Business Fundamentals – 1: Session 4

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What is Leadership?

The ability to influence a group toward the achievement of a vision or a set of goals.

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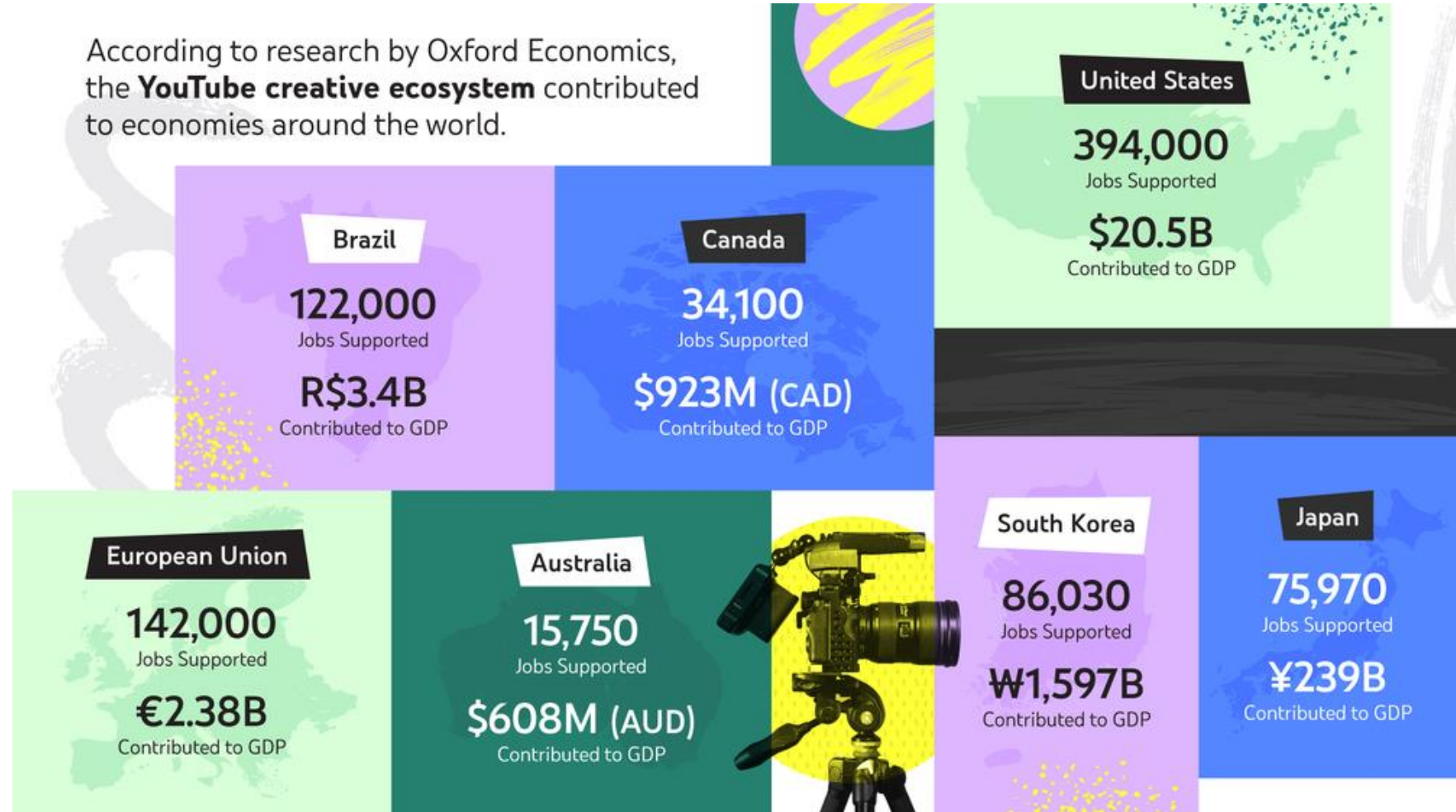# A few Questions Product Leaders Need to Address...

- How do you present an idea?

- How do you get people to believe in you?

- How do you lead other people?

- How do you think about an idea — something that doesn't exist — and convince people they need it?
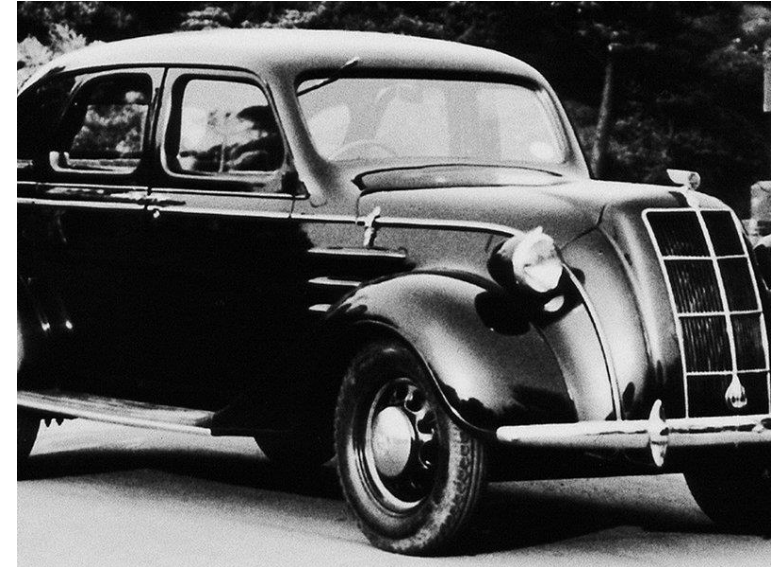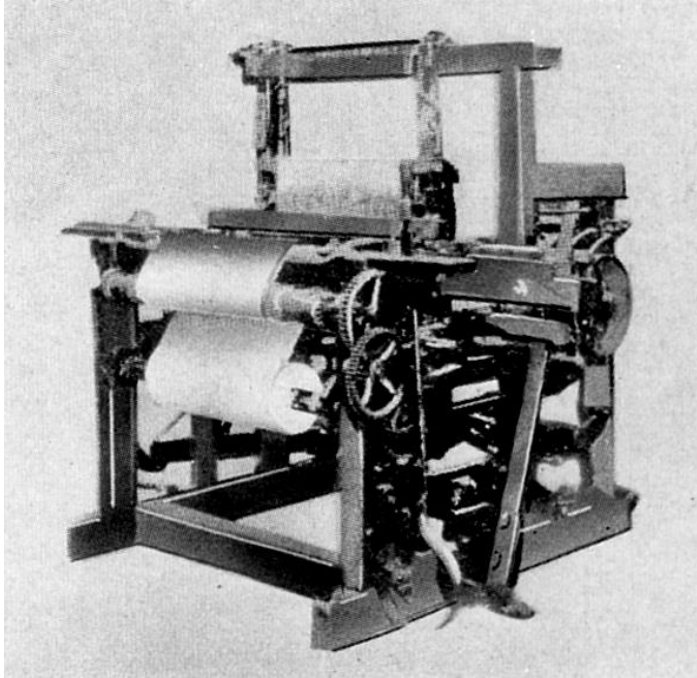
An example…

Susan Wojcicki
CEO YouTube

According to research by Oxford Economics, the **YouTube creative ecosystem** contributed to economies around the world.

United States
394,000
Jobs Supported
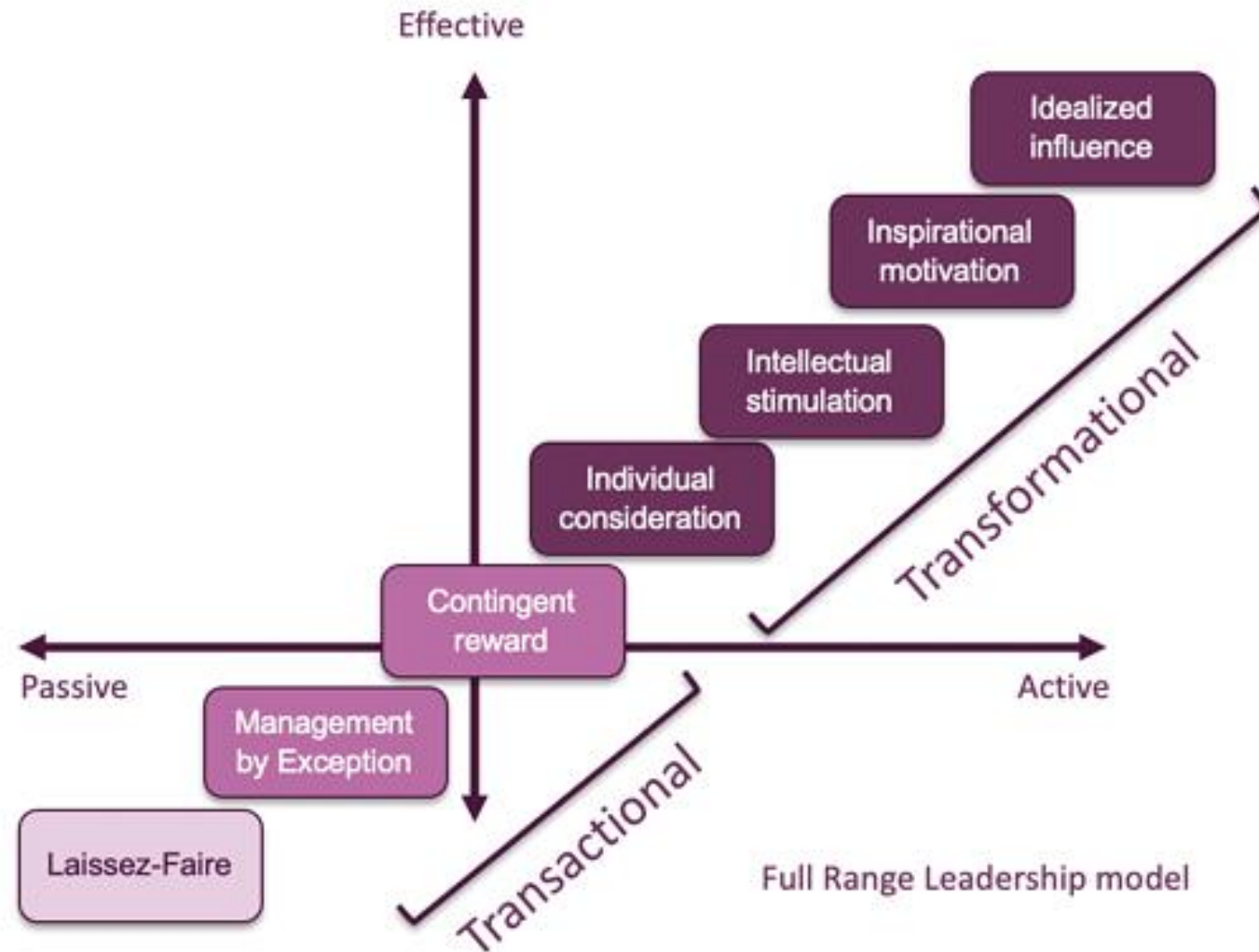$20.5B
Contributed to GDP

Brazil
122,000
Jobs Supported
R$3.4B
Contributed to GDP

Canada
34,100
Jobs Supported
$923M (CAD)
Contributed to GDP

European Union
142,000
Jobs Supported
€2.38B
Contributed to GDP

Australia
15,750
Jobs Supported
$608M (AUD)
Contributed to GDP

South Korea
86,030
Jobs Supported
₩1,597B
Contributed to GDP

Japan
75,970
Jobs Supported
¥239B
Contributed to GDP

It's all starts with a vision...

Toyota ... Loom Company to Car Company...

And it was my grandfather, Kiichiro Toyoda that...

https://www.youtube.com/watch?v=-6KArhnPbWE

Leadership Models

Full Range Leadership model

What is VUCA?

Volatile	Uncertain
Characteristics: The challenge is unexpected or unstable and may be of unknown duration, but it's not necessarily hard to understand; knowledge about it is often available.	Characteristics: Despite a lack of other information, the event's basic cause and effect are known. Change is possible but not a given.
Example: Prices fluctuate after a natural disaster takes a supplier off-line. Approach: Build in slack and devote resources to preparedness—for instance, stockpile inventory or overbuy talent. These steps are typically expensive; your investment should match the risk.	Example: A competitor's pending product launch muddies the future of the business and the market.
	Approach: Invest in information—collect, interpret, and share it. This works best in conjunction with structural changes, such as adding information analysis networks, that can reduce ongoing uncertainty.
Complex	**Ambiguous**
Characteristics: The situation has many interconnected parts and variables. Some information is available or can be predicted, but the volume or nature of it can be overwhelming to process.	Characteristics: Causal relationships are completely unclear. No precedents exist; you face "unknown unknowns."
Example: You are doing business in many countries, all with unique regulatory environments, tariffs, and cultural values.	Example: You decide to move into immature or emerging markets or to launch products outside your core competencies.
Approach: Restructure, bring on or develop specialists, and build up resources adequate to address the complexity.	Approach: Experiment. Understanding cause and effect requires generating hypotheses and testing them. Design your experiments so that lessons learned can be broadly applied.

What do product leaders do?

- **360-degree view** of new challenges – Bring the "outside in".

- **Help see patterns -** Remain committed to experiments / foot-in-the-door approaches

- **Intentional**, **solution-focused**, calm and relaxed

- **Deep empathy** ("Entering the private perceptual world of the other and being thoroughly at home in it")

- **Questioning**, encouraging

- **Build strong relationship**, Informal chats. Discover common concerns and interests

- **Begin small** – bank on thorough preparation, allow sufficient time. Go slow to go fast. Be prepared for setbacks

Key Hard Skills

Technical Problem

- Even if complex, can be diagnosed and solved (often in short time frame) by applying established know-how and procedures.
- Amenable to Authoritative Expertise/ Routine Proc

Adaptive Challenge

- Arises from gap between people's values/ aspirations and the current reality of lack of capacity to realize values in their environment Disequilibrium results when leaders challenge people's priorities, habits and loyalties

Key Soft Skills

- People Centric
  - Be Open
  - Be Positive
  - Involve others

- Performance Oriented
  - Be Intentional
  - Be Patient
  - Focus Sharply

- Learning Oriented
  - Listen Carefully
  - Do to Learn
  - Lean into Ambiguity

- Ask
  - "Why?"; and be prepared to answer it
  - "Who do we need to involve?"
  - "What's important to you?"
  - "Who else needs to know?"
  - "What do you think?"

- Say
  - "We" instead of "me"
  - Avoid "my idea" language

Several demands on you as leaders…

- Self management in a tough environment – Cannot afford to be trapped in 'busy-ness' and 'inbox'. Hold variety of stakeholders in problem solving endeavour.

- Being visible to provide reassurance – "Often people feel stuck in their hearts and stomachs, and not in their heads. To move them, you need to reach them there. If you are not engaged with your own heart, you will find it virtually impossible to connect with theirs"

- As you unwittingly create a lot of heat when you take people out of comfort zone, help people tolerate discomfort – this means having compassion for the pain that comes with orienting to new roles and expectations

Leadership Dilemmas

- As a leader, you receive support when you stay within defined limits of expectations. But when you challenge expectations or point out contradictions, you disappoint and even scare people.

- When you try new things, you create disturbance and disequilibrium. This creates conflict, frustration, panic, confusion & fear. People resist not change per se, but loss.

- Distress comes with the territory of change. But disturbing people is not the point or the purpose, but a consequence.

Tipping Point Leadership

In any organization, once the beliefs and energies of a critical mass of people are engaged, conversion to a new idea will spread like an epidemic

Cognitive Hurdle
Find New Ways to Communicate

Political Hurdle
Identify and silence internal opponents; isolate external ones

Resource Hurdles
Focus on hotspots and bargain with partner organizations

Motivational Hurdle
Frame the challenge to match organization's various levels
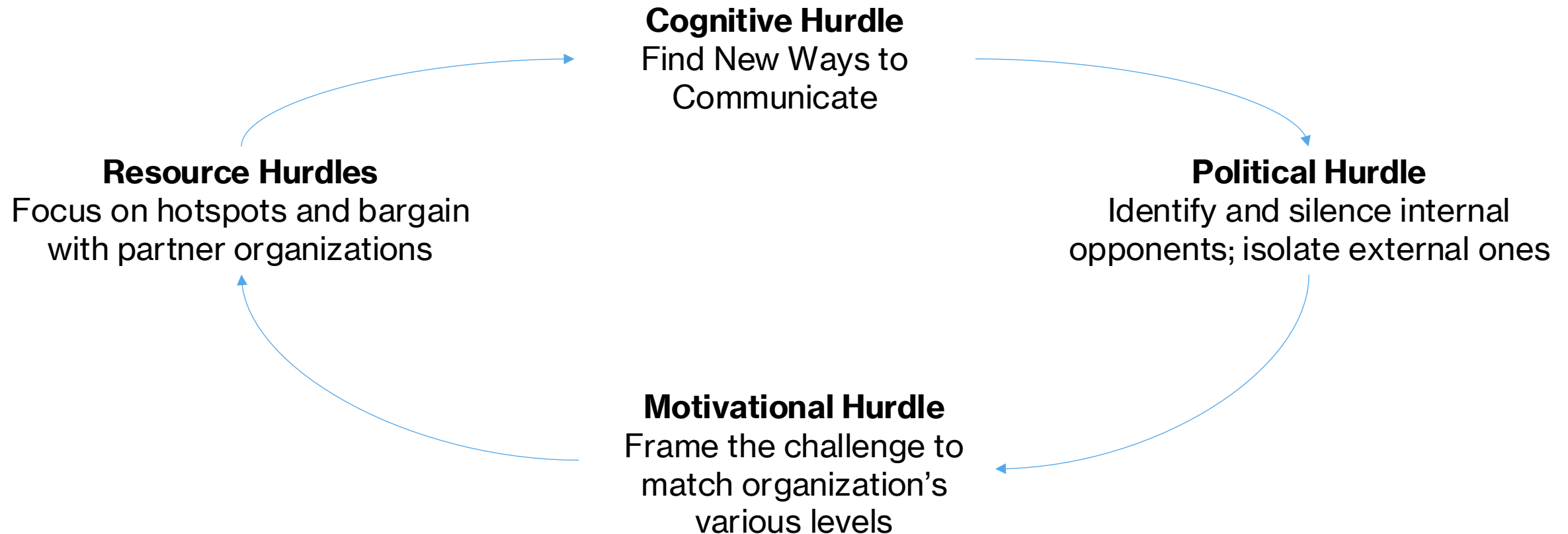
What Leadership Style Works Best?

Leaders with the best results do not rely on only one leadership style, they use most of them in each week seamlessly and in different measure-depending on the business situation

Emotional Intelligence Domains and Competencies

SELF-AWARENESS	SELF-MANAGEMENT	SOCIAL AWARENESS	RELATIONSHIP MANAGEMENT
Emotional self-awareness	Emotional self-control	Empathy	Influence
	Adaptability		Coach and mentor
	Achievement orientation	Organizational awareness	Conflict management
			Teamwork
	Positive outlook		Inspirational leadership

https://hbr.org/2017/02/emotional-intelligence-has-12-elements-which-do-you-need-to-work-on

Goleman's Leadership Styles

	Commanding	Visionary	Affiliative	Democratic	Pacesetting	Coaching
The leader's modus operandi	Demands immediate compliance	Mobilizes people toward a vision	Creates harmony and builds emotional bonds	Forges consensus through participation	Sets high standards for performance	Develops people for the future
The style in a phrase	"Do what I tell you."	"Come with me."	"People come first."	"What do you think?"	"Do as I do, now"	"Try this."
Underlying emotional intelligence competencies	Drive to achieve, initiative, self-control	Self-confidence, empathy, change catalyst	Empathy, building relationships, communication	Collaboration, team leadership, communication	Conscientious-ness, drive to achieve, initiative	Developing others, empathy, self-awareness
When the style works best	In a crisis, to kick start a turnaround, or with problem employees	When changes require a new vision, or when a clear direction is needed	To heal rifts in a team or to motivate people during stressful circumstances	To build buy-in or consensus, or to get input from valuable employees	To get quick results form a highly motivated and competent team	To help an employee improve performance or develop long-term strengths
Overall impact on climate	Negative	Most strongly positive	Positive	Positive	Negative	Positive

Goleman, Daniel, "Leadership that Gets Results" Harvard Business Review. March-April 2000 p. 82-83.

What it means?

https://www.youtube.com/watch?v=o015_GXG2WM

A Guide to Designing the Org

Leaders are organizational architects, just like architects need a blueprint for building a house, leaders need blueprints for designing organizations and fitting the pieces of organizations together
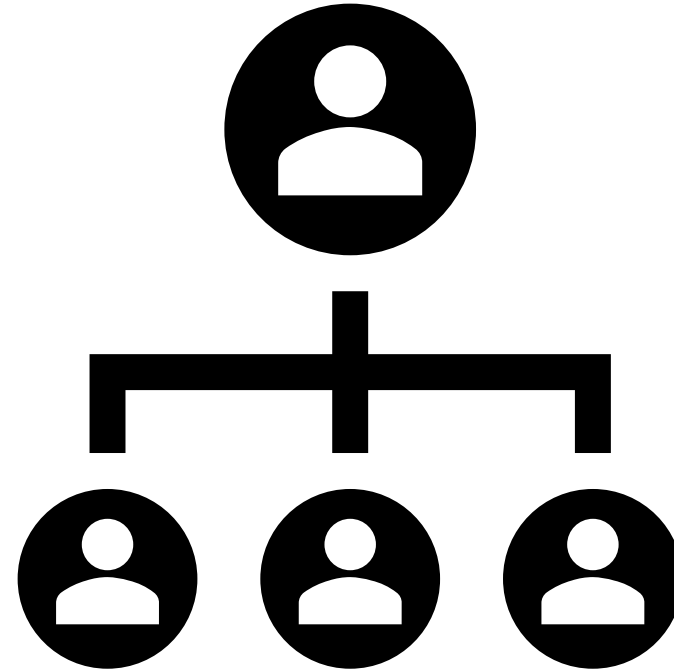
The 7S Model

1. **Strategy**. The positioning and actions taken by an enterprise, in response to or anticipation of changes in the external environment, intended to achieve competitive advantage.
2. **Structure**. The way in which tasks and people are specialized and divided, and authority is distributed; how activities and reporting relationships are grouped; the mechanisms by which activities in the organization are coordinated.
3. **Systems**. The formal and informal procedures used to manage the organization, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems.
4. **Staff**. The people, their backgrounds and competencies; how the organization recruits, selects, trains, socializes, manages the careers, and promotes employees.
5. **Skills**. The distinctive competencies of the organization; what it does best along dimensions such as people, management practices, processes, systems, technology, and customer relationships.
6. **Style/culture**. The leadership style of managers – how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions; also the organizational culture (the dominant values and beliefs, the norms, the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, executive dining rooms, corporate jets, informal meetings with employees).
7. **Shared values**. The core or fundamental set of values that are widely shared in the organization and serve as guiding principles of what is important; vision, mission, and values statements that provide a broad sense of purpose for all employees
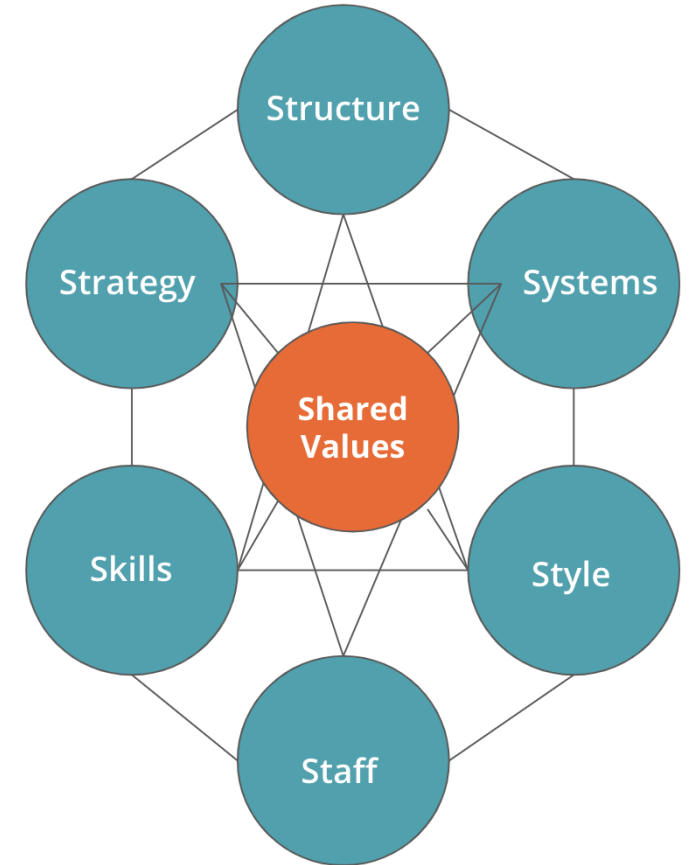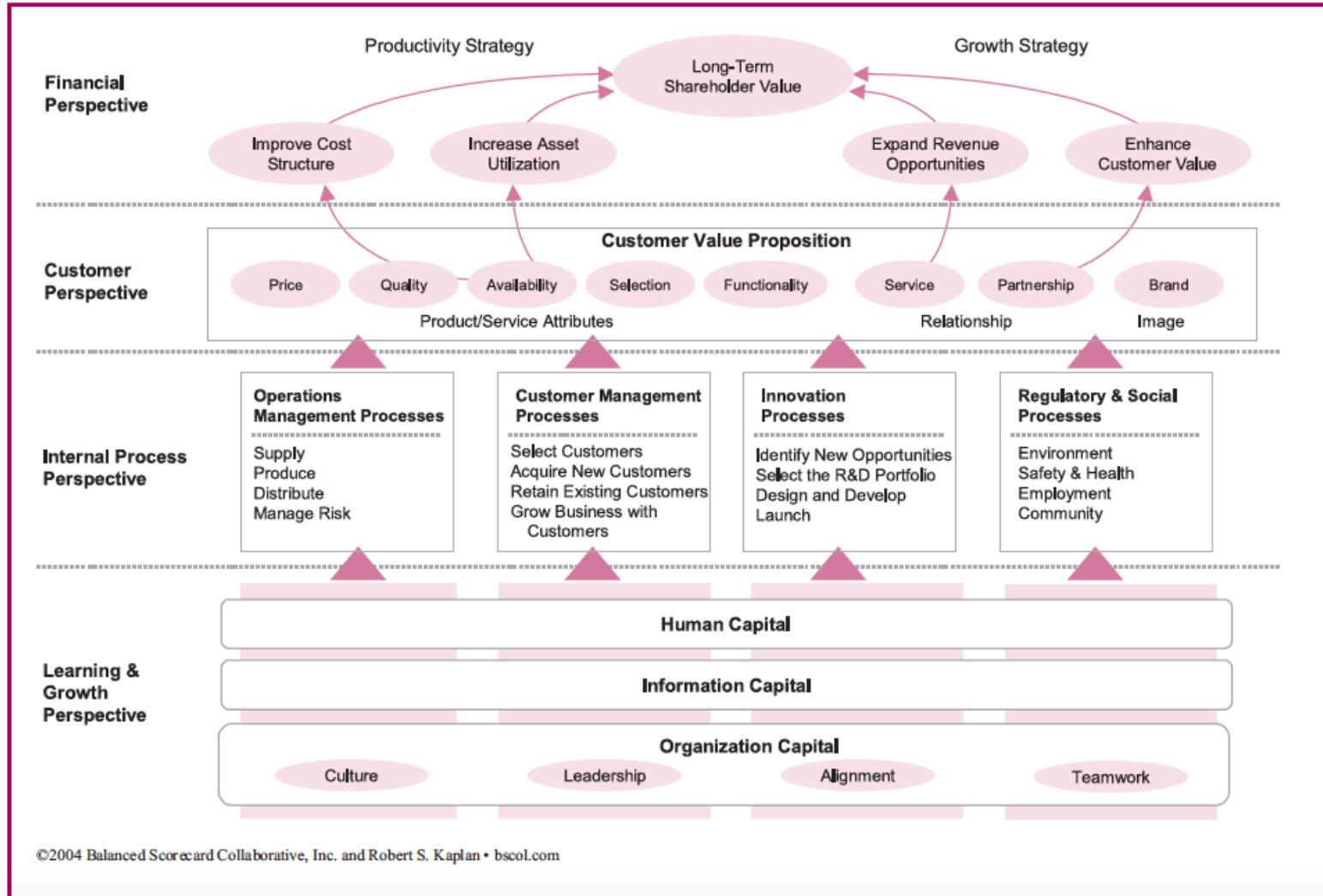
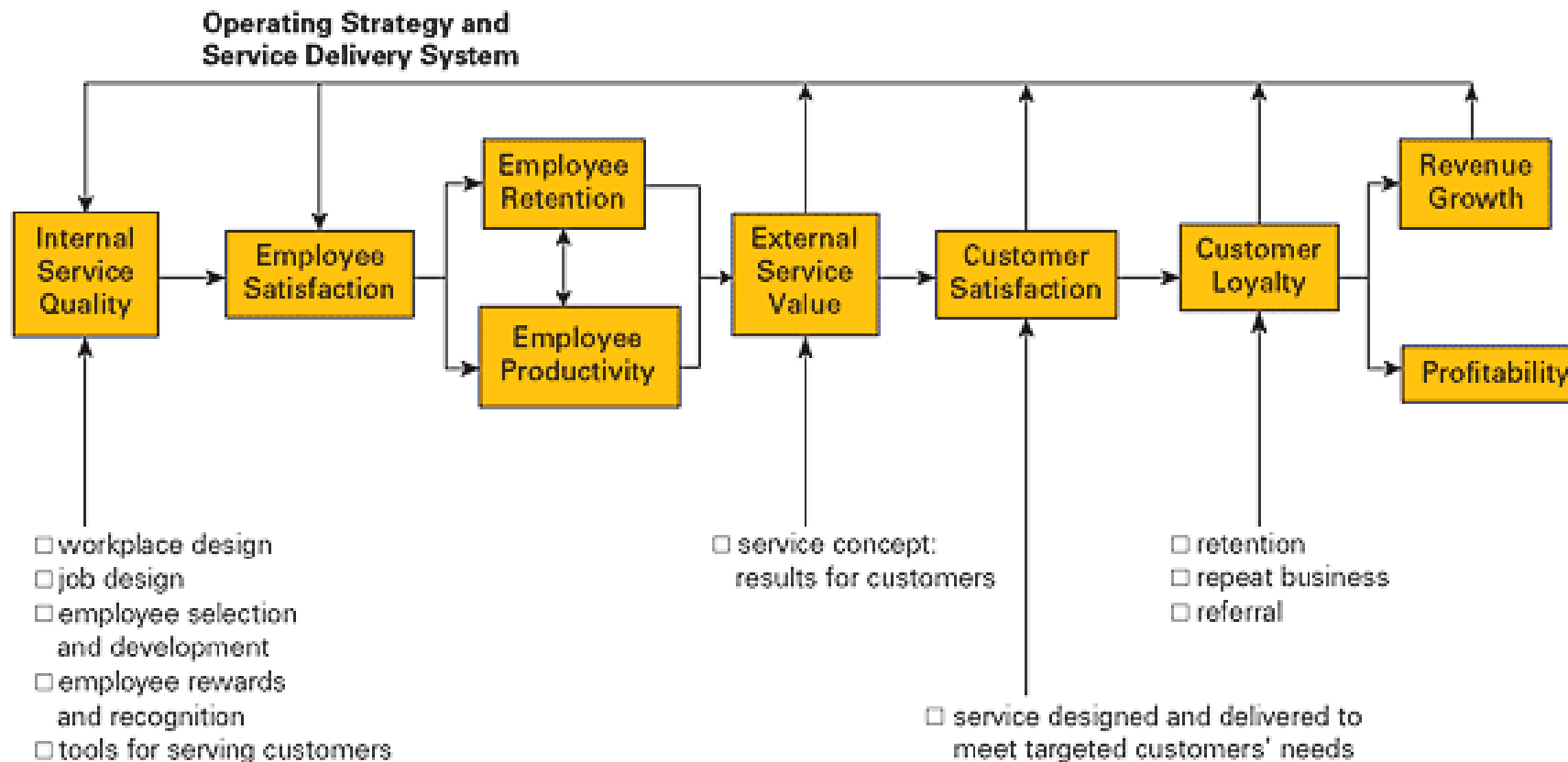# What is the #1 skill that a leader must have?

https://www.youtube.com/watch?feature=oembed&v=I
wB7NAvKPeo

Map your strategy

Service Profit Chain

The Links in the Service-Profit Chain

https://hbr.org/2008/07/putting-the-service-profit-chain-to-work

Key Lessons Here...

- Leadership Underlies the Chain's Success

  Leaders who understand the service-profit chain develop and maintain a corporate culture centered on service to customers and fellow employees. They display a willingness and ability to listen. Successful CEOs like John Martin of Taco Bell, John McCoy of Banc One, Herb Kelleher of Southwest, and Bill Pollard of ServiceMaster spend a great deal of time with customers and employees, experiencing their companies' service processes while listening to employees for suggestions for improvement. They care about their employees and spend a great deal of time selecting, tracking, and recognizing them.

- Leadership Questions
  - To what extent is the company's leadership:
  - energetic, creative versus stately, conservative?
  - participatory, caring versus removed, elitist?
  - listening, coaching, and teaching versus supervising and managing?
  - motivating by mission versus motivating by fear?
  - leading by means of personally demonstrated values versus institutionalized policies? How much time is spent by the organization's leadership personally developing and maintaining a corporate culture centered on service to customers and fellow employees?

Leaders naturally have individual traits and styles. But the CEOs of companies that are successfully using the service-profit chain possess all or most of a set of traits that separate them from their merely good competitors. Of course, different styles of leadership are appropriate for various stages in an organization's development. But the messages sent by the successful leaders we have observed stress the importance of careful attention to the needs of customers and employees. These leaders create a culture capable of adapting to the needs of both.

Delivering Happiness...

Which company / industry is this?

Zappos

https://www.youtube.com/watch?v=WileImBFRK4

Think Different

The people who are crazy enough to think they can change the world are the ones who do

https://www.youtube.com/watch?v=rRwldMYkKdA

Leadership Lessons for all of us!

Focus

	Consumer	Professional
Desktop		
Portable		

Deciding what not to do is as important as deciding what to do

Simplicity
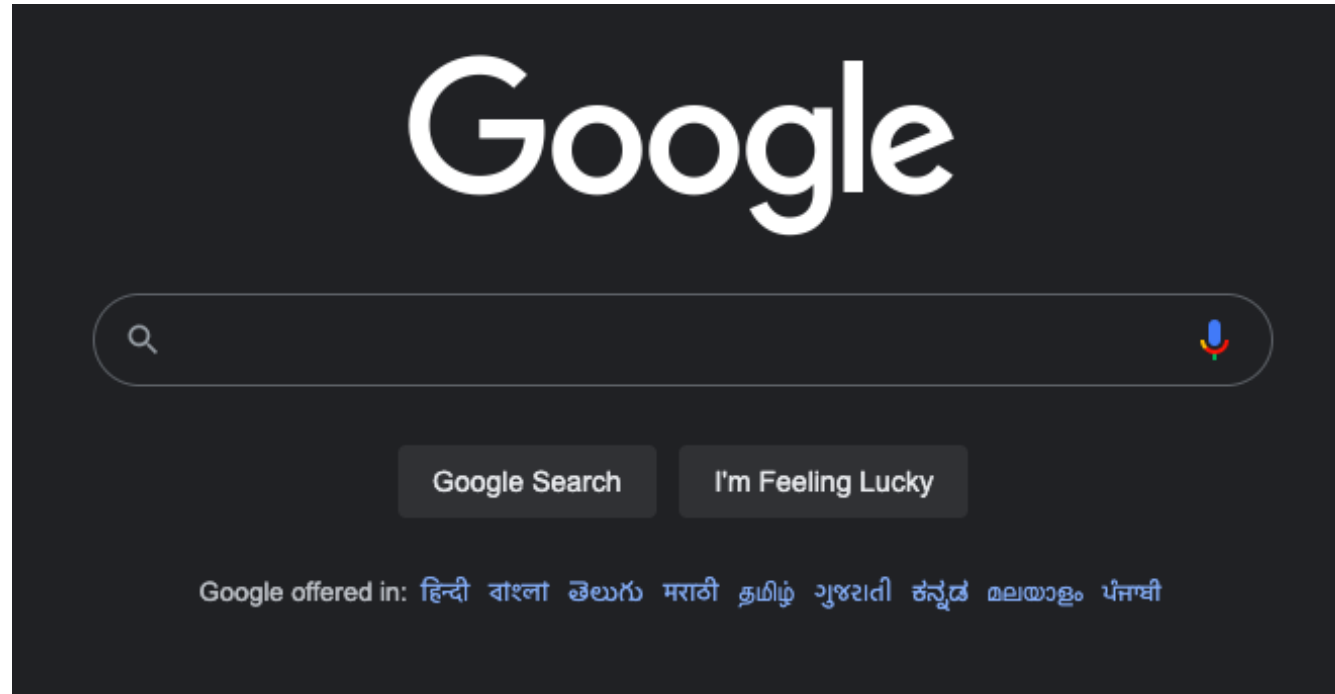
It takes a lot of hard work, to make something simple, to truly understand the underlying challenges and come up with elegant solutions

Take Responsibility End to End

iPhone   Mac   iPad   Watch   Music   TV
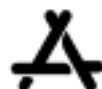
Apple ID   AirPods   App Store   iCloud   Apple Pay   Pro Apps

When Behind, Leapfrog
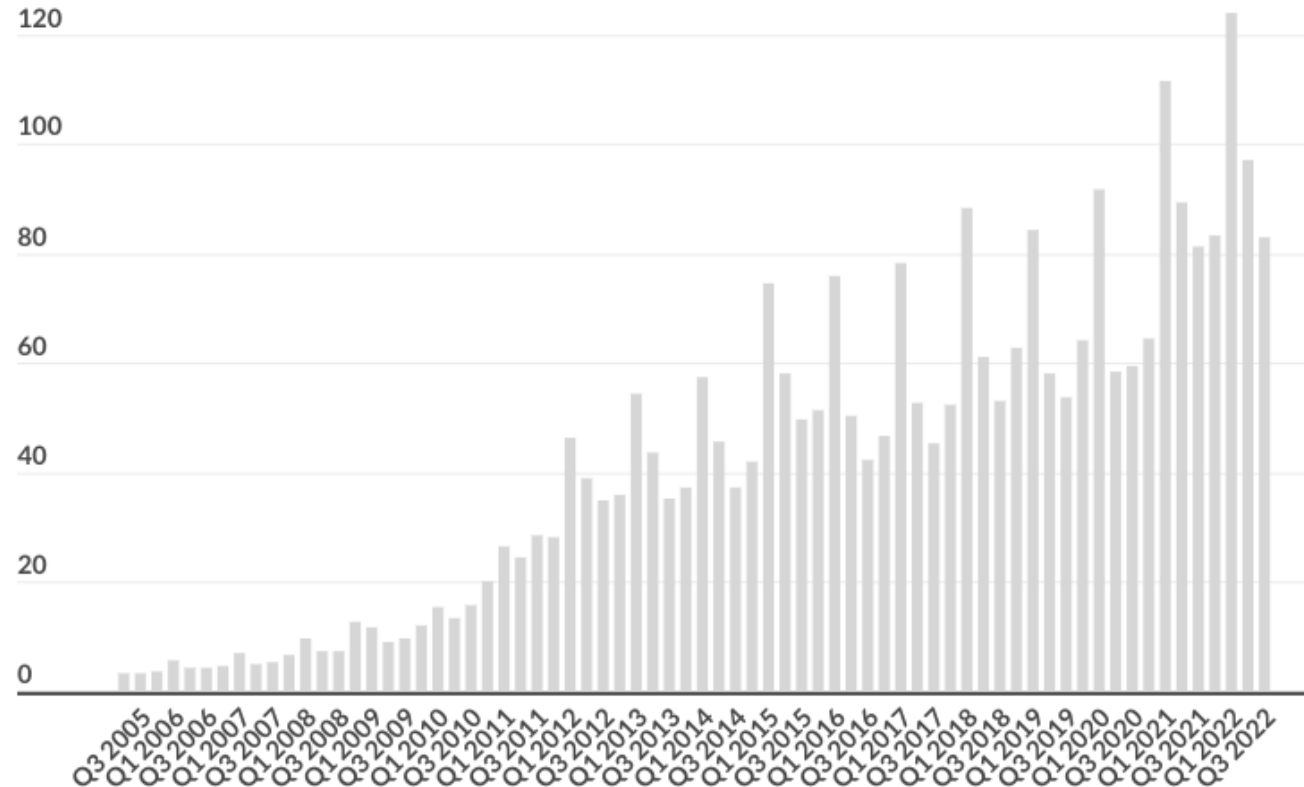
The mark of an innovative company is not only that it comes up with new ideas first. It also knows how to leapfrog when it finds itself behind.

Put Products Before Profits
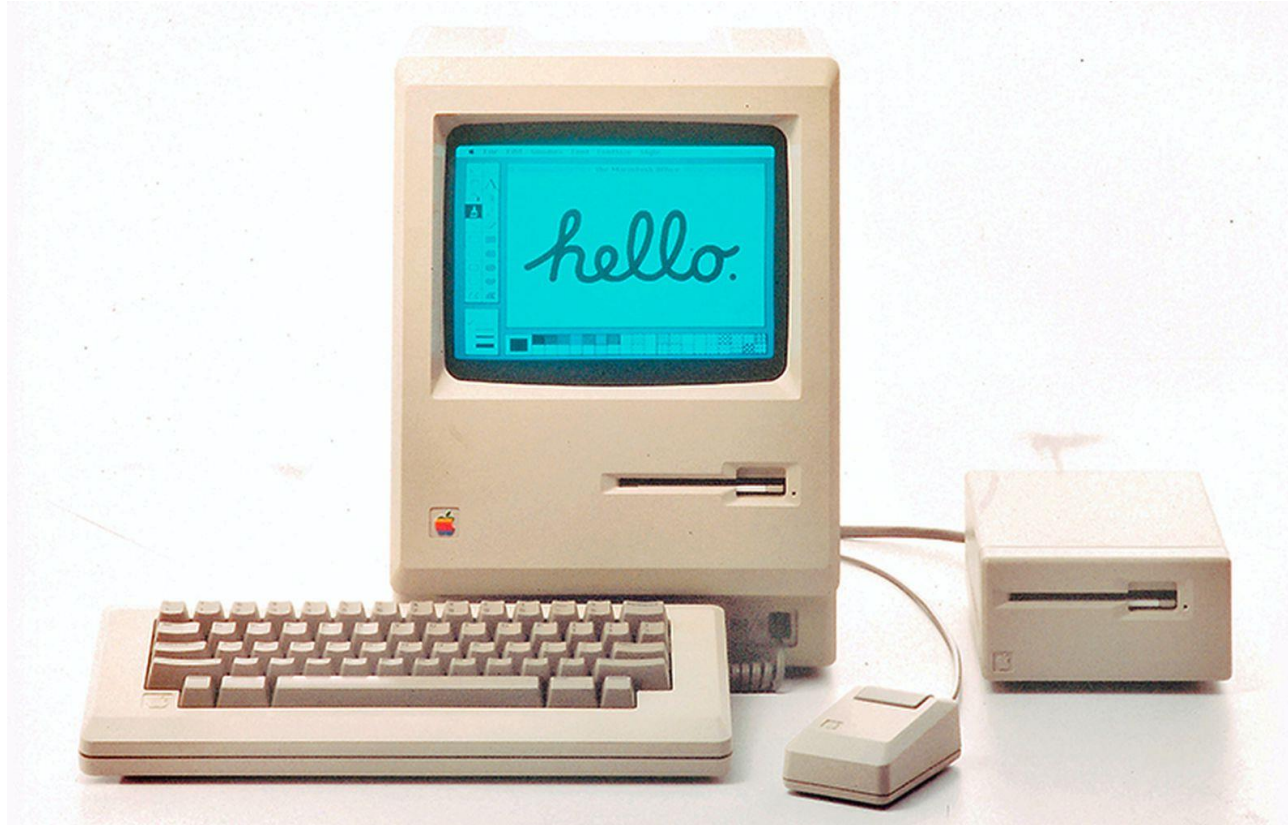
Don't worry about price, just specify the computer's abilities

Don't Be a Slave To Focus Groups
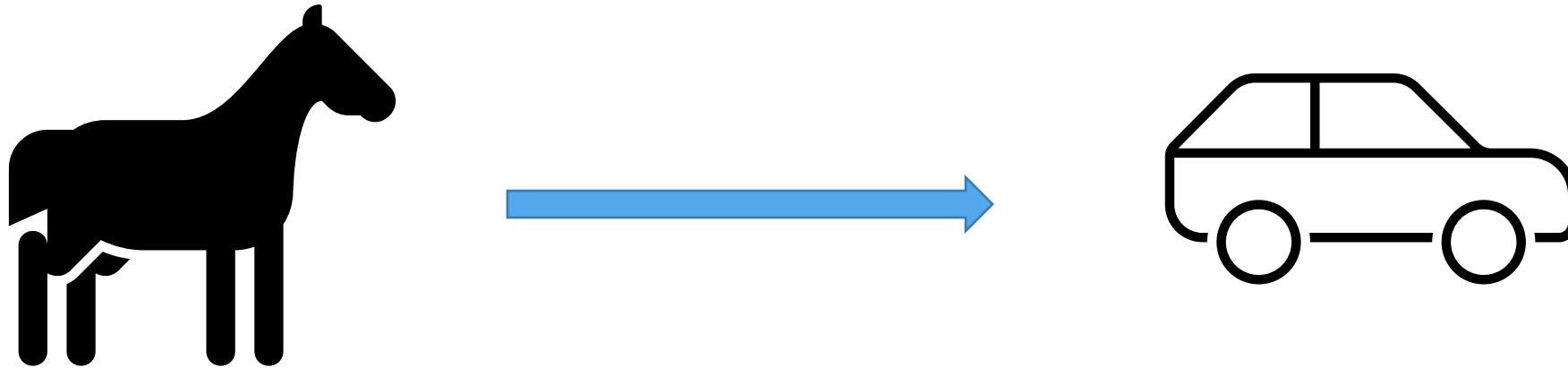
If I would have asked people what they wanted, they would have said faster horses – Henry Ford

Customers don't know what they want until we've shown them.

Bend Reality

Reality Distortion Field – Challenge yourself and the team to do the impossible by encapsulating your vision into a series of interactions

https://www.youtube.com/watch?v=Cjbdbsx_iZo

Impute

Empathy   **Focus**   **Impute**

Push for Perfection
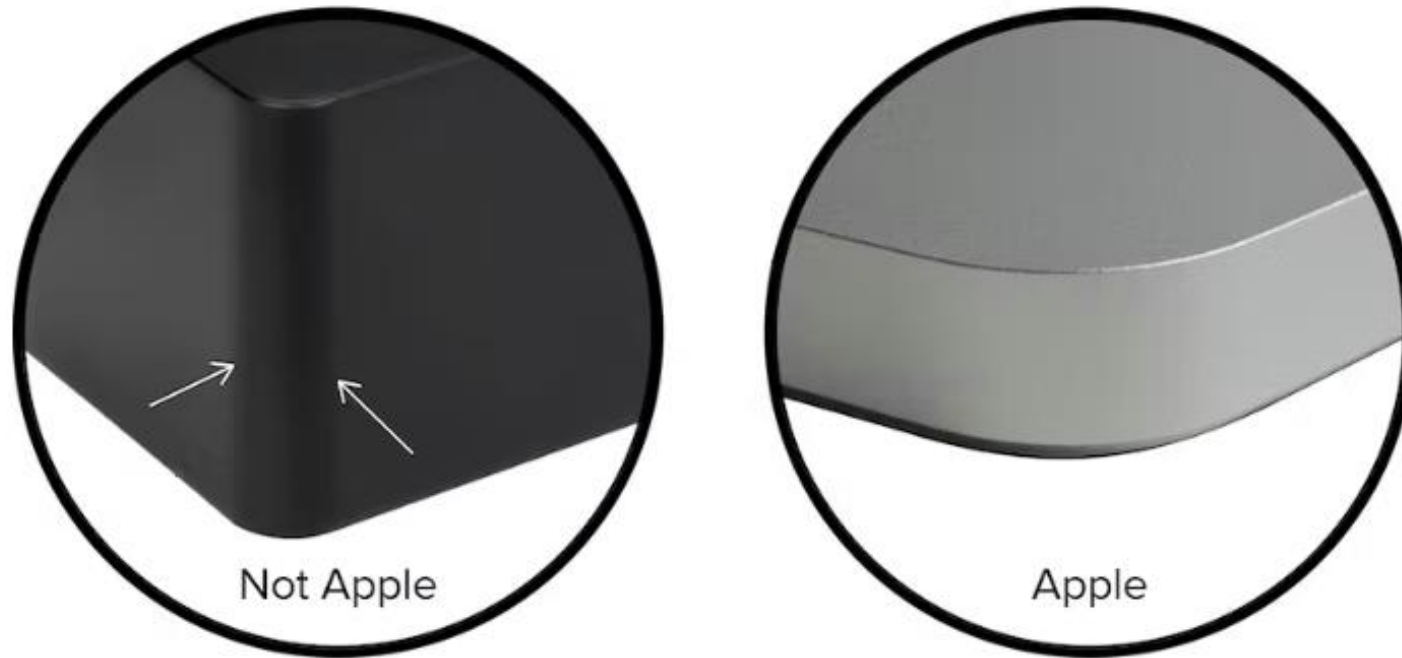
The problem was that the iPhone should have been all about the display, but in its current design the case competed with the display instead of getting out of the way.
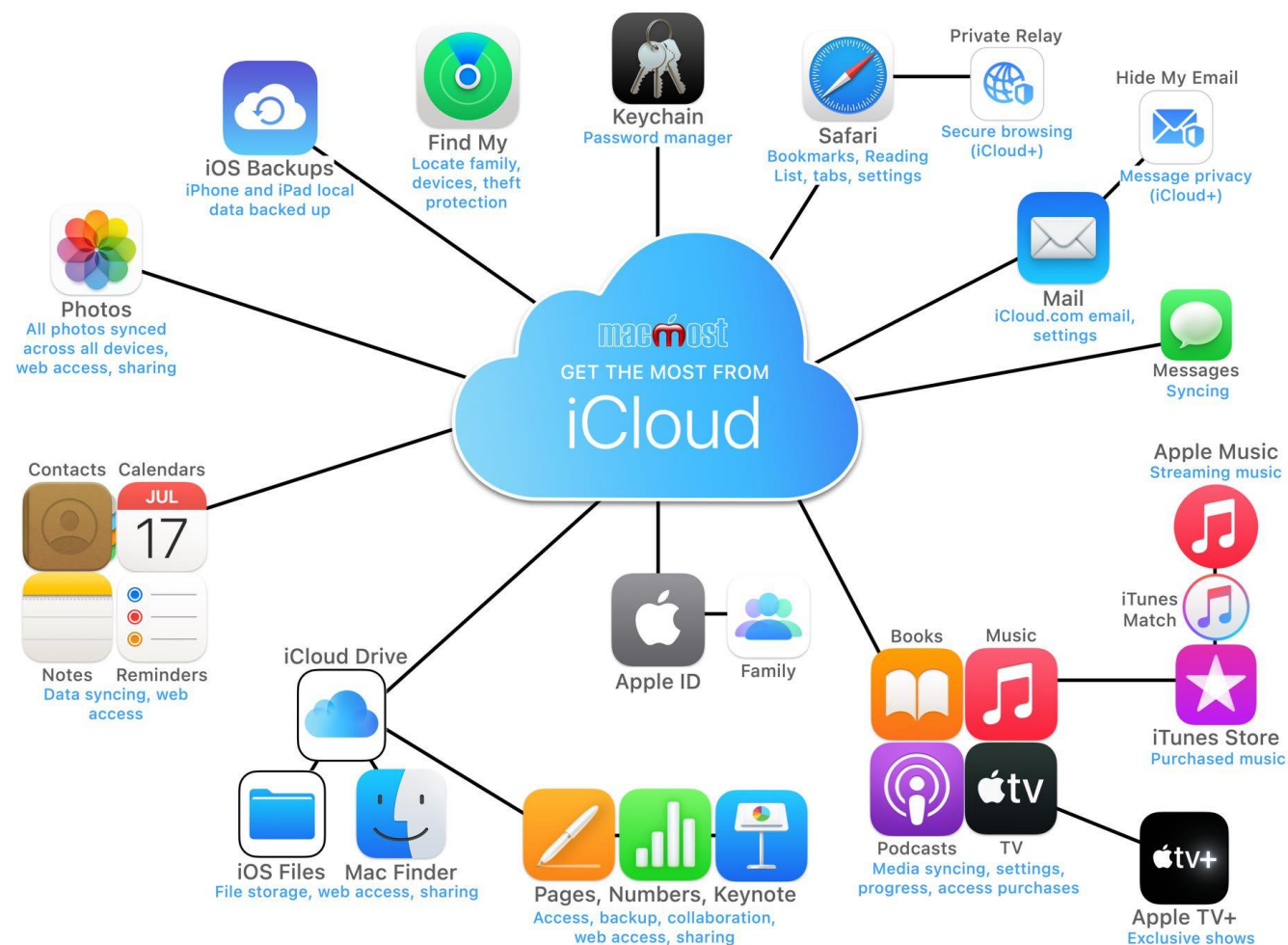
Tolerate Only "A" Players
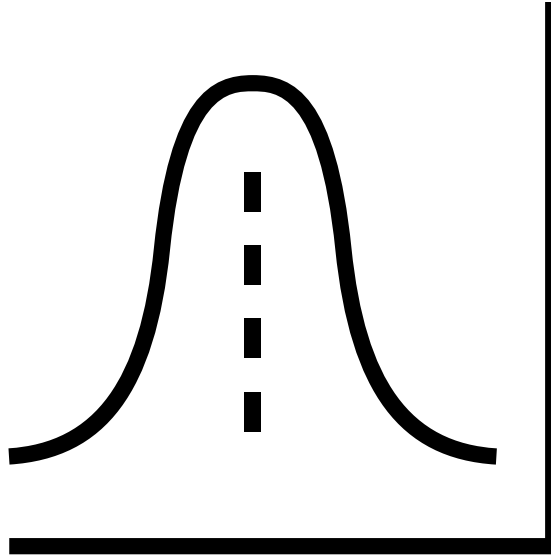
CEOs who study Jobs and decide to emulate his roughness without understanding his ability to generate loyalty make a dangerous mistake

Steve Jobs on Leadership

https://www.youtube.com/watch?v=Rm6pA4z8Euw

Know Both the Big Picture and the Details

Engage Face-to-Face

https://www.youtube.com/watch?feature=oembed&v=
79dOhtRG-ck
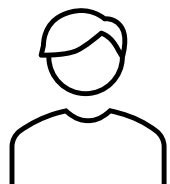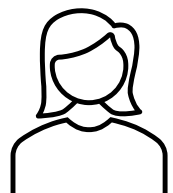
Combine the Humanities with the Sciences
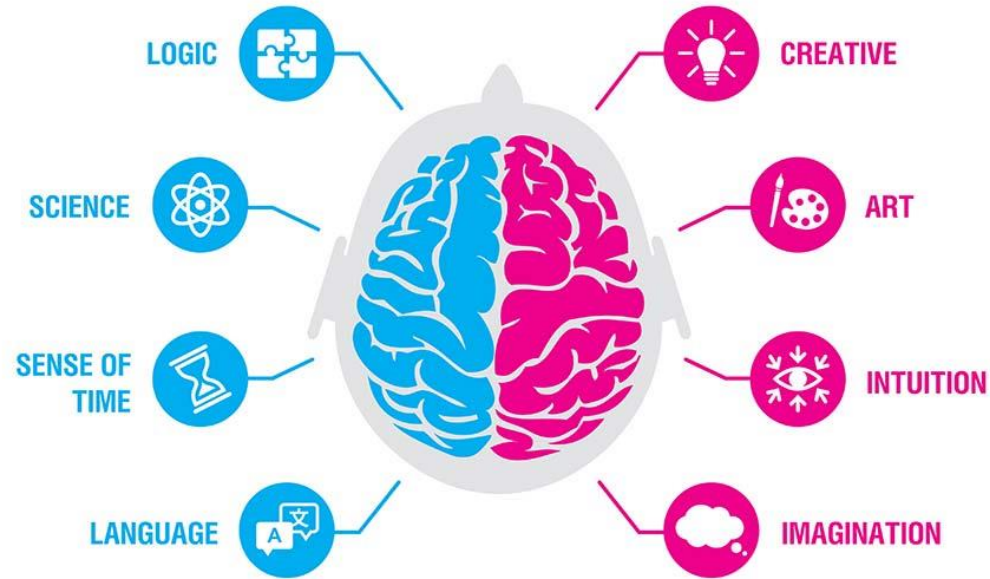
No one else in our era could better firewire together poetry and processors in a way that jolted innovation.

Stay Hungry, Stay Foolish
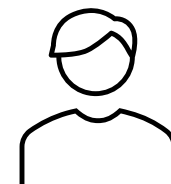

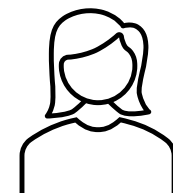https://www.youtube.com/watch?v=VtvjbmoDx-I

What you think you are vs. what you are?

Authenticity

Are you an authentic leader?

1. Which people and experiences in your early life had the greatest impact on you?
2. What tools do you use to become self-aware? What is your authentic self?
3. What are the moments when you say to yourself, this is the real me?
4. What are your most deeply held values? Where did they come from? Have your values changed significantly since your childhood? How do your values inform your actions?
5. What motivates you extrinsically? What are your intrinsic motivations? How do you balance extrinsic and intrinsic motivation in your life?
6. What kind of support team do you have? How can your support team make you a more authentic leader? How should you diversify your team to broaden your perspective?
7. Is your life integrated? Are you able to be the same person in all aspects of your life – personal, work, family, and community? If not, what is holding you back?
8. What does being authentic mean in your life? Are you more effective as a leader when you behave authentically? Have you ever paid a price for your authenticity as a leader? Was it worth it?
9. What steps can you take today, tomorrow, and over the next year to develop your authentic leadership?

Do Leadership Traits Matter?

- Drive: achievement, ambition, energy, tenacity, initiative
- Leadership Motivation (personalized vs. socialized)
- Honesty and Integrity
- Self-confidence (including emotional stability)
- Cognitive Ability
- Knowledge of the Business
- Other Traits (weaker support): Charisma, Creativity / Originality, Flexibility

Kirkpatick, S. A., & Locke, E. A. (1991). Leadership: do traits matter?. *Academy of management perspectives*, *5*(2), 48-60.

Can Leadership be taught?

https://www.youtube.com/watch?v=ioocNc-HvTs