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## KNOWLEDGE MANAGEMENT THROUGH TRANSFORMATIONAL LEADERSHIP

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**Abstract:** *In today's societies, strong powers are changing the form of economy, business and work and many of them announce a fundamental transformation in organizational processes and resource strategy. .A knowledge-based revolution is taking place in management for organizations and the knowledge-based economy for nations themselves. Leaders must be able to see the emerging opportunities before they become manifest in the market place. In this article, an attempt has been made to investigate and analyze the executive strategies of knowledge management and transformational leadership in organization as a strategy for the success of organization. The most important characteristic of a modern leader from knowledge management point of view is to eliminate the weak points and gaps that emerge clearly in organization*

**Keywords:** *Knowledge, Innovation, Transformational leadership, Motivation, Technology*

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## **INTRODUCTION**

Firms today employ more intellectual workers and have more tasks with greater intellectual content, increasing the number of knowledge workers. Procedures for acting on an intellectual issue cannot be easily written or presented in manuals. The greater the capacity to absorb knowledge from other members, the greater the shared philosophy and the easier it is to work in the organization. As we move rapidly into the 21st century leaders face the challenge of being effective in a global knowledge environment. Leaders must play the key role in helping organizations cope with the challenges they face from expanding knowledge and knowledge systems.

In coining the phrase knowledge society Peter Drucker convincingly argued that land, labor, and capital are the classical factors of production and had been largely replaced by knowledge (Drucker, 1993), and that knowledge has become the resource. Leaders must attach a high value to knowledge, encourage questioning and experimentation through empowerment, build trust, and facilitate experiential learning of tacit knowledge (Stonehouse & Pemberton, 1999). Second, and seemingly contradictory, leadership educators must remain true to their basic assumption that leadership is more about personal interaction and empowerment, and less about the technical aspects.

## **KNOWLEDGE**

Knowledge is the next paradigm shift in computing following data processing 1945-1965 and information management 1966-1995. Knowledge is action, focused innovation, pooled expertise, special relationships and alliances. To serve customers well and remain in business companies must reduce their cycle times, operate with minimum fixed assets and shorten product development time.

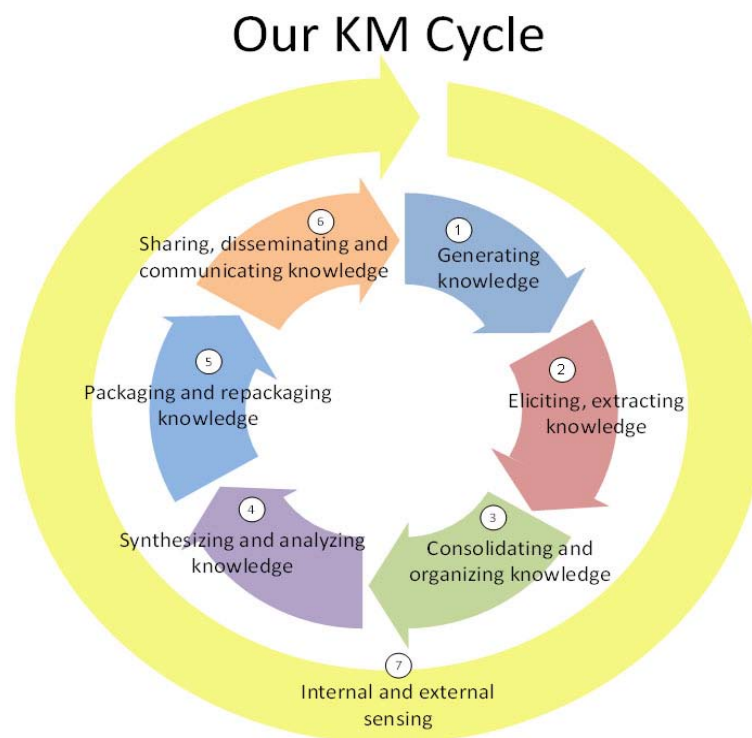
None of this is possible without a continual focus on the creation, updating, availability, quality and use of knowledge by all employees and teams, at work and in the marketplace. As the economy becomes more global and the use of PCs more pervasive, there has been a dramatic increase in e-learning. Indeed, it is a paradigm shift of the highest order.

Clearly, the educational environment has become much more focused on the use of technology, but in the leadership class there must always be a realization that the technology is secondary to the human interaction that knowledge management skills



support. As knowledge acquires importance in organizations, employees must manage it as a source of value creation and competitiveness

Thus, the more innovative the products, services or methods, the more critical capacities, skills and new and relevant knowledge necessary . Organizations must adapt more quickly to more changes in more complex environments than ever before. Absorptive capacity depends fundamentally on the level of prior related knowledge, not only basic responsibilities, competences, skills and shared language but also cutting edge scientific and technological advances.



## LEADERSHIP TRAITS REQUIRED IN PRESENT SCENARIO

With the shift to team-based knowledge work, comes the need to question more traditional models of leadership. Creating high-performance workforce has become increasingly important and to do so business leaders must be able to inspire organizational members to go beyond their task requirements. Leaders at all levels must adapt to these changes in order to propel our rapidly evolving organizations to greater successes.

It is not the members' knowledge in itself that is strategically vital, but the presence of good leadership to enable the organization to integrate, share and use this knowledge innovatively .The leader plays a critical role in generating innovation and creating a climate that encourages the abilities and practices to promote it. The leader's characteristics and



leadership style are key determinants of innovative conduct in organizations. Transformational leadership emphasizes the importance of developing the abilities of the organization's members and exploiting the tacit knowledge in all employees.

Transformational leaders are better suited to handle even the most technical aspects of the modern workplace than are transactional or laissez-faire leaders. Technology and leadership have reciprocal effects on each other; a change in one necessitates a change in the other. Societal, we are moving from controlled change to accelerated change nearly beyond control. Both attitude and behavior must be the target of transformational leaders.

The primary reason for technological change failure was fear. The role of transformational leaders was to reform fear into motivation. Transformational leaders who meet market demands faster and better than, give the increasingly interdependent economy.

### **TRANSFORMATIONAL LEADERSHIP**

As an idea, transformational leadership was first mentioned in 1973, in the sociological study conducted by the author Downton, J. V., "Rebel Leadership: Commitment and Charisma in the revolutionary process". After that, James McGregor used the term transformational leadership in his book "Leadership" (1978). In 1985, Barnard M. Bass presented a formal transformational leadership theory which, in addition to other things also includes the models and factors of behavior (1, p. 2). One year later (1986) Noel M. Tichy and Marry Anne Devanna published a book under the title "The Transformational Leader" (2).

At the core of transformational leadership is the concept of transformation, or change of the organization. Tichy and Devanna (1986) noted that companies were being asked to make fundamental changes. Transformational leadership best reflects this change (Bass, 1985). Burns (1978) defined transformational leadership as a process in which "leaders and followers raise one another to higher levels of morality and motivation" (p. 20). According to Burns, focusing on needs makes leaders accountable to the follower.

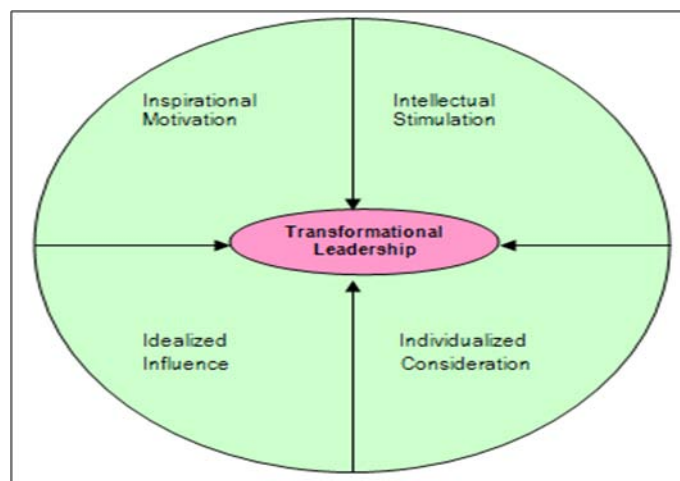
Traditionally, leadership has been conceived around the idea that one person is firmly "in charge" while the rest are simply followers—what is termed vertical leadership. However, recent research indicates that leadership can be shared by team leaders and team members—rotating to the person with the key knowledge, skills, and abilities for the



particular issues facing the team at any given moment.

In fact, researches indicates that poor-performing teams tend to be dominated by the team leader, while high-performing teams display more dispersed leadership patterns, i.e., shared leadership. This is not to suggest that leadership from above is unnecessary. Transformational leadership may be found at all levels of the organization: teams, departments, divisions, and organization as a whole. Such leaders are visionary, inspiring, daring, risk-takers, and thoughtful thinkers. They have a charismatic appeal. But charisma alone is insufficient for changing the way an organization operates. For bringing major changes, transformational leaders must exhibit the following four factors:

### **Model of Transformational Leadership**



1. **Inspirational.** The foundation of transformational leadership is the promotion of consistent vision, mission, and a set of values to the members. Their vision is so compelling that they know what they want from every interaction. Transformational leaders guide followers by providing them with a sense of meaning and challenge. They work enthusiastically and optimistically to foster the spirit of teamwork and commitment.
2. **Intellectual.** Such leaders encourage their followers to be innovative and creative. They encourage new ideas from their followers and never criticize them publicly for the mistakes committed by them. The leaders focus on the “what” in problems and do not focus on the blaming part of it. They have no hesitation in discarding an old practice set by them if it is found ineffective.



3. **Idealized Influence.** They believe in the philosophy that a leader can influence followers only when he practices what he preaches. The leaders act as role models that followers seek to emulate. They typically place their followers needs over their own, sacrifice their personal gains for them, and demonstrate high standards of ethical conduct. The use of power by such leaders is aimed at influencing them to strive for the common goals of the organization.

4. **Individualized Consideration.** Leaders act as mentors to their followers and reward them for creativity and innovation. The followers are treated differently according to their talents and knowledge. They are empowered to make decisions and are always provided with the needed support to implement their decisions.

Transformational leadership influences the fundamental attitudes and assumptions of an organization's members, creating a common mentality to attain the firm's goals. Although evidence shows that the transformational leader exercises a substantial influence on performance, understanding of the processes through which he or she exerts this influence is still limited and largely speculative. We have Mahatma Gandhi and Obama as transformational leaders.

#### **Knowledge Management through Transformational leadership**

Leaders are crucial to the process of creating cultures, systems and structures that foster the absorption, assimilation and application of knowledge. Transformational leadership can make organizations more effective by stimulating absorptive capacity. Leadership enables improvement of individual absorption, design of an organizational structure to fit the organization's characteristics, increased investment in research and development and intense effort to strengthen organizational absorptive. It allows the firm to adapt to environmental changes and improve organizational performance. A leader who is conscious of all organizational routines and strategic processes through which the firm absorbs knowledge to create value strengthens efforts to foster potential and achieve absorptive capacity.

Transformational leaders stimulate transfers of explicit and tacit knowledge in individuals and in the organization. They are strategic in creating a climate that stimulates the disciplines of organizational learning and their interaction.



This style allows the organization to learn through experimentation, communication, dialogue personal mastery and organizational knowledge creation. It encourages the stimulation, individualized consideration and motivation essential to learning making a leader the catalyst, mentor, facilitator and trainer for organizational learning.

They motivate the organization's members by encouraging employee empowerment and autonomy. They provide information, responsibilities, skills and competences to the organization's agents, who may then use it to acquire, implement, transform and use a new practice and improve internal communication by reducing barriers to sharing knowledge, thereby increasing the efficiency.

It helps organizations to transfer knowledge better than the market and other firms and thus improving organizational performance and motivates a common vision of the organization. It motivates workers to create and share knowledge.

Finally, transformational leadership affects innovative behavior positively – hence the importance of the leader's accurate perception of organizational innovation.

### **CORPORATE EXAMPLES**

Through intellectual stimulation and individualized consideration, transformational leaders generate different ways of thinking, seeking new opportunities or solutions to problems and adopting generative, exploratory thought processes. Henceforth, successful organizations always see the need for knowledge management essential for their survival. Most large western companies, like AT&T, IBM, GM, etc., ventured into transformations and have changed programs which had to be realized in relatively short time.

McKinsey is a community of extraordinarily talented and driven people. The McKinsey Knowledge Center is located in Gurgaon and is the largest hub of knowledge management professionals. McKinsey is present in India since 1992. Through their work with the public sector, emerging sectors and not-for-profit organizations, it has played an active role in the country's transformation and development. Elsewhere the dire shortage of capable leaders is precipitating a crisis in our higher education sector, a situation not likely to be remedied until 2020, according to a global survey conducted by the Education Promotion Society for India (EPSI).

A case in point is the Life Lines India Project, initiated by One World in collaboration with British Telecom, a technology-based helpline service that provides information through



Internet and telephony, and presents critical and timely information to 4600 villages on a range of livelihood related issues. The model demonstrates that large corporations can play a major role in transforming businesses in ways that benefit local communities as well as shareholders.

The telecom industry is an apt example of government reform and business model innovations that has spurred growth and development. In some cases, innovation has been driven by the government itself- The Indian Railways have successfully implemented an online ticketing system that has increased efficiency and improved the ticketing experience for customers. The Tata Nano is a more recent example of a corporation thinking differently, and addressing a market need innovatively

The State Bank of India's (SBI) reach within the country is unparalleled. With a network of more than 14,000 branches and more than 5,500 ATMs spread across the country, SBI has a long and distinguished history of providing financial services, contributing to the economic development of rural India, and enabling the concept of Internet self-service. It is important to understand that these technologies have existed earlier, but what sets this apart is how various elements have been used to create an innovative service.

Opportunity exists, but only for those who are willing to question existing convention. The onus is on corporations today to have transformational leaders who create technology innovations that initiate social change, and that can eventually play a critical role in reshaping markets. One such leader is Ratan Tata ,who was declared "Transformational Leader of The Decade' at 4th Annual India Leadership Conclave & Business Leadership Awards 2013 in Mumbai.

## **CONCLUSION**

Organizations have realized that the competitive advantages of technology are temporary and the only competitive advantages that are durable are their employees. Primary forces of change including globalization, higher degree of complexity, modern technology, increasing competition have caused managers to pay attention to knowingness management.

In order to remain in the prior age of competition, organization must have appropriate capacity for perseverance, development; organizing and productivity from the merits of their employees Transformation leaders have potential to affect their employee's perceptions of human capital benefits. They also have the greatest potential to augment





these benefits through involving them in the knowledge management process, establishing organizational culture, and encouraging communication among employees.

Therefore, the conclusion is that qualities of transformational leadership make the essence of transformational management and the key to successful management of organizational knowledge and changes.

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