Leadership for India INC: Practical Concepts and Constructs Prof. C. Bhaktavatsala Rao Prof. Ajit Singhvi Department of Management Studies Indian Institute of Technology, Madras

Week – 01
Introduction to Leadership
Lecture – 02
Leadership: Business Context

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NPTEL COURSE



LEADERSHIP FOR INDIA INC

Practical Concepts and Constructs

Week 1, Lectures 1, 2, 3, 4 and 5

Introduction to Leadership

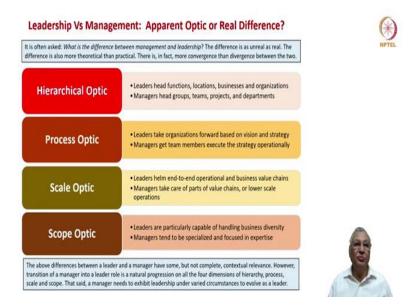
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Hi Friends, welcome to the NPTEL course on Leadership for India Inc., practical Concepts and Constructs. I am professor C B Rao from IIT Madras back with you; we are in week 1, Introduction to Leadership. Within week 1, we are on lecture number 2 which focuses on leadership and management.

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Leadership versus management, is it an apparent optic of difference or there is real difference? There are many experts as well as lay people who believe that management and leadership are different. In my opinion the difference is as unreal as real; the differences also more theoretical than practical. In fact, I would say that there is more convergence than divergence between the two.

That said, there are four ways in which the optic of difference appears. The first one is the hierarchical optic; generally, leaders head functions, locations, businesses and organizations; whereas managers head small groups, teams, projects and departments. The second optic of difference is the process optic; leaders take organizations forward into the medium term and long term through a stated vision and a crafted strategy. On the other hand, managers get their team members work on specific projects and specific departmental processes and they contribute operationally; they make this strategy work in practice.

The third optic is one of scale, leaders help end to end value chain; that is from the start of the product concept or service concept to the end delivery to the customer. All through the departmental network, leaders have their footprint and in print; whereas managers take care of specific aspects of the value chain.

And the fourth optic of difference is the scope optic; leaders are particularly capable of handling businesses and even conglomerate businesses efficiently and effectively, whereas managers

tend to be specialized and focused in their expertise. The above differences between leaders and managers have some, but not complete contextual relevance.

However, the transition of a manager into a leader role is a natural progression; it happens on all the four dimensions of hierarchy, process, scale and scope which we have discussed. That said, a manager even early on in the carrier needs to demonstrate leadership capability under various circumstances to be recognized as a potential leader and taken on the journey of leadership.

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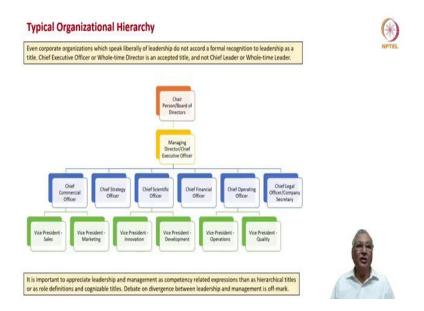
But there are also some red herrings. The concept of grassroots leadership is there, which reflects that leadership can exist at a front line employee level or even among general public. Institutes of management exist, but institutes of leadership do not exist.

Law considers officers, managers and directors as legally and operationally relevant terms; they do not recognize, laws do not recognize leaders as operationally efficient and relevant terms. Leader is not a term that is formally used in legal or administrative matters; whereas executive, officer or manager is a legally accepted term.

This does not mean for example, that leader is less important than manager from an administrative or legal point of view. The whole purpose of drawing these red herrings for you is to suggest that, the differences are only semantic. Leadership is part of management and management is an essential enabler for leadership.

Typically, leader is one who demonstrates exceptional leadership and gain stature by virtue of his wisdom, by virtue of his performance; whereas manager is one who demonstrate efficiency through his work practices.

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If you see the typical organizational hierarchy, we have the chairperson, board of directors to whom the managing director, a chief executive officer reports and commonly the managing director is also a part of the board of directors. Then we have the next level, which is the CXO level; chief commercial officer, chief strategy officer, chief scientific officer, chief financial officer, chief operating officer, and chief legal officer or a company secretary.

And each of these CXOs has his or her own reportees; this is how the organization structure is crafted generally. Now, we can say that leadership exists from the level of CXO and above; whereas senior management exists at the level of vice president, and middle management and junior management exists levels below.

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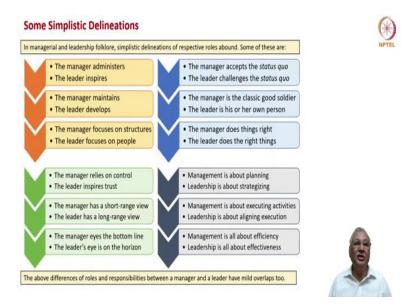
That said, after having recognized this level of hierarchical difference, we have to also recognized that management and leadership have got very strong and established meanings. Management as per the dictionary meaning is the act of running and controlling a business or similar organization. And manager is a person who is in charge of running part of a business or part of an organization.

On the other hand, leader is a person who leads a group of people, especially the head of a country or an organization is referred to as the leader and leadership is the state or position of being a leader. So, from a semantic point of view, there is clear distinction; although the definitions are semantically similar, the way they are deployed or practiced in real life do indicate significant differences in how leadership functions and how management functions.

Manager maybe seem to be running and controlling an operation; whereas leader maybe seem to be leading and influencing a particular firm or an industry. Manager has a boundary within which he or she typically operates; whereas the leader tries to develop the boundary itself. So, that is a kind of a simple and elegant differentiation between the manager and the leader.

So, manager has to perforce, behave, operate as per the boundary that is set; whereas a leader has to perforce develop the boundary by himself or herself, so that is the big difference between management and leadership.

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Let us also look at some simplistic delineations; because it clarifies our thoughts. We can say that the manager administers, whereas as the leader inspires. The manager maintains, whereas the leader develops; the manager focuses on structures, he is very much keen on to how the reporting relationship exists and the hierarchy he or she needs to respect, whereas the leader focuses on people, tends to reach out to people across the organization.

On the right side, the manager accepts the status quo; if the leader says that this is what we need to do, the manager takes it as the Magna Carta and goes forward, whereas the leader challenges the status quo, he disrupts the organization and tries to develop a new organization. The manager is the classic good soldier, whereas the leader is his or her own person. The manager does things right, that is efficiently; whereas the leader does the right things that is effectively.

The manager relays on control, because the manager is accountable for day to day performance; he or she has to be very clear as to how his or her people are performing, therefore there is a control mechanism which is very much inherent in the managerial responsibilities. Whereas, the leader inspires trust; he trusts his people and believes that the people will deliver.

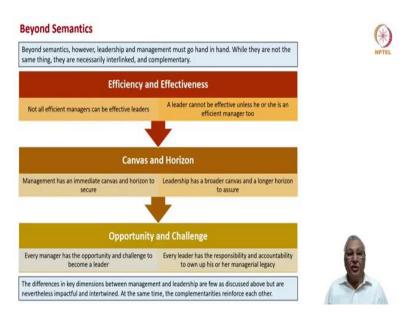
The manager rightly so, has a short range view; what is my budget for the year, what is my budget for this month, what has been my performance, how do I course correct these are all the issues which the manager has. Whereas, the leader has a long range view; he is interested to understand whether the growth has been secular upwards for example, and the current

aberrations which the leader is encountering are they systemic aberrations, these are temporary aberrations or these are sustaining aberrations. So, the leader takes a long range view.

The manager eyes the bottom line; whereas the true leaders eye is on the horizon, also the true leader looks at the triple bottom line. Management is about planning, whereas leadership is about strategizing. Management is about executing activities, whereas leadership is about aligning execution. Management is all about efficiency, whereas leadership is all about effectiveness.

So, these are the ways in which you can differentiate management and leadership, manager and leader. Again as you go through these delineations, you will find that there are overlaps as well.

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Let us look at viewpoint beyond semantics. When we talk about efficiency and effectiveness, we have to recognize that not all efficient managers can be effective leaders; because by trying to be efficient, by trying to be a kind of penny counting operation, there managers can lose sight of the overall long term vision. So, not all efficient managers can be effective leaders.

At the same time, a leader cannot be effective unless he or she is an efficient manager too; there is no point in planning thousand crore capital investment, unless we know how that capital investment is being deployed and how the best bang for the buck is being got by the executive's donandum.

The second apparent semantic difference which we also we need to tackle is relating to canvas and horizon. Management has an immediate canvas and horizon to secure; leadership has a broader canvas and a longer horizon to assure. So, we can say that the first horizon is existing business, which managers are focused on; the second horizon is the emerging business and the third horizon is the futuristic business, is the emerging business which is going to show promise and the existing business which is going to give the funding.

The futuristic business is going to promise transformation, but also carries huge risk. So, the short term management actions to ensure that, the bread and butter part of the business is taken care of is important for leadership to be able to execute on the emerging and futuristic business horizon. So, the canvas and horizon may seem to be three distinct verticals, but actually they are interrelated to each other.

The opportunity and challenge, every manager has the opportunity and challenge to become a leader. However, every leader also has singular responsibility and accountability to own up and live up to his or her managerial legacy.

A leader cannot think that, I had been manager in the past, I do not need to be manager any longer; similarly, a technology person who has gone into leadership, cannot think that he is no longer a technologist, but he is a leader of people for example. So, these are the semantic differences which get bridged in practice. These are nevertheless very impactful and intertwined differences and we need to understand how these complementarities reinforce each other.

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I would also like to take this opportunity demystify the born leader concept once again. The mystical concept of born leader reflects a hypothesis that leadership characteristics tend to be genetically intrinsic to an individual, but this is not true. There are countless leaders with very humble beginnings.

If you look at professional leaders, they start their journey from being an executive and move up to the managerial cadre; the famous A M Naik, the chairman of Larsen and Turbo joined the company decades ago as a frontline executive and through performance and demonstration of potential, he grow to be a leader.

Similarly, from manager to leader, some people have the opportunity to get into managerial positions directly and then move on to leadership positions. Usually potential leaders who come from highly rated institutions and with some combination of prior work experience and Ivy League education, they tend to get into managerial character and quickly move onto leadership positions.

Scions of family are promoter owned businesses, help the quick path from managerial positions to leadership positions. But at the same time, we also have this phenomenon which is very germane to our discussions; one can from any background, independent of the affluence or non-affluence, independent of the educational level can aspire to be an entrepreneur leader. Any individual with passion and energy can also become a leader at any stage of life

irrespective of the background, provided he has a creative idea and passionate approach towards converting that idea into executable action.

History also has got several examples of individuals positioned as leader simply by virtue of being parts of promoter families; not all such cases have been successful and even if they appear to be successful, they rely entirely on professional leaders to back them up.

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I give here a few examples of how people from their humble beginnings became global leaders. Howard Shultz who heads Starbucks as chairman and CEO, he is one leader, who came from very humble beginnings.

Larry Ellison, who is the Oracle founder CEO also came from humble beginnings. We have Ursula Burns, Xerox former CEO; Dale Carnegie the famous author of many self-help books, he also came from very humble beginnings. The famous talk show host Oprah Winfrey, she is also from humble beginnings. J K Rowling the famous author, she came from very humble beginnings. In fact, she had to write the manuscripts many times over and get them rejected before she came up with the blockbuster series.

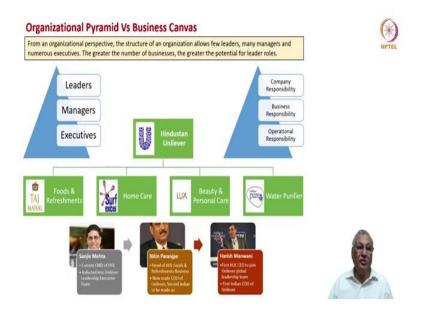
Our own Prime Minister of India Narendra Modi, he came from very humble beginnings and so did Margaret Thatcher former Prime Minister of UK. If you go back into history, Benjamin Franklin the founding father of USA had very humble origins. In the field of sports, we have P T Usha the famous athlete who was a frontline employee in the railways department. The

famous cricketer, Dale Steyn also came from humble origins and Pele the iconic footballer, he also had very humble beginnings.

So, whichever way you look at it that is you looked at the three examples from the corporate kingdoms; you looked at three examples from education and authorship and fine arts, we looked at three examples from the field of politics and we looked at three examples from the domain of sports.

We can see that humble beginnings were never a distraction or never a constraint for people to raise to the highest echelons possible in the respective fields. That is the lesson which we need to carry with us and keep remembering, as we encounter certain hurdles, as we go on the path of leadership.

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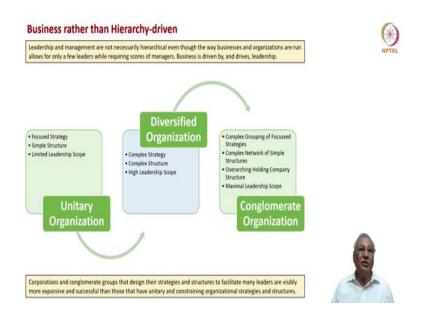
So, we talked about the organizational pyramid from an organizational hierarchal point of view. Basically, we have three layers in an organizational pyramid; the executive layer, the managerial layer and the leadership layer. And from the point of view of responsibility, the executives have operational responsibility; managers have business responsibility or performance responsibility, whereas leaders have over all corporate responsibility.

So, let us look at the example of Hindustan Unilever; it has four verticals, it has many more. But for the purpose of this illustration, let us take the four verticals: the foods and refreshments, home care, beauty and personal care, water purifier.

You look at the examples I have cited below. Sanjiv Mehta who is the current CMD of HUL was inducted into Unilever leadership executive team on a global basis. Nitin Paranjpe the head of HUL foods and refreshments business, he is now made the COO of Unilever and also the second Indian to be made so.

And we have the famous Harish Manwani, first HUL CEO to join Unilever global leadership team; he was also the first Indian COO of Unilever. So, what does this suggest? It suggests that, starting with a professional background, one can coach through the journey of leadership, all climbing up the ladder and demonstrating performance. And even if you have started your journey in an Indian company, it is possible for you to reach the apex position in a global cooperation.

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So, we should look at leadership and management as being driven by business requirements rather than hierarchy requirements. We have seen in the previous lecture, how an organization or a firm can be viewed from different angles, five different angles; one was the basic architecture of the firm, firm providing products and services for individual or business customers.

The second was the global context of the firm, whether the firm is a part of an industry which is part of an economy and part of a nation and with global connections. Then we looked at the mix between the product and production aspects of the firm; the mix between the product

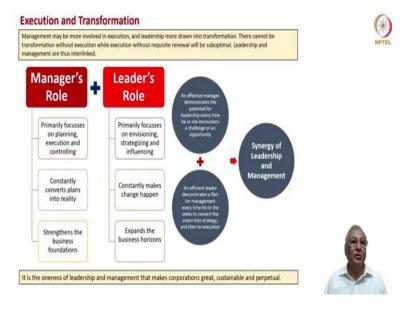
portfolio and the market portfolio, we also looked at mono business, mono industry combinations.

So, a firm can be different business contexts; but if you have a unitary organization, which is quite simplified and singular, you have a focused strategy, very simple structure and limited leadership scope. On the other hand, if you are part of a diversified organization, the strategy will be much more complex; it will have a complex structure and the leadership scope will be significantly larger.

On the other hand, if you are part of a conglomerate organization; this is a complex grouping of focused strategies. Tata coffee for example, follows a particular strategy, whereas Tata steel follows a different type of strategies and TCS follows a completely different type of strategy. But at a conglomerate level, you have a complex network of simple structures with an overarching holding company structure.

These kinds of conglomerates offer the maximal leadership scope; because there is always greater challenge that is available at the conglomerate level, that is how Chandrasekaran became the chairman of Tata sons. So, conglomerates and large groups of corporations design their strategies and structures in such a manner that, leaders can demonstrate their capability early on. And when we say capability not only the functional capability; but also the profit and loss capability and then move on to higher roles in their leadership organizations.

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So, from an execution point of view and from a transformation point of view, manager has an effective role leader has an effective role. Manager primarily focuses on planning, execution and controlling; constantly convert plans into reality; strengthens the business foundations.

Typical examples are, we have decided to set up a project as leaders; but the project manager has the responsibility of bringing together the civil engineer, the designer, the qualification expert, the equipment supplier and making sure that the project proceeds on the basis of a Gantt chart, which has been drawn up and approved by the leadership.

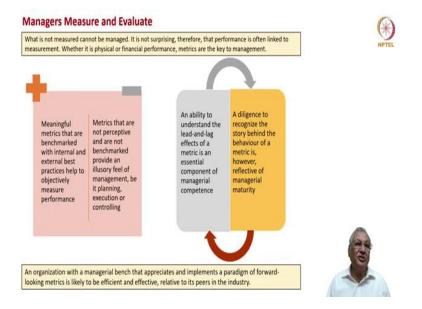
So, by doing that process efficiently and effectively, the managers strengthen the business foundations of the company. The leader on the other hand primarily looks at envisioning, strategizing and influencing. Today a later in the pharmaceutical industry would think that, we should not be focused only on curative medicines, that is the therapeutic medicines; but we should also look at preventative medicine.

So, companies which were doing vaccines overly handful; but a leader who has got the eye for the future, now will look at taking vaccines business very seriously and having vaccines as an adjunct vertical in all the pharmaceutical operations. So, a leader is bringing forward a transformative role to the company, so that the business is much more secure and much more growth oriented and sustainable for the future.

So, envisioning, strategizing and influencing are the key deliverables from the leader. The leader makes change happen, that's a continuous paradigm for the leader and he is restless with getting confined in their particular business horizons; he always looks for the mega trends and tries to expand the business horizons, so that mega trends can be taken advantage of.

But how do these two things merge? An effective manager demonstrates the potential for leadership every time he or she encounters a challenge or an opportunity; on the other hand, an efficient leader demonstrates a flair for management, every time he or she seeks to convert the vision into strategy and then to execution. So, you see this, leadership is demonstrated by the manager, every time he performs on the task he has at hand; whereas a leader also demonstrates the leadership, but he also demonstrates the flair for management by getting his vision and strategy that can be managed into execution efficiently and effectively. That is how the synergy of leadership and management exists; it is the oneness of leadership and management that makes corporations great, sustainable and perpetual.

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There is another indifference, managers typically measure and evaluate and managers believe that what cannot be measured, cannot be managed. Meaningful metrics are extremely important; these metrics are for example, market share, production share, the revenue share, the revenue growth, year over year comparisons, what are over comparisons, the productivity indices etcetera.

However, if the metrics are not meaningful and they are metrics for metrics sake and if they are not benchmarked with the external realities; they would give an illusory feel of management be it planning, execution or controlling. On the other hand, an ability to understand the lead and lag effects of metric is an essential component of managerial competence.

The managers should have the diligence to recognize the story behind the behavior of a metric; why is this metric behaving in this manner and be reflective of the managerial maturity.

An organization with a managerial bench that appreciates and implements a paradigm of forward looking metrics, understands the implications of lead and lag impact, understands the importance of benchmarking the metrics to external parameters; that management system would be very helpful for the system itself and also for the leadership to develop the company on a fast track.

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In contrast to the managers, leaders tend to listen and visualize; their job is to take inputs from various angles, be it from the external stakeholders or be it from the internal stakeholders, listening is the hallmark of leadership.

But leader's communication skills which make the leader articulate, also should make the leader listen; because only through an understanding of how his team is performing in terms of its goals that have been set by him and getting the feedback from the team, the leader would be able to course correct or take the organization to the higher level. But it cannot be only through the speaking skills; listening skills must be an integral part of the speaking skills.

Understanding the body language of his people as the messages getting delivered; leaving the floor open for feedback and encouraging and empowering people to ask questions and make suggestions, these are all the foundations of good listening. And as the leader listens, he should not also keep stopping at just the mechanistic part of listening; the leaders should also be able to visualize.

If this is the feedback that by diversifying yourself into certain new geographies; you are putting the business at risk, you should be able to visualize the impact of that statement that is being made by the meeting members and then take an appropriate responsive thought process in the mental framework.

Exceptional leaders who also listen to their inner voice, they could develop industry leading products. For example, Henry Ford in the case of automobiles or Steve jobs in the case of consumer electronics; they were inspired by their own inner voices that, this is what probably the industry is waiting for, this is probably what the customers are looking forward to. By having these kinds of intuitive abilities to think about the future needs and visualizing them, the leaders have made transformations in their organizations.

The successful leader therefore creates an organizational ecosystem, by which not only the leader; but also the employees stay connected internally as well as externally, so that there is enough opportunity for the company to reorient itself whenever it is required and transform itself whenever the mega trends arise.

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Good leaders listen all the time; if metrics are the bedrock of management, listening is the hallmark of leadership. A leader's communication skills help the leader to articulate his vision to the people he or she leads and inspiring them to execution. I have here three examples of Ratan Tata, Richard Branson and Satya Nadella.

Speaking of Ratan Tata, Jamshed J Irani, former managing director of Tata Steel stated that; his best personal memories of Ratan Tata were when after dinner, he used to assemble with his team and discuss in an open framework various activities, various initiatives and take the feedback. He always listened to every point of view, before evolving a decision on his own quiet and firm way. So, there is a reference cited as well.

Similarly, Richard Branson founder CEO of Virgin Group in an interview with entrepreneur magazine stated that, to be a great leader and to be a successful leader, one must be a good listener. Great leaders are often terrific at uncovering and putting in place strategies and plans that have a big impact. So, to be able to provide the level of encouragement and empowerment that employees need, to be able to articulate he is an important aspect of leadership.

Then John Sculley, who was the ex CEO of Apple, who figured very prominently in Steve Jobs leaving the company and who himself had to leave, because of non-performance; but Steve Jobs could be brought back. He said that, Steve Jobs himself was immensely successful in his second stint at apple, because of his transformation in listening. Had he been equally good at listening as in execution in the first stint, probably he would never have had the occasion to live. So, that is one influence that happens.

Similarly, Satya Nadella at Microsoft, he transformed the organization by listening to customer feedback, by listening to internal customers; he is a super listener and has an open mind. Listening and openness in mental framework, these come together. And according to John Sculley, Nadella saved the business when it had fallen off track; that really made a huge difference at Microsoft, he said. So, the three examples cited here, validate and emphasize the point that good leaders listen all the time.

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There are many stakeholders to listen to. The challenge for leaders in the listening domain is very huge; because it is not one constituency there should be listening too. A leader should

listen to the internal environment, which comprises employees, the directors on the board, the auditors.

The leader should listen to the customers. I personally know of a leader who when he took over his first job was not to listen to the employees; his first job was to go on listening to all across the world and understand from the customers how they were using and how they were responding to the company's products.

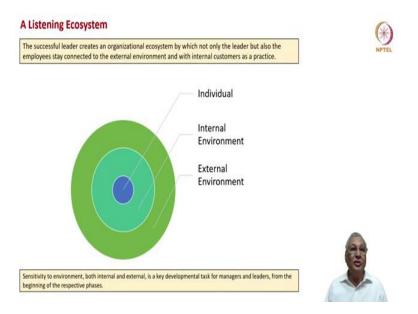
The other stakeholder group is dealers, wholesalers and retailers; that is the distribution channel. The leaders should listen to the vendors and suppliers to understand whether they are also sharing the same level of vision which the company has. And those who provide finance for the company the investors, banks, financial institutions; they constitute a very important stakeholder group. And finally, governments and public, these are also very important for a leader to listen to.

On a day to day basis, the leader may not be talking to or speaking with all the stakeholder groups; but it is very important for the leader to stay connected, that is extremely important. In one of the future course modules, we will talk about connected leadership model. How a leader can get connected and stay connected, that, we can discuss in that particular module.

Successful leaders stay tuned to developments in the marketplace; they always evaluate the customer feedback, understand the viability of the distribution channels, the agility of distribution channels, understand how the vendors and suppliers are responding to the business which the company is able to provide, and the technological trends that they need to support as the vendors of key components.

How the financial system is thinking of the company in terms of the investment propositions and finally, whether the governments and public see us as good ESG company or not; we talked about ESG as a concept in the previous lecture.

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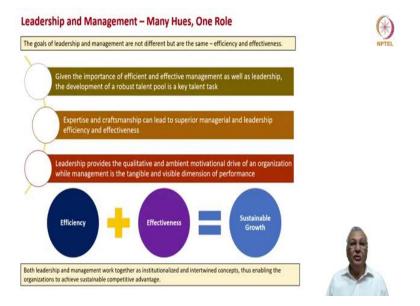


So, the listening ecosystem is a very simple three concentric circle ecosystem; individually is at the core of the ecosystem. The internal environment is something which by practice and by design makes one listen to it; that is the second circle.

However, the external environment you need to find it, it is all around us; like air is all around us, external environment is all around us. It requires particular skills for us to listen through the internal environment reach up to the external environment and listen to the trends that are being talked about in the external environment.

Therefore, sensitivity to environment both internal and external and ability to bridge these internal and external environment link is a key development task for managers as well as for leaders from the beginning of their respective managerial and leadership phases.

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So, with this kind of analysis of both differences and convergence, I would like to propose that leadership and management may have many hues; there may be seem to have many facets. Some of the facets being unique to management, some of the facets being unique to leadership; but I would say that the role is simply one.

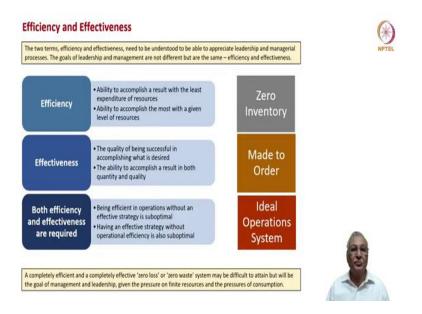
The goal of good leadership and management are not different; it is the same, efficiency and effectiveness. Given the importance of efficient and effective management as well as leadership levels; we need to focus on a robust talent pool, which can cost along this path of management and leadership and provide efficiency and effectiveness to the company.

Secondly, we should look at expertise and craftsmanship, so that there could be more efficient and more effective managerial and leadership delivery. Thirdly, leadership which provides the qualitative and ambient motivational drive of an organization must compliment management which is tangible and is the visible dimension of performance.

So, leadership may provide a big picture, may paint a rosy future, may inspire the team; but the tangible and visible dimension of performance must be seen to be delivered by the management. So, efficiency plus effectiveness is sustainable growth, a simple equation; but behind this equation is a whole spectrum of managerial and leadership tasks which need to be performed in tandem, so that the organization achieves what it can really achieve.

So, leadership and management should work together as institutionalized and intertwined concepts, so that organizations can achieve sustainable competitive advantage.

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So, let us look at efficiency and effectiveness. Efficiency is the ability to accomplish a result with the least expenditure of resources, something similar to productivity; low input high output. The ability to accomplish the most with a given level of resources; so a leader may provide x number of resources, but if you are able to do it 2 x, when 1.5 x was envisaged that is efficiency. Getting zero inventory is a hallmark of efficient working capital management, efficient inventory management system.

But effectiveness is the quality of being successful in accomplishing what is desired; that is, you achieve the result not merely efficiently, but also in the desired quality. Suppose you tune your ordering system in such a way that, you are able to make a product to order that is effectiveness.

Recently Ashok Leyland unveiled a whole new series of trucks called AVTR series, wherein depending on the terrain in which the operator operates, he can choose the kind of vehicle aggregates that should be there in his AVTR truck. What does it do for the company? It satisfies the customer, it optimizes the performance and price levels.

And most importantly it helps the operator achieve the maximum lifecycle benefit; because if the operator comes from a hilly terrain, he may be choosing high top engines; if the operator is a pan India expressway traveler, he should choose a drivetrain which is appropriate for cruise speeds. So, made to order helps effectiveness in the inventory management. So, getting zero inventory is the efficient part of it and getting it to order is the effective part of it.

But for the organization to succeed, both efficiency and effectiveness are required. So, without being successful in terms of strategic effectiveness; just being efficient in operations is not helpful, it is in fact suboptimal. On the other hand, having an effective strategy which certainly miles ahead of the competitor's strategy, but not having the ability to back it up with operational efficiency that is also suboptimal. So, an ideal operation system will have both effective strategy and efficient operations.

So, we should focus on certain global parameters, which helps the organization inspire itself to combine efficiency and effectiveness. So, when you talk about safety, we talk about a zero harm ecosystem; when we talk about sustainability, we talk about zero loss or zero waste system. These are concepts which may be seen to be difficult to attain; but they propel the organization to combine efficiency and effectiveness in their methods of work.

At one point of time zero defect was seen to be a tall order; but today every organization worth it solved in qualified and quality manufacture, thinks of zero defects as an objective which can be accomplished with appropriate methodologies. Therefore, these concepts which drive us towards greater efficiency and effectiveness must be followed at all times.

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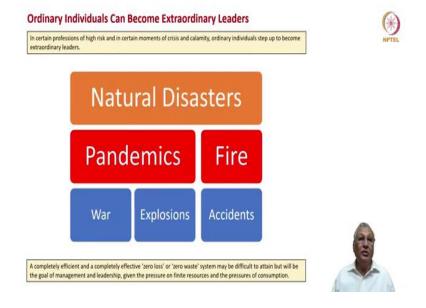
I have mentioned earlier the concept of grassroots leadership. What is grassroots leadership? That is an executive at the frontline is able to do a few things, which represent the whole of the company in the way they executive performs. Let us take the example of medical representative; he is one person who goes to the doctors, talks about the company's products. He undertakes not only that; he undertakes many other aspects, for example apart from detailing to the doctor; he projects the demand to the company.

He enables stocking at the wholesale as well as retail levels; he monitors the stock movement and collections of money. He studies the actual prescription trends; he learns from the company literature and makes doctors learn from his detailing.

So, the entire general management framework of planning, organizing, directing, coordinating, controlling, motivating, learning, developing these are all ingrained in the life of a medical representative, who probably is fresh from the college and detailing the products to the companies medical fraternity. So, that is grassroots leadership.

Similarly, a frontline executive, who is undertaking environment safety and health operations in an organization could be very proactive in understanding, what are the environmental risks the company is facing; he or she could be talking to the managers and the employees and making sure that, the stakeholders develop a zero harm behavior approach that is also grassroots leadership.

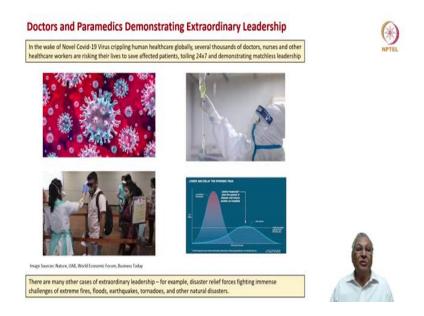
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It is important to realize that even ordinary individuals can become extraordinary leaders when they have got unseen and unexpected moments of crisis.

We have all seen when natural disasters strike the societies, when pandemics strike the society. When we are faced with incidents such as fire, war, explosions or accidents; how ordinary individuals step up to become extraordinary leaders. It happened in Chennai when unprecedented floods ravaged the city; ordinary people rose to extraordinary levels of performance, became very creative, became very collaborative and ensured that the city could navigate itself through the flooded times.

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Similarly, in the COVID times you can see, how doctors, paramedical forces, the law and order forces they are with the society; they are in fact working at the face of the COVID pandemic to be able to support the rest of the society, that is grassroots leadership. Ability to risk their lives, ability to follow standard operating procedures, ability to demonstrate good operating behavior in the face of pandemic and guide the society to a kind of regulated, but safe way of working; that is what doctors and paramedics as well as security forces did during the pandemic times.

So, we have many such examples of extraordinary leadership and you can look around and find it within your own organizational setting; how certain unexpected events brought out the best in you or in your colleagues in terms of management and leadership.

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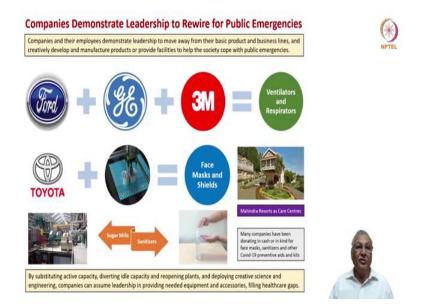


But, we must remember that behind or within every leader, there lies the managerial capability. I said earlier that, no leader can disown the managerial legacy. In fact, the more he or she thinks of his or her managerial capability and leverages that, the more effective he or she would be the leader. That is why leaders have today the chief of staff roles to support them.

I have shown here a few companies MERCK, IMAX, Linkedin, CISCO, Rolls-Royce, Zappos which all created the chief of staff (CSO) roles, so that the leaders can delegate some of his managerial aspects to the CSO. It enables the CEOs focus on high impact activities; it conducts data analytics and provides communication support. It does the coordination with CXOs and other managers on behalf of the CEO. And also the head of the CSO himself or herself could be groomed for high level positions after CSO stint.

So, chief of staff is the personification and a kind of elegant delineation of the managerial personality within the overall leadership personality. It is very important therefore, to provide an institutional framework by which the leader can ensure that, his managerial legacy is preserved and also he gets the necessary managerial support to be able to execute his leadership activities on a continuing basis.

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At a corporate level, you can also see that, companies demonstrate extraordinary leadership and rewire themselves when public emergencies happen. Within India we have seen many companies diversify into product lines, which they would never have thought about; such as doing face masks, providing sanitizers and so on. In US, Ford and GE collaborated with 3M to provide ventilators and respirators.

Toyota is using it additive manufacturing skills to be able to do face masks and shields. Sugar mills have developed sanitizers, and many companies have been donating in cash or kind to be able to support the whole social frameworks, the entire medical framework and the law protection framework cope with the pandemic in terms of its novel products and novel solutions.

So, by substituting active capacity, diverting idle capacity and reopening plants by deploying creative science and engineering; companies can assume leadership in providing needed equipment and accessories and filling healthcare gaps. This is one example of a pandemic response; but there could be other examples as well.

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At times, entire industries need to play collective leadership role. Global pharmaceutical industry for example, has a major leadership role in development of vaccines to cope with the sudden proliferation of new and dangerous diseases. From genetic decoding of the virus to development of vaccines, collaborative leadership is vital. Institutes, universities, pharmaceutical companies have been exchanging information to be able to handle this adverse impact which was quite unprecedented.

Typically, the time taken to develop a vaccine for a new virus ranges anywhere between 5 to 10 years, around 10 years has been the normal course of development from exploratory research to phase III clinical trials and new drug application approval. In fact, the time taken for past new viruses whether it is H1N1, SARS, MERS, Ebola ranged from 1 year to 6 years. However, in some cases there was no vaccine development at all; because the vaccine development was kind of beating the timelines required.

For the current coronavirus nCOVID 19, the time required has become extremely short; it was required to be done actually today. Therefore, the pharmaceutical companies became very creative; they teamed up with startups, they teamed up with experimental companies and started developing vaccines on a fast track.

And even before the vaccine could be completely proven, the manufacturing arrangements were bolstered like Astra Zeneca tied up with Serum Institute to manufacture millions of vaccines ahead of the requirement.

Similarly, Pfizer has tied up with BioNTech and this has been the first company to demonstrate the highest level of efficacy in a vaccine. In fact, 90 percent vaccination efficiency in a large phase III clinical trial, all within a period of one year. This is simply unprecedented in the history of vaccine development. So, entire industries and individual firms have played a stellar role in assuming extraordinary leadership to cope with an extraordinary situation.

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Now, we have so much spoken about management and leadership; let us look at administration, which is the other form of management and leadership. There are two types of administrative management; when we talk about administration, we think of you know, filling the forms or seeing whether the forms are filled properly and things like that, but administrative management is actually much more deep drawn and much more important.

The type 1 administrative management is the activity of undertaking day to day management of business affairs. It is like having a playbook and rulebook for the management of organizations and getting this implemented; for example, a payroll system, a canteen administration system, a logistics system.

On the other hand, there is also another type of administrative management, which is type 2 administrative management; it is the management of public affairs and the governance of federal and unitary states and nations. It involves drawing up of public policy and execution of programs for people, societies and nations. Type 1 as I said has the example such as security administration, payroll administration, payables and receivables administration so on.

Whereas, type 2 is exemplified by civil services: Indian Administrative Service, Indian Revenue Service, Indian Audit and Accounting Service, etcetera. So, every country needs a strong and progressive public administrative service to be able to fulfill the expectations of the broader society. Government has a strong developmental role and the development role can be fulfilled only by a strong administrative management services.

So, administration is also an equally important form of management which must be considered separately.

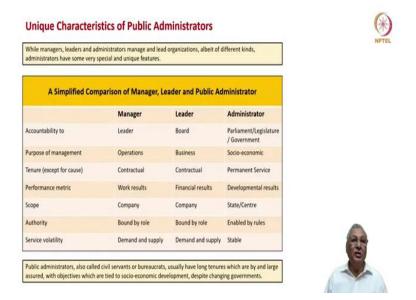
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But administration is an integral part of management and leadership. So, how do we merge these three concepts; leadership which sets vision, strategy, execution; management which executes the strategy, which shows performance through its execution; and administration which shows maintenance, compliance, rules and procedures as hallmarks of good behavior. How do we merge all the three? Again three intersecting circles model, how do we ensure that the arcs of intersection are the largest possible.

And we have to recognize either as administrators as managers or leaders that, all these three limbs of an organization are extremely important and all the three need to be moving in synchrony to be able to deliver the results for the organization.

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So, having said that, let us look at public administrators separately. What are the unique characteristics of public administrators that is the secretaries whom we see in the government, people who head certain bodies in the government?

So, if you classify the manager, leader, administrator in terms of certain comparative factors, in terms of the accountability, in terms of the purpose of management, in terms of the tenure and other factors; you will see that there are differences. For example, a manager is accountable to a leader, a leader is accountable to the board of directors; however, an administrator is accountable to the parliament, legislature and the government.

And what is the purpose of management? A manager is wholly concerned with operations within the boundary given; whereas a leader develops the business, whereas the administrator is concerned with the socio economic fallout of the policies, and developing policies which will enable better socio economic development.

And what about the tenure? Manager tends to have a contractual tenure; probably he can opt for lifetime employment if so, till the retirement age; whereas the leader tends to have a contractual appointment, more so at the CEO and director level.

Whereas, administrator has permanent service support; because he or she needs to be independent of political influences and must pull on and pull together with the governments of different hues. So, that is the specialty of administrator. As far as the performance metric is

concerned, manager is judged by work results; leader is judged by the business transformation and financial results, whereas administrator is judged by the developmental results.

Are we converting our city into a smart city? Are we improving water and sanitation services for the country? These are the benchmarks for the administrator. The authority levels of these people also differ; the manager is bound by role, the leader is also bound by role, but within the board director's precincts, within the board director principles. Whereas, administrator is enabled by rules, he is bound by the rules; but he is also enabled by the rules, because the social economic purpose is intertwined with the rules.

There is no service volatility for administrators, but both managerial and leadership positions do face demand and supply volatility. So, it is important to see that, each of these three streams of management, leadership and administration have their own specific factors. And probably it is also the aptitude of the individual that would help one perform effectively and efficiently as a manager or a leader or as an administrator

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In India, civil servants contributed immensely in private sector too. I have shown here six leaders who came from public sector background or administrative background and left their stamps on the immense growth of their corporations; R C Bhargava the current chairman of Maruti Suzuki, V Krishnamurthy who was former chairman of Maruti Suzuki and former chairman of Steel Authority of India Limited and Bharat Heavy Electricals Limited.

And SVS Raghavan who was former chairman and managing director of Bharat Heavy Electricals Limited, M Damodaran who was chairman of IDBI; Vinod Rai who was chairman of IDFC, who was earlier in the government and Vivek Kulkarni who was the IT secretory and who became the founder of Brickworks.

These gentlemen have shown how public administrators can be very efficient and effective corporate leaders, in fact transformative corporate leaders. This shows that, the capabilities are intrinsic to any of these three streams of management, leadership and administration.

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Given that economic sectors and industrial segments constantly undergo transformation and are faced with volatility. Reskilling and repurposing for managers, leaders and administrators is necessary. So, if you think of automobile leaders, they should repurpose themselves in terms of clean electric vehicles and safe levels of autonomy. And they should therefore, reskill themselves and their teams for appreciation of electric and autonomous technologies.

What should agrochemicals leaders do? They should repurpose themselves in favor of organic farming and bio fertilizers and bio pesticides. They should reskill themselves for appreciation of organic and bio technologies as well as novel farming approaches. And what should educators do? They should repurpose themselves in favor of making education universal, affordable and accessible for all.

They should reskill for appreciation of digital technologies and modern science and technologies and in fact, integrating them into their educational practice. It requires openness and willingness and certain proactive behavior on the part of leaders to repurpose and reskill themselves. So, leadership model of self-awareness and self-development, which will be discussed among others in this course would be very useful for leaders to not only repurpose and reskill themselves; but also repurpose and reskill their entire organizations.

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The entire idea of repurposing and reskilling is four fold. One, we should be economically independent, Atma Nirbhar, we should understand where the global economies are performing, how they are performing and how we can be efficient. Second, we should be competitive; we should combine strategic virtuosity with operational efficiency. Third, we should understand the social purpose of our business and provide sustainability based solutions, be it the product solution vis-a-vis a highly consumption driven growth.

And culturally we should be able to repurpose and reskill ourselves, so that we can interact with the global firms, global nations and customers of different nationalities and cultural backgrounds. So, economic, competitive, social and cultural factors are four key drivers of repurposing and reskilling.

So, with this I come to the end of the lecture 2 in week 1; we will again meet for week 1, lecture 3.

Thank you, Namaste.