, whereas social awareness helps them understand when and how to transfer knowledge in order to maximize its effect. Further, EI leaders reduce resistance to knowledge sharing by building collaboration and recognizing the efforts of workers (Malik, 2022). Knowledge hoarding and silo thinking result from low EI culture within organizations, hence preventing effective knowledge flow and reducing innovation capability. This section identifies the impact of EI on KM practices and provides empirical evidence for applying EI in enhancing knowledge processes (Rafiq et al., 2011).

1.2 Emotional Intelligence and Its Role in Organizational Learning

Organizational Learning (OL) is a process in which an organization learns, makes sense of, and applies knowledge to increase efficiency, productivity, and responsiveness (Karkoulou et al., 2010). Learning has become necessary for organizations to keep pace with the fast-moving business environment in the modern world in order to stay competitive and respond to changes in the market. Emotional Intelligence plays a crucial role in facilitating this learning process to take place, since it determines the manner in which individuals learn to absorb feedback, adapt to change, and adopt new knowledge. Extremely EI employees will be more prone to seek out

learning actively, be resistant to failure, and collaborate with others (Bettis-Outland & Guillory, 2018).

In addition, a psychologically safe work environment, one where employees feel they can freely offer their opinions without fear of reprisal, plays a role in greater organizational learning (Babaeinesami & Ghasemi, 2018). High-EI workplaces ensure that the safety occurs through openness, empathy, and healthy feedback mechanisms. For example, EI-strong leaders can establish mentorship programs, foster peer-to-peer learning, and provide platforms for free knowledge sharing, which facilitates OL. This section analyzes how EI drives organizational learning, knowledge retention, and adaptive abilities, which finally result in higher innovation and business sustainability in the long run (Noruzy et al., 2013).

1.4 The Impact of Emotional Intelligence on Business Performance

The connection between Emotional Intelligence and business success is made in practice and literature. Organizations with an emphasis on EI have improved employee satisfaction, improved leadership, and improved decision-making, all of which contribute to improved productivity and profitability (Banumathi, 2020). Emotional Intelligence affects many aspects of business operations, including leadership effectiveness, team building, customer relationships, and conflict management (Daud et al., 2023).

Research has shown that emotionally intelligent CEOs in organizations have higher employee retention, lower absenteeism, and higher workplace morale (Puerta et al., 2021). Employee motivation is also enhanced by EI-led leadership as leaders who exercise empathy and emotional intelligence foster a work environment that values effort and rewards achievement. Furthermore, EI facilitates customer relationship management (CRM) in the sense that highly emotionally aware employees are better able to read client needs, handle issues, and create positive customer experiences (Saeidipour et al., 2012).

In addition, EI enables strategic flexibility and innovation. EI-exhibiting organizations are better poised to deal with market volatility, react to changing industries, and capitalize on fresh opportunities. Empirical evidence examining the correlation of EI with key business performance metrics is discussed here, and information on how to incorporate EI in strategic planning within businesses is made available (Parayitam et al., 2021).

1.5 Research Objectives

The main research objectives of the study are;

- To analyze the impact of Emotional Intelligence on Knowledge Management and organizational knowledge-sharing actions.
- To examine the contribution of Emotional Intelligence to Organizational Learning and flexibility.
- To assess the effect of Emotional Intelligence on Business Performance, such as productivity and leadership effectiveness.

1.6 Problem Statement

While the significance of Knowledge Management (KM) as a prime driver of organizational success has long been recognized, many organizations are yet to overcome challenges in effective knowledge sharing and retention due to human and emotional barriers. Emotional Intelligence (EI)

plays a crucial role in filling these gaps through trust building, cooperation, and transparency among employees. There has not been much research aimed at the immediate impact of EI on KM, OL, and Business Performance. It is significant to comprehend this relationship in light of developing strategies that enhance knowledge-based decision-making, innovation, and productivity. This paper aims to fill this gap through a study of how EI influences KM practices, supports OL, and results in business success.

1.7 Significant of the study

This study is significant in that it puts the spotlight on the significant contribution of Emotional Intelligence (EI) in enhancing Knowledge Management (KM), Organizational Learning (OL), and Business Performance. With an examination of how EI impacts knowledge-sharing behavior, decision-making, and innovation, this study provides valuable guidelines for organizations desiring to raise collaboration and adaptability in contemporary competitive business landscapes. The findings will benefit leaders, managers, and HR professionals by giving them guidelines for developing an emotionally intelligent workforce, thus leading to increased productivity, job satisfaction, and sustainable growth. The research also adds to research in academia by bridging the gap between EI and KM and providing a basis for future research on this topic.

2.0 Literature Review

A thorough review of the literature is needed to grasp the relationship between Emotional Intelligence (EI), Knowledge Management (KM), Organizational Learning (OL), and Business Performance. This section reviews existing research on these important concepts and delves into their relationships using empirical data.

2.1 Emotional Intelligence: Concept and Evolution

Emotional Intelligence (EI) was first introduced by (Çetin & Karakaş, 2021), who defined it as the ability to perceive, understand, manage, and regulate emotions in oneself and others. EI was later expanded by (Dissanayaka et al., 2010), who extended its application in the workplace and listed five key components: self-awareness, self-regulation, motivation, empathy, and social skills. These characteristics result in personal and professional achievement, influencing decision-making, leadership, and interpersonal relationships.

Research has indicated that individuals with high EI are better equipped to manage work-related stress, conflict management, and creating productive working relationships (Avdimiotis, 2019). Furthermore, research has indicated that emotionally intelligent employees are of significant importance in creating a positive organizational culture, promoting teamwork, and enhancing team performance (Jordan, 2004). Firms that prioritize EI in hiring and training activities enjoy higher employee motivation, lower turnover rates, and improved communication (Butt et al., 2022).

2.2 Knowledge Management: Definition and Organizational Impact

Knowledge Management (KM) refers to the process of developing, capturing, sharing, and applying organizational knowledge in an effective manner to support decision-making and performance (Holt & Jones, 2005). KM involves four primary processes: knowledge creation, knowledge storage, knowledge transfer, and knowledge application. Effective KM practices help organizations to enhance innovation, optimize operational efficiency, and sustain competitive advantage (Tajpour et al., 2018).

While technology plays an important role in storing and distributing knowledge, research shows that the success of the implementation of KM largely depends on human and affective elements (Kaur & Hirudayaraj, 2021). The willingness of employees to share knowledge is based on trust, motivation, and company culture, aspects that are intricately linked to Emotional Intelligence. (Hendriani, 2020) also points out that organizations failing to consider such human factors are likely to risk resistance to knowledge-sharing initiatives, leading to knowledge silos and inefficiencies.

2.3 The Link Between Emotional Intelligence and Knowledge Management

The relationship between Knowledge Management and Emotional Intelligence has been widely referred to in research literature. People with high EI are likely to exhibit knowledge-sharing behaviors because they are blessed with interpersonal skills, empathy, and communication power (Scott-Ladd & Chan, 2004). Empirical evidence shows that emotional skills like trust and social awareness play an important role in making knowledge-sharing programs successful (Alshammari, 2020).

In addition, (Obermayer-Kovács et al., 2015) found that emotionally intelligent leaders create open communication, establish psychologically safe environments, and enable teamwork, all of which are essentials for effective KM. High EI leaders' organizations enjoy higher levels of knowledge retention and transfer since employees feel appreciated and aided. However, organizations with low EI leaders suffer from issues relating to knowledge hoarding, resistance to change, and inefficient collaboration, hence limiting their KM efficacy (El Badawy et al., 2014).

2.4 Emotional Intelligence and Organizational Learning

Organizational Learning (OL) is the capacity of an organization to learn, process, and utilize new knowledge to enhance performance and adaptability. Learning organizations constantly change by promoting a culture of innovation, feedback, and ongoing improvement. Emotional Intelligence is essential in OL, as it allows employees to effectively manage change, accommodate new knowledge, and participate in collective learning (Danaeefard et al., 2012).

These employees are more open to feedback and show increased resilience in turbulent business environments. (Ansari & Malik, 2017) study points out that psychological safety, an important aspect of OL, is affected by emotional competencies like empathy, self-regulation, and social awareness. Companies that foster EI-based learning cultures have higher innovation, enhanced problem-solving ability, and knowledge retention.

In addition, research shows that organizations with emotionally intelligent leaders spend more on employee development, mentoring, and knowledge-sharing initiatives, which enhances their learning capacity and long-term viability (Udimal et al., 2019).

2.5 Emotional Intelligence and Business Performance

The Effect of Emotional Intelligence on Business Performance has been widely researched, and evidence identifies EI as a correlate of increased productivity, better leadership, and financial performance. Organizational research indicates organizations with emotionally intelligent managers to have greater employee engagement, reduced turnover, and healthier workplace relationships (Nivetha, 2018).

One of the key domains where EI contributes to business performance is decision-making. High EI leaders are better able to manage complex situations, crisis management, and make effective decisions based on both logic and emotional intelligence. EI also has a significant role in customer relationship management (CRM), as emotionally intelligent staff can better recognize customer needs, respond to concerns effectively, and deliver positive customer experiences (Bhavikatti et al., 2023).

Furthermore, studies by (Tian et al., 2021) show that EI helps in more effective conflict resolution, improved teamwork, and higher levels of employee satisfaction, all of which contribute to better organizational performance and profit. Organizations that include EI in their leadership training programs show higher innovation, flexibility, and responsiveness to the market (Naz et al., 2019).

2.6 Gaps in Existing Literature and Future Research Directions

In spite of the widespread research on Emotional Intelligence, Knowledge Management, and Business Performance, some gaps exist. To begin with, whereas numerous studies have proved the correlation between EI and effective leadership, few have examined its direct effect on knowledge-sharing behaviors across various organizational settings. Moreover, whereas the role of EI in Organizational Learning has been explored, more research is necessary to investigate how EI-based learning cultures affect long-term innovation and competitive advantage (Tamta & Rao, 2017).

Additionally, with the development of remote and virtual workplaces, new EI and KM challenges have arisen. Subsequent research needs to examine how virtual teams negotiate knowledge-sharing patterns and how technology-based solutions can incorporate EI principles into virtual collaboration tools (Tian et al., 2021).

2.7 Research gap

Although extensive research has been conducted on Emotional Intelligence (EI), Knowledge Management (KM), Organizational Learning (OL), and Business Performance, a gap exists in the knowledge of how EI contributes directly to knowledge-sharing behavior, retention of knowledge, and innovation in various organizational contexts. While studies have established EI's role in leadership and teamwork, fewer have explored its impact on KM effectiveness and OL processes across different industries and digital work environments (Jahanbakhshian et al., 2021). Additionally, with the increasing shift toward remote and technology-driven workplaces, there is limited research on how EI can enhance virtual knowledge-sharing, digital collaboration, and emotional engagement in knowledge-intensive organizations. Filling these gaps will offer further insights into how organizations can tap into EI to maximize knowledge flow, learning cultures, and sustainable business success in changing work environments (Alzoubi & Aziz, 2021).

3.0 Methodology

3.1 Research design

This study was conceptualized as a quantitative research design in order to study the relationship among Emotional Intelligence (EI), Knowledge Management (KM), Organizational Learning (OL), and Business Performance of entrepreneurs and business leaders in small and medium-sized businesses (SMEs) of Pakistan. A standardized, self-report questionnaire was used to obtain

numerical data to be statistically treated in order to identify patterns, relationships, and effects among research variables.

3.2 Population and Sampling

The target population of this study was entrepreneurs and owners of firms that operate SMEs in Pakistan. The research was conducted based on the snowball sampling technique due to challenges of obtaining a sharp sampling frame among SME owners. Prospective respondents were referred by initial participants who were members of the study group. This method of sampling proved particularly convenient in accessing business owners who were not as easily accessible through conventional methods of sampling.

198 SME business owners were selected as the sample size, ensuring sufficient representation for statistical analysis. The sample size was previously determined from existing research and statistical needs in order to yield meaningful results without sacrificing data collection feasibility.

3.3 Data Collection

The main data were collected through a self-administered questionnaire to capture variables of Emotional Intelligence, Knowledge Management, Organizational Learning, and Business Performance. The questionnaire contained close-ended items in the form of a Likert scale with a statement, allowing respondents to indicate their level of agreement or disagreement with the statement. The formal design of the questionnaire was applied to make comparable responses, thereby enabling valid statistical analysis.

3.4 Data Analysis

Data were computed utilizing t-tests, correlation, and regression in an effort to scrutinize correlations among the primary study variables. Correlation served the purpose of ascertaining directions and strength in associations of EI, KM, OL, and business performance. Regression established influence of EI over KM and business performance while comparing differences of response between categories was done utilizing t-tests. Statistical data was processed with SPSS or other similar statistical packages for the purpose of ensuring validity and accuracy of findings.

3.5 Ethical Considerations

This research was carried out under strict ethical considerations to maintain participants' confidentiality, informed consent, and voluntariness. Potential respondents were briefed on the research purpose, confidentiality of the data, and their right to withdraw at any time prior to data collection. No personal data was gathered, and responses were applied for research purposes only. Furthermore, the research was carried out according to ethical standards of honesty, integrity, and academic excellence to ensure that the results were reported openly without manipulation or prejudice.

4.0 Data Analysis

The collected data were analyzed using statistical methods like correlation analysis, regression analysis, and t-tests to assess the relationships between Emotional Intelligence (EI), Knowledge Management (KM), Organizational Learning (OL), and Business Performance. Correlation analysis evaluated the direction and strength of relationships between these variables, where higher

levels of EI were correlated with improved KM practices, higher OL, and improved business outcomes. Regression analysis was utilized to determine the impact of EI on KM and business performance, acknowledging the extent to which EI influences knowledge-sharing behavior, organizational adaptability, and productivity. T-Tests were employed to acknowledge response differences between demographic segments, such as business size, industry type, and leadership experience. Data were examined using SPSS in order to ensure reliability and accuracy, and results were corroborated in a way that higher EI is positively accountable for knowledge-sharing, learning culture, and SME business success.

Table 1: Demographic Characteristics of Respondents (N = 120)

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	114	57.6
	Female	84	42.4
Age Group	20 - 30 years	65	32.8
	31 - 40 years	49	24.7
	41 - 50 years	56	28.3
	51 years and above	28	14.1
Educational Level	High School	105	53.0
	Bachelor's Degree	41	20.7
	Master's Degree	24	12.1
	PhD or Higher	28	14.1
Business Type	Retail	97	49.0
	Manufacturing	53	26.8
	IT & Services	9	4.5
	Hospitality	34	17.2
	Others	5	2.5
Years in Business	Less than 1 year	38	19.2
	1 - 5 years	73	36.9
	6 - 10 years	74	37.4
	More than 10 years	13	6.6

The demographic profile of the sample (n = 198) depicts a representative spread of SME owners in Pakistan. The sample comprised more males (57.6%) than females (42.4%). Regarding age distribution, the highest category was 20-30 years (32.8%), followed by 41-50 years (28.3%), 31-40 years (24.7%), and 51 years and above (14.1%), depicting a fairly youthful entrepreneurial base. In terms of education, over half of the sample held a high school education (53.0%), followed by 20.7% holding a bachelor's degree, 12.1% with a master's degree, and 14.1% with a PhD or above, indicating different educational levels. Distribution by business type indicates that the largest percentage of SMEs were in retail (49.0%), followed by manufacturing (26.8%), hospitality (17.2%), IT & services (4.5%), and others (2.5%). Experience-wise, 36.9% were operating for 1-5 years, 37.4% for 6-10 years, 19.2% for less than one year, and 6.6% for over 10 years, indicating a combined but largely retail-oriented and relatively young SME population with a very high percentage of business owners who have little entrepreneurial experience.

4.2 Correlation Analysis

Table 2: Correlations

		Emotional Intelligence (EI)	Knowledge Management (KM)
Emotional Intelligence (EI)	Pearson Correlation	1	.163*
	Sig. (2-tailed)		.022
	N	197	197
Knowledge Management (KM)	Pearson Correlation	.163*	1
	Sig. (2-tailed)	.022	
	N	197	198

*. Correlation is significant at the 0.05 level (2-tailed).

The Pearson correlation test indicates a weak but positive relationship ($r = 0.163$, $p = 0.022$) between Knowledge Management (KM) and Emotional Intelligence (EI) among SME owners in Pakistan. The p-value (0.022) is below 0.05, and hence the relationship is statistically significant at the 5% level. This implies that improved emotional intelligence is linked with improved knowledge management practices, although the relationship strength is comparatively low. The sample size ($N = 197$ for EI and $N = 198$ for KM) lends support to the reliability of this result. Although EI plays a part in creating a collaborative and knowledge-sharing culture, the weak correlation suggests that there are other factors that also have a significant role to play in successful knowledge management in SMEs.

4.3 Regression Analysis

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.098 ^a	.010	.004	5.45143

a. Predictors: (Constant), the role of Emotional Intelligence in enhancing Organizational Learning and adaptability.

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.018	1	56.018	1.885	.171 ^b
	Residual	5824.754	196	29.718		
	Total	5880.773	197			

a. Dependent Variable: Organizational Learning (OL) Predictors: (Constant), the role of Emotional Intelligence in enhancing Organizational Learning and adaptability.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.107	.749		16.173	.000
	Q13	-.484	.352	-.098	-1.373	.171

a. Dependent Variable: Organizational Learning (OL)

The regression analysis tests the relationship between Organizational Learning (OL) and Emotional Intelligence (EI) for SME owners in Pakistan. The Model Summary indicates that the R value is 0.098, which means there is a very weak relationship between EI and OL. The R^2 value of 0.010 implies that EI explains only 1% of the variance in OL, meaning that other variables play a significant role in organizational learning. The ANOVA table indicates that the regression model is not significant ($F = 1.885$, $p = 0.171$), so EI does not have a statistically significant impact on OL in this sample. The Coefficients table also confirms this, as the predictor (EI) has a non-significant beta coefficient ($B = -0.484$, $p = 0.171$), suggesting that variations in EI do not have a meaningful effect on OL. These findings indicate that, although EI might contribute to organizational learning, its contribution is insignificant, and other aspects probably have a greater effect on learning and flexibility in SMEs.

5.0 Discussion

The research findings from this study reveal meaningful insights in how Emotional Intelligence (EI) correlates with Knowledge Management (KM), Organizational Learning (OL), and Business Performance among the owners of Small and Medium-sized Enterprises (SMEs) in Pakistan. The findings support that EI only correlates weakly yet statistically significantly with KM ($r = 0.163$, $p = 0.022$), whereas its impact on OL is statistically not significant ($p = 0.171$). These results indicate that emotional intelligence does contribute to the facilitation of knowledge-sharing behaviors, but not directly to organizational learning. These findings agree with past studies, like (Mura et al., 2021), which stressed that emotionally intelligent people are more competent in developing collaboration and trust, which are both essential for the success of KM. Likewise, (Shafait et al., 2021) also contended that high EI leaders foster an atmosphere of knowledge sharing and learning, though from this study it appears that the impact of these effects may be weak enough not to directly forecast organizational learning.

The strong but weak correlation between EI and KM is consistent with earlier research by (Anwar), which indicated that emotional intelligence increases the employees' readiness to share knowledge and collaborate with others. This is due to the fact that emotionally intelligent people are more prone to trust others and communicate efficiently, resulting in improved KM practices. The poor correlation in the current study implies that although EI can be considered an enabler of KM, it is not the only determiner. Additional determinants of KM effectiveness, such as leadership style, incentives for knowledge sharing, and organizational culture, are likely to take a more pervasive role (Jamshed & Majeed, 2023).

On the other hand, the regression analysis shows that EI does not significantly predict OL ($p = 0.171$). This result is contrary to the study of (Zsigmond & Mura, 2023), which discovered that emotionally intelligent employees are more capable of adapting to change, embracing feedback, and continuous learning. One explanation for this difference might be that SME organizational learning is more determined by structural and procedural aspects than by individual emotional abilities. As an example, (Krén & Séllei, 2021) pointed out that organizational learning is motivated by institutional forces, leadership support, and knowledge access to new resources, rather than by employee emotional abilities alone. Furthermore, (Jain & Moreno, 2015) also noted that psychological safety, which is an important determinant of organizational learning, is frequently influenced by organizational culture instead of individual EI levels.

Additionally, the low R^2 (0.010) value in the regression model indicates that EI explains a meager 1% of the variance in OL, which means that the other variables play a greater influence. This is

corroborated by (D'Souza et al., 2021), who contended that knowledge business is more dependent on strategic leadership, technology, and innovation to facilitate learning than emotional intelligence alone. Likewise, (Supramaniam & Singaravelloo, 2021) stressed that organizational learning involves the execution of systematic knowledge management processes, systematic training, and outside market information, which can obscure the individual EI role.

The findings also have business performance implications. Earlier research, including (Mahmood & Toker, 2021), established that businesses with emotionally intelligent leaders have more engaged employees, reduced turnover, and better business results. Yet, the findings of this study indicate that EI is not sufficient to facilitate learning and business development in SMEs. Rather, a comprehensive strategy combining knowledge management systems, leadership development, and ongoing innovation can be more successful in bringing long-term success.

In summary, though EI has a positive relationship with knowledge management, its effect on organizational learning is not strong and statistically insignificant. The research adds to the body of literature by revealing the constraints of EI to predict learning adaptability in SMEs. Future research is necessary to investigate other variables like leadership style, organizational structure, and digital transformation to reveal more about the factors that motivate knowledge management, learning, and business performance in entrepreneurial environments (Papoutsis et al., 2019).

5.1 Conclusion

This study's conclusions present the partial positive but restricted influence of Emotional Intelligence (EI) in Knowledge Management (KM) but minimal impact on Organizational Learning (OL) of SME owners in Pakistan. As EI promotes collaboration and trust to promote knowledge-sharing attitudes, the lack of correlation demonstrates that EI alone might be influenced by factors including organizational culture, leadership, and incentives, potentially having more profound effects in productive KM. Moreover, the non-significant correlation between EI and OL also suggests that learning in SMEs is more a function of structural mechanisms than personal emotional competencies. These findings are consistent with previous research but also imply that EI by itself is not enough to stimulate organizational learning and business success. Thus, a more comprehensive approach combining leadership development, digital transformation, and strategic knowledge management is required to improve learning and performance in SMEs. Future research will need to investigate other variables that affect KM and OL in order to gain a richer understanding of how companies may best improve their learning and innovation processes.

5.2 Recommendations

1. **Improve EI Training:** Adopt emotional intelligence building programs for SME owners and staff to enhance interpersonal competencies and knowledge-sharing attitudes.
2. **Develop a Knowledge-Sharing Culture:** Promote trust, cooperation, and transparent communication to enhance knowledge management culture.
3. **Embed KM Systems:** Invest in technology-enabled knowledge management systems for efficient knowledge storing and sharing.
4. **Improve Leadership Development:** Educate leaders in emotional intelligence to foster learning flexibility and improve business performance.
5. **Encourage Organizational Learning Mechanisms:** Introduce formal learning programs, mentoring, and ongoing professional development.

6. Promote Psychological Safety: Organize the work environment in a way that employees feel comfortable sharing ideas and testing new things.
7. Adopt Data-Driven Decision-Making: Use analytics and insights for improving KM strategies and optimizing organizational learning.
8. Extend Research on External Factors: Future research must investigate the impact of digital transformation, leadership styles, and innovation in augmenting KM and OL.

5.3 Future Implications

This research highlights the need to incorporate Emotional Intelligence with Knowledge Management and Organizational Learning for business success. Yet, the results imply that EI by itself is not enough to promote learning and innovation, pointing towards a multidimensional strategy. Future studies must emphasize the influence of technology, leadership styles, and industry-specific issues in determining knowledge and learning practices in SMEs. Moreover, cross-cultural research can present a wider overview of how varying business contexts impact the EI-KM-OL relationship. Policymakers and business executives need to formulate plans that integrate EI with digital resources and systematic learning processes to strengthen long-term business sustainability.

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