

Leadership for India Inc: Practical Concepts and Constructs
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Week - 11
Leadership Philosophies
Lecture - 52
Leadership Mistakes

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Leadership's Five Mistakes to avoid

Leaders are considered to be infallible and invincible by followers. The problem comes when leaders themselves begin to think and believe so. This leads to leaders becoming vulnerable to certain serious mistakes.

As leaders become successful, a sense of infallibility and invincibility envelops many leaders, making them to adopt certain erroneous approaches.



Five leadership mistakes sub-optimize the performance of such leaders, and their firms.

The many leadership attributes and models discussed in this course would help leaders avoid such mistakes, and remain on success track.

The board of directors has a special role in counselling and mentoring the CEO when he/she is seen to be heading towards the leadership pitfalls.

Competing with the team
↓
Using blind loyalists
↓
Losing touch with external world
↓
Decoupling with peers
↓
Narrowing the vision

The mistakes, typically being process and behaviour related, start small but over time become certain erroneous ways of conducting leadership processes. The Boards and well-wishers can help with feedback.



Hi Friends, welcome to the NPTEL course Leadership for India Inc: Practical Concepts and Constructs. We are in week 11, discussing Leadership Philosophies. In this lecture, we will cover Leadership Mistakes. There are 5 mistakes which leaders do commit. Leaders are considered to be infallible and invincible followers. The problem comes when leaders themselves begin to think and believe so. This leads to leaders becoming vulnerable to certain serious mistakes.

As leaders become successful, a sense of infallibility and invincibility envelops many leaders, making them to adopt certain erroneous approaches. Five leadership mistakes sub optimize the performance of such leaders, and their firms. The many leadership attributes and models discussed in this course would certainly help leader should avoid such mistakes, and remain on success track.

The board of directors has a special role in counselling and mentoring the CEO when he or she is seen to be heading towards the leadership pitfalls. The mistakes, typically being process and behaviour related, start small but over time become such erroneous ways of conducting leadership processes. The Boards and well-wishers can certainly help with feedback for the leaders to correct themselves. The five mistakes are competing with the team, using blind loyalists, losing touch with external world, decoupling with peers, and narrowing the vision.

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Leadership: Relative Excellence

Leadership is looked upon as the ultimate capability to succeed. Leadership is unique in that its success stems from the success of the teams that leaders lead. Leadership is, as we have seen, nothing but influencing the teams to perform to their full potential.



Leaders typically possess a set of skills and attributes, which they deploy in certain styles and with certain processes to lead the teams.

The earlier lectures have demonstrated how multiple qualities, skills, attributes, processes, and models could describe leadership, but bringing out that leadership is both individual to the person and contextual to the firm.

The lectures have also emphasized that leadership is based on excellence in a few attributes relative to others. The attributes of relative excellence could be any, some or all of the thirty leadership attributes presented earlier.

The ability of the leader to influence his/her team members to succeed, based on such attributes, creates a power system, that is unique to each leader and organization.

Developmental Leadership Attributes
Performance Leadership Attributes
Apex Leadership Attributes



Leadership is a matter of relative excellence. It is looked upon as the ultimate capability to succeed. It is unique in that its success stems from the success of the teams that leaders lead. Leadership is, as we see, nothing but influencing the teams to perform to their full potential.

Leaders typically possess a set of skills and attributes, which they deploy in certain styles and with certain processes to lead the teams. During the earlier lectures, we have seen how multiple qualities, skills, attributes, processes, and models could describe leadership, but bringing out that leadership is both individual to the person and contextual to the firm. The lectures have also emphasized that leadership is based on excellence in a few attributes relative to others.

The attributes of relative excellence could be any, some or all of the thirty leadership attributes which we discussed earlier. The ability of the leader to influence his or her

team members to succeed, based on such attributes, creates a power system, that is unique to each leader and organization.

So, these 30 attributes; that is 10 relating to the developmental leadership, 10 relating to the performance leadership, and 10 relating to the apex leadership, provide great success capability for the leader, but underline that could be lurking weakness as well.

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Leadership's Five Mistakes to avoid

Positional and leadership power reinforces the success competencies of a leader, leading to a virtuous cycle of success and halo in an ever-increasing trajectory (halo is not to be confused with charisma). Along with that comes a sense of infallibility and invincibility, fuelled by relative superiority.

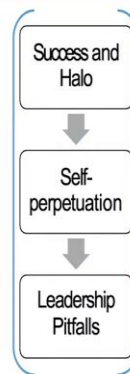
In some leaders it just remains as a streak and in some leaders it starts becoming a dominant characteristic.

When the latter happens, leaders start committing certain mistakes with the assumption that their supremacy and power are unchallenged.

The mindset becomes counterproductive to their organizations in the long run because it snuffs out independent opinion on the one hand and barricades potential leaders on the other.

The sense of relative superiority, which is a result of the self-perpetuating cognitive bias of a leader, prompts him or her to commit certain mistakes.

This lecture discusses five serious mistakes—rather erroneous approaches—that a leader is tempted to commit, and their deleterious impact on the leader and his firm. The following slide summarizes leadership pitfalls. Leaders can avoid the mistakes by following the simple and effective principles discussed earlier.



Leadership's 5 mistakes to avoid. As I said, are because of the positional and leadership power reinforces the success competencies of leader, leading to a virtuous cycle of success and halo in an ever increasing trajectory, here we should not confuse halo with charisma. Along with the success and halo comes a sense of infallibility and invincibility, which gets fuelled by relative superiority that leader assumes for himself or herself.

In some leaders such relative superiority just remains as a streak and in some leaders, it starts becoming a dominant characteristic. When the latter happens, leaders start committing certain mistakes with the assumption that their supremacy and power are unchallenged. This mindset becomes counterproductive to their organizations in the long run because it snuffs out independent opinion on the one hand and barricades potential leaders on the other.

The sense of relative superiority, which is a result of the self-perpetuating cognitive bias of a leader, with reference to his or her success prompts him or her to commit certain mistakes. We will discuss these 5 mistakes which I mentioned earlier. I would call them also erroneous approaches; the leader is tempted to commit them.

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Leadership Mistakes to Avoid

Successful leaders tend to have significant strengths, be it in terms of competencies, relationships or demonstrated performance. Such very strengths prompt leaders to commit certain mistakes that get negatively institutionalized.

Leadership success is accompanied by perceptions of



- Relative superiority
- Absolute infallibility, and
- Apparent invisibility

Tempts leaders to commit 5 crucial mistakes of:

- Competing with the team
- Using blind loyalists
- Losing touch with the external world
- Decoupling with peers, and
- Narrowing the vision

Leadership journey has many pitfalls on the path of eulogized success; An objective and competent Board can help restore the perspectives for the leader.

Even a successful leader requires to be counselled so that he or she does not face such pitfalls. Companies must, therefore, have boards that are filled with wise and articulate leaders who can engage with the CEO and CXOs.



And they do have a deleterious impact on the leader as well as the firm. The leadership mistakes that need to be avoided are the following 5; competing with the team, using blind loyalists, losing touch with the external world, decoupling with peers, and narrowing the vision. These happen because leadership success is accompanied by perceptions of relative superiority, absolute infallibility, and apparent invincibility as we discussed.

Leadership journey has many pitfalls on the path of eulogized success. An objective and competent Board can help restore the perspectives for the leader. For a successful leader counselling is also required. This is to ensure that the leader does not fall a prey to such pitfalls.


Companies must therefore, have Boards that are filled with wise and articulate leaders who can engage with the CEO and CXOs in a fearless and an objective manner. Some of the ways in which the leaders could communicate with the leaders, and how the senior leaders voice and council is still important after the tenure have been discussed in the

earlier lectures. Let us look at the first mistake, which is competing with the team. This is the most common mistake successful leaders make.

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Competing with the Team - 1

This is the common mistake successful leaders make. Leaders become successful because of their competencies surely. That should not prompt the leaders to wear the competencies on their sleeve. The leader should not try to prove to the team members that he or she is superior. Doing that by putting down others is even worse.



Recognition	Enablement	Disablement
A wise leader recognizes that his or her direct subordinates could be (and need to be) better than he or she is in certain attributes and, together, the reporting team could be better than the leader.	This awareness amongst the subordinates develops based on the individual and team successes and group collaboration, but a great leader should be able to perceive that potential and facilitate its realization.	However, a leader who is always out to prove that he or she is superior to his team would hardly give credit to his team for successes. This becomes a definite demotivating factor even for the most capable.

Good Leaders have two characteristic features


↓

Need to have superior people in the team

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Need to motivate members to excel over the leader

A leader who is always attempting to prove his superiority over his colleagues ends up using his positional power to achieve this, given the fact that he may not be intellectually superior on all counts. There are several negative consequences of a leader competing with his or her team.



Leaders become successful because of their competencies surely. That should not prompt the leaders to wear their competencies on their sleeve. The leader should not try to prove to the team members that he or she is superior. Doing that by putting down the other team members is even worse.

One must recognize that the team members could in fact be better than the leader himself or herself. It is a fundamental recognition because the team leaders, the SLT members, generally are younger to the senior leader. It is also possible therefore, that they come with new sets of skills and new ways of looking at problems.

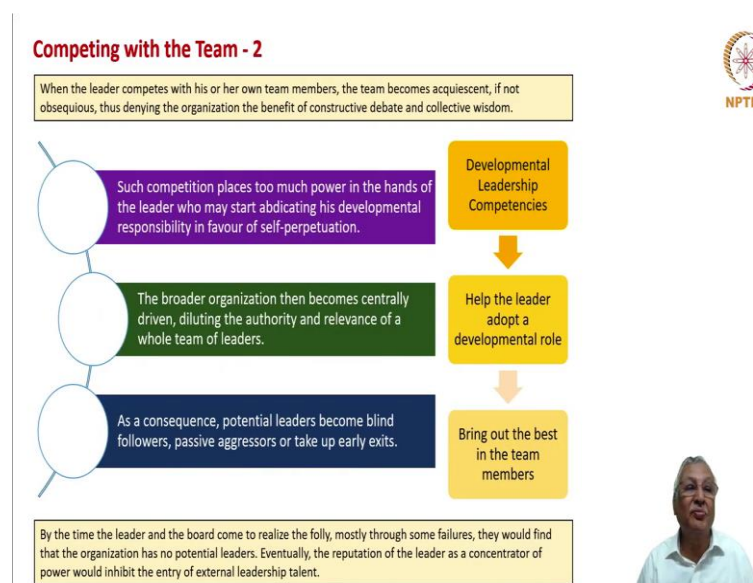
So, that space must be granted to such younger leaders, such SLT members, by the leader. This awareness amongst the subordinates develops based on the individual and team successes and group collaboration, but a great leader should be able to perceive that potential and facilitate its realization amongst the subordinates and the younger leaders.

However, if the leader always tries to prove that he or she is superior to his team and would hardly give credit to the team for their successes, then it would be a disablement of the capabilities which the leaders below the apex leader have or the managers below a leader have. This is a definite demotivating factor even for the most capable.

I have seen leaders collect information ahead of the meetings and then get into a mode of proving the participants of the meeting wrong on many counts, if not on a very count. This is an aggrandizement of the position from an intellectual angle with the sole motive of putting down the other leaders, and also directing these discussions in a manner that the leader would like to have. A leader who is always attempting to prove his superiority over his colleagues ends up using his positional power to achieve this.

Given the fact that he may not be intellectually superior on all counts. There are several negative consequences of a leader competing with his or her team. But before that, let us recognize that good leaders have 2 characteristic features; they need to have superior people in the team. They need to motivate members to excel over the leader any mistake that prevents a leader from fulfilling these 2 responsibilities is a grievous mistake for the leader.

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Let us look at some more aspects of competing with the team. When the leader competes with his or her own team members, the team becomes acquiescent, if not obsequious, thus denying the organization the benefit of constructive debate and collective wisdom.

Such competition places too much power in the hands of the leader who may start abdicating this developmental responsibility in favor of self-perpetuation. We have seen that one of the most important roles of a leader is to develop other younger leaders.

Or aspirant managers into leadership positions; however, if too much of power is concentrated in the leader, he or she would naturally abdicate the developmental responsibility and try to self perpetuate himself for herself. The broader organization in such an environment becomes centrally driven, diluting the authority and the relevance of a whole team of leaders. As a consequence, potential leaders become blind followers, passive aggressors or take up early exits.

To avoid this, developmental leadership competencies must be utilized and deployed in full and with correct understanding by the leaders, so that the best is brought out of the team members.

By the time the leader and the board come to realize the folly, mostly through some failures, they would find that the organization has no potential leaders. Eventually, the reputation of the leader as the concentrator of power would inhibit the entry of external leadership talent as well.

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Joker(s) in the Pack - 1





Though not very exact, the leadership team can be viewed as a pack of cards utilised by the leader to win the game of business competition, primarily through collective skill but partly also through leader agenda.

The joker card, which has no sequential or set attribute, has enormous value to be used as any other desired card to make a set or sequence.

Leaders tend to have a team member who is loyal to the core and who fulfils the role of a joker in the pack for the leader.

Even great corporations tend to have a joker or two in the leadership pack—they contribute to forward movements by adding their weight (at the behest of their leader) to certain pre-desired solutions.

The joker-like team member plays into the *realpolitik* of the leader. The trouble arises when the joker-member lacks even basic competence and objectivity or when the leader has too many joker-like team members in the pack.



These are the challenges that are involved in competing with the team. And these are definitely not merely challenges that need to be overcome by the leader, but could cause grievous damage to the organization. The second mistake, we have covered it partly earlier is that of keeping joker or several jokers in the pack.

Though not very exact, the leadership team can be viewed as a pack of cards utilized by the leader to win the game of business competition, primarily through collective skill, but partly also through leader agenda. Typically, a leader would like to push the projects he has in mind, because the leader honestly believes that that is the way to go for the organization. However, that has to be achieved through persuasion, influencing, and eventual alignment of the whole team.

It should not be done through real politic. The joker card, in a pack of cards has no sequential or set attribute, but has enormous value to be used as any other desired card to make a set or sequence. Leaders tend to have a team member who is loyal to the core and who fulfills the role of a joker in the pack for the leader. Even great corporations tend to have a joker or two in a leadership pack. They contribute to forward movements by adding their weight at the behest of their leader of course, to certain pre desired solutions.

The joker like team member plays into the realpolitik of the leader. The trouble however arises when the joker member lacks even basic competence and objectivity or when the leader has too many joker like team members in the pack. Then they will get manipulated by the leader, and the leader also gets tempted to manipulate the jokers to get the desired outcomes, desired thought alignments, and desired processes through the leadership teams. Which is definitely not conducive for a healthy debate.

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Joker(s) in the Pack - 2

Unlike in a card game, a joker in a leadership team must possess some basic leadership individuality and objectivity, failing which he would erode the persona of the leader even further. At the same time, like in a card game, too many jokers in the leadership game rob the game of business any competitive strength.



The Damage from Blind Loyalty

A leadership team filled with members of blind loyalty, even if they have some substance, would add little to the strength of the company in the long term.

There would be no issues to debate and no decisions to make when blind loyalists are manipulated to support leadership whims.

A leader who encourages a joker without any competency or fills his pack with too many jokers would find it difficult to reconstitute the deck even if wisdom dawns on him because, unlike the competent leaders, the jokers tend to stay on for a lifetime!

There is only one way to deal with an excess of jokers—offer them sinecure positions and make them lead inconsequential non-mainstream divisions. The more durable option would be to lead by the positive LOFTI leadership model in totality, discussed earlier, wherein loyalty is encouraged in a positive sense.



Unlike in a card game, a joker in a leadership team must possess some basic leadership individuality and objectivity, failing which he would erode the persona of the leader even further. It would be very open for the rest of the members to see how the joker card is being played by a leader. Once it could be seen as aberration, twice it could be seen as a patent, and third time onward it would be seen as an inherent personality characteristic of the leader.

Then the division within the leadership team begins to take place. And if you have more jokers in the card, the leadership game is gone, because it drops the game of business any competitive strength. The damage from blind loyalty is the same as the damage from jokers, who have no value to the company. A leadership team filled with members of blind loyalty; even if they have some substance would add little to the strength of the company in the long term.

There would be no issues to debate and no decision to make when blind loyalists are manipulated to support leadership whims and fancies. A leader who encourages a joker without any competency or fills his pack with too many jokers would find it difficult to reconstitute the deck even if wisdom dawns on him because, unlike the competent leaders, the jokers tend to stay on for a lifetime. So, they become millstones around the neck of the leader who has initially benefited by manipulating them.

There is only one way to deal with the excess of jokers; offer them sinecure positions and make them lead inconsequential non mainstream divisions, if those jokers need to be rewarded for the loyalty they have shown to the leader. The more durable option would of course, be to lead by the positive LOFTI leadership model in totality, that is proper loyalty, proper objectivity, proper faith, and proper trust, and proper integrity. Loyalty has to be encouraged in a positive sense and not in the blind loyalty sense.

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Drawing the Blinds - 1

A company—more so, its headquarters that houses its central leadership team—is like a cozy home. It is no doubt a part of the larger community that is the firm, and the industry and the society of which it is a direct and indirect part of, but the headquarters could be a mini-community by itself.



Real World Vs Digital World

It is tempting for residents of a society to become snug and keep to themselves. It is similarly tempting for leadership teams to stay cozied up in their mini-communities of offices with digital connectivity to the rest of the firm or the society.

A home may protect its residents, provide security from inclement weather but unless residents go out, feel the sunshine, brave the rain and chill, meet people, and are able to live their external life, they would eventually become weak. The condition of the leadership at headquarters is similar.

Unless leaders stay connected with their broader communities, the firm, the investor community, the vendor base and the marketplace, for example, and undertake periodic viewing and listening tours in their fields, they are likely to be isolated and lose touch with the competitive pulse.

The possibility of getting disconnected with the "real world" becomes even greater with the Work from Home (WFH) prevalence in the post-Covid situation. Being blinded to realities, internal and external, is the worst handicap that a leader could inflict upon himself. Being immersed in a digital world could blind a leader even more!



The third mistake is drawing the blinds. We all stay in our homes, and we stay in our homes even more now, in the context of the work from home. If you imagine yourself being in a home with curtains drawn all through the day, and all through the month, and all through the year, you get cut off from the external environment.

A company is also like a home. More so, the headquarters which houses the central leadership team is like a cozy home. It is no doubt a part of the larger community that is the firm, and the industry as well as the society however; the headquarters is a mini community by itself. It has got great power to direct the operations of a company, particularly if the company is multi site, multi field, and multi domain company. So, there is a real world and there is a digital world today.

The real world is of the field where things are happening. The real world is that of the R&D laboratory, where the products are getting discovered and developed or invented and refined. The real world is that of the factory shop floor, where the products are getting made.

And the real world is the company customer interface to co create the experiences. If we try to do all of these things through the comfort of the head office, with the blinds drawn, we will become cut off from the environment and we would become weak. Unless leaders stay connected with their broader communities, the firm, the investor community,

the vendor base, and the marketplace for example, and undertake periodic reviewing and listening tours in their fields.

The leaders are likely to be isolated and lose touch with their competitive pulse. We have this risk increasing because of the current work from home prevalence. Being blinded to realities; internal and external is the worst handicap that a leader could inflict upon himself or herself. Being immersed in a digital world could blind a leader even more.

We have discussed in an earlier lecture, how given the inevitability of digital connection. We must use those things for qualitative leadership meetings, for qualitative interactions with the individual and small group teams, rather than for monotonous, mechanical, long, unending, meetings. This unfortunately seems to be happening today.

The number of meetings that are taking place through digital channels in organizations is far more than the number of meetings that used to take place physically, in the real world that existed prior to Covid-19. Hopefully, we will return to the pre Covid situation in a few months, but if the digital connectivity remains a part of our professional lives, we need to do something different to make sure that digital world does not draw blinds all around us.


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Drawing the Blinds - 2

Over and above this, if leaders become introverted, not willing to benchmark themselves and their companies with other leaders and other companies, they would be shutting out the view on outside developments even more.

- Artificial light and air conditioning may substitute for natural sources and create a more comfortable ambience—they may even give a false sense of control over the environment. These are, however, expensive and inappropriate except under certain conditions.
- A leader who runs a headquarters that is isolated from its environment does more harm than good to the vitality of the leadership team and agility of the company.
- It is not enough for one or two potential leaders to foray into the external environment. There must be continuous openness for all the leadership team members.

It is also not adequate to stay connected through electronic and digital means—real-time, face-to-face interactions with all stakeholders are necessary (once the Covid pandemic related concerns go away). The mistake of isolating oneself from the outside world can be avoided by adopting the connected leadership model discussed earlier.





We should stay connected, not merely to the computer and the internet lines, but we should stay connected to the individuals their emotions and the happenings in the various

fields that we discussed; be it the workshop or the market place. Let us look at some more aspects of the blinds issue.

Over and above the blinds, if the leaders become introverted, not willing to benchmark themselves and their companies with other leaders and other companies, they would be shutting out the view on outside developments to an even greater extent.

Artificial light and air conditioning may substitute for natural sources and create a more comfortable ambience. They may even give a false sense of control over the environment. These are however, expensive and inappropriate except under certain conditions.

A leader who runs a headquarters that is isolated from its environment does more harm than good to the vitality of the leadership team and agility of the company. It is almost like building immunity in the human body. You do not build immunity by cutting off from everything that exists in the human life; you build immunity by trying to operate in the environment in a reasonable manner. It is not enough therefore, for one or two potential leaders to foray into the external environment.

There must be continuous openness for all the leadership team members to work in the open environment, be it the field or the shop floor. It is also not adequate to stay connected through only electronic and digital means. We should find ways and means of doing real time face to face interactions with all stakeholders.

And, in the digital medium these are facilitated only if they are one on one's. In group digital interactions, the finding is that the overall connectivity is far lower than what it would be in terms of a physical meeting. So, while digital meetings of large members of people is unavoidable, they should be interspersed with one on one meetings, even on the digital platform. Then only there could be a connected leadership model that could work out.

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Decoupling with Peers - 1



A peer for a leader is someone at his level, in terms of formal position as well as intellectual status, from an organizational point of view. Peer review in academic and research setting is a common practice to ensure academic standards and incorporation of alternative viewpoints.

In corporate and business settings, however, peer review is not a practice. A leader, if he or she is hierarchy bound and, in addition, has a mistaken feeling of superiority, may never see anyone as his or her peer.

It is important for a leader to appreciate aspiring leaders who are a level below him or her organizationally, and even managers several levels below, as possible peers based on intellectual capabilities.

Organizational structures and processes are designed, despite their bureaucratic nature, to provide several opportunities to couple with executives, managers, and leaders of shared or overlapping processes, which must be made use of.

More than interactions, the intellectual absorption of different viewpoints matters. This becomes more important in respect of peer interactions which can add great value to a leader, with perspectives of new thinking from different domains.



Another mistake is decoupling with peers. Who is a peer? A peer for a leader is someone at his level, in terms of formal position as well as intellectual status, and from an organizational point of view who heads a similar domain or a business. Within the SLT, every member is a peer to the other. Within the managerial circle, every manager is a peer to every other manager. And, from a CEO perspective the members of the Board are in a sense the peers for the CEO.

Peer review in academic and research setting is a common practice to ensure academic standards and incorporation of alternative viewpoints, and it should be a similar circumstance and similar approach in corporations as well. However, unfortunately in corporate and business settings, peer review is not a practice.

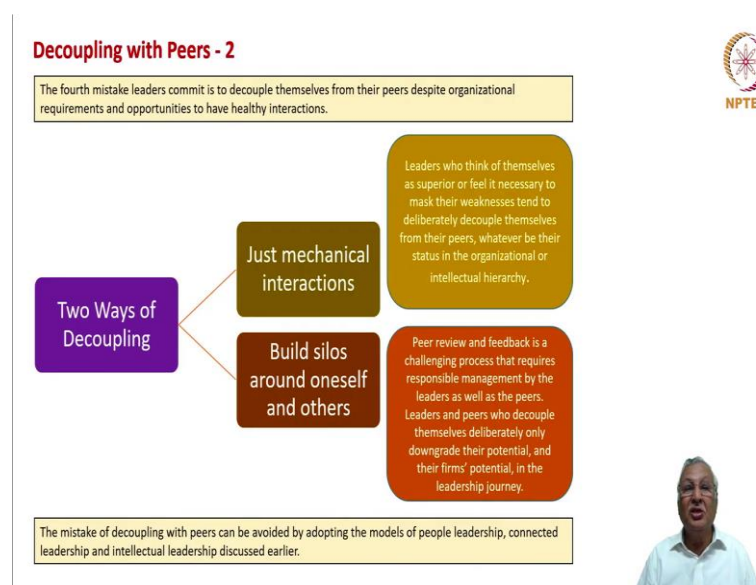
A leader, if he or she is hierarchy bound, and in addition has a mistaken feeling of superiority may never see anyone as his or her peer. It is important for a leader to appreciate aspiring leaders, who are a level below him or her organizationally and even managers several levels below as possible peers based on intellectual capabilities.

Organizational structures and processes are designed despite their bureaucratic nature to provide several opportunities to couple with executives, managers, and leaders of shared or overlapping processes. These must be made use of. More than interactions, the intellectual absorption of different viewpoints matters.

Which is why I have talked about connected leadership model, I have talked about the ways and means of connecting with people, several stages younger or several stages hierarchically junior relative to the leader.

This becomes very important in respect of peer interactions, because intellectual absorption can add great value to the leader and perspectives of new thinking could emerge from different domains. This decoupling which is the fourth mistake has several issues.

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There are two ways of decoupling; there could just be mechanical interactions. Second, which is the worst way is to build silos around oneself and others. Leaders who think of themselves as superior are feel it necessary to mask their weaknesses, tend to deliberately decouple themselves from their peers, whatever be their status in the organization or intellectual hierarchy, and those leaders who must talk to other leaders, but do not have the intent or interest in coupling themselves with the peers for various reasons.

They in fact, depute their juniors to talk to the peers and that obviously, is a negative way of doing things. While it may help the junior to develop a little more of himself or herself, the peer will feel little insulted that the other leader has chosen not to talk to him directly and share the viewpoints.

So, it is leading the organization on to a slightly negative cycle. As I said, the worst way to decouple is to build silos around oneself and others.

There are certain domain leaders who tend to believe that what they are doing is the best. If there is an annual plan and that has this level of budget, and if I am achieving the budget I should have the freedom, I should have the space, and nobody should ask me any questions, that would be the approach taken by such leaders. And such leaders actually succeed in creating silos around their domains. Peer review and feedback is a challenging process that requires responsible management by the leaders as well as the peers.

Leaders and peers who decouple themselves deliberately and downgrade their potential, and their firm's potential, through silo creation damage themselves as well as others and the firm in the overall. This mistake of decoupling with peers can be avoided by adopting the models of people leadership, connected leadership, and intellectual leadership that we discussed earlier.

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Narrowed Vision - 1

Leaders are charged with the rather sublime duty of conceptualizing a vision. Vision is not a definition of a future business. It is more an expression of how a business would build itself and endure over a long-term horizon, in the leader's imagination.

The diagram illustrates the evolution of vision across three sectors: Technology, Industrial, and Consumer. It features three blue arrows pointing right, labeled 'Changing vision', 'Technology vision', and 'Lifestyle vision'. The 'Changing vision' arrow points to Microsoft's vision. The 'Technology vision' arrow points to Apple's and Google's visions. The 'Lifestyle vision' arrow points to Amazon's, IKEA's, and GE's visions. Logos for Apple, Amazon, Google, GE, and IKEA are shown to the right. Below the arrows are three boxes labeled 'Technology', 'Industrial', and 'Consumer'. The 'Technology' box is under the 'Changing vision' arrow, 'Industrial' is under 'Technology vision', and 'Consumer' is under 'Lifestyle vision'. The NPTEL logo is in the top right corner, and a small video feed of a man is in the bottom right corner.

Microsoft's vision once was to bring a computer to every desktop; its vision today is to ensure productivity, diversity and inclusivity in life through its technology business.

Apple's vision is to lead a digital revolution. Google's vision is to organize all data to be useful for better living. Amazon's vision is to be the world's most customer-centric company.

Ikea's vision is to create a better everyday life for people. General Electric's vision is to bring good things to life.

Technology Industrial Consumer

Vision, in a way, represents a superordinate philosophy of a company. A leader's and a company's differentiation will be evident from the nature of his company's vision statement.

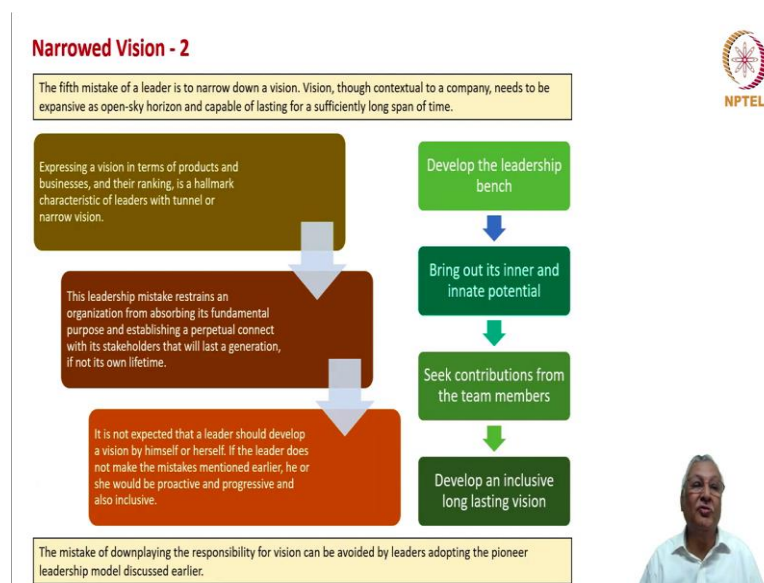
Then we have the narrowed vision. Leaders are charged with rather sublime duty of conceptualizing a vision. It could be a 5-year vision or a 10-year vision. Vision is not a definition of a future business. It is more an expression of how a business would build itself and endure over a long-term horizon, in the leader's imagination. There could always be the changing vision. Microsoft's vision once was to bring a computer to every

desktop. It's vision today is to ensure productivity, diversity, and inclusivity in life through its technology business.

This is what Bill Gates also told in his anniversary letter, which I referred to earlier. Apple's vision is to lead a digital revolution, and it could be products as far apart, as a smart device or a smart car. Google's vision is to organize all data to be useful for better living.

Amazon's vision is to be the world's most customer-centric company. Ikea's vision is to create a better everyday life for people. General Electric's vision is to bring good things to life, whether it is technology, industrial, or consumer companies in all of these fields have their own visions. Vision in a way represents a superordinate philosophy of a company. A leader and a company's differentiation will be evident from the nature of his company's vision statement.

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If the fifth mistake of leader is to narrow down a vision, let us see how it works out. Vision, though contextual to a company, needs to be expansive as open sky horizon and capable of lasting for a sufficiently long span of time. If a company which is manufacturing automobiles does not have a vision of seeing mobility as the future driver, but sees the particular product as the vision, then it could be seen as a narrowed vision. Because, once you think that you are in the business of mobility.

And mobility itself could take many hues; the vision gets very much more expansive. So, expressing a vision in terms of products and businesses and rankings is a hallmark characteristic of leaders with tunnel or narrow vision. This leadership mistake restrains an organization from absorbing its fundamental purpose and establishing a perpetual connect with its stakeholders that will last a generation, if not its own lifetime. It is not expected that a leader should develop a vision by himself or herself.

We have seen how the visions are developed in the previous lectures. If the leader does not make the mistakes that are mentioned, he or she would be proactive, progressive, and also inclusive in developing a vision. There are 3, 4 aspects of developing a great vision one develops the leadership bench first. Bring out its inner and innate potential, seek contributions from the team members, and then develop an inclusive long lasting vision.

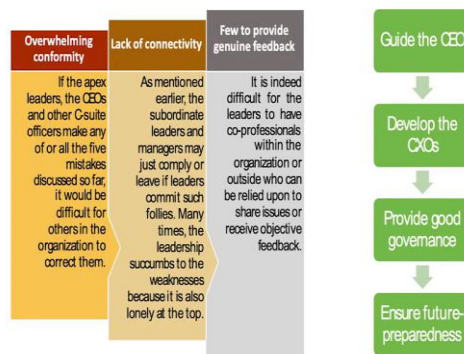
You may ask why should not we do it for strategy, but fundamentally we should do it for the vision of the company then the same cycle, the same process architecture becomes relevant even for developing a strategy or an execution plan.

The mistake for downplaying the responsibility for vision can be avoided by leaders by adopting the pioneer leadership model discussed earlier. If the leader thinks of himself as the pioneer, his goal will be in developing the vision for the future of the company.

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Board Role - 1

The role of apex leaders, among many other important things, is to establish role models of leadership and nurture organizational processes that support leadership without blemishes.



This was also discussed in an earlier lecture wherein the modalities to counter the loneliness at the top and enhance connectivity with the broader organization were also outlined. If leaders do not realize the need to avoid the five mistakes, the board of directors becomes the company's only hope.



So, we have seen the 5 common mistakes and also understood how the various leadership models we discussed earlier, could be of help in avoiding the mistakes. Let us now look at the role of the board. The role of apex leaders, among many other important things, is to establish role models of leadership and nurture organizational processes that support leadership without blemishes. We need to have overwhelming conformity, so believe many leaders.

However, if a leader makes anyone or all of the 5 mistakes discussed so far, it would be difficult for others in the organization to correct them. So, there will be a culture of overwhelming conformity, because there is always the stone at the top that matters in an organization.

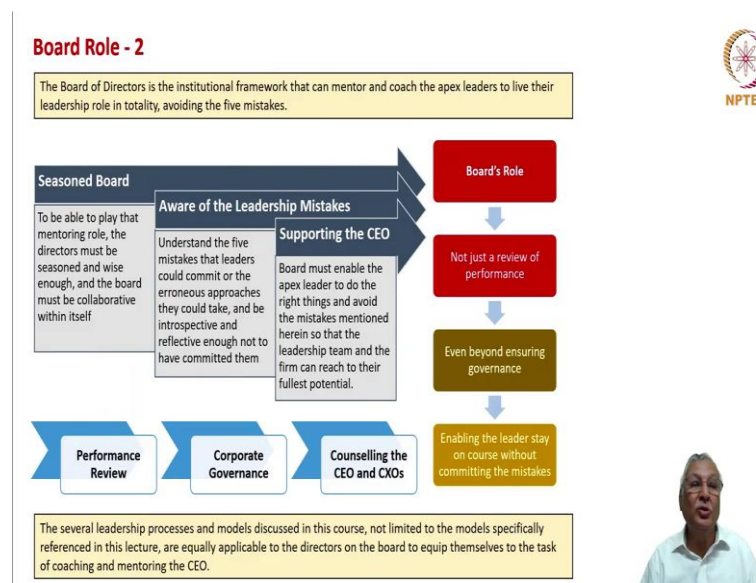
It is the role model of the apex leader that sets the tone at the top. Secondly, the moment that kind of negative role model starts appearing on the leadership horizon, there would be lack of connectivity between the rest of the staff, particularly the managers and leaders and the leader who is having such a deviant approach.

It would be loss of connectivity that would exist, rather than high level of connectivity, alignment and engagement. So, the leadership, the rest of the leaderships comes to the weaknesses, because it is so difficult to establish connectivity to the erring leader. Unfortunately, the erring leader also succumbs to this issue, because it is so lonely at the top. There are very few people who can provide genuine feedback as per formal organizational structures.

It is indeed difficult for the leaders to have co professionals within the organization or outside, who can be relied upon to share issues or receive objective feedback, because the group dynamics start working. It is for this reason that the leader must be very wary of committing these mistakes, should be very open in ensuring that he or she has peer level interactions at all times.

We discussed this in an earlier lecture wherein the modalities to counter the loneliness at the top. And to enhance connectivity with the broader organizations were also outlined. If leaders do not realize the need to avoid the five mistakes, the board of directors becomes the company's only hope.

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What can the board do? The board of directors is the institutional framework that can mentor and coach the apex leaders to live their leadership role in totality, avoiding the 5 mistakes. To be able to do that the board must be a seasoned board.

To be able to mentor each member of the board of directors must be seasoned and wise enough and the board must be collaborative within itself. The board must be aware of the mistakes that are being committed by the leadership, understand the 5 mistakes that leaders could commit, or the erroneous approaches they could take, and be introspective and reflective enough not to have committed them by themselves as members of the board.

So, the board also must be infallible in respect of the leadership mistakes. There should be a cut above in terms of being very functional, very objective, and following in the matter of speaking the LOFTI model. And then, the board will be in a position to support the CEO. The board must enable the apex leader to do the right things and avoid the mistakes mentioned herein, so that the leadership team and the firm can reach to their fullest potential.

So, performance review, corporate governance which are the subject matters of the board, even if they happen every quarter are excellent opportunities to take off and counsel the CEOs and CXOs, if the mistakes are detected, and there is a need for correcting those mistakes, in the boards view.

The several leadership process and models that we discussed in this course, not limited to the model specifically referenced in this lecture are equally applicable to the directors on the board, to equip themselves to the task of coaching and mentoring the CEO. The board's role is not just a review of performance; it goes even beyond ensuring governance. It is also enabling the leader stay on course without committing the mistakes that we spoke about.

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Competence and Loyalty: Grain and Chaff

This part of the lecture focuses on one of the more serious mistakes of leaders – of letting loyalty turn into blind loyalty, and also overshadow competence, leading to damaged performance of the organization.

Leaders provide aspiration for their teams and, in return, gain their trust and support. Loyalty is a natural concomitant when the leader consistently converts aspirations into accomplishments.


Both loyalty and competence have merits if they are aligned to enhancing the entity's performance. A competent loyalist in a leadership team appreciates the leader's ideas and improvises on it for better performance.

A competent loyalist, even if he were the leader's confidant, would do good to the organization. An incompetent loyalist would skew the organizational processes and act as a drag on both the leader's and organization's performance.

Ordinary loyalists are encouraged in certain organizational ecosystems due to considerations of realpolitik—an aligned leadership team with competency metrics will be inspirational, with loyalty for nothing other than value-compliant wealth creation for the company.

If a leader and the team members understand the true meaning of loyalty in an organizational sense and are able to weave it in with competence, the results would be excellent. That said, focusing on loyalty without recourse to competence is tantamount to opting for chaff instead of grain.





To be able to understand these issues in proper perspective, the leader must understand the distinction between competence and loyalty. It is like comparing grain and chaff. This part of the lecture therefore, focuses on one of the more serious mistakes of leaders; of letting loyalty turn into blind loyalty.

And also overshadow competence, leading to damaged performance of the organization. We have talked about loyalty and blind loyalty and compared as well, but with a view to say that there should not be blind loyalty. But here, we are discussing the consequences of having blind loyalty to a greater extent.

Let us see, how this discussion moves forward with you. Leaders provide aspiration for their teams and, in return, gain their trust and support. Loyalty therefore, is a natural concomitant when the leader consistently converts aspirations into accomplishments. Both loyalty and competence have merits if they are aligned to enhancing the entity's

performance. A competent loyalist in a leadership team appreciates the leader's ideas and improvises on it for better performance.

I have termed it genuine loyalty in the earlier lecture. I am giving the drift of a competent loyalist. A competent loyalist, even if he was the leader's confidant, that is who enjoys the unmitigated confidence of the leader would do good to the organization. An incompetent loyalist would skew the organizational processes and act as a drag on both the leaders and organizations performance. Ordinary loyalists are encouraged in certain organizational ecosystems due to considerations of realpolitik.


An aligned leadership with competency metrics will be inspirational, with loyalty for nothing other than the value compliant wealth creation for the company. I talked about leaders, the managers being committed to the cause and not to the person per se. As long as the person, be it the leader or the manager represents the cause and works his heart, head and guts to execute on the cause then loyalty could be there to the person. But if there were found to be variations between the person's agenda and the cause then the loyalty must be to the cause.

If a leader and the team members understand the true meaning of loyalty in an organizational sense and are able to weave it in with competence, the results for the organization would be simply outstanding. That said, focusing on loyalty without recourse to competence is tantamount to opting for chaff instead of grain.



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The Complexity

Individual survival and group living have been the two fundamental, though apparently bipolar, aspects of human living from the start of civilization. As administrative, industrial, business and political organizations evolved over time, teams have emerged as the basic platform of organized living.



Individual considerations often overwhelm and disrupt teams in terms of behaviour and performance. This lecture addresses a unique pair of seemingly unconnected factors—competence and loyalty—that impact team and organizational dynamics, and a leader's ability to influence the teams for organizational good.



The complexity of organizations also cause these dilemmas, dichotomies. Individual survival and group living have been the two fundamental, though apparently bipolar, aspects of human living from the start of civilization. As administrative, industrial, business and political organizations evolved over time, teams have emerged as the basic platform of organized living, I referred to the organization being the home, the company being the home. The teams are the platforms that make organized living possible in these homes.

Organizational form of corporations has given a new meaning and role to team leadership. Management of team offers great challenges and opportunities. Department or corporate levels which exist from the front-line teams to CXOs and CEO offer different ways of life for professional executives.

But in this plurality that exists in an organization, individual considerations often overwhelm and disrupt teams in terms of behaviour and performance. We need to look at a unique pair of seemingly unconnected factors; competence and loyalty that impact team and organizational dynamics, and a leader's ability to influence the teams for organizational good. I do not want to disband the word loyalty, as being negative for an organization. I would still take loyalty as relevant and important for organizations, as long as that loyalty is genuine loyalty and not blind loyalty and as long as the loyalty is supported and reinforced by competence.

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The Imbalance

Leaders provide hope and aspiration for their teams and, in return, gain their trust and support. This relationship is not always reciprocal—in some cases, leaders trust the teams more than the teams trust them, and in certain other cases, teams trust the leaders more than the leaders trust them.

Formal	Informal	Formal and Informal
Traditionally leaders across generations relied on the formal organization to achieve consensual action.	Focus on items that motivate a common purpose and leaned on the informal organization to push through specific agendas that may be difficult to disclose or gain consensus on.	Leaders tend to leverage their loyalists to secure a balance between the formal and informal organizations to reinforce their leadership goals, with the attendant pros and cons.

This sub-optimization of the team organization, on the face of it, is illogical and counter to good leadership practice, and needs a behavioural evaluation.

Let us look at the imbalance first. Leaders provide hope and aspiration for their teams and, return, gain their trust and support. This relationship is not reciprocal always, in some cases leaders trust the teams more than the teams trust them, and in certain other cases team trust the leaders more than the leaders trust them.

Traditionally leaders across generations relied on the formal organization to achieve consensual action. But, informal organizations have started coming up in much greater way, and it is considered appropriate to look at both formal organization and informal organization to be able to meet the requirements of balance in an organization.

Leaders tend to leverage their loyalists to secure a balance between the formal and informal organizations to reinforce the leadership goals and to enhance the pros in their view and reduce the cons. However, unless this act of using royalty to balance the formal and informal organization is carried out with some kind of wisdom, there could be more cons than pros. This sub optimization of term organization on the face of it is illogical and counter to good leadership practice and needs a behavioural evaluation.

Why do leaders tend to use loyalists to work more on informal organization and derate or reduce the importance of the formal organization? Why is an imbalance being created deliberately in organizations to favor the informal organization vis-a-vi the formal organization?

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Complexity Needs Competence

Management of modern-day organizations, whether business, administrative or political, has become a more challenging and complex task than ever, with a heavy responsibility devolving on the leaders.



In today's competitive environment

- leaders are required to build cohesive, high-performance leadership teams...
- ...with high-competency metrics to be able to discharge their onerous responsibilities

In a well-balanced leadership team

- all missions and domains and their leaders should display...
- ...equal competence and evoke equal confidence

In such a scenario, a leader can live up to the dictum of being objectively prioritized with all missions, equidistant from all domains and equitable with all other leaders.



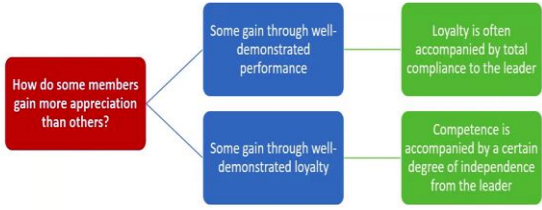

Leaders must realize that complexity needs competence and not merely loyalty. Management of modern-day organizations, whether business, administrative or political, has become a more challenging and complex task than ever, with a heavy responsibility devolving on the leaders.

In today's competitive environment, leaders are required to build cohesive, high performance leadership teams with high competency metrics to be able to discharge their onerous responsibilities. In a well-balanced leadership team, all missions and domains and their leaders should display equal competence and evoke equal confidence.

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Improper Selectivity

Yet, whether such a situation exists or not, it is not unusual for leaders to be selective in the way they repose their confidence across missions, domains, and members.




How do some members gain more appreciation than others?

- Some gain through well-demonstrated performance
- Some gain through well-demonstrated loyalty

- Loyalty is often accompanied by total compliance to the leader
- Competence is accompanied by a certain degree of independence from the leader

A leader, as much as a team member, needs to differentiate between loyalty and competence in an organizational context. The LOFTI model presented many positive aspects of loyalty. In this lecture, the focus is on loyalty as a potential derailer of what competence could accomplish for the team, and the organization.



In such a scenario, a leader can live up to the dictum of being objectively prioritized with all the missions, being equidistant from all domains and equitable with all other leaders and other individuals of the organization. But, irrespective of such a situation being existent or nonexistent, it is not unusual for leaders to be selective in the way they repose their confidence across missions, domains, and members. Within the value chain of a company there are several domains.

And as I said again in another lecture, it is possible for a leader who has grown up the ranks to carry the legacy halo, legacy bias related to the core domain from which he or she has come to the top. So, those kinds of improper selectivity's could occur organizations.

Let us see, why and how some members gain more appreciation than others? Some gain more appreciation through well demonstrated performance. In such a case it is easy for the leaders to be loyal to such performers and for the performers also to be loyal to the leaders, because a good dyadic relationship is getting maintained between the leader and the follower based on the performance. But strangely, such mutually agreed performance leads also to total compliance to the leader.

While, looking at the dyadic leadership model, we have seen how the leader will go out of the way to remember who is willing to support him in the performance and how the

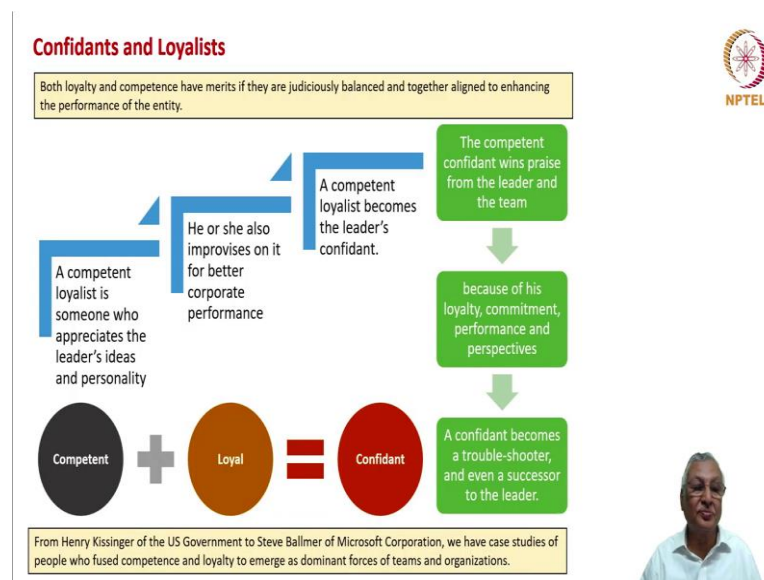
follower also would go out of the way to support a leader who is looking after his career goals.

Therefore, based on the performance paradigm itself, a kind of loyalty gets developed. Some people could gain more appreciation than others through well demonstrated loyalty, but to be able to balance that well demonstrated loyalty we need to have competence.

When competence is accompanied by a certain degree of independence from the leader, the loyalty gets seen in the appropriate prism. So, when you have performance, loyalty gets developed to an increasing degree and that could mess up the matters in terms of the dyadic relationship. When there is gain in appreciation only through well demonstrated loyalty, you need to put in the extra effort to have competence as well as independence to be able to balance that loyalty, the drove better appreciation.

A leader, as much as a team member, needs to differentiate between loyalty and competence in an organizational context. The LOFTI model presented many positive aspects of loyalty. In this lecture, they focus is on loyalty as a potential derailer of what competence could accomplish for the team, and the organization.

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Let us see how it works. In every organization we will have 2 members, who could be confused between them; one is a confidant, the other is a loyalist. Both loyalty and

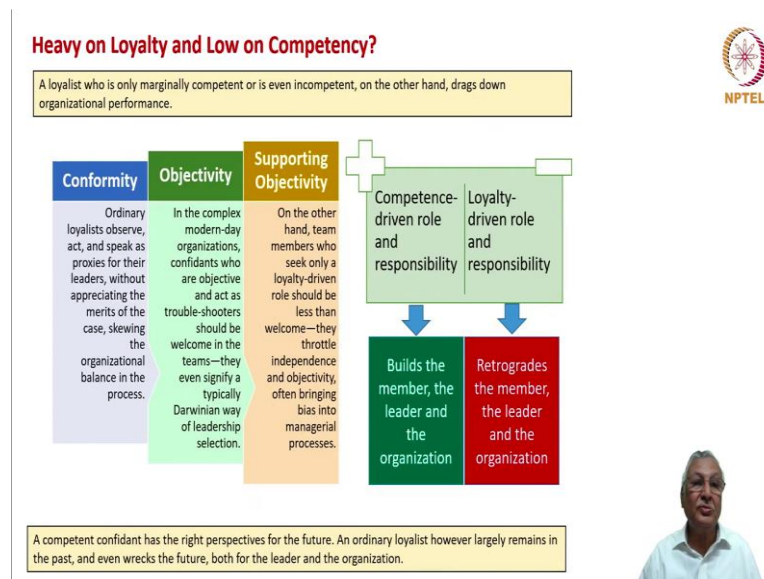
competence have merits if they are judiciously balanced and together aligned to enhancing the performance of the entity.

A competent loyalist is someone who appreciates the leader’s ideas and personality. He or she also improvises on it for better corporate performance. A competent loyalist becomes the leader’s confidant. A confidant is someone to whom the leader would turn to, to solve certain issues or to carry out the instructions. And how does someone become a leader’s confidant? Fundamentally, he should be a competent loyalist and should have demonstrated the ability to put in superior corporate performance.

Competency plus loyalty will lead to one being confidant for a leader. The competent confidant wins’ praise from the leader and the team, because the loyalty, commitment, performance and perspectives are visible to be seen.

A confidant typically becomes a troubleshooter, for the leader and even a successor to the leader. From Henry Kissinger of the US Government to Steve Ballmer of Microsoft Corporation, we have case studies of people who fused competency and loyalty to emerge as dominant forces of teams and organizations.

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If the organization is heavy on loyalty and low on competency, there could be some level of disaster for the organization. A loyalist who is only marginally competent or is even incompetent, on the other hand, drags down organizational performance. Let us look at

these three aspects; conformity, objectivity and supporting of objectivity. Ordinary loyalists observe, act and speak as proxies for their leaders, without appreciating the merits of the case skewing the organizational balance in the process.

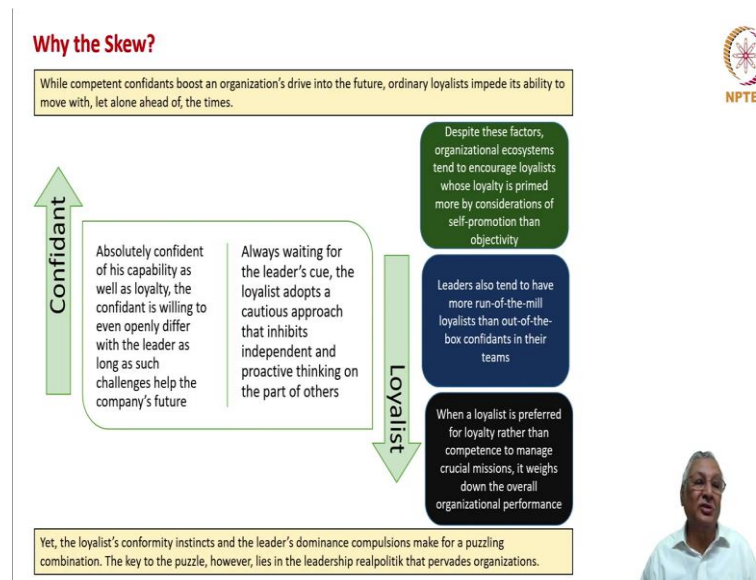
But, in the complex modern day, organizations, confidants who are objective and act as trouble shooters should be actually welcome in the teams, because they signify a typically Darwinian way of leadership selection. That is, they prove their performance, they are seem to be objective, and they have all the leadership qualities that are required to move into thing. So, it is a process of natural selection that occurs when you look for confidants, you look for competent loyalists.

On the other hand, team member who seek only loyalty driven role should be less than welcome. It should be discouraged they throttle independence and objectivity, and often bring bias into managerial processes. So, if you look at the positive and negative aspect of loyalty competence syndrome.

Competence driven role and responsibility enhance the member's capabilities, the leader's capabilities and the organizational capabilities. On the other hand, a loyalty driven role responsibility syndrome retrogrades the member, the leader, as well as the organization.

A competent confidant has the right perspectives for the future. An ordinary loyalist however largely remains in the past, remains as a shadow of the leader that too a pale shadow of the leader, and even wrecks the future both for the leader and the organization.

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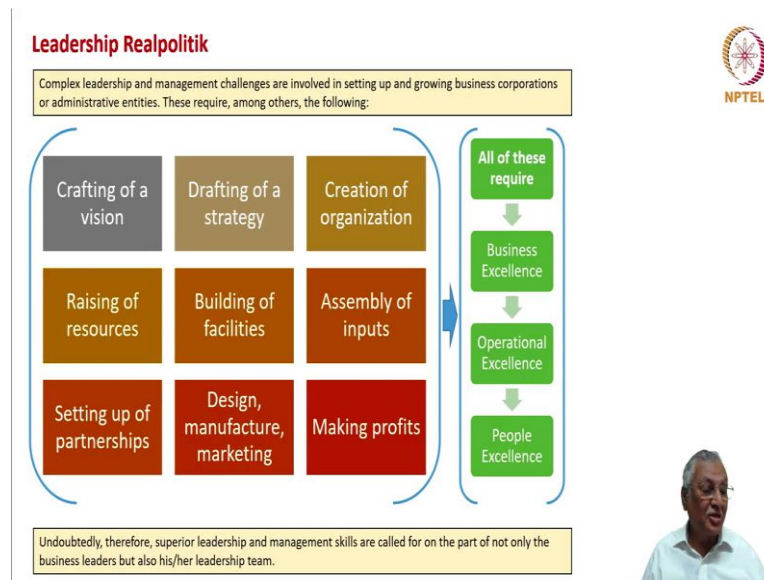


Let us look at the reasons why such skews happen. While competent confidants boost in organization's drive into future, ordinary loyalists impede its ability to move with, let alone ahead of, the times. A confidant that is a competent confidant is absolutely confident of his capability and competence as well as loyalty, to the cause as I said or to the leader who works for the cause. Such a confidant is willing to even differ in an open manner from the leader as long as such challenges, such debates help the company's future.

Whereas, the loyalist and particularly the not so competent loyalists, always waits for the leader cues. Such a loyalist adopts a cautious approach that inhibits independent and proactive thinking on part of the other members of the organization. Despite the clarity that we can have on confidant vis-a-vis loyalist, organizational ecosystems unfortunately tend to encourage loyalists whose loyalty is primed more by considerations of self preservation, and self promotion than objectivity.

Leaders also tend to have run of the mill loyalist than out of the box confidants in their terms. When a loyalist is preferred for loyalty rather than competence to manage critical missions or crucial goals, it weighs down on the overall organizational performance. Yet, the loyalist's conformity instincts and the leader's dominance compulsions make for a puzzling, but negative combination. The key to the puzzle, however, lies in the leadership realpolitik that pervades organizations.

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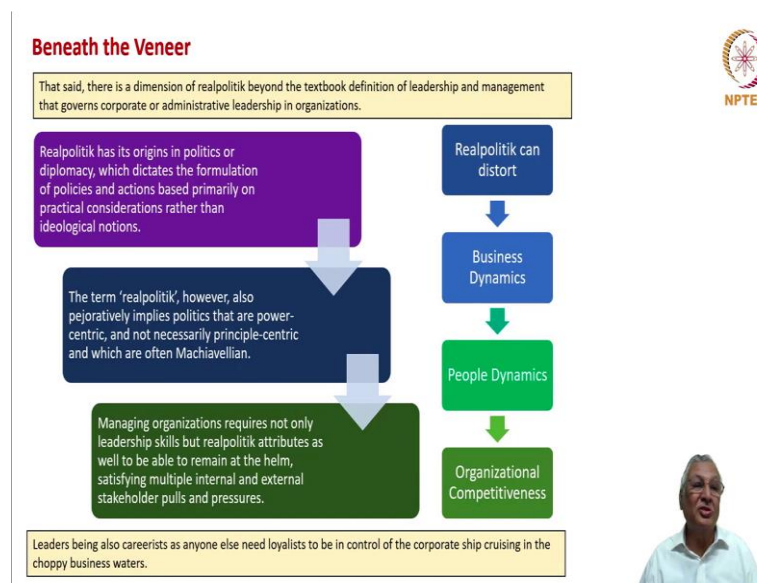


So, to understand why this happens, to understand why this happens as a trend in organizations despite all the logic against it. Let us understand the issue of leadership realpolitik. Complex leadership and management challenges are involved in setting up and growing business corporations or administrative entities.

These require among others the following: Crafting of a vision, drafting of strategy, creation of an organization, raising of resources, building of facilities, assembly of inputs, setting up of partnerships, design manufacture, marketing, and making profits. It is very patent from these aspects.

That these require business excellence, operational excellence and people excellence. Therefore, on the face of it superior leadership and management skills are called for on the part of not only the business leaders, but also his or her leadership team.

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Let us look at what happens beneath the veneer. That said, there is a dimension of realpolitik beyond the textbook definition of leadership and management that governs corporate or administrative leadership in organizations. Realpolitik has its origins in politics or diplomacy, which dictates the formulation of policies and actions based primarily on practical considerations rather than ideological notions.

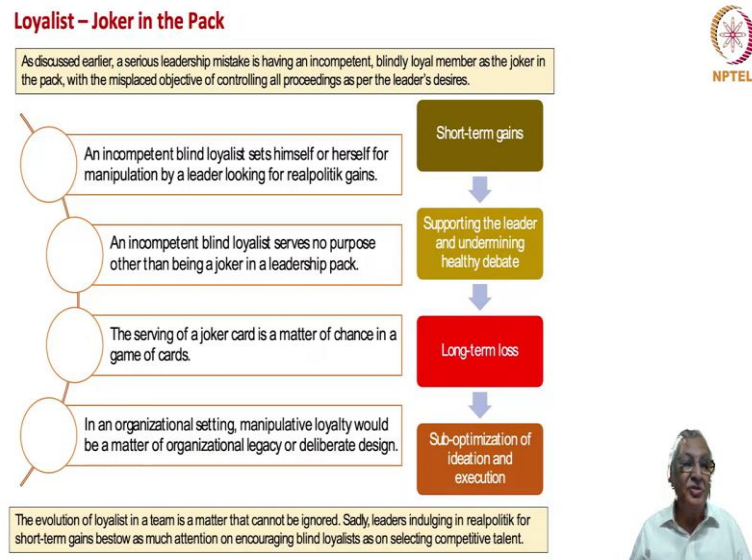
That is the decent and good definition of realpolitik. However, in actual practice and also as understood in a colloquial manner, the term realpolitik also pejoratively implies politics that are power centric and not necessarily principle centric and which are often Machiavellian.

Managing organizations requires not only leadership skills but realpolitik attributes as well to be able to remain at the helm, satisfying multiple internal and external stakeholder pulls and pressures. Realpolitik can distort business dynamics, people dynamics, and organizational competitiveness.

Realpolitik will be of a minor nature at the loyal levels of the organization; however, at the senior levels, where the funnel of influence increases with including the board members, external stakeholders, investors etcetera. The influencing factors becoming a more there could be entry of realpolitik considerations in the senior level dynamics.

Leaders being also careerist as anyone else need loyalists to be in control of the corporate ship which is cruising in the choppy business waters. That is the driver for realpolitik to rear its head at the senior levels.

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It is now time to see, whether the loyalist would be a joker in the pack. I would say that there is lot of similarity between a blind loyalist and a joker who would be used by the leader in a manipulative manner.

Just as a joker card can substitute for any card of any rank, symbol, or color and hence enforce tremendous flexibility in forming winning sequence and sets, a joker in an organizational setting provides lot of advantage for the leader to drive the agenda the way the leader wants it. However, in a game of cards, the serving of joker cards is a matter of chance.

It is not something the players can predict; however, in an organizational setting it is a matter of organizational legacy or deliberate design, because the leader gets to choose the joker. So, it is not a game of chance, it is a game of deliberate manipulation to have a loyalist, who works as a blind loyalist or a joker and confirms others.

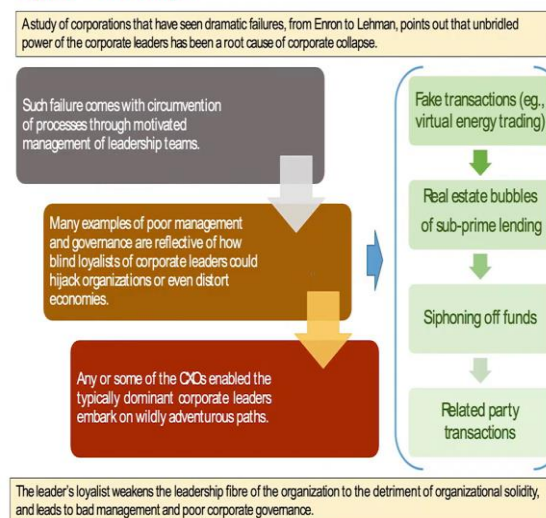
Therefore, this process of using a blind loyalist for short term gains supporting the leader and undermining healthy debate is a long-term loss for the company. It leads to sub

optimization of ideation and execution. The evolution of loyalists in a team is a matter that cannot be ignored.

Sadly, leaders indulging in realpolitik for short term gains bestow as much attention on encouraging blind loyalists as on selecting competitive talent. So, we need to understand this mix of blind loyalty and an approach for using jokers that happens in leadership dynamics in organizations.

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Loyalist – Power Play?



Loyalist play is also power play. From a study of corporations that have seen dramatic failures, from Enron to Lehman, points out that unbridled power of the corporate leaders has been the root cause for corporate collapse. Such failure comes with circumvention of processes through motivated management of leadership teams.

Many examples of poor management and governance are reflective of how blind loyalists of corporate leaders could hijack organizations or even distort economies. Any or some of the CXOs enabled the typically dominant corporate leaders embark on widely adventurous paths.

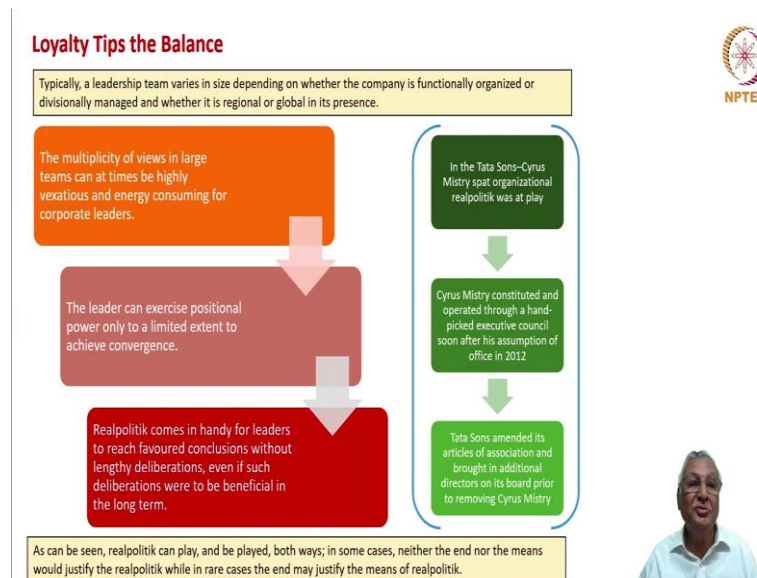
Without any disrespect to the important role of CEOs and the CXOs, I may even say that organizations deliberately keep loyalists in certain key positions and it could lead to tremendous loss of strength for the organizations. If you have key people without competencies working in technology oriented or efficiency-oriented roles.

The result could be disastrous in the long run for the company. For the examples that we have mentioned in passing, the Enron to Lehman kind of examples, there have been fake transactions, example virtual energy trading. There have been real estate bubbles for example, subprime lending.

There have been cases of siphoning off funds, and there have been related party transactions. All of these things happened because the blind loyalists or the jokers in the pack were implementing a few things without either the knowledge of what they were doing, without having the competence to understand the implications, or even if they understood, did not have the openness and the capability to advise the leader or other CXOs to handle themselves correctly.

So, we have examples from Enron to Lehman, example such as fake transactions of virtual energy trading, real estate bubbles of subprime lending, siphoning off funds and related party transactions that cause the downfall of what we have seen to be great companies. The leader's loyalist weakens the leadership fibre of the organization to the detriment of organizational solidity, and leads to poor bad management and poor corporate governance.

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Loyalty tips the balance. Typically, a leadership team varies in size depending on whether the company is functionally organized or divisionally managed and whether it is

regional or global in its presence. The multiplicity of use in large teams can at times be highly vexatious and energy consuming for corporate leaders.

The leader can exercise positional power only to a limited extent to achieve convergence. Realpolitik comes in handy for such leaders to reach favoured conclusions without lengthy and challenging deliberations, even if such deliberations were to be beneficial in the long term.

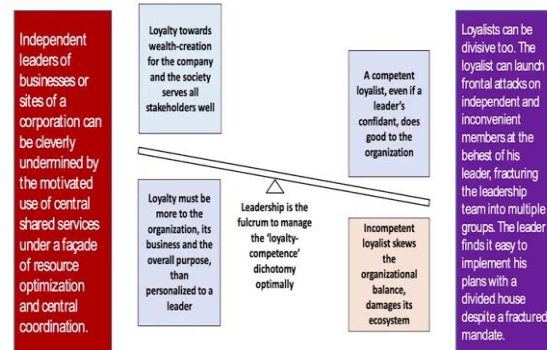
In the Tata Sons, Cyrus Mistry spat organizational realpolitik was clearly at play. Cyrus Mistry constituted and operated through a handpicked executive council, soon after his assumption of office in 2012. Tata Sons then had to amend its article of association and bring in additional directors on its board prior to removing Cyrus Mistry.

As can be seen, realpolitik can play, and be played both ways; in some cases, neither the end nor the means would justify the realpolitik while in rare cases probably the rarest of rare cases the end may justify the means of realpolitik.

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CXOs Need to be Strong to Resolve Competence-Loyalty Dichotomy

Heads of corporate functions are particularly helpful for the corporate leaders in drawing business realignments. That is because they have the capability and positioning to develop plans, allocate resources, recruit manpower and control certain shared services.



While it may be easy to push through initiatives with realpolitik, this leads to lack of ownership amongst the groups or leaders who are incapacitated or confounded by the fractured state. In the above scenarios, the leaders stay on but the businesses stagnate. CXOs have a great role in letting competencies assert themselves.



CXOs need to be strong to resolve competence loyalty dichotomy. Heads of corporate functions are particularly helpful for the corporate leaders in drawing business realignments. That is because they have the capability and positioning to develop plans, allocate resources, recruit manpower and control certain shared services. Even in a multi

site organization, even if the sites are doing very well, the corporate office and the heads working in the corporate office have got the ability to tilt the balance.

Because, the central shared services can play realpolitik under the facade of resource optimization and central coordination. Loyalists can also be divisive too. The loyalists can launch attacks on the independent and inconvenient members at the behest of the leader and this could lead to the fracturing of the leadership team into multiple groups. The leader then finds it easy to implement the plans with a divided house, despite the fractured mandate the leader has.

I have seen key roles being filled in by executives or leaders who have no capability to fill in such roles, who were more loyal to the leader than to the cause, and together these occurrences caused deep divisions in the leadership team and also caused loss of traction, loss of business excellence, and loss of wealth for the company, and these needs to be avoided. So, if you see this fulcrum, example I have given, leadership is the fulcrum to manage the loyalty, competence, dichotomy optimally.

Loyalty towards wealth creation for the company and the society serves the shareholders well. A competent loyalist even if he is a leader's confidant does go to the organization that is on the superior side of the fulcrum management. Loyalty must be more to the organization, its business and the overall purpose than personalize to a leader that should be the dictum which the leader must keep in mind.

However, the leader should be wary of the incompetent loyalist, who skews the organizational balance and damages the ecosystem. While it may be easy to push through initiatives with realpolitik, it leads to lack of ownership amongst the groups or leaders who are incapacitated or confounded by the fractured state.

In the above scenarios that we have discussed, the leaders stay on but the businesses stagnate. CXOs have a great role in letting competencies assert themselves and the leadership fulcrum to manage the loyalty competence dichotomy, is an important concept that the CXOs and the leaders must keep in mind. With this we come to the end of this lecture, we will meet in the next lecture.