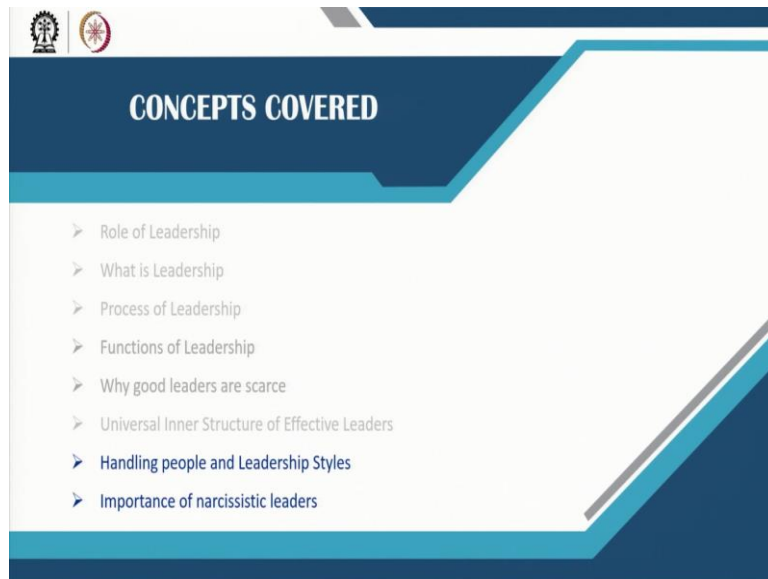


Strategic Management for Competitive Advantage
Professor Sanjib Chowdhury
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur
Lecture - 36
Strategic Leadership - IV

(Refer Slide Time: 0:32)



The slide features a blue and white design with the NPTEL logo at the top. The text reads: NPTEL ONLINE CERTIFICATION COURSES, Strategic Management for Competitive Advantage, Prof. Sanjib Chowdhury, Vinod Gupta School of Management, IIT KHARAGPUR, Module 10: Strategy Implementation and Leadership, Lecture 36 : Strategic Leadership - IV.

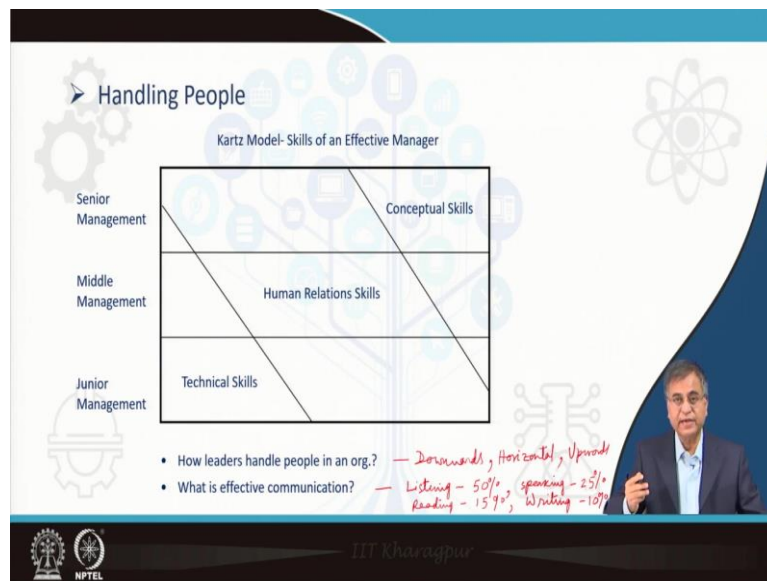


The slide features a blue and white design with the IIT Kharagpur logo at the top. The text reads: CONCEPTS COVERED, followed by a list of topics: Role of Leadership, What is Leadership, Process of Leadership, Functions of Leadership, Why good leaders are scarce, Universal Inner Structure of Effective Leaders, Handling people and Leadership Styles, and Importance of narcissistic leaders.

- Role of Leadership
- What is Leadership
- Process of Leadership
- Functions of Leadership
- Why good leaders are scarce
- Universal Inner Structure of Effective Leaders
- Handling people and Leadership Styles
- Importance of narcissistic leaders

Welcome to the strategic course management for competitive advantage. Today we will be covering the last part of strategy implementations and leadership. Here we will be covering the concepts of handling people and leadership styles and the importance of narcissistic leaders in today's world and today's organisations to start with handling people.

(Refer Slide Time: 0:55)



So, this diagram is called the Katz model skills of an effective manager. If you see this, this diagram what do you infer from this diagram? Can you tell me? This shows that if different levels like junior management, middle management and senior management, the different skills vary. Like Junior management, technical skills are required more than in senior management; technical skills are not that much required whereas they require more conceptual skills and conceptual skills are less than the junior management. But a more important observation (say)s that handling people is a human relation skill; these comprise most of the part in each level and those that remain the same in all three levels that handling people or the human relations skills are more predominant, and it requires that a large amount of your time or area or the ingredients these are the handling people.

Then, how do leaders handle people in an organisation? These are the two questions we will try to answer any one of you can answer these how it leaders handle people in an organization? They handle it in three directions three ways there are three. Directions one is they go downwards, what is downwards? Downwards is like they have to build their leader or manager has to build that team, that team will work towards achieving those goals. So, he has to make the team; he has made it a cohesive group to empower them, he has to keep it focused, and he has to motivate the team. All these things are required by a leader. Then another one is the horizontal way, horizontal what is this? The leader or the manager has to get the support of his or her peers like the other functional managers.

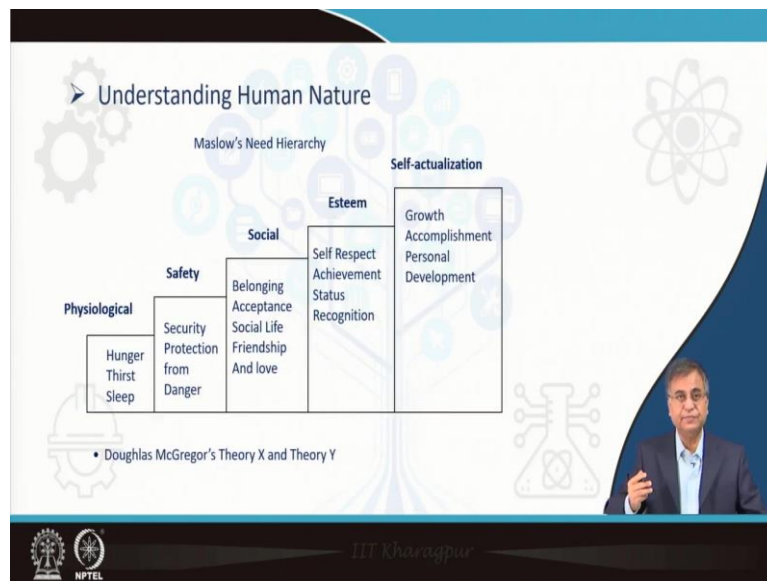
So, if your project is your strategy, it cannot be done in one group; it requires the cooperation of different groups. Suppose you wanted to increase your production level from 10 million

tons to 15 million tons. You require all other groups (say) marketing, finance, HR, supply chain management, R and D, engineering operations, and everyone's participation. So, you have to keep your peers to support you and cooperation is required. Then the other way is upwards. Upwards here, what do you do? You have to win the support of your boss and the support of the top management. You have to keep them in good humour, they will help you with any obstacles you face, and they will facilitate your strategy to work facilitated work. So, you also have to win the upwards relationships, the things you have to win their support.

Now, these are the three ways that leaders handle the people in an organisation. Next is what is effective communication and communication to tell that is also a sizable or important aspect of leadership. Effective communication is not that leaders always talk; there is a tendency when you go high up the ladder for top people to talk too much, they and they are those poor listeners. So, that is not effective communication; effective communication is a two-way process. So, a good leader's communication should be listening; listening should be 50 per cent. Then speaking, speaking maybe, speaking should be 25 per cent, then reading, reading should be 15 per cent, and writing should be 10 per cent. This is called effective communication.

You have to be patient listeners, which will solve many problems for the organisations, employees, and grievances that can be sorted out by giving an empathic hearing. So, these are some of the ways to effective communication.

(Refer Slide Time: 7:34)



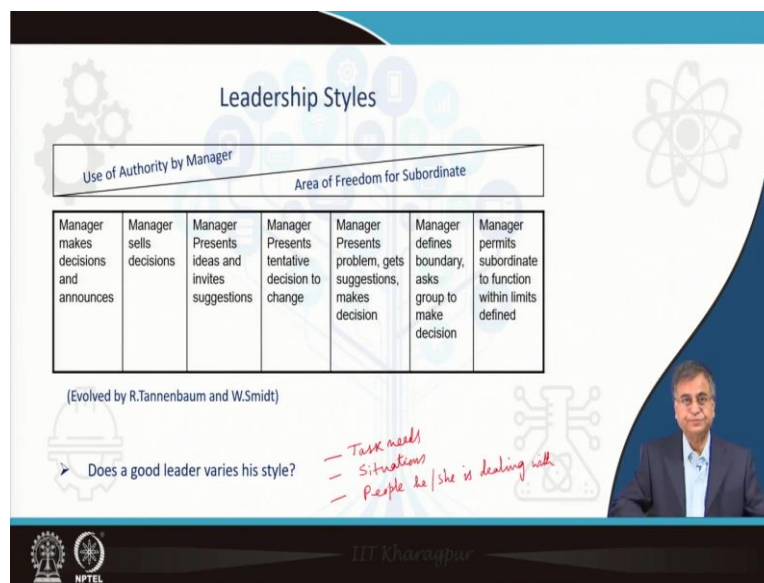
Now, this all of you know is nothing but Maslow's need hierarchy, Maslow's need hierarchy what does it, what is it, and how is it needed for you? Because handling people means, you have to know the nature of the people you are dealing with. So, if you know their nature and their needs, then it will help you to guide them help you to motivate them to help you to get your work done through them. That is why this Maslow's need hierarchy and Douglas McGregor's Theory X and Theory Y are very helpful. Suppose you all of you know what this Maslow's need hierarchy is? People have these needs, that psychological needs, safety needs, social needs, esteem needs and self-actualisation.

This is the higher level of need. The most basic needs are the psychological need, which is bottom at this bottom, these needs are very strong, and as you go higher and higher, these needs are weak, but these are more motivating, these are more motivating. Now, suppose you are leading a group of people here (say) these are the low-skilled, low-labourer, marginal workers; they may be the same leadership styles will not be appropriate for the people who are here because here needs are that physiological needs are the mitigate your hunger, mitigate your thirst, sleep these basic needs. Then once it is satisfied, you require security and protection from danger. When this is satisfied, you need the social needs of belongingness to the community, then acceptance by the community, social life, friendships and love.

Then you go for the self-esteem or the self-respect, achievement, status, reorganisation you look for so, people if you are leading the people group of people here, your management style got to be different from the people who when you are leading this type of people and self-

actualisation is the higher level that is your work for work safely, your growth, accomplishment, personal development in a different level you go for. So, different if the nature of the people is where they belong, then you can handle them appropriately. So, in Theory X and Theory Y, Theory X, you push the people you give orders, and they do that may apply to the people who are in the in these unskilled labourers or these employees. But theory Y that the participative one is the people you have to apply the people where the higher levels. So, these are useful things.

(Refer Slide Time: 11:01)



Now, having known this, this is a leadership styles continuum, you go through this diagram, and then we will talk about this question. In this diagram what does it indicate? It indicates to use of the authority of managers, this is on the left side where the managers are authoritarian, managers make decisions and announce, and everyone has to follow that then as you go right here manager sells decisions, further one manager presents ideas and invites suggestions from the employees. Here manager presents a tentative decision to change then as you go further right, the extreme right is the manager permits subordinates to function within limits they have demand fully empowered, fully empowered powering that is the area of freedom of the subordinates at the extreme end, less fear that sort of things goes on.

So, this is total authoritarian and here it is total participative. So, an in-between you decide, depending on various factors you decide, these are this is the spectrum of these or the continuum you decide which leadership style one will follow. So, now, I will ask you this question does a good leader varies his style? You answer this... Yes, the answer is yes. The leader generally varies his style depending on what? This varies his style depending on the

task needs, depending on the situations and depending on the group of the nature of the people he or she is handling or dealing with. So, these three are very important, what are these three as I told you, he varies his style based on task needs.

Then the situation based on the situation, suppose there is an emergency, there is a disaster, there is some crisis happening in the organisation then it requires the manager or the leader takes a unilateral decision. So, the authority's decision in crisis situations. So, it varies there in crisis situations the decision has to be taken on the spot you cannot be that participative and takes time. So, it depends on the situation and depends on the people he or she is dealing with, these are the ways that good leaders vary their style and he takes, and this style comes automatically to him or to her because it is the instinct that he is the leader or it depends on the personality of the leader at that time.

And it is the knowledge of the leader that helps him or her to the action to be taken in given situations, given situation, so based on these, the leader varies his or her style.

(Refer Slide Time: 15:12)

10. Strategic Leadership

- Are leaders born or made?
- Narcissistic Leaders and their importance in Organization
- How narcissist leaders can avoid the traps of their own personality?
 - Find a trusted sidekick
 - Indoctrinate the organization
 - Get into analysis

Michael Marashy

IIT Kharagpur

NPTEL

The slide features a background with a stylized tree and various icons. A video inset in the bottom right corner shows a man speaking. The NPTEL logo is in the bottom left corner.

Next, we will be talking about this question you got to answer. Are leaders born or made? Generally, we get very conflicting replies on this; there are two schools of thought. And one school of thought (say) that leaders are born, another school of thought (say) leaders are made, and both are very strong in their convictions, and both are very strong in their opinions. So, there is no right or wrong answer to this. But if you think logically, if you think insensibly, it is the combination of both. I will give you an example like A to B, an Olympic champion in the Olympics, athletic (say) 100-meter dash or the 200-meter sprint or 400 this

to be a gold medalist in the Olympics in any of the areas. You require what an individual has to be firstborn with some capabilities or innate capacities, innate aptitude; those things are there, then that may be for many people.

But so, many people qualify for the Olympics. But to become to that standard, you have to not only be born with innate capabilities that are not enough, but you also have to put in vigorous training, vigorous discipline, a disciplined way of life and dedicated training that makes an Olympian. Suppose (say) Sachin Tendulkar is a cricketer. Anyone cannot be a Sachin Tendulkar, but there are some innate qualities he was born with. But many people have some innate qualities, but Sachin Tendulkar has become Sachin Tendulkar because of his rigorous practice training. If you take his friend Vinod Kamble that were schoolmates at the same school, they are creating history during their growing-up days in cricket.

Both were doing record-breaking performances both were at the same level of that talent. But Sachin comes from good family background and has a determined disciplined life and rigorous training every day. He used to get up at 3 am for practice, and we used to go by the ground at 4 a.m., but Vinod Kamble, did not have that rigorous, disciplined life. The whole night he used to have parties. So, he sees how he spoiled his carrier, even though he has those innate talents that the lack of those disciplines if rigorous training could not be successful.

So, it requires that some talents are inborn, but to be a champion to be the habit's full potential, you must undergo rigorous training and development. So, a leader has to develop himself or herself continuously. So, this is the answer the leaders are born or made. So, everyone cannot be Pele or Maradona. They had some innate, innate capabilities that were born with them, but on top of it, they had to put much rigorous training to attain that level. I think that is the answer. In the next part, I will talk about a new topic which is the narcissistic leader and their importance, importance in the organisation. All of you know that narcissistic leaders, those who are narcissistic leaders are found in the areas of the military, then the religious or the political arena.

But the business world also had its share of some narcissistic leaders in its booms starting at the beginning of the 20th century, where you can find narcissistic leaders like Henry Ford and John Rockefeller, and then there is Thomas Edison, are, was the visionary. What is their role? They were these narcissistic leaders, they were at that time of its transition, the time of upheaval, and they could have a good vision, they capitalised on those times, and they capitalised it, and they restructured the American industries to their way. So, they made the

rules of the games. So, those were the narcissistic leaders; they could have that I will talk about more, but after that, from the 1950s to the 1980s.

Then industry leaders were not that; they are more of not that high profile or that they preferred to work with low profile manners, but again, narcissistic leaders, again, grew up at the end of the 20th century and the beginning of this century; you will find that Bill Gates of Microsoft, then your Steve Jobs of Apple, Jack wells of General Electric, Jeff Bezos of Amazon, then Andy groves of Intel's CEO, they again came up Elon Musk and they again came up narcissistic leader, what are these, who are the narcissistic leader? This narcissistic leader is effective in dealing with dynamic changes, and they have equally damaging destructive potential; they also have it.

Take the case of that Steve Jobs when Steve Jobs was sick in 2011. He got relinquished his charges to other markets, and people got shocked that Apple was going down this way. So, the damaging part was there. Similarly, when Bill Gates wanted to relinquish and focus on their Bill and Melinda foundations, the market was very was looking at is a very pessimistic way people were looking at even though they had an able CEO Steve Ballmer, there, then this. So, they have some damaging effects, but what we will be talking about are these narcissistic leaders nowadays and now is their positive power what is their positive power and how in that industry organisation can tap that positive power the getting a competitive advantage in the fluid state of the business environment?

So, the narcissistic advantages of these narcissistic leaders are that they have an unrivalled vision and insight, particularly in the transitional stages they have with this, they can, they Steve Job, then they this Bill Gates Jack wells, they formulated or reformulated or restructured the rule of the game, and they got a competitive advantage in most of the areas they were in. But the disadvantages of narcissistic leaders are that there are many, like they may be destructive and equally destructive for the organisation. They are poor listeners, they are sensitive to criticism, they have their lack empathy for others, and they are very ruthless in their desire to act in the pursuit of their desired goals. They may be ruthless; these are the negative things of a narcissistic leader.

Now, we will be talking about how narcissistic leaders can avoid the traps of their personalities. So, they have a narcissistic leader is the narcissistic is a character which was one of the characters identified by Sigmund Freud. So, they are generally pathologically obsessed with their vision or their professions. So, a narcissistic leader can avoid the traps in

three ways. These three ways are that this was by Michael Maccoby he was an expert management expert on this. What I am now referring to is his prescription. It is Maccoby Michael Maccoby. I will write it down for you. This is Michael Maccoby; I have given this his reference; you will find the paper I have quoted in the reference. Michael Maccoby (say) suggests that narcissistic leaders can avoid the traps of their personality in these three ways.

One is to find a trusted sidekick. Then indoctrinate the organisation and get into the analysis, I will move one by one they find a trusted sidekick. What is it? A narcissistic leader should know him, what his deficiencies are, and so forth to guard those he or she must appoint a trusted sidekick like a colleague, a colleague, Mark who can (say) if he is a CEO, a CEO chief operating officer or a president maybe should guard him who will look after that ground, we can keep him the with the ground realities, because these narcissistic leaders, they work in a different plane, they are aloof from the realities in life ground realities. So, you will find many examples of this. Like (say), if you take Oracle, that president was Larry Ellen Larry, the CEO was Ellen Larry, and the president was Ray Ellen.

But they were, in contrast, their personality was totally in contrast or contrary contradictory. Like the CEO was the prototype of a bad guy type; he had those very strong convictions, but Larry Ray Ellen was the president; he was a very composed man, very cool-headed. So, they were in contrast, but the sidekick has to bear a lot of emotional traumas from the leader, and he has to absorb that. That is why some people suggested that a pause may be the sidekick, but that is not recommended as Maccoby (say)s that will create more problems for both because it carries to home it is paper will always (say) colleague looked after that. So, similarly, if you see that Volvo, Volvo chairman was Gallon Hamill and his CEO was Fissinger, the combinations worked well until Volvo and Renault's merger failed, and Gallon Hamill had to resign.

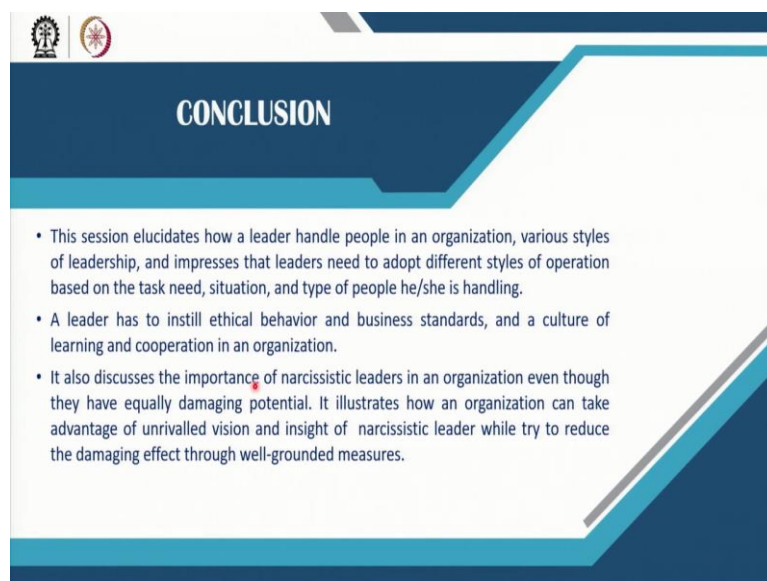
Similarly, for this oracle, these two contrasting personalities, the leader and the trusted sidekick, worked well for many, many, many years. Until that, it became too much for president Ray Ellen that he could not take it. He was sidelined, but despite that, he was there for many years to have the winning combinations for deals that oracle went stand to stand. But in the end, they split because he was sidelined. President was sidelined, and he could not take it anymore and go. But the industry (say)s it they worked for a long, and it worked. Then the third one is next one is the indoctrination of the organisations.

What is it? These indoctrinate the organisations like (say) Jack wills of General Electric; he had his ways. His priority was the financial robustness he used for every deal and every business, he financial robustness and he emphasised strategic control by the managers in his way; he used to think the others had to follow it. There was no other way than to either follow me, that is, or you leave the organisation. That was the culture of the G that is the indoctrinate the organisation, that leader (say)s my way or highway that was the thing.

Then, the third one is that Maccoby suggests these narcissistic leaders should get into some analysis; what is that analysis? Like, go for therapeutic therapy treatment. Because that will help to overcome their deficiencies, those deficiencies are grown up because that was not dealt with appropriately in the past. But the problem here is that Maccoby suggests that narcissistic leaders (say)s is not in the mood to listen and have deficiencies; they are always in the mood to that commanding other, and whatever he says, others will listen to them. So, they are reluctant to go for those therapeutic therapy treatments; this is the problem.

So, these are the three ways how to overcome that to bring out the best of the narcissistic leader because this narcissistic leader's vision and insight, especially in the changing time, can give an organization's competitive advantage over others. Still, the organisation should also guard itself because they have much similar equal destructive potential. So, that should also be kept in mind. So, this has to be handled very delicately.

(Refer Slide Time: 34:03)



CONCLUSION

- This session elucidates how a leader handle people in an organization, various styles of leadership, and impresses that leaders need to adopt different styles of operation based on the task need, situation, and type of people he/she is handling.
- A leader has to instill ethical behavior and business standards, and a culture of learning and cooperation in an organization.
- It also discusses the importance of narcissistic leaders in an organization even though they have equally damaging potential. It illustrates how an organization can take advantage of unrivalled vision and insight of narcissistic leader while try to reduce the damaging effect through well-grounded measures.



So, to sum up, this session we have covered are, we have discussed how a leader handles people in an organisation, and we have also discussed the various styles of leadership and embraced that leaders need to adopt a different style of operation based on the task need situations and type of people the leader is handling, the style depends on these functions. Further, a leader has to instil ethical behaviour and business standards and a culture of learning and cooperation in the organisation. Also, we have discussed the importance of narcissistic leaders in an organisation, even though they have equally damaging potential. We have illustrated how an organisation can take advantage of the unrivalled vision and insight of a narcissistic leader while trying to reduce that damaging effect through well-grounded measures.

So, these are the sum up of these sessions. Now further, there are some references you can go through, and this will help. And this is the one that I was referring to. This is the paper that Michael Maccoby it appeared in Harvard Business Review. This will shed more information on the narcissistic leader. If you are interested, you can go through it. So, that is all for this lecture on strategy implementations and leadership's role. So, thank you very much for attending.