“Success Criteria of a Knowledge Based Organizational Operation - Or the Necessity of the Leadership Style Change”

AUTHORS	Andrea Bencsik https://orcid.org/0000-0001-8204-3706 Krisztina Bognár

ARTICLE INFO	Andrea Bencsik and Krisztina Bognár (2007). Success Criteria of a Knowledge Based Organizational Operation - Or the Necessity of the Leadership Style Change. *Problems and Perspectives in Management*, *5*(2)
RELEASED ON	Tuesday, 22 May 2007
JOURNAL	"Problems and Perspectives in Management"
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
0	0	0

© The author(s) 2026. This publication is an open access article.

Success Criteria of a Knowledge Based Organizational Operation – Or the Necessity of the Leadership Style Change

Andrea Bencsik[*], Krisztina Bognár[**]

Abstract

In corporate practice the condition of success is that leaders must be aware of the value of human capital. The target of our theoretical research was to identify expectations that we can create against managers, who want to realize the development and successful operation of Knowledge Management System (KMS). We composed some questions that we answered in the study. The phases of our research:

- We looked over and summarized expectations generally valid in leading work and expectations, which are waiting for the realization as the elements of KMS,
- We selected expectations and identified the common areas in consideration of principal expectations that managers have to accomplish,
- We summarized the relations among principal features succeed in the following fields:
  - satisfaction – emotional intelligence (EQ) – elements of Knowledge Management (KM),
  - EQ – managing competence – elements of KM.

We drafted the direction of change and things that managers have to do to make KMS work successful.

The result of our theoretically research will be expanded to practical field, the managerial practice will be measured, tested, compared against the drafted expectations and with the extent of their fulfilment. We will give an account of the practical results in a following study.

Key words: knowledge management, learning organization, organizational culture, leadership style, communication, team learning, emotional intelligence.
JEL classification: M12.

Introduction

Today every leader knows that the technical elements (device, material, money, information) that are needed for the maintenance of a long-term successfulness, mean available competitive factor for any company but the fifth, the professional, human knowledge and the acquisition then keeping and maximal utilization of it is the key issue from the point of view of competitive success.

According to these introductory ideas the **target** of our research was to put into words the most important expectations that support knowledge based organizational operation from managerial side. We were curious to know how can expectations – that are already can be found in literature, are drafted by researchers and succeed independently from each other as well as they classify successful managerial work – be brought into connection with each other on behalf of that the execution of expectations make possible the enterprise-wide operation of knowledge management systems.

Our **research** fundamentally based on **theoretical** considerations and cross checks of worked out principles.

The **logic** and **steps** of our research:

[*] Széchenyi István University, Hungary.
[**] Kodolányi János Univerity College, Hungary.

© Andrea Bencsik, Krisztina Bognár, 2007.

1. We surveyed the base literature and collected the already existing expectations in connection with the successful managerial work. On the basis of these we looked for relations for drafting the managerial tasks that are necessary in case of learning organizational operation and building up knowledge management systems. Our assumptions started from that already many people and many times formulated, which are those most important managerial features that are needed for the successful operation of companies nevertheless the difference of human features can bring success with predominance of different leadership style.

2. We were looking for that from the above mentioned which are those features that are indispensably necessary for a new type of management system, for to make knowledge management work. Independently from the generally expectable features of leadership style for drafting the expectations we identified the connections and characteristics, which make possible the realization of learning organizational features, the right corporate culture, team-operation and organizational learning.

3. On the way from building up a learning organization till changing the leadership style that are needed for the operation of knowledge management system we arranged in pairs features that are connected and have an effect on each other on behalf of the successful operation.

4. For answering questions in tabular form we finished the comparison of the most important expectations and giving them an order to come together that couldn't be heard from others yet in this form.

5. On the basis of the uppers we put the most important things to be done into words for managers. This is needed if it is necessary to change the leadership style applied in the course of the former organizational operation as the functional condition of knowledge management system.

Drafting of the following question led to the processing of the literary background of the research:

For what do the top managers need? How do they have to think, behave? How do they have to change themselves for opening the door to the above-mentioned successfulness of their organization? Obviously the footages limit of this study does not make the fully comprehensiveness possible in the point of the phrasing of conditions and things to be done, therefore – extracting from these one of the most important – we concentrate first of all on the expectations against the leader. We do it for clarifying the significant requirement – which is the base of the economy conditions of today – that the top managers have to do for the sake of storage and maximum utilization of knowledge in their organization. Whether what kind of leadership style, human behaviour and motivation is needed for accessing this goal?

1. Basic Idea of Knowledge Management

It is with a research result justified fact (Bencsik, 2005) that people perform maximum if the commitment feeling is complete extent, if they feel the work their own that help them to get the individual goals beyond the organizational goals. For this, such an organizational, cultural background is needed that bases on confidence, helpfulness, paying attention to each other. On the basis of all this the successful competitiveness can be continuously kept only with the development of this affection. For this the insurance of flexibility of a company operation is needed and within the organization such a motivation atmosphere has to be dominated which lines the creativity of fellow-workers up for the production of qualitative products and services. So it is plainly conceivable that the human attitude influences the qualitative and quantitative properties of working, namely the management of human resources is one of the basic pillar of the successful company operation.

We understand under knowledge management every activity, which goal is to map, collect, systematize, share, develop and utilize effective the stored up, documented cognitions, expertise and experience within an organization (Davenport, Prusak, 2000). Why do we have to manage knowledge? Because the appearance of **intellectual capital** in the company statements came to the front

in the past period, since it means however difficult quantity determination factor, the existence of it and the importance of its consideration are indisputable. The more knowledge is able to preserve and utilize the company from its humans, the more chance it has for the continuous market success. However the great number of companies is not on to their own knowledge. Knowledge to be found in many different locations (class, industrial unit, factory, etc.) is by others not accessible stored therefore such solutions have to be found out again and again, which may have already been come into existence at other organizational unit.

Knowledge becomes power that means competitive edge in the organization if it is succeed to bring to the surface, unify, bring within reach, well-known and adaptable by everybody. This power is of the organization, the organizational success and not of the individuals.

On the second step of the research we looked for those preconditions, which are necessary for the insurance of the upper described operational function. For this we had to give answer to the following question:

Which are those basic conditions that require change from the side of management regarding leadership style and culture? What kind of additional application of leadership methods and tools is proposed if the company bind itself besides this modern thinking? What kind of leadership support is needed from the point of view of human management for building up knowledge management systems then insures its correspondent operating the access, increasing and/or maintenance of competitiveness?

2. Relations and Features

2.1. The learning organization as a precondition

Learning organizations mean that basis, which is the first condition of the knowledge based companies' competitive activity that acts under the conditions of knowledge economy. The organizational learning bases on the individual learning, however the willingness for individual learning bears closely upon the employee satisfaction. It means the development of all these – as the practical implementation of the theory and perspective of organizational learning, the application of the principles of knowledge management in the confidential clerks work. Information that is obtained about markets, products, processes and competitors flood managers increasingly intensive upon a future minded leader have to react. Most of the enterprises have already recognised that there is no future without individual knowledge but those technical implementation possibilities how the acquired knowledge can be kept, shared, developed and managed with it, already fewer enterprises are able to see through.

The basic characteristics of learning organizations are as follows:

- Culture based on the superior human values of fondness, admiration and sympathy.
- Practices that support creative conversation and co-ordinated activity.
- Ability, that we see the flow of life in one system and work according to that.

These basic features can be considered as three supporting pillars that give adequately stable basis for that every feature all at once to be proceed with equal emphasis. We can also compose that the organization requires that its employees be capable to **system thinking**. It makes the drafting of desires and goals possible, which can assure the real vision of employees for the accomplishment of the whole organizational goals. In this way comes about such an **interaction** that lays the foundation of the development of **team-learning** possibilities using up thinking and the devices of the communication.

The above mentioned principles mean that the definition of knowledge become wordable that is not other than the capacity for effective action (Senge, 1994).

The paper knowledge can be acquired from textbooks, specialized literature but these are only information, data, which can be committed to paper. Interaction between people is needed there-

fore we can convert all this to knowledge. The interaction makes the mediation of desires and goals possible. By drafting them, the acquisition of knowledge reality becomes that is realized in the course of learning. If there isn't any desire, goal, there isn't any knowledge too. To realize all these the acquirement of individual and team abilities are needed. With the help of them we can reach the goals that link up with work. (Of course the intelligent communication gets importance here too. The above described are valid for the relations between employees.)

The goal of knowledge management is to mobilize through organizational groups by the enterprise available shared or hidden knowledge. With this it will be able to respond faster and more flexible to the market requirements and the steps of competitors. As a result of all these higher quality can be produce through better planning and more effective work. Consequently the innovation ability of the firm will increase.

The emergence of the learning organizational criterions (personal mastery, system thinking, mental models, shared values, team learning) and the collective organizational culture (Hofstede, 1994) support the emergence of knowledge sharing that means that everybody try to transfer their knowledge and share it with their colleagues and the other members of the organization for the sake of the collective goals. This fact already contributes in itself for that people be able to work and fulfil expected results in a frame of balanced organizational function in a higher knowledge level.

If the performance is higher not only in quantity but also in quality, there appears efficiency of an undertaking, since an opportunity presents itself for the production of more recent, better quality, more marketable products and services under competitive organizational conditions.

Human resources fulfil the key function – in this logic – so it is worth throwing light upon what kind of conditions are still needed for that the management will be able best of all to invest the knowledge of its employees on behalf of the highest level of accomplishment of organizational goals.

In so far as the learning organization is workable the current criterions can be caught and we have to ponder over:

- the organizational culture, and
- the leadership style.

For the characterization of both them – on the basis of numerous grouping possibilities – a most tight-fitting solution can be chosen, which we don't write about now in detail because of the extent limit.

2.2. The culture and group operation

In the modern organizations may be typically found unit is a group. Since the group is made of individuals therefore their knowledge and the result of their learning ability are summed in the outcome of the group performance. Namely the group performance will be more than the simple mathematical sum of knowledge. In reference to this the collective learning means on the one hand the learning of individuals, on the other hand the preservation, development, transfer of knowledge that was acquired in consequence of the common work of the whole group (Edmonson, 1999). So for the sake of that the organizations are able to develop and learn continuously we have to suppose that people and groups working in these organizations are also able to do the same (Barakonyi, Lorange, 2000).

Since in the learning organizations the team learning serves for the access of team-goal, for this reason both individuals and the team are ready to wear out some uncertainty. As the team-goal is connected to the task being distributed to the group, therefore the collective learning contributes to the development of organizational capacity and in a given case to the execution of the successful change management.

For the predominance of our thinking in practice we need that the collective working in the organizational life would be supported by the operating organizational culture. Let's have a look, what are the properties that characterize groups within the learning organization. We also have to take a look whether these communities differ from workgroups of an organization of an undertaking in any viewpoint that wears non distinguished features. The **collective learning** can be imagined only on the basis of high-level teamwork, collaboration and collective thinking.

The expectations against these groups are as follows:

- professional (intellectual) erudition,
- emotional intelligence,
- elaboration and predominance of competences,
- learning ability,
- knowledge transfer, predominance of knowledge management aspect.

Those groups, which are able to perform the above-mentioned expectations within the organization, are not definitely among formal and regulated frames working teams. Organizational groups taking the opportunity to the possibilities of learning, knowledge sharing can be those professional communities, which take shape (or can be shaped) spontaneous or regulated manner in the organization. These groups support the dissemination of knowledge management view. Their task is to support the organizational work in the implementation period of changes, first of all in that case when the goal of metamorphosis is to turn into learning organization or to disseminate knowledge management view.

Who can be actually considered as the member of **communities of practice** and how do these groups evolve within the organization? The professional team is a group of that sort of people, who have common interests or are active on a work with the same target, perhaps they have similar hobby and they are able to deepen their knowledge in such a way that they continuously collaborate with each other on a given professional field.

These teams are of great importance in the formation of good corporate spirit and organizational culture, which has significant role in learning and in overcoming of resistance to changes. The team members, so-called the **knowledge workers** have to find their position at every level of organizational hierarchy. They have great importance on the field of knowledge acquisition, knowledge sharing, knowledge keeping, knowledge development, collective and organizational learning – forgetting and innovation.

Consequently any informal and formal group that take shape within the organizational frames can be reckon as a community of practice, which goal is learning, knowledge sharing, knowledge spreading, knowledge keeping and knowledge development. It is important that their operations have to be characterized with the harmony of organizational and individual goals. We have to take into consideration that all those team processes are characteristic of the operation and formation of these groups, which are characteristic of any other group – that was formed for solving a given task or executing a project. Those phases can be similarly separate from each other that go with participants both emotionally and in work from the first meeting to the end of the work.

According to the classical interpretation, the human resource management deals with the selection of persons, motivation systems and tools, wage systems, the quality development of human resources, the development of education and organizational culture, etc. In accordance with this formulation, the question and necessity of the **management of individual knowledge** do not belong to the tasks of human management. Rightly emerge the question, **where this subject matter has to take place** and **whose task** is the handling of this subject. Do we have to deal with the following questions – acquisition, spreading, keeping/storing, maximum utilization of competitive knowledge that is inseparable from human resources – on highest managerial level or we have to delegate the responsibility of it? Whoever is in decision making situation in the organizational hierarchy about building up and setting in action of knowledge management, it cannot able to work with autocratic or to that similar leadership style and with this style supported organizational

culture. It is truth that the organizational culture – similarly to leadership style – is "soft" category, nevertheless permeates and determines the "hard" elements of the organization, namely the applied management methods and tools and through this the strategy, structure, managerial decision making and directing systems, etc. Finally, it determines the competitiveness.

2.3. The importance of leadership style and communication

The other influential factor that makes possible or impossible the successfulness of the above-mentioned organizational operation is leadership style. What kind of leadership style may support this organizational operation? If we take out a model well-known for any researcher one thing is sure, namely we have to seek to the direction of **democratic** scale. Of course – in the course of determination of leadership style – as usual it is not absolutely truth even now either extreme. Mostly the predominance of principles of **transformer management** can bring real success. The expectation is on this field the **democratic – laissez-faire** leadership style that supports the group operation. Within this the socio-emotional and interpersonal skills come to the front against the intellectual and entrepreneurial skills appearing in the feature-theory grouping (Barakonyi, Lorange, 2000).

If we stand in pairs the learning organizational criterions, the requirements of knowledge management principles and implementation steps and the expectations of organizational culture as well we can bravely declare that the knowledge of leading – that meets the requirements for all this – creates the possibility for managing knowledge. What kind of **managerial knowledge** is needed for this?

Today it sounds no more surprisingly that in the successful managerial work **competence** outweighs practical knowledge or the intelligence in itself. Leadership features such as empathy, independence, initiative skill, reliability, etc. are more important in the judgement of top managers than the qualification of material knowledge. While looking at the features of **emotional intelligence** we can discover numerous analogies with features describing the **satisfaction** of human resources, which classify the susceptibility for knowledge management that ensures the **competitive operation of an undertaking**. Most of the emerged features come under the category of "soft" what marks that the human centred leadership attitude comes to the front. Those managers, being in **power position**, who are not able to tune up on this, cannot make a success of their company.

Communication has also great importance whether leaders are able to realize a human centred leadership style. People can broadcast their own ideas, opinion and desires, etc. and can receive messages arriving from others by means of communication.

If we go properly deep into this subject, we can mention a row of experiences, what a leader can lose and hereby the whole organization if it cannot communicate in intelligent manner.

What does **intelligent** mean?

Numerous factors influence the communication. From these – without the request for completeness – the circumstances, attitudes, the different noises restrict or make impossible the reception and processing of messages. What forms mostly obstacle? Filter can lock information. It can be bountiful since it preserves from the unnecessary information that would make our life unmanageable. The filter defends on one hand and hinders on the other hand. What determines how much damage it causes next to its defensive function? Mostly our **culture** is determinate but of course the knowledge, information, experience also play role.

Mostly it is decided in the children's room what kind of people we will be, which values determine our acts. Of course the effect of our further circumstances also succeeds but what we really become in view of our internal ego will be established in childhood. Those children with whom their parents chat and communicate in accordance with their age and intellectual level, whose parents value their actions, who get continuous reinforcement, to whom the direct environment broadcasts stable scale of value will be self-confident persons with rightly formed scale of values about oneself and the surrounding world. While those children who do not have any parents or whose parents do not pay attention to them, who therefore grow up in an instable, ever-changing, unformed

and railless surrounding, may be so uncertain in the judgement of oneself and their environment to the end of their life. If this people are getting leader by means of their other features – for example: their cleverness, loyalty, etc. – can cause a great number of damages to themselves, their organization and fellow-men in consequence of their weaknesses.

These people do not have proper intelligence for measuring, which noises they have to filter and which noises are important to them. In consequence of a continuously defending and a scale of value waiting for strengthening, they filter information badly, they misunderstand them or they rule them out in advance. They appreciate the effect arriving to them according to their deformed values and they react back in compliance with them. Because of their automatically respondent patterns they won't be able to communicate intelligently.

These people disposing with stable values create themselves because of continuous claim to strengthening such surrounding that they get the strengthening on the basis of unspoken compulsions.

What does it mean in the practice of an undertaking?

These leaders draw some people, who have adequately impressible and unformed personality, under their own influence by their power and "in some compensation" they expect the strengthening without inconsistency. They get it since they "pay" for this. In the course of years this strengthening causes such deformation about their self-image in their value judgement that they cannot decide any more where there are the right boundaries, limits, values, and what they have to refuse or receive by their filter. The leader stands in need of strengthening more often but if he/she gets higher at the hierarchy he will always meet more and newer decisions. The supporting camp will also keep nodding more often to the values that he/she supposed to be right. Therefore works filter on false basis and get lost the information that is needed for the successful management of the organization and decoding happens on the basis of deformed values.

3. From Learning to the Change of Style

What kind of connecting and on each other acting **features** can be identified as an expectation on behalf of the successful operation on the way from building up a learning organization till changing the leadership style that are needed for the operation of knowledge management system

3.1. Learning – culture – knowledge

The implementations of learning organizational criterions, the collective organizational culture mean the requirements of the knowledge management systems construction. In this case the organizational members, the individuals and groups are opened to admit the new skills, continuous renewal and learning (The double-loop and the Deutero learning are of significance from the point of view of learning.) (Argyris, Schön, 1978). Such organizational atmosphere supports the success of knowledge sharing, which means that everyone aims to transmit his knowledge, to share it with his colleague and the other members of organization in the interests of the collective goals. This fact even separately contributes to that people will be able to work and perform the expected results in the framework of a balanced organizational operation on a higher level of knowledge.

If the performance is higher not only in quantity, but also in quality, it can be seen as the efficiency of the enterprise, since it will make it possible to produce more modern, higher quality, more marketable products and services under competitive organizational conditions.

The establishment conditions of knowledge within the company – first of all the innovative knowledge – is beyond the operation of learning organization such grounded internal knowledge base that is the condition of permanent development and renewal. As well as the organizational atmosphere (culture) that establishes creativity, the conditions of continuous learning it handles the requirement on strategic level that the employee's satisfaction, the reliable quality and the competitive performance of work can be ensured by setting the right man in the right place.

3.2. Culture – satisfaction – quality

It can be stated along with the heading **"Self-management"** which appears under the operation conditions of learning organization culture that those people in such organizational conditions, who get a chance to accomplish themselves can produce higher quality by harmonizing their own imagination with the **organizational goals** that is determinant factor of the **employee satisfaction** at the same time. From the other hand, the qualitative products can highly influence the customers' satisfaction in consequence of the competitive operation.

Examining the enterprises' activity in quality aspect, we can face two kinds of problems:

- failure adjustable by the employee that come up if the employee has all the three criteria of self-control:
  - knows what his/her task is,
  - knows what he/she is doing now,
  - is able to control his activity.

These criteria are only the conditions of self-control, they do not mean self-control automatically. For this it is needed that the employee should possess the appropriate approach, responsibility, also knows and wants to use its tools.

- system-failures, namely the failures that can be influenced by the management of the enterprise that occurs if one or more criterion of the self-control does not fulfil. It indicates the imperfection for making the conditions of the self-control by the management if the employees do not know the expectations, the mode of actions and the possible tools and if they do not get feedback of the performances, appropriate support in physical and human resources.

In case of strive for the **quality work** (competitiveness criterion) it is about **change of the management view**, achieve the long-term thinking. It brings new "lifestyle", modified behaviour and new emphasis into the life of enterprises. This means that the increase of general effectiveness and value creation come to the front instead of the permanent costs minimizing in short-term period. The enterprises want to produce cheaper and cheaper, but they try to offer more and more that the customers need: not more and especially not other. This way of thinking can be reckoned as such concept and program, wherein the implementation and the "steps" of change management have the same significance as the result itself. This is a permanent learning process. In this meaning the formation of learning organization also supports the continuous quality improvement.

3.3. Satisfaction and emotional intelligence (EQ)

If we look throughout the characteristics of EQ, we can find many similarities in the aspect of expected management competences on one hand, and in relation with learning organization and group operation within it on the other. Goleman mentions 25 factors (Goleman, 1997) which characterize the human features. He classified them into 5 groups. Each of them can be measured objectively.

The five groups:

- self-knowledge
- self-control
- motivation
- empathy
- social sense

The key element of successful groups is emotional intelligence but the groups with high emotional intelligence are not simply groups of people with high emotional intelligence. To have high EQ in a group, we have to define norms that can be the basis of the **mutual confidence** and **group-spirit** and the members can feel the **supporting power** in the group. If these conditions are unfulfilled, there is still a chance the cooperation and participation, although the team can't operate on the optimal effectiveness.

It is confirmed by a raw of studies that the groups are more creative and productive if high level of participation, cooperation and contribution evolve among the members. To achieve this the presence of three basic conditions is required, before these behaviour-modes could form:

- the mutual confidence of the members,
- the feeling of belonging to the group,
- the feeling of the supporting power of the group.

Behind these conditions there are deep emotions. The confidence, the feeling of togetherness, the feeling of supporting power is getting to form in an environment, where the emotions are handled excellent, so it is useful for the groups to improve their emotional intelligence. The emotions should intentionally bring to the surface. We have to understand how they can influence the teamwork and through this the organizational work (Goleman, 2002).

The organizations have to rethink whether they need emotionally matured managers, emotionally intelligent groups and whether they are ready to expend time and energy on it. But the advantages that comes from the emotionally intelligent staff and managers for the individual and also for the enterprise worth the effort. In the continuously sharpening competition the emotional intelligence being on organizational level is the key factor of survival.

4. EQ, Satisfaction and Knowledge Management

The employee satisfaction researches nowadays come first of all to the foreground in order that companies may check off specifications or requirements of quality system audits concerning to this. Truly, the quality aspect as a much toned factor that makes competitiveness increase is determined by the employee satisfaction however the judgement of human resources from this point of view must not get stuck on the level of achievable of quality audits.

The management will have the opportunity to mobilize the organizational reserves and increase the competitiveness with the application of the correspondent strategically and action plans, management techniques if the organizational culture supports the changes and the organization utilizes the benchmarking data of other firms working on the similar field and the data from employee satisfaction research.

The transformation from any kind of organization to learning organization runs not smoothly. But if the transformation runs with paring the enlightened leadership style, leadership competences in expected level with the right level of emotional intelligence and also keep in mind the employee satisfaction, then there is bigger chance for retaining or forming of organizational competitiveness. If we still assign all to this the quality requirements of organizational culture that we explained at the beginning of the study we get a full picture about the connection system that lays the foundation of the chance to reach the individual and organizational wishes. Hereby it is the most important guarantee of thirst for knowledge that is the precondition of learning, development, purposeful leadership behaviour and satisfaction at the same time.

Factors that influence most of all the employee satisfaction – we concentrate on those non-exhaustive factors that characterize the emotional intelligence – and their relationship with the elements of knowledge management can be looked over in Table 1. The factors of emotional intelligence and the meaning of them are those characteristics that are chosen from the 25 elements grouped by Goleman connected with satisfaction. In the second column one of the 5 main-group can be read where that factor belongs to that was indicated in the foregoing column. Thereafter from the leader expected emotional competence appears, then the relationship of all these with the elements of knowledge management.

Consequently in this phase of our research, building upon the previous establishments according to the logical phase of building up and operation of knowledge management system we give order to come together the most important expectations in connection with the managerial work. We do this on the basis of own consideration first of all for emotional intelligence and satisfaction.

Table 1

Satisfaction – EQ – Characteristics of emotional competence and the relationship of knowledge management elements

Features of satisfaction	Description of satisfaction features	Description of EQ features	Features of EQ	Group of EQ features	Managerial emotional competence	Components of knowledge management system
Setting an objective	Identification with the organizational goals, acceptance without conditions	Sense for common work on behalf of common goals	Co-operation	Social skills	Social competence	Defining knowledge goals
Empathy	Group interactions, relationship of leaders and employees, treatment of people, problem solving, conflict handling	Recognition of emotions and their effects, sense for dissolving discrepancies	Emotional consciousness, conflict handling	Self-consciousness, social skills	Individual competence, social competence	Knowledge identification
Learning	Possibility to access knowledge, assurance of continuous development	Readiness for grabbing possibilities, creativity, openness to new ideas	Initiative skill, innovation	Motivation, self-regulation	Individual competence	Knowledge acquisition, knowledge development
Mutual collegial supports	Transfer of cognitions and experiences, learning from colleagues and leaders	Sense for harmony creation in group, sense for common work on behalf of common goals, looking after useful contacts, sense and ambition for others development	Team-spirit, co-operation, networking, others development	Social skills, empathy	Social competence	Knowledge sharing
Admission	Performance motivation in which dependence the performance can change	Inducement for reaching notability	Performance- motivation	Motivation	Individual competence	Knowledge sharing, support
Commitment	Subordinating individual goals to organizational goals, forgiveness of failures, practice of abilities, applicability of knowledge	Alignment with the goals of team or organization	Commitment	Motivation	Individual competence	Individual and team learning, knowledge utilization
Confidence	Sincere, opened, fearless atmosphere, natural communication, information flow without barriers	Sense and ambition for changing notion	Communication	Social skills	Social competence	Knowledge distribution, knowledge utilization
Responsibility acceptance	Self-contained decision ability, and the formation of the possibility of it on behalf of management, consciousness of work, consideration of decision results	Taking responsibility related to our own performance	Conscientiousness	Self-regulation	Individual competence	Knowledge keeping
Work conditions	Physical conditions, perfection of technique, infrastructural provision	Trust in success despite obstacles and failures, sincerity and truthfulness	Optimism, reliability	Motivation, self-regulation	Individual competence	Knowledge storing, keeping
Acceptance	Utilization of creativity, taking into consideration the ideas, suggestions	Creativity, being open to new ideas	Innovation	Self-regulation	Individual competence	Leadership support
Performance assessment	Expectation – possibility, harmony of conditions, high level of work and process organization	Giving inspiration to individuals and teams and their management knowledge of our strengths and barriers	Management, exact self-estimation	Social skills, self-consciousness	Social competence, individual competence	Knowledge supervision, assessment

3.5. Leadership style – emotional intelligence – competence

Leadership style is such a basic influential factor that supports or just on the contrary makes impossible the realization of organizational operation mentioned above.

Therefore changing of leadership style is often needed that carries within that expectation that the **enlightened leadership attitude** should be combined with high-level **emotional intelligence** (Bencsik, 2003). If we look at the characteristics of emotional intelligence we can find numerous analogies to characteristics that describe the in-service manifestations of human resources during working. These characteristics qualify the susceptibility for knowledge management that lays the foundation of assurance of organizational operation.

We have to consider the possibilities and aptitudes for the judgement of the relationship between leadership style and employee competences. Starting point is the organizational **human resources management strategy** that contributes to the formation of knowledge based economy with the assurance of knowledge based organizational operation. According to a native survey (Gáthy, 2004) people utilize no more than 50% of their abilities by working. In our opinion it is large luxury in every organizations life. For avoiding this problem one of the most expedient solution if we already in the selection working phase keep to the fore the requirement that we employ the given sphere of activity the best-fit person. The selection has to be preceded by such a working phase, which determines with the help of the filed of work analysis the workplace profiles, career-mirror that describe punctually the necessary knowledge level for filling the given sphere of activity, the necessary and expected abilities, competences, the possibilities that assure motivation, etc. This is such a starting point that gives basis in the selection process of a wanted colleague for drafting expectations, defining standpoints of selection and delimitation of the applied technology supports. We can say relating to person that it is a "container" of competence, applied cognitions, "do-knowledge", know-how, "be-knowledge". These render it possible that a given person could do quality work. This competence can be obtained and make it perfect by learning.

We can meet many kinds of assemblies in literature regarding to leadership competences. We use from these a model put together by SHL (Goleman, 2003) as the base of comparison. From the elements of the model it can be to rasy select those elements that can be brought into connection with just now recited EQ characteristics.

Table 2

The model of leadership competences developed by SHL

Field	Competence	Definition
Leadership abilities	Management	Motivates others for reaching the organizational goals and creates conditions on behalf of this.
	Planning and organization	Organizes the activities and resources, plans programs and controls their execution.
	Aspiration for quality	Keeps in view the goals and quality. Does everything for observance of quality and quantity specifications.
	Persuasion	It is able to influence, convince others and make an impression on people: their opinion is generally accepted.
Professional abilities	Professional knowledge	He/she is competent in the professional relationship of the work and attends continuously to the preservation of the level of technical skills.
	Problem-solving	He/she analyses and takes into elements the problems. He/she brings in a rational verdict based on significant information.
	Verbal communication	He/she speaks clearly and fluently to certain persons or groups too.
	Written communication	He/she writes clearly and briefly and adjusts the grammatical construction, style and language of text to the reader.

Table 2 (continuous)

Field	Competence	Definition
Entrepreneur abilities	Business consciousness	He/she understands and applies the commercial and financial principles: the view points of costs, benefits and markets.
	Creativity and innovation	He/she has new and creative idea sin connection with the job and susceptible to query the traditional conceptions.
	Readiness for action	He/she is ready for decision making. He/she is initiator, man of action.
	Strategic sense	He/she handles businesses with wide intellectual horizon and considers the long-term effects and wider relationships.
Personality-features	Social sense	He/she is sensitive and good at social relations. He/she honours others and works good together with others.
	Flexibility	He/she accommodates successfully to the changeable requirements and conditions.
	Tolerance	He/she works effective amid obstacles or in tense situation. He/she preserves calmness and evenness.
	Motivation	He/she works hard and enthusiastically for reaching goals. He/she wants to be successful in career.

If we compare the upper EQ characteristics with those competences, which can be expected from the successful leaders of an undertaking in reference to Table 2, that could be no doubt about the analogy of personality features. (In relation to Table 1 the leadership competences appearing here fulfil for personal and social competences recited in Table 2.)

EQ	Competence
Motivation	Motivation
Empathy	Collective sense
Social sense	
Self-recognition	Tolerance, flexibility
Self-control	Tolerance

In the spirit of all these we can declare that EQ is an organic part of leadership competence (personal and social too) without which the managerial work cannot be successful. The enlightened relationships are needed for that the leader will be able to guide and manage the organization, organizational groups belong to his/her supervision that can enforce all of his/her competences on the possible highest level and at the same time will be able to enforce the principles of knowledge management.

3.6. The knowledge management elements from the aspect of leadership competence and maintenance of competitiveness (Bencsik, 2005)

In this phase the expectable and necessary managerial competences got into the centre of analysis building up first of all on the elements of knowledge management. We present our results similarly on behalf of lucidity in tabular form.

So the following table summarizes those ideas that can be caught in the aspect of knowledge management elements and leadership competences on behalf of competitiveness.

Table 3

The relationship between knowledge management elements and leadership competences

	Leadership competences				
Knowledge management elements	EQ characteristics	Emotional competences (personality features)	Leadership abilities	Professional abilities	Entrepreneur abilities
Definition of knowledge goals	Co-operation	Social competence, social sense	Management, planning, organization, conviction, aspiration for quality,	Knowledge	Business consciousness
Knowledge identification	Emotional consciousness, conflict handling	Individual and social competence, flexibility		Knowledge, problem solving	Business consciousness, strategical sense
Knowledge acquisition	Initiative sill	Individual competence, motivation	Management	Knowledge, communication	Strategical sense, ready for act
Knowledge development	innovation	individual competence, self-regulation, tolerance	Management, conviction	Knowledge	Creativity
Knowledge distribution	Team spirit, co-operation, networking, developing others	Individual and social competence, social sense, motivation, empathy	Conviction	Knowledge, communication	Creativity, strategical sense
Knowledge utilization	Commitment, communication	Individual and social competence, social sense, motivation	Management, aspiration for quality	Knowledge, problem solving	Creativity, strategical sense
Knowledge keeping	Conscientiousness, optimism, self-regulation, motivation	Individual competence, tolerance and motivation	Aspiration for quality	Knowledge	
Knowledge supervision and assessment	Management, exact self-assessment	Individual and social competence, social skill, self-consciousness, self-regulation	Aspiration for quality	Knowledge	Strategical sense, ready to act, business consciousness

4. Direction of Changing the Leadership Style

Building upon the formers we can draft necessary things to be done that are worth thinking over by managers. Leaders have to change their behaviour and leadership style in compliance with this if they would like to realize the operation of knowledge management system successfully in their organization.

The guiding principles presented up to this point lead us to the recognition that three important elements emerge – amid numerous expectations – regarding to the expectations against a leader:

- to have the required competences,
- on the basis of this to build up such an organizational culture that supports knowledge management, and
- the enforcement of a leadership style that ensures the continuous and successful operation and supports teamwork.

The common platform of highlighted factors can be grabbed most of all through the success of EQ. Since if the effect of this succeeds with due emphasis among competences, the leader – employee

relationship will also succeed in sufficient level (good, excellent, etc.). It means that people feel themselves good in the organization and it appears beyond their performance and quality work in the organizational commitment too, namely people make good use of their knowledge within the organization. They share their knowledge voluntarily and pleasantly and they do not wish to validate it among other organizational frames. This process shows close correlation with the other highlighted element since if the teamwork operates good and it is supported by leader, the collective knowledge succeeds more efficient. Employees feel much more that they belong to each other, their self-estimation develops and they can estimate each other better as well. If they get any possibility for individual or collective learning, their knowledge level will increase and they will better understand and like their work that goes hand in hand with newer learning desire curiosity. It will assure the continuous learning and development.

Summary of the Research, Conclusions

One more idea belongs to the definite answers of questions that we raised at the beginning of the study. Most of the mentioned characteristics (EQ, personality features, culture, etc.) belong to the "soft" category that marks that anthropocentric leadership attitude comes into the front. Managers being in **position of power** who are not able to tune up on this will not be able to make a success of their firm. In this case personal coaching or change management will be necessary.

It is ascertainable that in the traditional organization management – though there are some managerial expectations – the style and behaviour are a less dominant successfulness criterion then in case of management directing to operating knowledge management system. The expectations for human centred behaviour, directing, management and style succeed more emphatic here. We recommend that relation system to the attention of managers, which we outlined in the previous chapter. We also offer to form managerial behaviour and leadership style in the spirit of this.

For the realization of this expectation it is necessary for leaders to do justice to expectations drafted as a summary too, help the company to the fast and professional acquire, spread and sharing of knowledge in the organization.

Tasks that leaders have to do:

- drawing up a strategy, concentrating most of all on the human resources,
- workforce planning that contains the measurement of existing substance and the prediction of expectable requirements,
- sphere of activity, drafting career-mirrors, collecting and describing competences and development of wage-system,
- recruiting, selection taking into consideration the department requirements and the drafted competences,
- right person in the right place – analysis of discrepancies, compensation, education, training (internal benchmarking, best practice, change management, organizational development),
- observation of operation, performance evaluation,
- career planning, personnel development, knowledge utilization,
- knowledge sharing, building up supporting systems, organizational culture,
- learning teams, building up and operation of communities of practice,
- changing of leadership style, further training, EQ development.

Namely for **turning knowledge into organizational power** the management with power have to obtain such knowledge that proving the transformational leading principles is able to form their organization to a **co-operating team**. **Human-centred strategy**, transformation of motivation system, continuous learning, assurance of training possibilities, forming of collective view, drawing up punctual collective goals will be necessary. In the course of success of management roles building upon the Mintzbergs principles come into prominence the negotiator, information and

resource allocator role. In point of leadership style change first of all the direction pointer, democratic, liaison-centred and coaching styles and **management by objective** get important role.

References

1. Argyris, Schön. Organizational learning: A Theory of Action Perspective // Addison – Westly Publishing Co. 1978.
2. Barakonyi, Lorange. Stratégiai menedzsment // KJK. Budapest 2000.
3. Bencsik. Dolgozói elégedettség – a szervezeti versenyképességet befolyásoló tényező // Vezetéstudomány 2005. №6. – pp. 41-47.
4. Bencsik. Csoportszerepek és csoportfejlődés a tudásmenedzsment szolgálatában // Vezetéstudomány 2003. №6. (június) – pp.17-25.
5. Bencsik. Elégedett "tudásmunkás" a fenntartható fejlődésért // MABEC Budapest 2005. nov. 8.-9. Konferencia Kézikönyv – pp. 120-130. ISBN: 963 219 585 X.
6. Davenport, Prusak. Tudásmenedzsment // Kossuth Kiadó Budapest 2000.
7. Edmondson. Psychological safety and learning behavior in work teams // Administrative Science Quarterly, Ithaca Jun. 1999.
8. Gáthy, A. Egyetemisták ismeretszintje a fenntartható fejlődés fogalomköréről // Debreceni Egyetem Agrártudományi Centrum 2004. Debrecen (vizsgálati eredmények)
9. Goleman. Érzelmi intelligencia // Háttér Kiadó Budapest 1997.
10. Goleman. Érzelmi intelligencia a munkahelyen // SHL Edge 2000. Kft. 2002.
11. Goleman. A természetes vezető // Vince Kiadó Budapest 2003.
12. Hofstede, G. Cultures and organizations (revised edition) // New York Mc Graw Hill 1997.
13. Senge. Az 5. alapelv // HVG Budapest 1994.