

# Strategic Transformational Organizational Leadership

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## INTRODUCTION

Organizations are challenged to understand the effective manners in which leadership can achieve organizational transformation (Sheppard et al., 2013). It becomes difficult for organizational leaders to stay ahead of the changing global marketplace causing leaders to lead amidst chaos (Sheppard et al., 2013). Business leaders should understand the latest significant effective strategies in their discipline. In support of this goal of understanding the important trends, this research evaluates current business leadership research to determine what effective executive leadership strategies have been found to achieve organizational transformation. The purpose of this study is to link current research in transformed organizations to determine the most influential leadership strategies found in current peer-reviewed research regarding effective business organizations.

To achieve this goal, a study of current (2013-2015) peer-reviewed articles about strategic transformational virtual organizational leadership business shall establish the direction of recent research. After consideration of the available research, the research examines thirty peer-reviewed articles in detail that met specific keyword criteria. Through a multi-tiered process, the research resulted in identifying three specific strategies associated with successful business organization transformation.

This study concludes that the research of transformational organizational leadership focuses primarily on transformational leadership, distributed leadership, and performance measurement. The research offers support that strategic organizational leadership should include transformational leadership, distributed leadership and performance measurement as strategies to increase organizational effectiveness.

Some findings were not the original objectives. However, these results were quite interesting. For example, although there has been much discussion about complexity theory, it did not emerge as an area of significant research in this field. Furthermore, distributed leadership was not considered a significant trend; it did emerge as a significant factor in this field of study.

## PURPOSE

Current business leadership often focuses upon organizational change, and how organizations can manage change (Akhavan et al., 2013). Although important at the tactical level, this does not address the strategic needs of the organization. To this end, there was a great need to study organizational transformation that resulted in improved organizational effectiveness (Akhavan et al., 2013). Without an understanding of the higher order leadership of an organization, the research would lack sufficient depth to truly understand of how transformational change happens to an organization.

This research evaluates current business leadership research to determine what leadership strategies have been found to be effective in achieving organizational transformation and improved organizational

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effectiveness. The study seeks to link current research in transformed organizations to uncover what leadership strategies has been found to be effective in business organizations.

## **HYPOTHESES AND RESEARCH QUESTIONS**

**H1:** Transformational leadership theory has a direct and positive relationship to effective strategic organizational virtual leadership

**H2:** Complexity theory has a direct and positive relationship to effective strategic virtual organizational leadership

**H3:** Leadership inclusiveness has a direct and positive relationship to effective strategic virtual organizational leadership

**RQ1:** Is transformational leadership theory the strongest influence to effective strategic organizational virtual leadership?

**RQ2:** Is complexity theory a significant factor in effective strategic organizational virtual leadership research?

**RQ3:** Is leadership inclusiveness a significant factor in effective strategic virtual organizational leadership?

## **LITERATURE REVIEW**

To understand strategic transformational organizational leadership must start with an understanding of transformational leadership. Research by Pinar et al. (2014) finds leadership in any virtual organization a significant organizational challenge. Leadership is hard work and is not for those that cannot work hard to innovate. Innovation is also a challenge as the leader is also tasked with transforming an organization (Hyypia et al., 2013). Organizational strategy and innovation are connected because once a leader deploys a new strategy; it requires innovation to see it to fruition.

Although strategic transformational organizational leadership does not necessarily imply the use of transformational leadership, in many cases transformational leadership can play a part in an organizational transition. As cited in Bass (1990), Tichy and Devanna (1986) state that transformational leadership is a “behavioral process capable of being learned and managed. It’s a leadership process that is systematic, consisting of purposeful and organized search for changes, systematic analysis, and the capacity to move resources from areas of lesser to greater productivity” (pp. 53-54). There is no doubt that transformational leadership relates to organizational strategy. However, organizational strategy existed long before transformational leadership.

Transformational leadership is a recognized practical leadership style being used by organizations worldwide. Studies have acknowledged that transformational leadership rather than transactional leadership leads to greater effects, particularly in large projects (Tabassi et al., 2013). According to the Project Management Institute (PMI) website, PMI has close to a million members and advocates transformational leadership as a preferred leadership model for project managers. Although this may seem like considerable support, there are about an equal number of PRINCE2 project managers that feel that any leadership theory can be successful. According to the PRINCE2 website, they do not recognize any leadership style as more conducive to project management. Jaafari’s (2003) and Leban’s (2003) studies offer evidence that transformational leadership was best suited to lead a complex project. Jaafari (2003) and Leban (2003) research suggests that flexible more than inflexible processes and procedures led to a successful

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