

Visionary Leadership in Modern Organizations: Exploring Charismatic and Transformational Approaches

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Abstract. In today's rapidly evolving business landscape, effective leadership is essential for organizations to thrive. This essay delves into the concept of visionary leadership, highlighting its significance in guiding companies toward sustainable success. The discussion canters on two prominent types of visionary leadership: charismatic leadership and transformational leadership. Charismatic leaders inspire trust and respect through dynamic qualities, while transformational leaders foster growth by nurturing learning, shared ideals, and individualized consideration. Through examples and insights, this essay explores how these visionary leadership styles drive innovation, employee creativity, and organizational performance. Moreover, the impact of cultural and ethical considerations is examined, shedding light on the delicate balance between visionary leadership and ethical conduct. The essay underscores the applicability of these leadership styles, particularly within the context of Australia, while also acknowledging potential challenges and opportunities for future development.

Keywords: Corporate performance, Organizational cohesion, Visionary leadership, Business innovation.

1. Introduction

Over-management and under-led exist in many Australian companies or even companies in many other industrialized countries. This is often because companies have not positioned their leadership in perspective. They mistakenly focus too much on maintaining the status quo and making it work smoothly. A truly effective leader should pay close attention to vision, mission, goals, and objectives, and ensure that the company is always doing the right thing over the long term and inspire creativity and identity in employees. Therefore, Mai, Do and Ho-Nguyen demonstrably define leadership as cognitive competence, interpersonal competence, and result-oriented competence, which positively affect organizational learning, organizational innovation, and business performance. [1] Moreover, this essay aims to demonstrate how the two types of visionary leadership powerfully motivate team management, employee creativity and organizational productivity and validate their applicability to Australia and the rest of the industrialized world. Furthermore, this coherent study will first investigate how specifically leadership works in a company and influences organizational effectiveness, and second illustrate the special qualities of a charismatic leader (dynamic, insightful, enterprising, confident, visionary, determined, ethical) and elaborate the four common abilities of charismatic leadership, and will then analyse the positive effect of transformational leadership on collectivism and subordinates to build the organization's common vision in the long term.

2. Nurturing Leadership in Dynamic Settings

Obviously, Leadership is the fundamental and strategic ability of enterprises and organizations. It is the personality cohesion and charisma produced by leaders to specific individuals or organizations under certain conditions by virtue of the comprehensive effect of their personal characteristics and external expressions of values. It is also an important driving force to maintain the sustainable development of organizations, organizational effectiveness, and the growth of subordinates. In the face of a complex and ever-changing environment, leaders need a higher and broader vision, more rapid and accurate judgment, and more comprehensive and effective influence. Research shows that

to achieve remarkable performance levels, the ability to plan and organize as a leader needs to improve significantly.[1] Moreover, according to Mai, Do and Ho-Nguyen [1], ‘All three leadership competences showed significant influences on organizational innovation through organizational learning with the strongest impact coming from cognitive competence, followed by results-oriented and interpersonal competences.’ This is strong proof that the three phenomena (cognitive competence, interpersonal competence, and result-oriented competence) of leadership have a superior effect on corporate operations, employee creativity and corporate performance. Meanwhile, visionary leadership is positively associated with employee creativity. Larger enterprises will gather more employees of distinct ages, races, religions, ways of thinking and social status. Therefore, visionary leadership as the goal of an organization brings subordinates together and motivates these extremely diverse employees and provides a clear vision and specific goals for future development. Visionary leadership is adept at communicating the vision of the organization directly to every follower on the team in a passionate way and making an unwavering commitment to achieving the vision. Their steadfastness to the vision often motivates the rest of the team to also consent and embrace this vision, and to strive for it spontaneously. However, it also exists some constraints to implementing visionary leadership in an organization. Zhou illustrated that employees’ goal orientations and knowledge sharing will limit the function of visionary leadership. Moreover, the following two paragraphs will elaborate on the two types of visionary leadership with examples. [2]

3. Charismatic Leaders: Inspiring Innovation and Cultural Alignment

With the development of economic globalization and the increasingly fierce market competition, all kinds of organizations, especially corporate organizations, urgently need the reform and innovation spirit of charismatic leaders to meet the challenges of the environment. Atwater, Penn and Rucker defined charismatic leadership as a behavior disposition or personality which inspires reliance and respect, as well as improves heightened performance and contentment among followers. [3] The character of the leader refers to the moral character, personality, and style, which are the essential factors for charismatic leadership to play its role. Leaders with excellent characters often have great appeal, mobilization, and persuasion. Therefore, followers who become devoted to charismatic leaders may go to extraordinary lengths to devote themselves to them. The characteristics which best distinguish charismatic from non-charismatic leaders are their personalities. They are dynamic, insightful, enterprising, confident, visionary, determined, ethical and nonconformist. They also have lofty ideals and purpose, the ability to express clearly, a firm belief in goals, persistent pursuit of change, and sensitivity to the environment at the same time. For instance, through the research of 34 high-level R&D teams in Australia, it is proved that charismatic leadership has greatly improved team initiative and innovation [4]. They are more energetic to maximize team and individual performance. At the same time, in the Australian environment, on account of cultural factors and work styles, employees generally perceive charismatic leadership as approachable, impartial, and visionary as closely related to business development. Furthermore, the four common abilities of charismatic leaders are a vision for the future with firm values and ethics; strong ties and shared ideals with subordinates; management and practical ability to resolve crises; and the persistent pursuit of ideals. The preferable mix is to combine of strong personal characteristics and strong management behavior. However, charismatic leaders can even break organizations when leaders are unethical charismatics. Unethical charismatic leadership will control and manipulate followers to exploit personal gain. According to Atwater, Penn and Rucker, Charisma can also be a seamy side to convince subordinates against organizational values. Only charismatic leaders who are socially responsible and aligned with the organization's mission will be needed. [3]

4. Transformative Leadership: Vision, Empowerment, and Collective Growth

In addition, resembling charismatic leadership, transformational leadership is also visionary. The vision of transformational leadership is that it has a senior level of learning orientation, and such leadership has an extremely positive-going effect on knowledge sharing. [2] Moreover, make employees aware of the importance of their responsibilities and missions, and stimulate their higher-level demands, so that they can maximize their potential to achieve the highest level of performance. Based on Williams, 'transformational leadership has four components: charismatic leadership or idealised influence, inspirational motivation, intellectual stimulation and individualised consideration.' [5] Idealized influence involves the leader generally having recognized high ethical missions, and strong personal charm, and being deeply respected and trusted by their subordinates. Inspirational motivation elaborates leaders express high expectations to their subordinates, motivating them to join the team and become part of the shared dream of the team. In practice, leaders often use team spirit and emotional appeal to rally the efforts of subordinates to achieve team purposes. Moreover, leaders can motivate and transform subordinates in the formation of ideologies, beliefs, and values through intellectual stimulation. Everyone has the will and motivation to learn in an organization with a strong learning atmosphere. With the continuous improvement of the knowledge level of employees, the perspective of their thinking about problems will be more comprehensive, and it will also prompt them to use new methods and new means to solve problems encountered in their work. Individualised consideration makes transformational leaders like coaches and advisors, helping employees grow through challenges in a differentiated way. For example, in my early days at Australia's Leading Digital Finance Platform Society One, my direct manager Mr. Martin would always inspire employees to express new insights and encourage them to use new means and new methods to solve problems encountered at work. It is fortunate to have had such a transformational leader working together. Furthermore, Zhou compared a more transformational leadership style will be responded more positively in collectivist cultures. [2] Consequently, Transformational leadership interconnects the roles of the leader and the subordinate and attempts to create a process between the leader and the subordinate that increases both motivation and moral level. At the same time, through the co-creation and promotion of the organization's vision, the adaptive change of the organization is promoted in the process of efficiently accomplishing the organization's goals.

5. Conclusion

To conclude, leadership is a precondition for success in Australian organizations or even those in much of the rest of the world. In the extant research, the two types (charismatic leadership and transformational leadership) of visionary leadership competences have been recognized as key determinants of business performance and organizational climate. Indeed, visionary leadership has a collectively driven motivating effect. It can significantly improve organizational performance, organizational cohesion and industry competitiveness through continuous innovation, knowledge sharing with employees, and mutual learning. Consequently, only ethical charismatic leadership with courage, a sense of justice, insight, firmness, and persistence could provide developmental opportunities for their fanatical followers and the enterprises. Only transformational leadership goes beyond transactional incentives to generate powerful influence and impact through considering, motivating, and intellectually stimulating employees. Employees will spontaneously go beyond their own interests for the group's goals, missions, and development prospects to achieve expected performance goals.

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