


International Conference on
Intellectual Capital Management
ICIM2009



INTELLECTUAL CAPITAL MANAGEMENT
IN THE KNOWLEDGE ECONOMY
13-15 November 2009
Shiraz, Iran

Intellectual Capital and Tend to Transformational Leadership Style in telecommunication's SME

Gholamali Tabarsa
Mohammad Javad Naeiji
Mansoorreh Abbasalizadeh
G.Tabarasa@mail.sbu.ac.ir
M.naeiji@mail.sbu.ac.ir
mansoorealizade@gmail.com

your@email.com



International Conference on
Intellectual Capital Management
ICIM2009




INTELLECTUAL CAPITAL MANAGEMENT
IN THE KNOWLEDGE ECONOMY
13-15 November 2009
Shiraz, Iran

Introduction

- Issues of intellectual capital recognition, measurement and management have come to prominence over the last 10–15 years. Intellectual capital (IC) is a term now in common usage across different fields of academic and managerial activity. It is related to, and sometimes interchangeable with, other terms such as 'knowledge capital', 'knowledge economy' and 'intangible assets'. IC is fundamental to firms, communities and societies (Edvinsson, 2002). New opportunities in, and threats to, the telecommunication industry are springing from assets based on knowledge. Such assets are defined as IC. Knowledge economy can be defined as an economy guided and directed by knowledge. Unlike for the traditional economy in which tangible assets, today knowledge is the main driving force behind the more industries.



International Conference on
Intellectual Capital Management
ICIM2009



INTELLECTUAL CAPITAL MANAGEMENT
IN THE KNOWLEDGE ECONOMY
13-15 November 2009
Shiraz, Iran


- Leadership of these knowledge capitals specially intellectual labor converts to the greatest mental disturbance of managers in new world economy (Tan et al,2007) and most organizations want to ensure that their managers are equipped with the skills necessary to work employees with very diverse knowledge. Some progressive organizations imposed standards of hiring, promotion, and, in some cases, training in understanding these differences. They stress on some leaders styles that are compatible with knowledge workers (Fleury, 1999).



International Conference on
Intellectual Capital Management
ICMC2009

INTELLECTUAL CAPITAL MANAGEMENT
IN THE KNOWLEDGE ECONOMY
12-13 SEPTEMBER 2009
LONDON, U.K.


- In order to respond effectively with dynamics of Intellectual capital, we propose transformational leadership styles as the best and most compatible method to manage capitals. We believe that it can be expected, in organizations with high IC, managers tend to transformational leadership style and more less apply transactional and laissez-fair leadership. These leaders delegate their authority to knowledge workers but coaches if necessary and treat every follower equally and individually. They have high referent power are trusted to overcome any obstacle and are seen as having an attainable mission and vision that is necessary for followers. In sum, our specific hypotheses are given as follows:



International Conference on
Intellectual Capital Management
ICMC2009

INTELLECTUAL CAPITAL MANAGEMENT
IN THE KNOWLEDGE ECONOMY
12-13 SEPTEMBER 2009
LONDON, U.K.

- **Hypothesis1.** To identify the relationship between organizational IC and overall transformational leadership.
- **Hypothesis2.** To identify the role of transformational leadership dimensions in each of the four category IC.




International Conference on
Intellectual Capital Management
ICMC2009


INTELLECTUAL CAPITAL MANAGEMENT
IN THE KNOWLEDGE ECONOMY
12-13 SEPTEMBER 2009
LONDON, U.K.

Theoretical framework

- Stewart (1997) indicated that IC means anything an enterprise can use to increase its competitive advantage in the market place, including knowledge, information, intellectual property rights and experience. In other words, IC is presented as intangible assets and it produces value to enterprises that can be reflected as final income in financial statements, but it cannot be expressed as an accounting title in financial statements.



- Burns (1978) preliminarily developed the theory of transactional and transformational leadership. He indicated that transactional leaders attempt to satisfy the current needs of followers by focusing attention on exchanges, whereas transformational leaders motivate followers and other constituencies to do more than they are originally expected to do as they strive to perform better. Nevertheless, modern theory of transformational leadership styles is represented by Bass (1985). The constructs denoted in Bass approach is included three typologies of leadership behavior: transformational, transactional and laissez-fair leadership, which are presented by nine distinct sub-factors (Bass and Avolio, 1995).




Research Method

- **Participants**


The 159 survey questioners were gathered from middle and executive managers, working in SME activated telecommunication industry.

The demographic analysis demonstrates that most respondents are male (122 Persons, 77 per cent) and only 23 per cent are female. This is naturally, because telecommunication industry recognized as a masculine job in Iran. Participants ages ranged from 33 to 62 ($M=46/3$, $SD=6/5$). About 34 participants (21/4 per cent) indicated that they are upper level managers and other participants specified that they occupied middle level management positions.




- **Measurement**


Participants provided information about their IC by completing the four IC categories scale designed by Rudez & Mihalic (2007). This questionnaire is a 50 item self-report instrument designed to measure of the main features of IC using a seven-point scale for each item(ranging from 1=strongly disagree to 7=strongly agree). In earlier studies, internal consistency of scale was reported high and Cronbach' alpha coefficients were above of 0/7 across all the subscales (Rudez & Mihalic, 2007).



- It is also emphasized that no intellectual capital approach will be successful without a fundamental change in leadership attitudes, one that creates an acceptance and eagerness to do things differently in an ongoing process. Yet, such a change mostly requires adopting certain leadership behaviors that encourage transformation and change and are compatible with achievement and support capitals (Chen et al, 2005). And ultimately, getting the right combination of fit between managerial style and workers features will have an effect on attracting empowered labor as most critical capital in organizations. This match will create organizations that fuse the human will of its members in the service of their objectives, evoke human love to the organization, and stimulate strong motivation in the service of the group.



- This study certainly has limitations. First, linking among leadership and IC is a new issue. Thus, there has been a little research about it. This limitation addressed to produce most of relevant literature. Secondly, it is difficult to imagine whether respondents would actually behave in the same manner as their responses indicated regarding actual transformational leadership. Therefore, the other suggestion for further research would be to investigate the leader's behavior in real business situations especially linking the research with performance measures in real life settings. Thirdly, it was found that some IC dimensions used in this study predicted transformational leadership and some of its aspects but accounted for only a small portion of variance. One of the reasons for this result could be that some other factors might have stronger effects on transformational leadership than the IC dimensions included in this study.
- Despite of above limitations, it is hoped that this study holds a promise for applied knowledge and can benefit academic and industrial readers. However, further research is required to improve the understanding of the relationship between IC and leadership style. It is also recommended to continue the investigation on the interface of context and leadership factors on other levels. For example, organizational, industry, and knowledge management processes could also play important roles in shaping the leadership styles and behaviors.



Thanks for your attention
