

**Strategic Management for Competitive Advantage**  
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**Lecture 34**  
**Strategic Leadership - II**

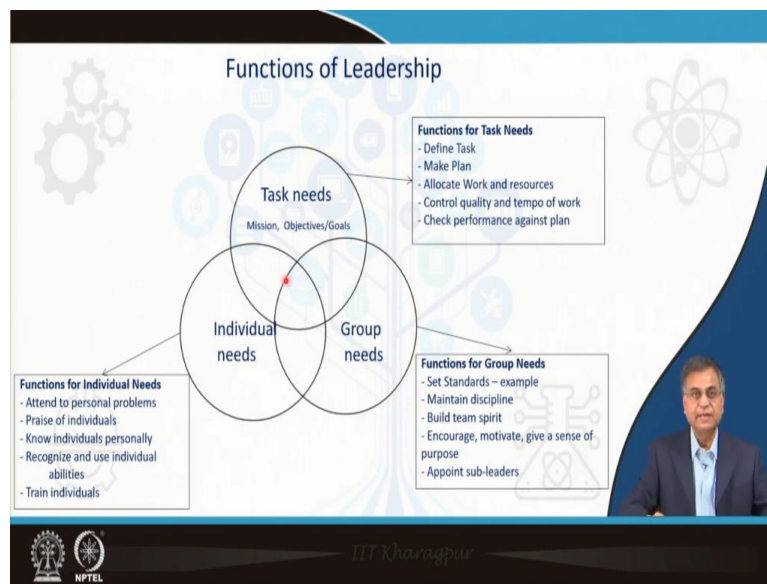
Welcome to the course Strategic Management for Competitive Advantage. In this session, we will be covering Strategic Leadership Part 2.

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We will continue the concepts that will be covered in this session are functions of leadership and three independent leadership activities. Then we will also explore the underlying reasons why good leaders are scarce. And we will also deliberate on the learning organization. These are the in this section. And further going for in the future sections.

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To start with, what are the functions of leadership? In fact, we were continuing from the process of leadership. Now, these are the three main tasks for the leadership. What are these? These are the task needs; group needs and individual needs. So, the main function of the leader is the task needs that is he has to develop the missions, objectives, and goals of the organizations. Those are the main task, and other things will follow. So, functions of, what are the task needs?

There are many sub-functions within the task. This is first you have to define the task; you have to make a strategic plan. So, making the plan that is the knowledge part of the leaders are involved then allocate the work to different groups and accordingly you allocate the resources, resources in terms of financial resources, human resources, material resources, these are done by the top management, the leaders, then the control, the quality aspects of it and the keep the momentum of the work high that is the tempo of work.

And also has to check the performance of each group of the strategy and against what is the target level plan. So, these are the task needs of a leader. Then there are group needs. What are the group's needs? These are the functions. What are the functions of the group needs?

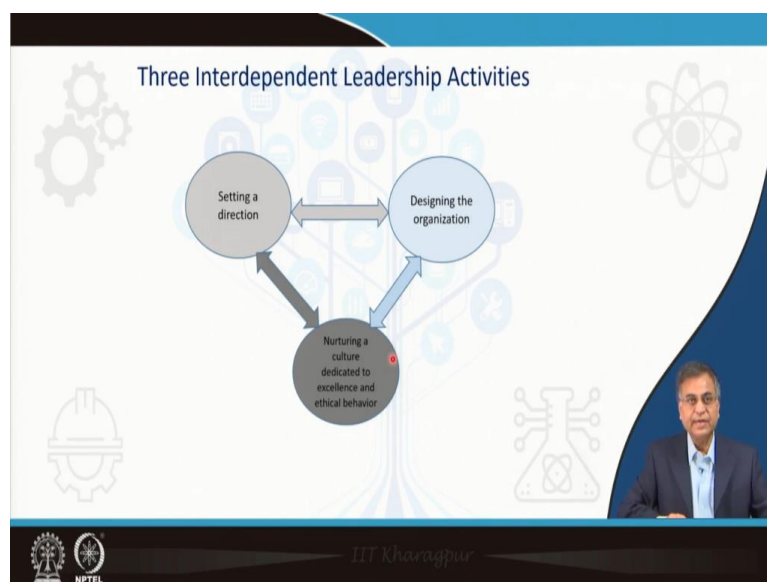
These leaders have to set standards. Standards for each group and you have to, and each group has to rise to that standard. Then maintaining discipline. Leaders should be strict in adhering to discipline in organizations. All the inefficiencies come in the organizations from indiscipline, and we Indians generally are too kind. The kindness we think of many times is the kindness that retards the growth of the organization or even kills the organization.

We do not take tough stunts like if discipline is breached, generally, the leader should not hesitate to terminate the employees also. Then another job is to build team spirit. He has to motivate the group and motivate the team to align with the corporate objectives. Then encourage, motivate, and give a sense of purpose. Sense of purpose is achieving the mission of the organization.

And another big task of the leader is to appoint sub-leaders. He has to develop sub-leaders who will be pursuing those strategies he has formulated and want to bring about the changes. Then similarly, there are individual needs. What are these? These are functions for; individuals' needs seen the leader must also look after the personal problems of the subordinates.

Then he should motivate the individual by praising the individual. If a CEO praise an individual or give a pat on the back, it is a huge moral booster and knowing the first name of a person individual is also very motivating for the employees and recognition. He should recognize and use individual abilities, and he should also give them the training for their development for shouldering higher responsibilities. These are the functional needs of a leader that individual needs of a leader. So, these three the task need, group needs and individual needs are the functions of leadership.

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Then we will also talk about these similar, three interdependent leadership activities. What are these three? These are (say) leaders we have seen whose main task needs that is setting a direction. Setting directions, we have seen, we have discussed about it, the difference

between leadership and management is creating a shared value and setting a direction for the organization.

Then other activities are designing the organization like designing the structure, team, responsibility, and system, everything is the activities of a leader. So, he has to perform this very efficiently. Then also leaders have to nurture a culture dedicated to excellence and ethical behaviour. So, he has to promote business excellence and the culture of business excellence and promoting ethical behavior. So, these are the three interdependent leadership activities and similar to others that we have talked about previously.

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The slide is titled "10. Strategic Leadership". It features a large, stylized tree diagram in the background, where the branches and leaves are represented by various icons related to technology, business, and education. To the left of the tree, there is a list of bullet points under the heading "Why good leaders are Scarce?". The bullet points are: "Bringing up during childhood", "Environmental", and "System of education". In the bottom right corner, there is a small video inset showing a man in a suit and glasses, presumably the speaker. The slide also includes logos for IIT Kharagpur and NPTEL at the bottom left.

10. Strategic Leadership

Why good leaders are Scarce?

- Bringing up during childhood
- Environmental
- System of education

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Then next, we will be talking about why good leaders are scarce. Do you feel that good leaders are scarce or in abundance in society? Indeed, good leaders are scarce. What are the reasons for that? The reasons for this are mainly three. One is the bringing up during childhood. What is this?

That an individual's value systems, attitudes, and behaviour, these things are influenced by character these things are influenced during growing up or childhood days, and it depends on the culture of the family where he or she is groomed. Like if the parents are positive, behaviours are (say) positive, attitudes are good, and they are honest.

So, it is expected that the people, the individuals coming up from that family will imbibe good values and attitudes. It does not depend on parental wealth or parental positions. That is why you will find many of the leaders comes from a very humble family. And because those

families had good value systems, good culture, and good attitudes they helped the child to grow up with those strong values.

But you will find also that in rich families and wealthy parents, the culture at the home is not that conducive or not that healthy. So, there you cannot grow a good leader from that background. This is brought up during childhood. I will give you an example. Some researchers have studied some of this bringing up during childhood studied the Israeli mother vis a vis an Indian mother. And what they found?

An Israeli mother when the child starts learning to walk, the mother will put the child at one side of the room and will stand at the other side and encourage the child to walk towards her. In the process, the child topples or falls down and starts crying and may even hurt himself or herself. The mother does not budge from her position, but she encourages the child to get up on his or her own and start walking again. When the child finally reaches the mother, the mother gives hugs the child and gives all the love and affection.

Now, the same thing for an Indian mother how does she respond? She also keeps putting the child on one side of the room and stands on the other side and encourages the child to come to her. In the process, when the child falls down and then starts crying (say) and might have hurt himself or herself, the mother rushes to the child and tries to casual him or her and in the process the mother even beats the floor. And that is not all. They will say “you naughty floor, you have hurt my child”. At this point, the child stops crying. So, now, what is the message?

The child has got or imbibed. The child has got two messages. One is that at that time of misfortune or at the time of failure that there is someone who will come to your rescue, the mother is coming, and also you can pass the blame for your failure to others like it was the fault of the floor not of the child.

So, in such cases, there cannot be these are not very good cultures or good things for the child to grow up for good leadership materials. And this is not only the Indian mother, the fathers are also equally responsible. But fortunately, there are many good parents who bring up their children in good ways. So, they can imbibe. So, this is all about bringing up during childhood.

Secondly, the environment. The environment where the individuals and the majority of the people are growing are living, living in. Suppose, especially, if you find at the time of affable

or that the time of (say) transition of the society or transitions in an organization, there is much flux, a lot of affable, unrest, everything goes on, and uncertainty goes on. There what happens?

People become very restless, they become the, want to get the piece of the cake themselves and without bothering others, sometime it may be at the cost of others also and naked forces like lust, greed, anger, all these things come out very very nakedly. So, in such a situation, in such a society it is expected that not many good leadership qualities will prosper, and not many people will be there to have good leadership qualities.

So, that is why, but even then, there may be some people who will come out that is why they (say) instead of criticizing the system if one holds a candle in the darkness that also dispels the darkness, it gives some light. So, if many people hold such candles and there will be, society will be better.

So, that is why you will find during the affable or transitions in society or in the organization you will find there is unrest like violence, workers demonstrate, students' riot, mass protests things come out. So, you should need a proper conducive environment for the growth of large numbers of leaders.

Lastly is the system of education. If you see the Indian education system, what is it? It was designed by Lord Macaulay, and it was designed for developing good subordinates who would work for the colonial rulers, it was designed for that. But, even after the independence, it continued, and in fact, it also degraded.

So, these value systems, Britishers, for example, Britishers ruled all over the world, the majority part of the world for nearly 200 years in (say) 18th and 19th centuries. One of the factors that contributed to this was that they had a good education system which is why they could rule over the majority of the world, and it was said that the British sun never set in the British empire. And what was the reason?

The education system. In fact, in British education systems prior to that was degrading. It was degrading to such an extent that they thought to inject some moral values and some character-building was a necessity. So, they developed those injections they tried to build a public school.

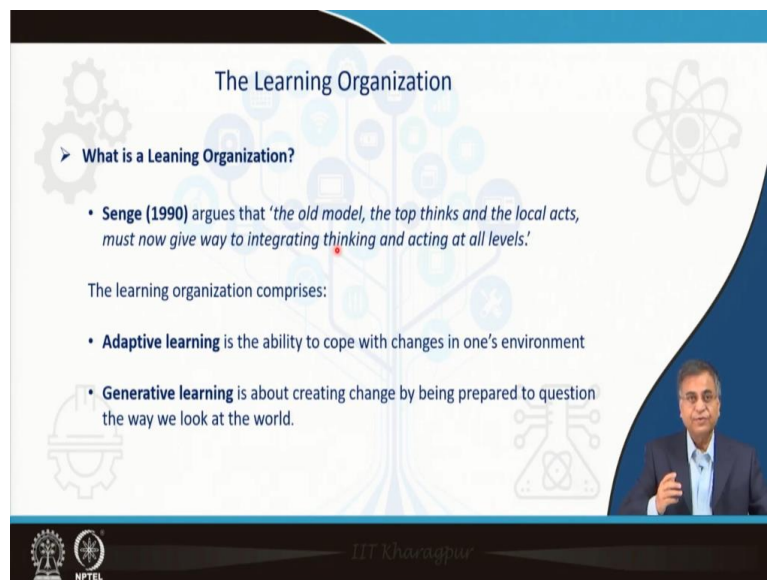
Those are Britain's public schools, on the line of our eastern oriental gurukul system. That public school is nowadays looked at as something with negativity because of wealth and or that wealthy people go. But when it started in between that western country that was with this motto of injecting moral values, injecting character building those.

They're all the people like our gurukul if you see, the rich parents and the kings' princess, prince and also the very humble peasants' sons they used to go to the same education, same way of living, the work, household works. Similarly, they also, western that public school also started that way.

So, merit was the criteria, and everyone lived in (say) the same hostel, same cot, same bed, same uniform, and same rigorous duties. So, to develop character, to develop moral values. So, this system of education also builds good leadership things for societies.

These are the three main factors that need to be looked in to bring more people good leaders who can shoulder responsibilities and higher responsibilities for the upliftment of society. So, that is why good leaders are scarce. We should try to improve on this.

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The Learning Organization

➤ What is a Learning Organization?

- **Senge (1990)** argues that *'the old model, the top thinks and the local acts, must now give way to integrating thinking and acting at all levels.'*

The learning organization comprises:

- **Adaptive learning** is the ability to cope with changes in one's environment
- **Generative learning** is about creating change by being prepared to question the way we look at the world.

The slide features a background with a large gear and a tree-like diagram. In the bottom right corner, there is a small video inset of a man in a suit speaking. The bottom of the slide has logos for IIT Kharagpur and NPTEL.

Next, we will be talking about another area which is the learning organization. Is an organization. So, what is a learning organization? First, we will be talking about it. The old days, how business used to go, the leaders, how the leaders used to think, those old days are gone. Because the old days, it used to be, the leader used to think, and the rest used to act. It

was the responsibility of the leader, the prerogative of the leaders to think and the rest of the levels will do the job that was the thing.

But nowadays, and that is why you will find that Alfred Sloan, Henry Ford and others and Watson and others had a, they were learning for the organization. But the concept is changed now. What is that? What is it? This Peter Senge is an expert on learning organization. He is also a professor at MIT. He argues that the old model, the top things and the local acts must now give way to integrating thinking and acting at all levels.

Nowadays, this business is so complicated, and so fast that your thinking has to be at all levels, thinking is not confined to the top because thinking that innovations, the pace of innovations and the effectiveness of innovation have to be much faster has to be much holistic for its success.

So, you have to integrate this thinking and acting at all levels. It should not be confined only to executive suits. It has to be also there on the shop floor. It has to be also there on the field. So, everywhere, everyone has to give because everyone has the potential to have some innovative thinking and they should contribute, and it will be the sum total will be much more than the individual things.

So, this is the concept of the learning organization. The learning organizations have two ways. One is adaptive learning. What is adaptive learning? It is the ability to cope with changes in one's environment and how we are coping with it. You have seen that with the change in technology many industries and many companies have been wiped out like when the internet came prior to that those middlemen were there. Those have been eliminated.

So, organizations have to cope with those changes. When the SAP ERP systems came, you have seen, it was an opportunity for many organizations, and many organizations were wiped out. Similarly, now that machine learning, and artificial intelligence, are coming.

So, it is organizations have to be adaptive, adaptive to cope with these changes and has to embrace this environment. Like nowadays, with the internet you directly B2B and B2C these businesses are there. So, organizations are directly contacting the customers or the other industries without the, previously, it was with the intermediaries. So, these are the, we changed, adaptive learning. Another is generative learning. What is generative learning?



It is about creating changes by being prepared to question the way we look at the world. Like, you are questioning, you have to question the status quo, very basic of it. Then only you will be able to bring out changes, bring out the higher positive changes, higher level like you have seen in the previous lectures I have given you an example of how that 35 mm built-in flash in the camera it was invented.

It was invented by continuously asking why and why for further improvement. So, these are generative learning. It is you question the status quo; you question what is going on in the current state of knowledge. So, you question that and you generate your learning further and further. These are the ways; these are some ways of that learning organizations follow.

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The slide is titled "The Learning Organization" and features a list of six key elements. The background is white with blue accents and icons representing gears, a tree, and a person. A small video inset in the bottom right corner shows a man in a suit speaking. The NPTEL logo is in the bottom left corner.

**The Learning Organization**

➤ Key elements of a learning organization

1. Inspiring and motivating people with a mission or purpose
2. Developing leaders
3. Empowering employees at all levels
4. Accumulating and sharing internal knowledge
5. Gathering and integrating external information
6. Challenging the status quo and enabling creativity

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Now, we will go to the next one. What are the key elements of a learning organization? There are six elements in a learning organization. Those are necessary, these are the necessary elements. What are these? One is inspiring and motivating people with a mission or purpose. We have talked about it how one of the roles of leaders as inspiring and motivating people.

So, the organization and learning organization should be the foremost necessary. Then developing leaders. We have talked about that appoint sub-leaders, leaders one of the responsibilities. So, in a learning organization, you develop many subleaders who will shoulder the responsibilities for the future.

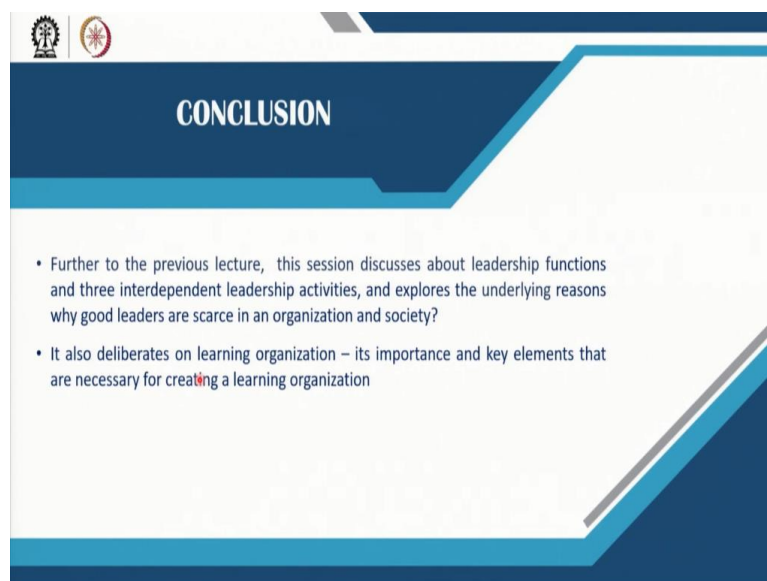
Then thereafter, empowering employees at all levels. You delegate, and you empower them. They will be more motivated to participate, to contribute to the organizations. Then

accumulating and sharing internal knowledge. That is knowledge management you will find nowadays. There what is that? You accumulate and share the knowledge across the group and across your organization. So, the level of knowledge you increase.

Then the last was gathering and integrating external information. So, you have to extend the environment, what is going on outside, and what the competitors are doing. So, you got to be at par with that so that the fresh knowledge is integrated within the system. Then challenging the status quo and enabling creativity. Creativity and innovation nowadays are the avenues for getting a competitive advantage. We will talk about this in one of the chapters in future.

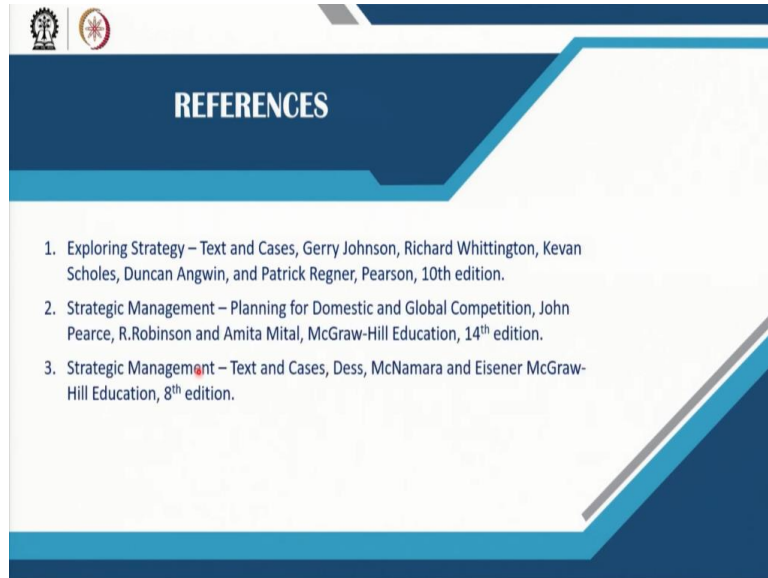
So, you challenge the status quo. I have just informed it and discussed it in the previous slide. So, that this challenging the existing current knowledge and challenging the status quo, you generate learning. So, these are the key elements of learning organizations. So, I believe that this is the learning organization you have understood.

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Now, to summarize this session what we have covered the session discusses leadership functions and three interdependent leadership activities. And it further explores the underlying reasons why good leaders are scarce in an organization and society as a whole. We have talked about it. Then we also deliberated on learning organization, its importance and the key elements that are necessary for creating learning organizations.

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These are some of the reference books you can consult, and you can enrich yourself further on this subject. Thank you very much for attending.