

**Course Name: Business Fundamentals for Entrepreneurs – Part 1 – Internal Operations**

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**Week – 04**

**Lecture – 08**

Week 4 Module 8 Part 1

Namaskar. I am Professor Devdip Purkayastha from the Indian Institute of Technology, Bombay. Welcome to my course, Business Fundamentals for Entrepreneurs, Part 1, Internal Operations. Today's module is about leadership and human resource management. But before I get into the topic, let's look at the discussion flow so far in this course. So I started with sharing what's a business, what's a company, types of company, etc.

And then I started entering into the company with a big picture of what's the vision of a company, what's the mission, what's the strategy, what's the goals. And then we entered into how do companies innovate and create new products. And then I talked about how do mass manufacture, mass produce the new products that you want to launch with the requisite quality. In the last module, I talked about an interesting aspect of how companies keep track of their finances and how do they financially manage.

Today's topic is very different. It's about people. How do you lead people? How do you manage your people? So in product innovation, manufacturing, finance, accounting, quality, it's a lot of hard skills. Today I'll talk about a lot of soft skills, people skills. So today's topics, as always, will be six topics and there will be two reflection points where I would encourage you to think and to write down in your journal some of the questions I'll put up on the screen.

And there will be an online assessment. So let's start with what is leadership. Let me start with a few thoughts, both from my side as well as from leaders in history and leaders who are leading today. Because leadership is a lot of attitude and behavior and thoughts and skills as well. So to start with, leadership is about setting an inspiring vision, an inspiring destination or a goal.

And then energizing and enabling large groups of people to accomplish that goal or reach that destination. Leadership is a mindset but also a lot of behavioral action. Because people and followers are always watching how the leader is behaving. So, it's not enough for a leader to just talk. A leader has to walk the talk.

He has to behave the way he wants others to behave. So that the followers understand how to behave and how to follow. That's also leadership. The key question is are leaders born or are leaders developed or evolved in their lifetimes? And my belief is that leadership is a set of skills, behaviors, styles which can be developed and each of you can develop it. But it will be a journey.

You can quickly learn physics, chemistry, maths, even engineering. Leadership can be a lifelong pursuit. And leadership is not just about business. You can be the leader of your school, the house captain or the monitor of your class or the captain of your team or the president of a club. You could be a leader in army.

You could be a leader in business or in not for profit. You could be a leader in a spiritual organization. So leadership has many aspects. And therefore leadership is not just one style. There's not just one way of leadership.

In physics, chemistry, maths, many of these hard subjects, one question has one answer. There's one way to do it. There's one way to solve a mathematical equation. But there's no one way to be a leader. And therefore one of the things I'll try and do is to share some examples of leadership.

And I would encourage all of you after this module to go out and look for leader in every aspect of your life and to copy, imbibe some of the leadership traits that appeals to you. So, let's start with some leadership thoughts. Let's start with a wonderful thought from Mahatma Gandhi. And he said it wonderfully when he said, be the change that you wish to see in the world. Don't just talk about it, but become it.

And when India was seeking freedom from the British, he behaved in such an inspiring way. He set an inspiring vision of a free India and he walked the talk so that millions of Indians followed him and that he led us along with many other leaders into a free India. And the thought that I'm living with you here is be the change, role model it. Let's look at some of the thoughts. This is a thought from Mr. Ratan Tata. And he says if you want to walk fast, walk alone. I will quickly reach somewhere. But if you want to go far, you have to walk with others. You cannot be a leader without followers. You can achieve only limited results by yourself.

But if others follow you, if you walk with others, if you lead others, you can achieve much, much more. And that is the story of the Tata group led by Mr. Ratan Tata. One more thought from Steve Jobs, who was the founder of Apple and led Apple to glory. And what distinguishes the leader from the follower, he says, is innovation.

Innovation is a new idea, a new inspiring vision. Thinking something which others have not done or not thought of. Thinking of free India when India was not free was a powerful thought. Apple to come up with iPhone, which is a touch screen phone, when all the other phones had keyboards was a leadership thought and so on. And the next leadership thought related, and this is from Mr. Mukesh Ambani, the founder, leader of Jio Reliance, etc. In the journey of an entrepreneur, because an entrepreneur is also a leader, so he says, in the

journey of an entrepreneur, the most important thing is self-belief and the ability to confirm and change that belief into reality. So, leaders have to believe in themselves. Leaders have to believe in their thoughts. Leaders have to believe in their vision.

Leaders have to believe in their goals and their mission. Leaders have to believe in their strategy. And then they have to lead their followers to confirm that vision, that mission, that goal, that objective, that strategy into reality. And that's leadership. Now let me share with you a framework of leadership and I call it the 5E leadership model.

The first E is to envision. You have to envision your followers, your sports team, your club, your country, your company, your startup into a powerful, compelling vision which excites people. So the first E of leadership is envisioning, creating that vision. The second E, I say is energize. You have to energize your followers into your vision. So freedom fighters energized the Indians after centuries of British rule into the vision of a free and a powerful India.

And a cricket team leader, any of our India cricket team leaders, has to envision the cricket team, the national cricket team being a world champion. And then the third step is enabling. This is about coaching. This is about training.

This is about mentoring. This is about training together. This is about going out together to test out the vision. So enable. And when you have a problem, when your followers have a problem, the leader is there to help solve the problem and remove the obstacles.

So, envision, energize, enable. But ultimately you have to execute which means you have to make things happen. You have to win the championship of the school or the club or the college or the league or the global championship or the Olympics. In business if you have a plan, you have to execute that plan and deliver the results. But that's also leadership. And the followers are counting on the leader to show them how to win.

So, winning is also a hallmark of leadership. And then extend. So if the team is doing so much, if the team has won in the C division, extend it to winning the B division. If the team has won in the B division, extend it to winning in the A division. If the company has become a 100 crore company or a 10 million dollar company, extend the vision and the energy into growing to be a 1000 crore company.

Once you are a 1000 crore company, grow into a 5000-crore company. That's extension. And together I call it the five different aspects of leadership. Now, is a leader the same as a manager if you look at it in a company? A person can be a leader and a manager but the traits are very different. So, what are the leadership traits? Leaders challenge and disrupt status quo.

They disrupt. If the company is growing from 1 million to 2 million to 3 million to 4 million dollars of sales, 10 crores, 12 crores, 14 crores of sales, the leader will challenge the status quo and say let's not grow two crores every year or 1 million dollars every year. Let's grow ten times next year. So, it challenges the status quo. We are a good team.

Let's become a champion team. Then, set the inspiring purpose. We will win the championship. We will be the leaders of the largest player in this market. We will be the best club in this city is the vision and the goal that the leader sets. And the leader also defines overarching strategies, a pathway to the goal.

Alright, here's the purpose and these are the steps to get to the purpose. The followers cannot always set it so the leader has to help them set it. A leader influences large numbers of people through inspiration and possibilities because the leader often does not have positional power.

He's not the boss. He's not the captain. He's not the commander. He's not the president. He may be just a person but he's so inspiring that he pulls people towards him. He could be an ordinary person in a community but the entire community follows him because they like what he sets out to do. Versus that, the managerial traits are more about okay, here's the status quo.

Let's say I'm the manager and the leader tries to become more effective and more efficient. Not disrupted.

We are 100. Let's go to 120. We're 120. Let's go to 150. Versus the leader says, imagine if you went from 100 to 10,000 or 100 to 1,000. So, he maximizes the trend of the status quo. Also, the managerial trait will be focused on today's activity. Okay, what's today's goal? This week's goal? This month's goal? I have to sell so much.

I have to make so much. So the manager will do that. He will also be very planning and systems and process oriented. And his followers which are members of his team or department or division or club or class will follow the systems and processes and will go through the training but they may not be excited because it's more of the same. Today is more or less the same as yesterday, and tomorrow will be more or less the same as today.

So, it's not very exciting. Leaders will say think about it tomorrow. It's so different. And managers often have positional power and they push versus a leader who attracts and pulls. So these are different traits. A leader can be a manager and a manager can also be a leader but they're different traits which you should understand and you should develop in your own lives.

So, leadership styles. There's no one kind of leader. You could be a spiritual leader, a sports leader, a club leader, school leader, business leader, political leader. There's no one style. And you have to choose your own style and let me talk you through a few styles. A demonstrative style is a style by doing. It could be a military general and he says charge and he runs at the enemy and all the soldiers follow him.

Or it could be Mahatma Gandhi who started the Dandi march, the salt march and a lot of people started following him. So it's a very demonstrative way of leadership by doing. The other side of it is dictatorial.

It's not a good idea to be autocratic. I order, you do. A leader dictates and orders his followers. It's not a very good style but sometimes you need it like in army. When you're facing the enemy you can't have a debate and discussion. When the captain or the general says charge, the army has to charge. So that's a military style, a dictatorial style, an autocratic style.

A disruptive style is challenging. Why is it not like this? Why can it not be like this? A disruptive style in business often leads to the creation of new products, new businesses. And entrepreneurs are usually very disruptive. They come up with a very new idea which nobody has thought of before. Mr. Henry Ford and others who came up from riding horses to riding a car.

And I give a lot of examples in my earlier modules of entrepreneurs who created disruptions and kind of destroyed the earlier order. Democratic is more let's do it together and this works well in government. So India is a democracy, US is a democracy and there are ways and mechanisms for democratic leaders to be elected. The prime minister of India, the president of the United States, and so on. In a company, small companies can be democratic but when it becomes large, chances are democratic style cannot work.

When you've just founded a company, an entrepreneur has just founded a company with two or three other co-founders, a democratic style might work. But when the company is 10,000 or 20,000, that style will not work in a company. It can work in politics or in a country but not always in a company. Delegatory is when you are a patriarch, a very senior leader, you have built your own team, the team is very capable, you've built your successors and you delegate to the people.

And you kind of, you know, is the father of a business family. He's got all his sons and his daughters and his professors and professional managers and so on. They run day to day, and all the power is delegated to them. But the leader is still there for holding hands, for inspiring, for supporting, etc. And the detached leader is not a recommended style of leader but where he just lets the followers do what they want to do and it may work in areas of spiritualism, etc. But chances are it will not work in a business or a club or a sports or army, etc.

So, there are different kinds of leadership. And the same leader can follow different styles of leadership depending on who you are working with. If you are working with ten new hires to the company, they don't know what to do, you probably have a bit more dictatorial style because you have to tell the new hires, you do this, you do this, you do this, you do this. But if you are the chairman of a very large company and you've got a whole board or management team under you who themselves are all extremely capable, you don't want to do a dictatorial style. You probably want to do a delegatory style and delegate it to them but just be there for very rare occasions when they need help, support, coaching, mentoring. Sometimes when you are in a new, when you are founding a company you need to be demonstrative and sometimes you need to be delegative.

So, it can be situational, it can be adaptive and it can be flexible. So that's the leadership style. Okay, now let's talk about the leadership styles. Let's look at some of the skills you can develop to become a leader. So what are those skills? First, honesty and integrity. Your followers and everybody around you have to trust you if you want to be a leader.

Strategic thinking. You have to think the big picture. You have to think about five years out, ten years out, hundred years out. The vision, the purpose. A leader cannot be bogged down only on today's work. So strategic, big-picture thinking. You have to be able to persuade your followers, which means you need to have good communication skills not, just communication in voice but also relate emotionally.

You have to touch the lives of your followers. So they think that you are empathetic, and they relate to you. You have to learn to inspire and motivate. So, if you are leading a cricket team, a football team, or a volleyball team, you have to be able to lead, motivate, and inspire your followers.

Help them when they are down. Help them when they are not succeeding. Inspire them when they are succeeding. And then you have to coach and empower. Often you are the best person in that team or that company or that organization because of your experience or age or your education. You have to coach, empower people who are not as good as you are. So if you are a school captain or, a college captain or, a cricket team, or the head of a company, a class 10 head of school may have to coach and empower the class 7 student or the class 8 student.

If you are the president of a division, you may have to coach the vice president, and the vice president coaches and empowers the general manager and down the line. So these are the skills I would encourage you to develop for the next three years. Five years, ten years, twenty years, thirty years, forty years, whichever career option that you choose. And now to come to what one of the greatest leaders that we have had in India, the late ex-president of India, the 11th president of India Bharat Ratna, the father of a missile program also called the missile man Dr.

A.P.J. Abdul Kalam. So, in an interview with Watan and, the link is there which you should have a look at, he defined what to him is a leader and he talked about the six traits of a leader. The first trait that Dr. Kalam said was a leader has to have a vision of the future or what can be, what is possible. The second trait that he said was he needs to be able to explore an unexplored path where nobody has gone before. He has to be able to lead his country, club or organization, or team into areas where nobody has gone there before.

A leader has to know how to manage success but also how to manage failures. Because a team will not always be successful, a company is not always successful. It will fail, and the leader has to know how to manage failure and deal with failure and make sure that his team, his company, his business, or his club doesn't get so demotivated by failure that it stops working. A leader has to have courage to take tough bold decisions but correct decisions. He

cannot shy away from taking decisions because it is so difficult or take the wrong decision because it is so easy.

And a leader must be noble in management. He must be transparent. Everybody must trust his decisions and his judgment and be inspired by it. So, he has to be noble. And of course he has to work with integrity and succeed with integrity. Not by cheating, lying, stealing, breaking the law, doing some hanky panky or some cigar, but succeed with integrity.

So, this is how Dr. Kalam defined what leadership is. I would encourage you to go and read up the article in the page in the link there and the actual interview is also in YouTube and some of the public domain sites. I strongly encourage you to go and have a look. So, that brings us to the first reflection point. The next one is the second. And as always I encourage you to reflect for three minutes and write down in your journal what I have got on the screen.

Think of a leader that you respect, or you follow. It could be in anything, in a club, in a school, organization, company, society, in a building, in a community. Think about why do you respect that leader. Why do you respect him or her? What style of a leader is (his) or her? Now that you know different leadership styles that I have shared with you and the behavior traits of a leader and the skills of a leader, try to identify the behavior of a leader in the person that you respect and the skills that he is using. And then as you have identified those traits, those skills, those behaviors in the leader that you like, you respect, try to write down what are the leadership skills, behaviors and actions that you would like to follow and do in your own life. Get started on your path to leadership so that after a year, two years, five years, ten years, fifteen years, or twenty years, you are a real leader of a large company or a large club a, community, or even a country because you have started on the journey today.

So, this is the first reflection point. Thank you.