

LEADERSHIP DNA FOR START-UPS

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ABSTRACT

The word DNA resembles the core identity of a person. It is the source which helps in growth, development & functioning of any Individual. Similarly, leadership DNA are the factors to be cultivated in an individual to transform person into a leader.

Some of the famous leaders of the various era are Bill Gates, Ratan Tata, Dhriubhai Ambani, Mark Zuckerberg, Steve Jobs, Bhavish Aggarwal, Vijay Shekhar Sharma, Deepinder Goyal & many more. None of them were born as a leader but had qualities which made them great leaders. Similarly, to start a business or to grow a business some set of qualities of leadership are required. Which form the DNA of leadership for the Entrepreneur.

KEYWORDS: *Leaders, Leadership, DNA, Start-Ups*

INTRODUCTION

An effective leader is an individual with the capacity to lead & to consistently succeed in a given condition to meet the expectations of an Organization or society. Whereas, Leadership is an ability to inspire & guide individuals, teams or entire organization towards creating a successful enterprise.

Leadership is not only about leading a team or group but it's a real skill that takes time, thought & dedication. It is imperative to understand that leadership produces changes which helps in establishing direction, creating a vision, setting strategies, motivating & inspiring, empowering subordinates, satisfying unmet needs, seeking commitment, communicating goals & building teams & clarifying the 'big picture' etc.

The concept of leadership can be best understood by taking a closer look at the theories of Leadership. There are various theories of leadership which evolved over a period of time as given below:

Great Man Theory - "Great leaders are born, not made"

Trait Theory - "The theory states that certain innate traits are common to leaders. Although the identified traits vary, the most common are intelligence, self-confidence, determination, integrity, and sociability."

Behavioural Theory - "This leadership theory focuses on the actions of leaders, not on mental qualities or internal states. According to this theory, people can learn to become leaders through teaching and observation."

Contingency Theories - "Focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation."

Situational Theories – “Situational theories propose that leaders choose the best course of action based upon situational variables.”

Some of the Contemporary leadership theories were also coined by various researchers which can also help to define & understand the concept of leadership more effectively.

Charismatic leadership theory.

Transactional leadership theory

Transformational leadership theory.

Visionary leadership theory.

Democratic-oriented leadership theory.

The above deliberations indicate that the concept of leadership is a complex & constantly evolving. Most of what is written a leadership draws on western culture, particularly that of North America. However, leadership is likely to be viewed differently in different cultures. Leadership is the most studied aspect of business & organization because it is the one topic that makes the difference between success & failure. Leadership & Management is two distinctive & complementary system actions. Each has its own function & characteristics activities. Both are a necessity for success in an increasingly complex & volatile business environment. Strong leadership with weak management is not better & is sometimes actually worse, than the reverse. The real challenge is to combine strong leadership & strong management and use both together to balance one other.

It is needless to say that Leadership can't be understood by creating a deeper understanding about the role of leaders in organizational success. Dr. Warren Bennis suggests leaders are important as they are responsible for the effectiveness of organizations, provide anchors in the lives of their followers & they also define cultural & institutional integrity

According to Keith Davis (Management Study Guide 2012) “leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together & motivates it towards goals”. Further, it is important to understand the characteristics of a leader as it defines the various elements which are essential ingredients to the success of a leader. Some of the characteristics of the leader are as given below:

- It is an inter-personal process in which a manager is into influencing & guiding workers towards the attainment of goals.
- It denotes a few qualities to be present in a person who includes intelligence, maturity & personality.
- It is a group process it involves two or more people it involves two or more people interacting with each other.
- A leader is involved in shaping & moulding the behavior of the group towards the accomplishment of organizational goals.
- Leadership is situation bound. There is no best style of leadership it all depends upon tackling with the situations.

As leadership style is vital for a business to sustain & grow. Over the longer term, the leaders need to understand their style and understand how this may impact their follower and in turn the business results. This can minimize blind spots in the process & every business could benefit from an overview of the style followed by its leaders. Leadership is relevant & imperative to every business irrespective of its size & scale of operations which includes established organizations as well as start-ups. In this backdrop, the researchers are trying to understand this relationship so that DNA/trait of leaders can be studied for start-ups to sustain in a competitive world.

OBJECTIVE

- To understand the traits of the Leaders in Start-up Business
- To study & analyze the evolution of Leadership Traits in various business eras

RESEARCH METHODOLOGY

The research study is descriptive in nature. The information is derived from secondary data collected through literature review. Secondary data available on various internet websites, newspapers, books and magazines are used. This gives the researcher a scope to find out the importance of Leadership for contemporary organizations. The research aims to understand the evolution and traits of Leaders over a period of time.

LITERATURE REVIEW

Leadership DNA for Established Business

Dhirubhai Ambani – Reliance Group

According to Sunanda K. Chavan (2010), Mr. Dhirubhai Ambani always showed all the critical leadership qualities. He would grab an opportunity & strike on it. He had the simple ritual of pooja when a new machine is installed. He believed in “simple thinking, modern thinking.” Mr. Dhirubhai believed in picking up the best talent. He had a motivated workforce. He only believed in providing leadership, vision & strategy. Mr. Dhirubhai never took a leadership lesson in school or college nor did he learn any leadership style. He developed his own style. Mr. Dhirubhai Ambani never followed the textbook style of management. Instead, he evolved a unique style, which combined the American style of entrepreneurship with the Japanese focus on the latest technology & learnt leadership from practice & hands-on experience. He was a transactional leader & influenced everyone with his work. Leadership qualities exhibited by Mr. Ambani were Highly Credible, Influential, Effective Communication skills, Better understanding, Immense Power, Knowledgeable etc to name a few.

RatanTata – TATA Group

As per V S Dhekale (2013), Mr. Ratan Tata established Tata Group of Companies as a prestigious global brand. He majorly used a combination of transactional & Transformational leadership styles. Ratan Tata identified the needs, aspirations, and drives of the people and accordingly responded to provide it in various ways. Considering the financial performance, he transformed the people into followers. He also used product orientation as well as people orientation concern. He led the Tata Group with the qualities such as courage, creativity; risk bearing ability, social sense, sense of employee training and development and ultimately having a quality concern about the product. It can be inferred upon from the above deliberations that Ratan Tata focussed on creating systems & processes for organizational management as a

transactional leader & constantly worked towards developing his followers as a Transformational leader. Mr. Tata actions reflected that he was a great Visionary, Passionate, Creative, Dynamic, Inspiring, Innovative, Courageous, Imaginative, Experimental, Initiate change that took his organization to the greater heights.

Azim Premji – Wipro

CXO Today News Desk (2013), enumerated that having a life as the hydrogenated vegetable fat manufacturer to be a global IT company, Wipro has come a long way. And all this credit goes to Mr. Azim Premji. He strongly believes that ordinary people are capable of extraordinary things when organized into highly charged teams. As a result, he gets personally involved in developing leaders and teams and invests significant time as faculty in the company's leadership development programs.

According to Azim ji, there are steps to successful leadership which goes as follows:

- Leader must develop powerful personal credibility
- Great leader tell people clearly what they expect from them
- great leaders are great teachers & coaches
- Successful leaders need to have energy & be able to energize others.
- Leaders do not always have to be in the limelight
- Leaders play to win
- Leaders have the ability to persevere when all odds are against them
- Leaders surround them with people who are on the side of optimize.

Leadership Qualities seen in Mr. Azim Premji are Commitment & Determination, Opportunity Obsession, Tolerance of risk, Creativity, Self-Reliance& ability to adapt. He has been able to lead & develop the organization to its current stature & status, which has built Wipro into a world-renowned organization.

Bill Gates – Microsoft

According to Dr. Singh et al (2016), Bill Gates was the first to voice the power & large scale spread of that a personal computer will have in the world. This led him to build the Microsoft Empire to support this extraordinary growth of the personal computers industry. Researchers have described his dominant style to be Autocratic bordering on being a control freak. Reports suggest that Bill Gates used to even sign off the expenses of his second in command, Steve Ballmer. A strong notary of creativity & innovation, Bill Gates is known to be a highly demanding & somewhat abrasive leader. Leadership Qualities Shown by Mr. Bill gates are Growing& Learning, Having Vision, caring about people& on many instances had depicted Paternalistic Style of Management. Paternalistic Leaders exercise tight control on system & processes but Are very caring generous for their employees.

Leadership DNA for Start-ups**Vijay Shekhar Sharma – Paytm**

by Raghavendra posted (2015)

Energetic, knowledgeable, passionate, driven, positive – some of the qualities that strike when us when we think about Vijay, the young & dynamic business leader, founder & managing director, One97 communications Pvt. Ltd. He will always be remembered for his contribution in the Digital India initiative of Mr. Modi Government. In an intricate internet industry, the only thing that is predictable is 'change'. Mr. VijayShekhar noticed a paradigm shift in the billing section from paying bills at outlets to online payment. He made the most out of the opportunities gained due to demonetisation in India. He made Paytm a household name by marketing & making it available to the everyone when the entire country was struggling to adjust with the sudden cash crunch & problems with money transactions due to demonization in the year 2016.

5 Life Lessons that can be learnt from Mr. Sharma were Never give up, find your niche, adapt to change, strive for excellence, No Complacency & Leadership Qualities are Self-motivated, Assertive, Ambitious.

Bhavish Aggarwal - Co-Founder & CEO of OLA

By Karan the wild Chronicles of Ola Published On: Wednesday, August 12, 2015

According to Karan (2015), Bhavish very smartly had taken only cars which had an all India permit & used to run them both inside as well as outside the city. And then there were the unique & budgeted plans which they used to offer to lure the customers. He believed in the mantra Happy Drivers = Happy Customers.

He also believed that use of technology is essential in capturing the market. He also capitalized on the fact that the use of the internet to fulfill customer's needs & to ease the pain points can be instrumental in creating & sustaining a new business successfully. He uses transformational Leadership style, focuses on Social sense& always ready to accept the situation & find the solution. He is also a Pace setter &propagate“Lets dream big & set standards”. Leadership Qualities shown by Mr. BhavishAggarwal are Risk-taking, Courageous, Initiate Change, empower people, Use of technology, Innovation. He also believes in taking the chance, solve real problems& always Settle for the best.

Deepinder Goel – Zomato

Raghavendra (2015) said that Zomato, the online global restaurant search & discovery service. Co-founded in the year 2008 by Deepinder Goel & Pankaj Chaddah, Zomato currently operates in 22 countries. Deepinder Goel believes in exploring uncharted territory. He trusts that start-ups can scale unprecedented heights provided the founder & employees embrace the “new” with an open heart & open arms. The key factor for Zomato success is its marketing strategy &in-depth knowledge of their competitors. Zomato aims to be the place where the foodies hang out. He uses transformative style of leadership. Leadership Qualities of Mr. Deepinder Goel are Visionary, Commitment, Innovative, Courageous, Technical. The common Beliefs floated by him are Be persistent, focus on the execution & Believe in yourself

DATA ANALYSIS

Every Business is governed by the factors that are present in the internal & external business environment. The internal environment is always in control of the leaders, but the external environment is not under their control. The factors such as political, economic, social, technological environmental & legal can do wonders to a business if managed well & can be the sole reason for the failure of the enterprise. The fact is true for all the businesses irrespective of their size & Start-ups are not an exception to the same. The leaders over the years have exhibited & adapted their leadership styles to suit the requirements of the external environment.

The start-up from 3 different Era can be compared & classified based on PESTEL as given below:

Table 1

	Political	Economical	Social	Technological	Environmental	Legal
Old Era	No much interference	Small scale Industry	Family Business	Traditional Methods	Availability of natural resources	Stable
					Less restrictions	
Middle Era 1990	Stable Government	Government grants	Lack of skilled labour	Introduction to Technology	Availability of natural resources	Industrial & labour laws.
	Government support	Low labour cost	Craze of government job (job security)	Lack of Awareness		Government policies.
	Globalization, Liberalization	Low GDP		Old technology used.		
Current Era 2014	Encouragement for new Business	Easily loan available	Skilled labour	Technology Development & transformation	Awareness	
	Government support & liberty to do new business (make in India)	Flow of cash (liquidity)	Innovation	Artificial Intelligence	Depletion of natural resources	
	Encouragement for Entrepreneur		Rise in living standards	Data Analysis (IOT)		
			Self-esteem			

In the old era, there was no much Political Interference with business. There was the stable political environment. Business was small-scale & family runs the business. Entrepreneur used their own money to start or build their business. The echnology was not much advanced, so traditional methods were used. There was abundant of resources so less restrictions were used on its consumption. Industrial revolution also helped the business to grow. Therefore, the leaders were more autocratic & general adopted a transactional style of Leadership. As they wanted to keep the control in their hands as they were generally dealing with unskilled workforce & private sector enterprise was just catching up.

In middle era government supported the business by creating favorable conditions. Globalization & liberalization helped business to expand & create more Entrepreneur. More opportunities for employment were created & labour was easily available at low cost. There was a lack of skilled labour. People were keen on government jobs more as compared to private jobs because of the long-term Job security reasons. There was a lack of awareness about technology. Industrial & labour laws that were being enforced to safeguard labour rights. The leaders of this era continued to follow transactional style as the major of the workforce remained unskilled/ semi-skilled. They did so as the business was experiencing a lot of changes due to globalization & liberalization policies not only in India but also across the globe. This era saw maximum cases of FDIs & foreign companies from developed economies making their way to developing & underdeveloped countries.

In the current era of technology & advancement. The impact of Entrepreneur can be seen drastically on the GDP. New innovative business is generating new job opportunities. Government policies like 'Make in India' & other supports & encouragement to new business & Entrepreneur. Advance in technology like AI, Data Analysis & IOT is helping young Entrepreneur. The Leaders of this generation are generally adopting a Transformational style of leadership as they are dealing with a workforce which is highly skilled and is looking for a lot of flexibilities in terms of their professional & personal life choices. The external competition & disruptive technology is demanding the workforce to be highly agile, responsive & resilient & all these can only be achieved when the followers are allowed to develop & take charge of the activities they are handling in the organization.

The qualities of leaders from all the three eras enumerated above have been shown with the help of the diagrams given below:

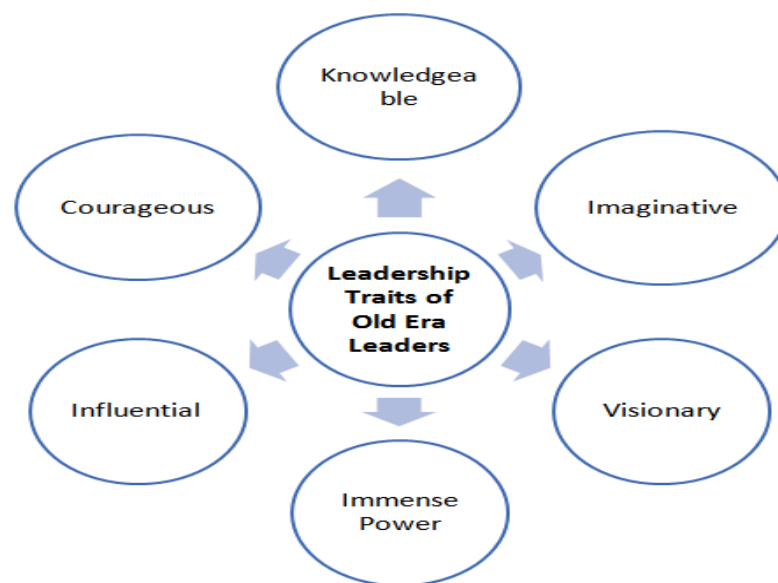


Figure 1

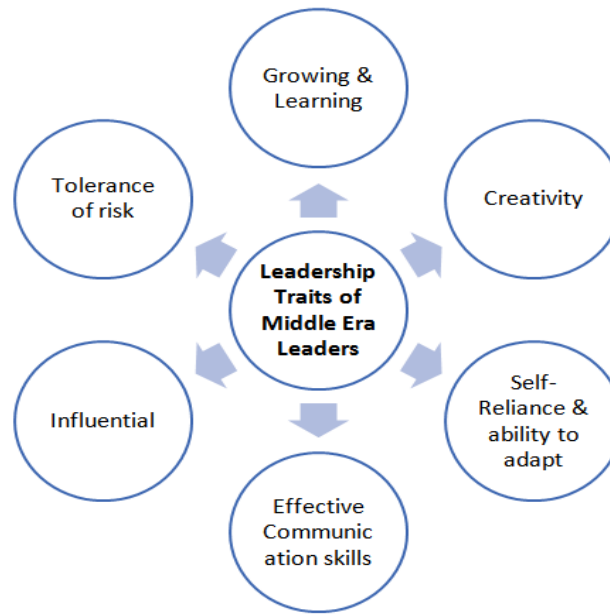


Figure 2

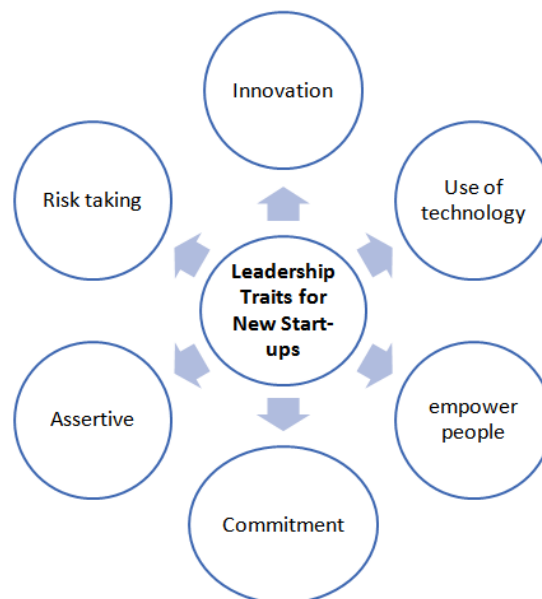


Figure 3

Further, it is imperative to understand that though the leaders from Old era & Middle era followed transactional styles, but their characteristics/ DNA underwent drastic changes. leaderships traits of leaders which are seen in old era are imaginative, knowledgeable, visionary, immense power, courageous, influential. Whereas, leadership traits of leaders which are seen in the middle era are growing & learning, creative, self-reliance & ability to adapt new things, effective communication skills, influential & tolerance of risk. These Characteristic/ DNA of these leaders, needless to say, helped them to understand & overcome the challenges posed by the environment in which the organization operated. Leadership traits for new start-up are commitment empower people, assertive, use of technology, risk-taking & innovation which is essential to fight & compete in this ever-changing business dynamics to today.

CONCLUSIONS

The style adopted by leaders play a very important role in the success of the organisation & the leaders across the world have constantly evolved to survive & excel in the business. From the above argument, we can conclude that old leaders used a Transactional style of leadership as external factors were favorable to them, but the systems & policies were not in place at that point, the workforce in general, was unskilled, they engaged in repetitive blue collared factory-based jobs. But transactional leadership style cannot be used in new start-ups of this age. Today changing world new entrepreneur will require transformational leadership style in their DNA. As there are tremendous changes in external factors which are affecting the leadership style going further. This can be seen through our analysis table has given above.

Leadership traits mostly seen in a new start-up are innovation, use of technology, empower people, commitment towards achievement/business, assertive & risk taker, initiate change which will not only help them to survive in today's competitive world but would also ensure a successful journey ahead.

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