

# HOW TRANSFORMATIONAL LEADERSHIP HARNESSSES THE POWER OF KNOWLEDGE

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Comments



Transformational leadership is easy to understand, easy to implement, and more realistic than some of the other leadership forms. Transformational leadership is one leadership style that should be embraced at the senior level of organizations to manage organizational knowledge through implementing organizational change and developing a shared vision for future expansion into global business environments.

The key to transformational leadership is based upon satisfying basic needs and meeting higher desires though inspiring followers to provide newer solutions and create a better workplace. This leadership employs charismatic behaviors and motivates subordinates to provide better outcomes, more profitability, and more satisfying careers. Transformational leaders focus on the critical human assets, such as commitment, and help followers to effectively implement organizational changes with both efficiency and effectiveness. It is this leadership that sheds light on the strategic role of follower attitudes and values to accomplish a higher degree of effectiveness and highlights the importance of employees in implementing changes at the organizational level.

In today's global business environments involve a high level of uncertainty, organizations will increasingly need more transformational leaders to be more innovative and creative. Transformational leadership unfolds results in organizations, influencing employee individual interests to align with institutional interests, and through inspiring followers to create new ideas and innovations for effective business outcomes.

## Dimensions of Transformational Leadership

There are four dimensions of transformational leadership:

- idealized influence,
- individualized consideration,
- intellectual stimulation, and
- inspirational motivation.

Executives can use idealized influence when aiming to develop a shared vision and improve relationships with followers. Executives can use individualized consideration when they would like to concentrate on identifying employee's individual needs and empower followers in order to build a learning climate and mobilize follower support toward the goals and objectives at the senior organizational level. Executives can also use intellectual stimulation to propel knowledge sharing in the company to generate more innovative ideas and solutions for new and demanding issues that come up constantly in our hypercompetitive economic environment. Further, executives can use inspirational motivation to focus on inspiring people and not just treating them as human assets. This sets a higher level of desired expectations for them. These four dimensions of transformational leadership represents how an effective leader working in today's knowledge-based economy can develop and manage intellectual capital in corporations.

### **A Knowledge-Based Economy**

Peter Drucker comments that "the productivity of knowledge and knowledge workers will not be the only competitive factor in the world economy. It is, however, likely to become the decisive factor, at least for most industries in the developed countries." Knowledge, with its wide classifications, can also be classified into individual and collective knowledge. Executives recruit followers based on their individual knowledge which refers to the individual's skills, prior knowledge, and proficiencies or competencies. If an executive cannot inspire its followers to share their individual knowledge with others, then this individual knowledge is not valuable to the organization. Therefore, individual knowledge can become a valuable resource by developing an organizational climate of openness for members to exchange their ideas and insights.

Executives must create a climate of trust and openness for individuals to share individual knowledge. New technologies drawing on social-software systems around the organizations can positively contribute to create collective knowledge. Executives should build an atmosphere of trust and openness and use technology to convert individual knowledge into valuable resources for their organization to close the gap and help organizations prosper.

### **Putting Knowledge to Work**

Executives have found that transformational leadership is important in developing relationships. In doing this, executives act as social architects who instill trust in organizations through clarifying not only their own roles and communicating them effectively but also the follower's roles too. This way executives can enhance knowledge acquisition and transfer. Transformational leaders also facilitate the process of knowledge acquisition from external sources such as compiling data from rivals and comparing ROI and other pertinent information and then disseminating this information to employees. Executives that act as transformational leaders enhance knowledge acquisition through facilitating knowledge transfer and simultaneously exploring more innovative solutions for organizational problems. Executives that embrace transformational leadership have a positive impact on this knowledge management.

Executives that use transformational leadership have also found that it improves knowledge integration through facilitating knowledge sharing throughout all levels of the organization. Transformational leaders also positively impact knowledge integration through enhancing the dynamic relationships among employees and departments, but most importantly, through satisfying customer needs and adding to financial success. Executives use transformational leadership to develop trust and form the capacity among employees to develop higher functioning relationships between the lines of the organizational chart.

Transformational leaders also improve networking with external sources through focusing on developing relationships and leading between the lines of the organizational chart to better meet the needs of shareholders. Furthermore, executives inspire organizational members to network with more successful competitors by sharing successes to build alliances and not only enhance competition but communicate best practices as a way of keeping the highest standard of operation in the industry and being the go-to organization for successful modeling of profitability, customer service, and employee satisfaction.