Leadership

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Agenda

- What types of people become good leaders?

- Importance of leaders adapting their behaviour to the situation (i.e. leader x context)

- The human dynamics in handling contexts

- Leader's decision making <- leader (their ethics in particular) x context – a sample situation and analysis

* Discussion on: Bennett, N., & Lemoine, J. (2014). What VUCA really means for you. *Harvard business review*, *92*(1/2).

Question

Are leaders born or made?

-Mentoring/coaching

- Effective communication of goals

- Effective relationship building/conflict resolution

- Effective problem solving

- Cultural intelligence

-Planning and organising skills

- High resilience/stress tolerance

- Anticipating future trends/problems

Key Leadership Competencies

PERSONALITY AND LEADERSHIP

Research on personality and leadership has been extensive in terms of both leader emergence (the idea that people who become leaders possess certain traits) and leader effectiveness (utilization of personal traits or characteristics in different contexts)

Leadership Emergence

While there is no "leadership gene", we inherit certain traits and abilities that might influence our decision to seek leadership

- People high in openness, conscientiousness, and extraversion, and low in neuroticism are more likely to emerge as leaders than their counterparts*

- More intelligent people are more likely to emerge as leaders than are less intelligent people**

- Stems from Trait Theory of Leadership

*Judge, T. A., Bono, J. E., Ilies, R., & Gerhardt, M. W. (2002). Personality and leadership: a qualitative and quantitative review. *Journal of applied psychology*, *87*(4), 765.
**Judge, T. A., Colbert, A. E., & Ilies, R. (2004). Intelligence and leadership: a quantitative review and test of theoretical propositions. *Journal of applied psychology*, *89*(3), 542.

Leadership Effectiveness

Is a combination of traits and context

Eg., self-monitoring* focusses on what leaders do as opposed to who they are.

- Moderate correlation between cognitive ability (IQ) and leadership performance** but IQ is especially significant while managing a stressful situation

-High performance managers have a leadership motive pattern, which is a high need for power and a low need for affiliation

*Day, D. V., & Schleicher, D. J. (2006). Self-monitoring at work: A motive-based perspective. *Journal of Personality*, 74(3), 685-714.

**Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: a meta-analytic test of their relative validity. *Journal of applied psychology*, 89(5), 755.

Leader x Context

Three major schools of thought—Ohio State Studies*, Theory X** and Managerial Grid** have postulated that differences in leader performance can be attributed to differences in the extent to which leaders are task versus person oriented.

*Fleishman, E. A., Harris, E. F., & Burtt, H. E. (1955). Leadership and supervision in industry; an evaluation of a supervisory training program. *Ohio state university. Bureau of educational research monograph*.

**McGregor, D. (1960). Theory X and theory Y. *Organization theory*, *358*(374), 5.

***Mouton, J. S., & Blake, R. R. (1984). *Synergogy: A New Strategy for Education, Training, and Development*. Jossey-Bass Inc., Publishers, 433 California Street, San Francisco, CA 94104.

Person-Oriented

- Person-oriented leaders such as country club leaders, Theory Y leaders, and leaders high in consideration act in a warm and supportive manner and show concern for their subordinates.

- Person-oriented leaders believe that employees are intrinsically motivated, seek responsibility, are self-controlled, and do not necessarily dislike work.

- Because of these assumptions, person-oriented leaders consult their subordinates before making decisions, praise their work, ask about their families, do not look over their shoulder, and use a more "hands-off" approach to leadership.

- Under pressure, person-oriented leaders tend to become socially withdrawn.

Task-Oriented

Task-oriented leaders such as task-centered leaders, Theory X leaders, and leaders high in initiating structure define and structure their own roles and those of their subordinates to attain the group's formal goals.

Task-oriented leaders see their employees as lazy, extrinsically motivated, wanting security, undisciplined, and shirking responsibility.

Because of these assumptions, task-oriented leaders tend to manage or lead by giving directives, setting goals, and making decisions without consulting their subordinates.

Under pressure, they become anxious, defensive, and dominant

Interestingly, task-oriented leaders tend to produce humor (e.g., tell jokes and stories), whereas person-oriented leaders tend to appreciate humor (e.g., listen to others' jokes)
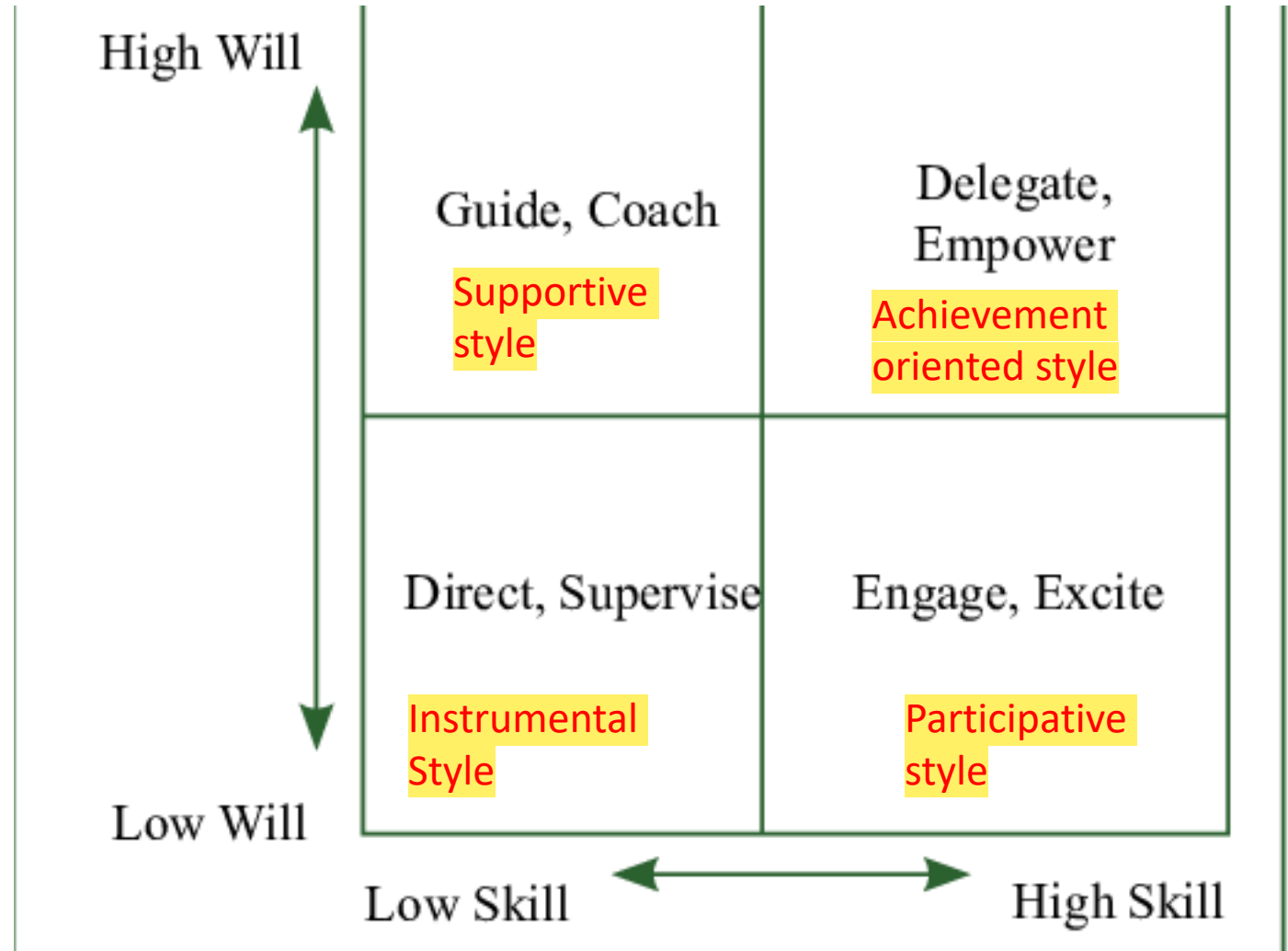
Leader x Context

- Context can be defined as follows*:

- Task structuredness: goals that are clearly stated and known by group members. The more structured the task, the more favorable the situation.

- Leader Position Power: the greater the position or legitimate power of the leader, the more favorable the situation.

- Leader-Member Relation: subordinates like their leader, the more favorable the situation.

This is (according to) Fiedler's Contigency Theory (Fiedler, 1967). This theory claims that leaders can work only in certain contexts that are favourable to them. In other words, if the context doesn't match their style, they would fail.

Leader x Context

Another way context can be understood/def ined is in terms of followers' ability and willingness to do a task.

	High Will	
Guide, Coach		Delegate, Empower
Supportive style		Achievement oriented style
Direct, Supervise		Engage, Excite
Instrumental Style		Participative style
	Low Will	
Low Skill		High Skill

This is Situational Leadership Theory (Hersey & Blanchard, 1988). This theory claims that leaders can change their leadership style according to willingness x ability of their followers. Their effectiveness is determined by how well they make these changes as and when required.

What makes some leaders more effective than others?

- A simple answer to this question is : Skills. Effective/successful leaders have applied themselves to learning from their context (aka experience) and are committed to transforming themselves (as well)

- These need not be "new skills" only but also refining their good-old skills and finding exceptionally smart way of executing them with people.

Leader x Skills

- Power : expert, legitimate, reward and coercion and referent
- Vision: Transactional vs Transformational leadership

Transactional leadership consists of setting goals, monitoring performance, and providing a consequence to success or failure.

Transformational leadership focuses on changing or transforming the goals, values, ethics, standards, and performance of others. Transformational leaders are often labelled as being "visionary," "charismatic," and "inspirational."

Leader x Skills

- Persuasion : Can be done through expertise, developing trustworthiness and even looks/attractivesness!

- Authenticity: being real, genuine and sincere in a way that is true to who they are as individuals.

- Service Orientation: existing to serve a bigger purpose, wanting and finding ways to solve problems that others face

Leader x Skills

Decision Making

- Sometimes leaders need to make the decisions alone and sometimes it is best to be participative*

- Leadership performance can be improved by teaching leaders to become better decision makers*

- Leaders navigate situations marked by environmental uncertainty and complexity

- Decision needs to be delivered under ALL circumstances and a leader happens to be the person where "the buck stops"

*Vroom, V. H., & Yetton, P. W. (1973). *Leadership and decision-making* (Vol. 110). University of Pittsburgh Press.

Summary

- Leaders have specific traits that lead them to choose "leadership" situations

- Leaders effectiveness is very dependent on how well they work with their context/environment (defined in multiple ways in different leadership theories)

- Effective leaders possess specific skills, such as persuasion, motivation, and decision making, that ineffective leaders do not.

A Guide to Approaching Events in the Four VUCA Categories

Leadership and Complex Situations

HOW WELL CAN YOU PREDICT THE RESULTS OF YOUR ACTIONS?

Complexity

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.

Example: You are doing business in many countries, all with unique regulatory environments, tariffs, and cultural values.

Approach: Restructure, bring on or develop specialists, and build up resources adequate to address the complexity.

Volatility

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.

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.

Ambiguity

Characteristics: Causal relationships are completely unclear. No precedents exist; you face "unknown unknowns."

Example: You decide to move into immature or emerging markets or to launch products outside your core competencies.

Approach: Experiment. Understanding cause and effect requires generating hypotheses and testing them. Design your experiments so that lessons learned can be broadly applied.

Uncertainty

Characteristics: Despite a lack of other information, the event's basic cause and effect are known. Change is possible but not a given.

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.

HOW MUCH DO YOU KNOW ABOUT THE SITUATION?

HBR

Situation: The Plan/Strategy

In February 2018, Netflix CEO Reed Hastings told a global business summit in Delhi that the streaming giant's next 100 million subscribers would be "coming from India" because of expanding and cheap internet.

Situation: How it turned out

Netflix CEO anguished over its poor performance in India after shares plummet by 21%, netizens blame its 'woke bullsh*t'

"The thing that frustrates us is why haven't we been more successful in India," he also added. According to CFO Spencer Neumann, it was tough for the streaming platform to pinpoint the specific reasons as to why the subscriber acquisition did not recover to pre-Covid levels.

Situation: Possible Reasons

Slashdot ✓ · Apr 20, 2022
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Netflix Shares Crater 20% After Company Reports it Lost Subscribers For the First Time in More Than 10 Years

entertainment.slashdot.org
Netflix Shares Crater 20% After Company Reports it Lost Subscribers For the First Time...
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The woke mind virus is making Netflix unwatchable

7:40 AM · Apr 20, 2022   ⓘ

♥ 284K   💬 Reply   ⬆ Share

Read 15.9K replies

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Replying to @nichegamer and @slashdot
True

Elon Musk ✓
@elonmusk · Follow

Can they please just make sci-fi/fantasy at least *mostly* about sci-fi/fantasy?

8:41 AM · Apr 20, 2022   ⓘ

♥ 16.8K   💬 Reply   ⬆ Share

The Kaipullai · Jan 21, 2022
@thekaipullai · Follow

Apparently Reed Hastings is worried about why Netflix is not picking up in India.

If you cast a Malhotra and a Dassani in a movie about Tamilians based out of Madurai, how will it pick up?

The Kaipullai
@thekaipullai · Follow

This is what happens when you give too much power to a bunch of people from South Mumbai and South Delhi, ask them to think what India will like.

For them India is where there is a Starbucks on every street, everyone eats a Bic Mac, shops at H&M and drives a BMW.

6:47 PM · Jan 21, 2022   ⓘ

♥ 1.6K   💬 Reply   ⬆ Share

Read 7 replies

Why Ethics are a Slippery Slope?*

https://www.youtube.com/watch?v=Nrjnr2nWvdw

*not included in the exam

Why Ethics are a Slippery Slope?

The moral/ethical debate of

(ethics x complex situation -> decision making)

Fiduciary responsibility vs social responsibility

what would you choose and why?

Moral Positions

- Egoism vs Enlightened Egoism

- Egoism: Decision is right if it maximizes self interest , which is unique to each individual/business. Example., it could be fame, financial success etc. health

- Enlightened egoism : This refers to taking a long range perspective and allowing for the wellbeing of others through your own self interest.

Moral Positions
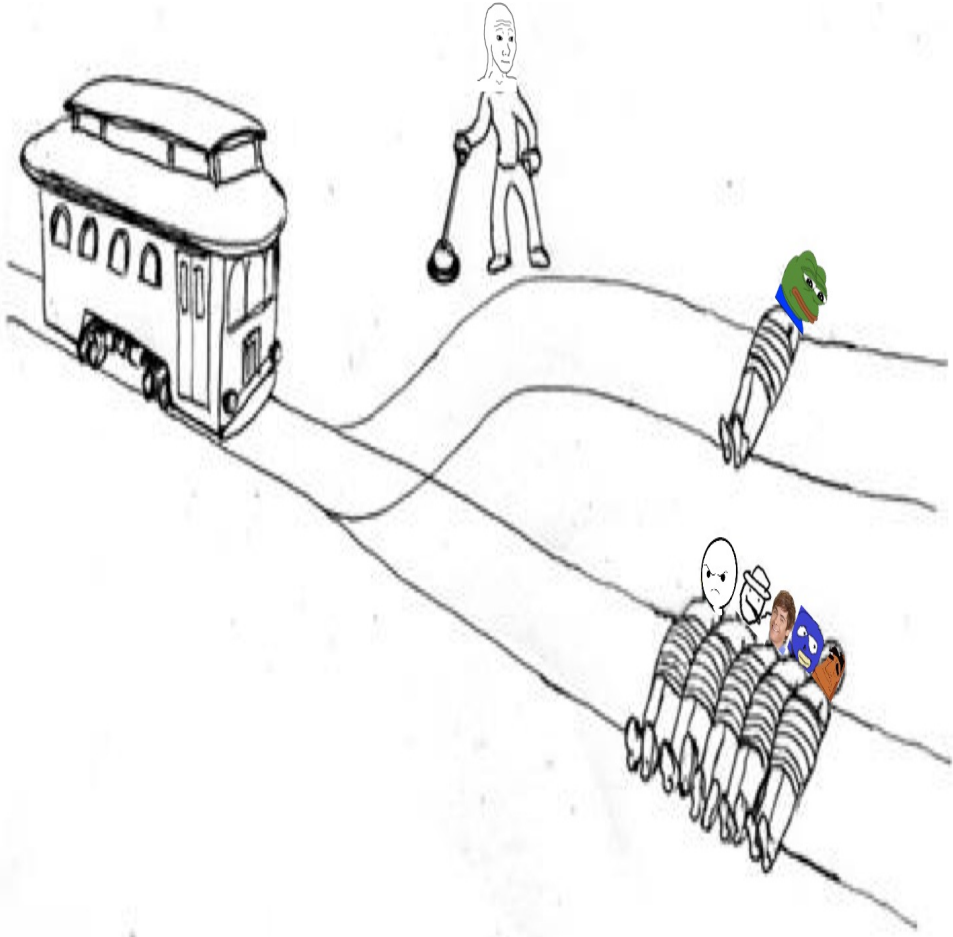
- Utilitarianism : The principle holds that the rightness of the action is determined solely by their consequences/net good consequences

Utilitarianism — a philosophy suitable only for a nation of shopkeepers! (Friedrich Nietzsche)

- Complete disregard of the role of intentions, which could be a decisive factor in the decision making process

Moral Positions

Deontology: ***Duty,*** rather than the good (consequences), is the fundamental moral category.

- That means is more important than the consequences
- Right action is the one that conforms to moral principles

I do not care about the greatest good for the greatest number…most people are poop-heads; I do not care about them at all. (James Alan Gardner, Ascending)