

Professor Akinola's Leadership Toolkit

Ten Essential Tools for Becoming an Effective Leader

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Our Journey: Ten Key Principles

• Principle 1: Inspiring and Effective Leadership

- Three features of inspiring leaders: Visionary who sees the way forward, Exemplar who walks the talk, Mentor who cares about you
- Definition of Leadership: The capacity to motivate, enable, and integrate a collection of individuals toward the success of a common goal or shared purpose
- “People Aren’t Objects”; Lead by Commitment not by Compliance

• Principle 2: Systematic Decision Making

- The Decision-Making Warrior: Protect yourself from heuristics and biases but use them as weapons of influence
- Decision Making Strategies: Outside perspectives, blind auditions, different people focused on different hypotheses, frames, and anchors
- “You always need all four cells”

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Our Journey: Ten Key Principles

• Principle 3: Influence

- Other influence, self influence, structural influence
- Influence strategies: Reciprocity, consistency, social proof, authority, liking, scarcity
- “Lead others to persuade themselves”

• Principle 4: Allocating Scarce Resources

- Principles of fairness: Past social value (equity), past rights, future social value (utilitarian), future use (efficiency), and needs
- Procedural Strategies: Transparent procedures that are consistently applied, providing voice and choice in creating an allocation system for those affected
- “You have one job: prevent infuriation”

Our Journey: Ten Key Principles

• Principle 5: Effective Feedback

- Managing up and managing down
- Frequent (but not too frequent) feedback. Feedback timing (when they will be able to process it non-defensively)
- 1) Communicate goals, 2) Ask questions, 3) Positive feedback, 4) Candid and specific negative feedback, 5) Future-oriented solutions
- “Neither receiver nor recipient should be surprised by the feedback”

• Principle 6: Group Decision Making

- Getting all the information on the table
- Procedural Strategies: No preliminary or public votes, get information on the board/paper, rank vs. eliminate options
- Help low power people speak up
- “When people have access to different information, pool information then decide”

Our Journey: Ten Key Principles

- **Principle 7: Designing and Leading High-Impact Teams**

- Synergy = Diversity and Cohesion
- Structures, norms, and processes to produce innovation and for effective implementation
- “Avoid explosion and implosion”

- **Principle 8: Creating and Capturing Culture**

- Mechanism of control, motivation, coordination, and strategic differentiation
- Strategies: Symbols, Stories, Synthesis, Selection, Socialization, Strategy
- “Culture is an invisible constraint experienced as autonomy”

Our Journey: Ten Key Principles

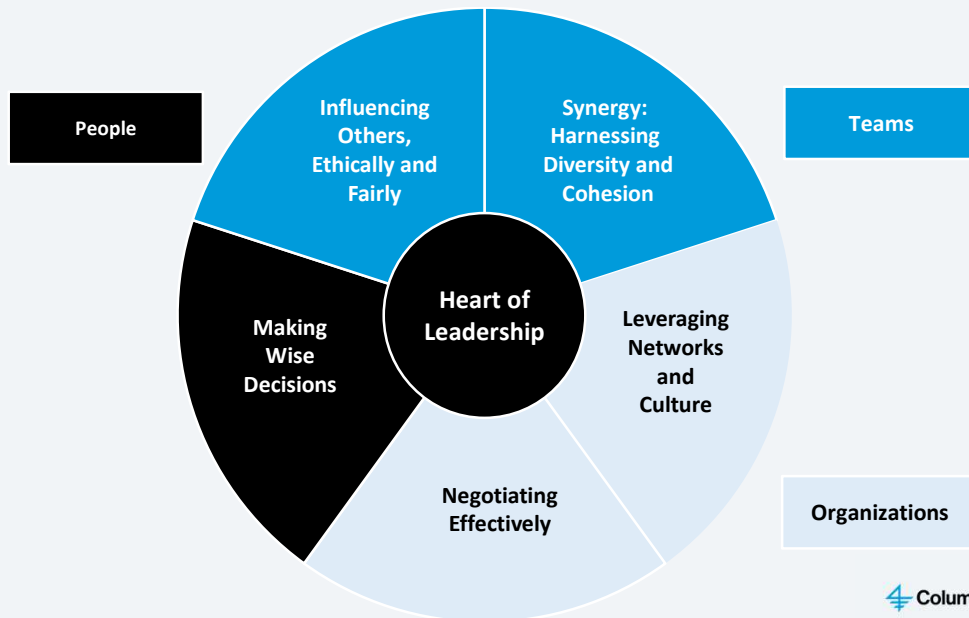
- **Principle 9: The Power of Social Networks**

- Paul Revere Networks: Trust, diversity, and brokers
- Cohesive networks and expansive networks
- Strategies for Rainmaker networks rich in social capital
 - Develop your GAFA: Gratitude, Acknowledgements, Favors, Advice
- “Take the Power of What you Know to the Power of Who you Know”

- **Principle 10: Negotiations**

- Interests, BATNAs, reservation and target prices, scoring systems
- Strategies for Effective Bargaining: Planning Document
- Perspective-taking, ask questions, improve your BATNA
- “If you don’t ask, you can’t get” “Make trade-offs not concessions”

Lead: People, Teams, Organizations



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Principle 1: Inspiring and Effective Leadership

An Inspiring Leader is a...

- **Visionary who sees the way forward**

- Creates an overarching, big picture vision
- Offers a positive view of the future, see's a better world
- Provides meaning and purpose

- **Exemplar who walks the talk**

- *Courageous*: Takes action and risks
- *Authentic*: Knows and expresses one's true self
- *Confident*: ...but humble
- *Consistency of behavior but not rigid; adaptable to changing circumstances*: across time, across people, across words and behavior

- **Mentor who cares about you**

- *Empowers*: Offers involvement; doesn't micromanage
- *Develops*: Helps others achieve their full potential; shows confidence in and puts trust in others
- *Is Empathic*: Attends to the interests, concerns, desires of others
- *Is Generous*: Shares success with others, takes blame and burden from others
- *Is Inclusive*: Curious, culturally intelligent, collaborative, committed, cognizant

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What is Leadership?

Leadership is the capacity to motivate, enable, and integrate a collection of individuals toward the success of a common goal or shared purpose

What is Leadership?

- **Element #1: Setting the Shared Purpose**
 - Offering a positive vision of the future
 - Finding a Meaning or Purpose
- **Element #2: Motivating**
 - Knowing what motivates people in general
 - Perspective-taking
- **Element #3: Enabling**
 - Open channels: Create environments that allow people to reach their full potential
 - Close channels: Make undesired outcomes harder to achieve
- **Element #4: Integrating**
 - Combining the disparate talents, ideas, knowledge of others
 - Managing teams, culture, and diversity
 - Understanding social networks
- **Element #5: Self-Awareness**
 - Recognizing your thoughts and behaviors and their impact on others
 - Knowing your strengths and weaknesses

MLK: Setting the Shared Purpose

- Connect to resonating **Cultural Icons from the Past**
 - Declaration of Independence: "We hold these truths to be self-evident: that all men are created equal"
 - Old Negro spiritual: "Free at last! free at last! thank God Almighty, we are free at last!"
- Be Current, **Vividly Describing the Present**
 - Down in Alabama...with its governor having his lips dripping with the words of interposition and nullification
 - Even the state of Mississippi, ... sweltering with the heat of injustice
- Express an **Optimistic Vision of the Future**
 - Little black boys and black girls will be able to join hands with little white boys and white girls as sisters and brothers
- Make it **Personal (but not egocentric)**
 - My four little children will one day live in a nation
- Create and repeat a **Unifying Phrase**, then **Repeat** it again
 - I have a dream, Let Freedom Ring

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Understanding the Motivations of Others

- Three mistakes we make when interpreting the motivations of others
 - **They are just like me**: Egocentric application of my own desires, what motivates me will motivate them
 - **They are all just like each other**: What motivates one person also motivates another person
 - **They are just like they were yesterday**: What motivated them yesterday will motivate them today



Different people have different needs at different times

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Successful Change: A Case Study of Firefighters

- Started with pilot houses
 - Advocates become credible because they are just like me
- Which houses did they target first?
 - Houses open to change – those with younger members
 - Houses with high-status members
 - Houses with well-connected people (Brokers)
 - Implemented in each pilot house only after effective training
- Made spritzing macho
 - Called the spritzers “the swat team”, the first ones in
 - Changed the device to look better
- Incorporated change within existing practices
 - Kept the head of the hose as the leader who steered the spritzers and coordinated the entire efforts

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Decisions in the Real World (Multi Attribute Utility Analysis)

- Experts often urge effortful, explicit decision processes



- In reality, this happens infrequently
- Human mind is bounded by uncertainty, time, mental resources



We are bounded in our rationality
Instead we create heuristics and use our “intuition” (subconscious
pattern detection) to guide our decision making

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Decision-Making Warrior: The Case of Escalation



- To provide **shields/armor**, solutions have to account for its causes
- To provide **weapons**, must strategically tap into these causes

Motivational forces

- The need to save face leads us to justify, defend, and rationalize our earlier decisions
- The tendency to honor sunk costs leads us pay attention to the amount of past resources committed

Heuristics reinforce these motivations

- Framing: Losses are so painful, we are driven to undo them
- Anchoring: We are anchored on our initial decision
- Confirmation: We only seek out information that supports our initial decision

Protection against Escalation



- **Outside Perspectives and the Partitioning of Decision Makers**
 - Decisions on further investments should be made by those who did not make the original investment
- **Decision tree, contingency planning**
 - Pre-established criteria for failure and success: Whoever established criteria can't change it
 - Pre-established limits: Set a limit for your commitment; be willing to "cut your losses"...make your limit public!
 - Use same due diligence for re-investment that you used for original investment; level of diligence depends on the size of the investment
 - Have an exit strategy
- **Evaluation**
 - Evaluate decision makers based on the decision-making process and criteria used, not just on the outcome

Strategic Escalation of Commitment: A Powerful Tactic of Influence



- **How to convince others to honor sunk costs and make additional investments in you**
 - Highlight resources already spent on a project. Remind others of the potential loss that will be realized by not continuing their commitment
 - Increase feelings of responsibility for initial investment decisions
 - Publicly identify others with their initial investment in you

Protect Thyself From Falling Prey to the Heuristics

Decision-Making strategies that work across the biases

- Get all Four Cells! Avoid sampling on the dependent variable
- Ask the right questions to get the right data
- Seek out diverse data from diverse sources
- Integrate data and the intuition of experts
- Always consider the opposite of what you think is true (anchors, disconfirming information, weaknesses); Find data to support AND disconfirm initial hypotheses

Organizational Configurations that improve decision quality

- Use diverse teams and make diverse sources of information available
- Have different people focused on different hypotheses and frames
- Ensure decision makers have deep expertise in their area of responsibility – train/coach them if not
- Institutionalize and reward dissent: Assign devils advocate role in groups
- Reward based on decision-making process, not just on outcomes

The Four Provinces of Influence

1. The Message (Words that Influence)

- What you say
- Will the way information is presented and framed be persuasive?

2. The Source

- Who says it
- Are you credible?

3. The Audience

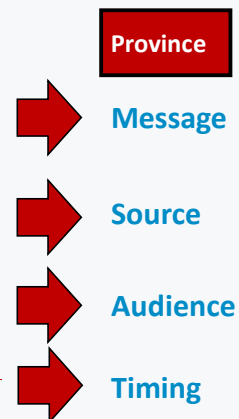
- Who you target
- Perspective-taking: Will this tactic persuade this person in particular?

4. The Timing

- When you say it
- Is this the right time to make this argument?

Influence tactics

Tactic	What is it?
Scarcity	People value what's scarce or becoming scarce
Liking	People like, believe, comply with those who like them
Authority	People defer to experts w/specialized skills or info
Social Proof	People follow the lead of similar others
Reciprocity	People repay in kind, including concessions
Consistency	People seek consistency with prior commitments



- Each of these tactics can help you persuade by getting **others to persuade themselves**
- These tactics are often **more potent in combination**

Influence

Other Influence

- Identifiability: Names, photos
- Emotional appeals
- Principles and values
- Expertise
- Statistical arguments
- Negative advertising

Self Influence

- Advocacy Effect: The tendency to have more positive attitudes toward whatever one advocates than to whatever or whomever others advocate

Structural Influence

- Order effects: In serial competition (figure skating, American Idol) the last shall be first in the rankings

A Tough Decision: Allocating Scarce Resources

- Leadership is about making **TOUGH DECISIONS**
- **Allocating scarce resources** is one of the **toughest** decisions
- **Before Making the Decision**: Identify values to effectively and efficiently allocate scarce resources
 - Helps you produce a consistent and transparent system
- **After Making the Decision**: Provide a coherent explanation for your decision in terms of values
 - Increases acceptance of outcomes

Types of Justice

- **Distributive Justice**
 - How much each person gets?
- **Procedural Justice**
 - How was this distribution determined?
 - **Voice** in the allocation procedures increases commitment and implementation of outcomes, even negatives ones
 - **Consistency and Transparency** of the procedures increase acceptance of outcomes, even negative ones
 - How was this distribution presented?
 - **Candidness and Sensitivity** increase sense of dignity/respect

Types of Justice

Distributive Justice: How much each person gets?

Procedural Justice: How was this distribution determined?

Procedures

Outcomes	Procedures	
	Fair	Unfair
	Fair	Disquiet
Unfair	Displeasure	Infuriation

Fairness Takeaways

- **Principles of Fairness**

- Equity: Past contributions
- Social Value: Future contributions
- Efficiency: Most effective use of resource
- Rights: Fairness
- Needs: Urgency

- **Central Leadership Dilemma: How to allocate scarce resources?**

- Procedural versus distributive justice
- Fairness Matters: People are affected not only by the outcomes of decisions, but also *how* those decisions are made and communicated
- As a leader you will have to deliver bad outcomes to others. Prevent moral outrage through **transparent and consistent procedures**

Feedback Goals

- **Your goal as the feedback receiver:**

- You must manage up!!
- Ensure everyone sees your situation as you see it

- **Your goal as the feedback giver:**

- Your employees should never be surprised by feedback!
- You should provide ongoing candid feedback



Procedural Justice is critical for sustaining motivation

Five Steps to Effective Performance Appraisals

1. **Set a trusting tone for the meeting**
 - Find the right time and place to deliver to feedback: Deliver feedback in private, express motivation to develop them, that you value them
 - Reiterate values, goals, and high standards of the firm
2. **Ask questions and get their perspective**
 - Include a high degree of subordinate participation
3. **Provide positive feedback first**
 - People are receptive to negative feedback when they have been affirmed
 - Positive feedback must be specific and sincere
4. **Provide negative feedback second**
 - State high standards were not met
 - Negative feedback must be clear, candid, and tactful
 - Be descriptive and specific rather than evaluative and general
 - Concentrate on behavior the individual can control
5. **End with actions that can be taken. Focus on the positives going forward**
 - Solve job problems which may be hampering job performance
 - Mutually set specific goals or objectives and agree on actions to be taken
 - Express confidence in their ability to meet the high standards in the future

Pooling Information in Group Decision Making

When people have access to different information...

The goal should be to pool this information THEN decide as a team

- People tend to defend their publicly stated positions
- People stress information in line with their preference
- Information that is widely available has a **sampling advantage**
- Early in conversation *common information* is over-represented



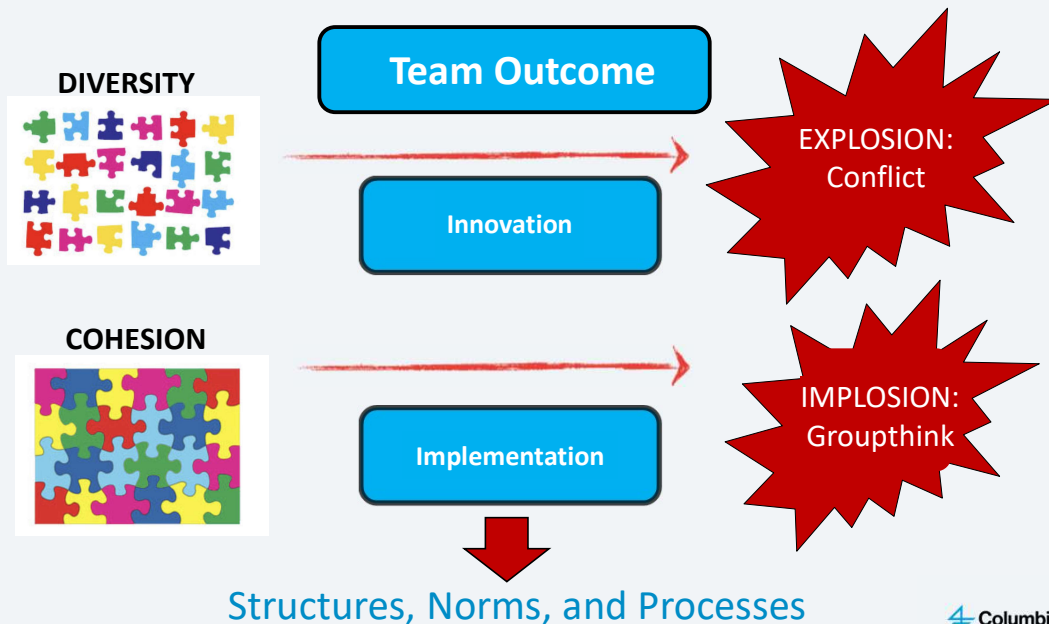
As the leader (or decision process manager)...
You must help others share relevant information!
You must think about fostering healthy dissention

What can be done?

Good Practice 1	Decide how to decide
Good Practice 2	Get information on the table <u>before</u> people vote or commit to a preference
Good Practice 3	Rank versus eliminate early in conversation
Good Practice 4	Frame the task as <u>problem-solving</u> ; discourage people from focusing only on consensus
Good Practice 5	Give equal “air time” to unique information

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IDEO: The Power of Synergy



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What is Culture?

- **Culture is...**
 - A pattern of beliefs, values, and behavioral expectations shared by the organization's members
 - “That’s how things are done around here”
- **How do you get culture?**
 - Socialization is the process by which new members learn the culture of the organization
 - “Learning the ropes”

Culture: What, How, and Why?

- **Motivation Device**
 - Generates *inexpensive* but highly valued rewards
- **Control Device**
 - Invisible constraint *experienced as autonomy*
- **Coordination Device**
 - Patterns of behavior that facilitate *synchronization*
- **Competitive Advantage Device**
 - Creates *core competencies* that are hard to duplicate



Culture can be...

...a source of **success** or **failure** in competitive industries

...a source of **inflexibility** that prevents adaptation

Creating a Strong Culture

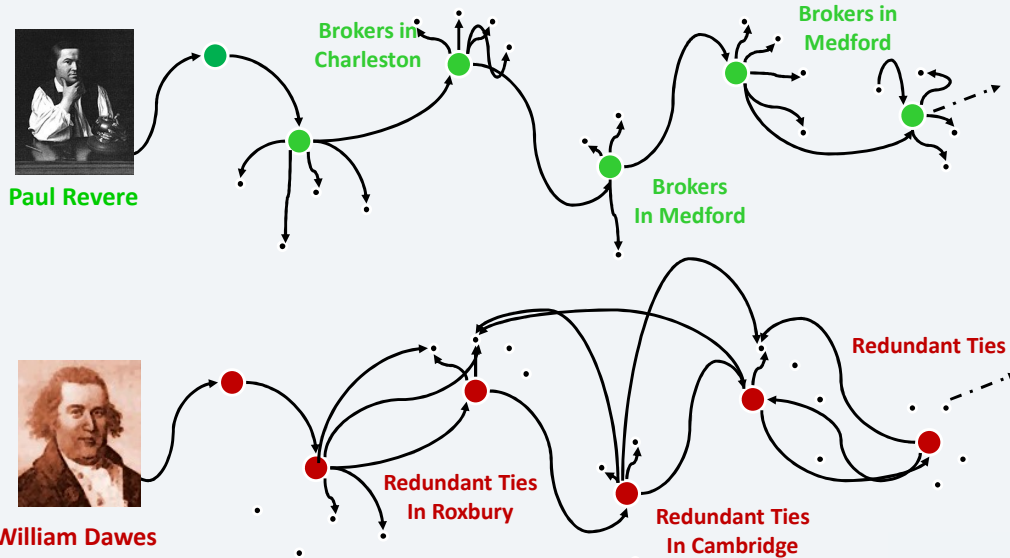
- Set a **meaningful mission statement** with purpose supported by a value system that is congruent with the mission
 - Cultural values must be strategically relevant
- Build **consistency and intensity**:
 - Selection and retention
 - Socialization
 - Leading by example
- Create **artifacts, stories, costumes**, consistent with the assumptions and values
- Create a **sense of autonomy** in how culture is enacted
- Stay **true to cultural values** when tested

Culture's Toolbox

- Culture can be an effective **mechanism of control**
 - Provides simple decision rules (better than 600-page manuals)
 - Creates habits and codes of conduct that affect people even when acting in private
- Culture can be a powerful **intrinsic motivator**
 - Provides “inexpensive rewards” with high value
 - Adds to meaningfulness of work and creates a sense of identity and pride
- Culture creates **shared goals** ⇒ **facilitates cooperation, reduces transaction costs**
 - Creates increased commitment to the organization's goals
- Culture **creates value** for both employees and customers
 - Needs to complement and not contradict formal controls and rewards
 - The burdens include a homogenized workforce and an inability to adapt to change
- Culture Offers **strategic positioning and differentiation** that is not easily replicated
 - A strong culture is a **unique solution** to the fit between the organization's interests (strategy) and the employees interests (values and ideals)

Raising What you Know to the Power of Who you Know

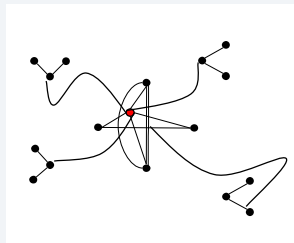
Brokerage: Connecting people who otherwise would not be connected



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I want you to be a rainmaker!

Rainmaker



Benefits of: Cohesive

- Trust
- Back-up talent
- Speed to consensus
- Emotional support, comfort
- Equal distribution of rewards
- Promotes cooperation

Benefits of: Expansive

- Diverse information
- Diverse talent
- Fosters Creativity
- Informal power
- Unequal distribution of rewards
- Promotes competition



Strengths of one network are the weaknesses of the other

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Social Networks Summary – How to be a Rainmaker

- Establish a **wide** network. It involves acquaintances as well as friends
 - Include those that are “undervalued”
 - Seek projects that involve working with new people
 - Borrow your broker’s networks by having them serve as “sponsors”
- Establish a **diverse** portfolio of network contacts
 - Shared activities – try something different
 - Seek out projects that involve working with others from diverse groups
- Maximize the **efficiency** of your network
 - A mix of redundant (social support & trust) and entrepreneurial (information & control benefits) ties
 - Structural holes give you power
 - Trim your network so that you connect with other connectors
- Actively **maintain** your network
 - Gratitude/Acknowledgement – Don’t forget your thank-you notes; ask to go to lunch with others or even treat them to lunch
 - Reciprocity / favors / advice – seek opportunities to use your human and social capital in ways that can assist others

Key Concepts in Negotiation

- **BATNA**
 - Best alternative to a negotiated agreement
- **Reservation Point**
 - Point at which negotiator is indifferent between an agreement and impasse. Beyond this point, the negotiator would prefer no agreement
- **Bargaining Zone**
 - Range of resolutions that exist between parties’ reservation prizes
 - Zone of possible agreements (ZOPA)
- **Position (Stated Agenda)**
 - The public claims of the negotiator
- **Interests (Hidden Agenda)**
 - The private interests of the negotiator behind the positions

Strategic Negotiation Game Plan

	Self	Opponent
Interests (Priorities)		
BATNA		
Reservation Price		
Target Price		
Sources of Power		
Opening Move		
Contingent Moves		

The Six Steps to Effective Negotiating

Step 1: Establish your interests

- There usually exist several possible positions and combination of issues that could satisfy your core interests.
- Generate multiple issues or break single issues into multiple ones

Step 2: Develop a scoring system

- Quantify all issues in terms of a common metric

Step 3: Establish your bargaining points

- BATNA is your greatest source of power, always be improving your BATNA
- Reservation price: Helps you walk away when you should
- Target price: If you don't ask, you can't get

Step 4: Consider the other side's interests and bargaining position

- Perspective-taking: Get inside their head
- Ask questions to get information: Why do they want what they want?

Step 5: Make the offer

- When you have enough information make the first offer and make it ambitious – aggressive goals give you room to concede and reduce aggressive behavior
- Use your target price to set both your first offer and first counteroffer
- Don't negotiate single issues. Make package offers, especially multiple equivalent simultaneous offers (MESOs)

Step 6: Role play and visualize the negotiation

- How you will respond to various tactics or moves
- Don't make concessions, make trade-offs