Entrepreneurial Leadership

Unit 4: Entrepreneurial Task Leadership Challenges

Course Unit Structure

▶ Course Structure

    ▶ Unit 1: Your Role as an Entrepreneur

    ▶ Unit 2: Motivating Your Team

    ▶ Unit 3: Leadership Styles

    ▶ **Unit 4: Entrepreneurial Leadership Tasks and Challenges**

Unit 4 Learning Objectives

▶ compare and contrast models for effective decision making and critical thinking skills

▶ determine the most effective change management model as an entrepreneur

▶ distinguish the principles required for effective team dynamics to assist in meeting entrepreneurial goals

▶ evaluate principles as they relate to talent management, such as performance management approaches

▶ analyze power and politics, and conflict management as it relates to entrepreneurship

▶ apply goal setting principles to motivate an organization

Overview: Unit 4 Topics

- ▶ Decision-making
- ▶ Change management
- ▶ Team building
- ▶ Managing employees
- ▶ Use of politics and power
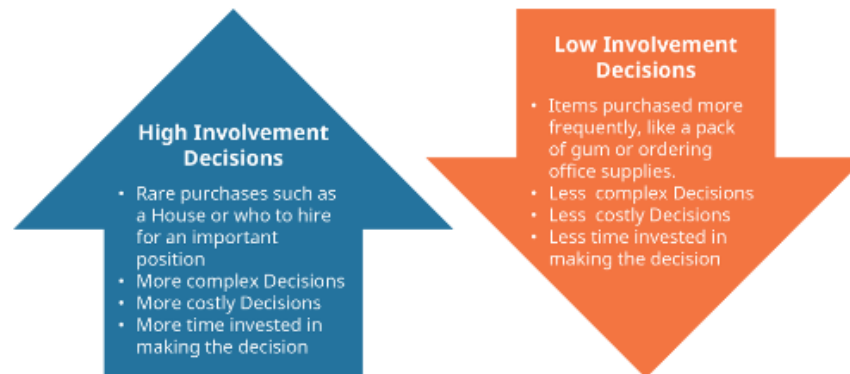- ▶ How to develop yourself as a leader

Unit Vocabulary

- absconding
- abundance-based change
- bounded rationality
- coercive power
- culture change
- deficit-based change
- empathy
- escalation of commitment
- expert power
- external performance factor
- formal team
- incremental change
- informal team
- intergroup conflict
- internal performance factor
- interpersonal conflict
- intragroup conflict
- intrapersonal conflict
- legitimate power
- non-programmed decision

- norm
- pay-for-performance
- performance appraisal system
- programmed decision
- reactive decision-making
- referent power
- reflection decision-making
- reward power
- role conflict
- role expectations
- role identity
- self-awareness
- self-regulation
- social skills
- strategic change
- structural change
- team
- technological change
- total rewards strategy
- transformational change
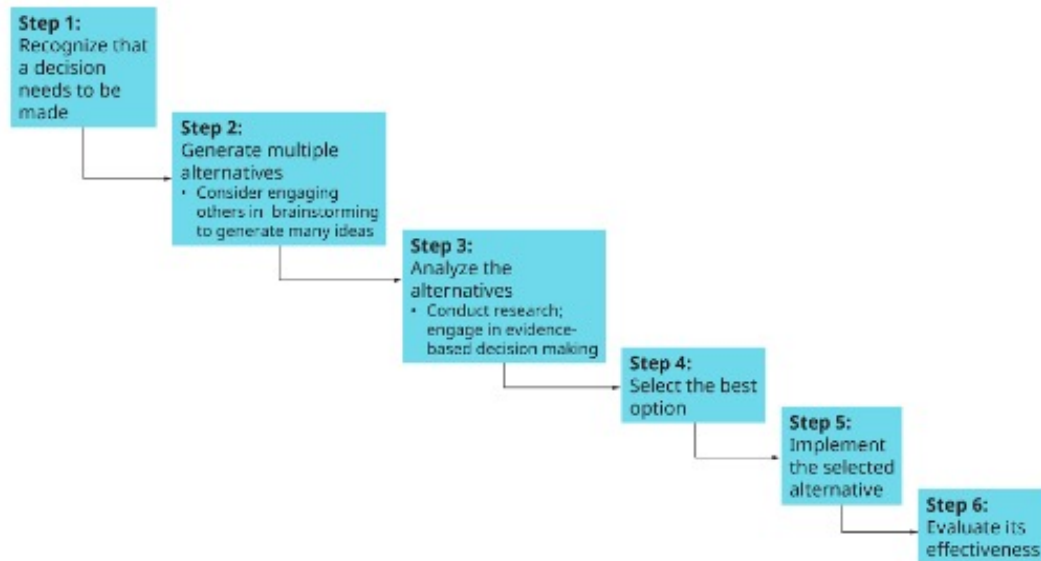- Tuckman's Model of Team Development

4a Decision Making

- Reactive decision making and Reflective decision-making

- Programmed and non-programmed decisions

- Emotional intelligence in decision making

  - Self-awareness

  - Self-regulation

  - Social skills

  - Empathy

High Involvement Decisions
- Rare purchases such as a House or who to hire for an important position
- More complex Decisions
- More costly Decisions
- More time invested in making the decision

Low Involvement Decisions
- Items purchased more frequently, like a pack of gum or ordering office supplies.
- Less complex Decisions
- Less costly Decisions
- Less time invested in making the decision

Exhibit 2.3 High-Involvement and Low-Involvement Decisions. (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

4a Decision Making (Process)

Step 1:
Recognize that a decision needs to be made

Step 2:
Generate multiple alternatives
- Consider engaging others in brainstorming to generate many ideas

Step 3:
Analyze the alternatives
- Conduct research; engage in evidence-based decision making

Step 4:
Select the best option

Step 5:
Implement the selected alternative

Step 6:
Evaluate its effectiveness

Exhibit 2.4 The Decision-Making Process. (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

4a Decision Making Barriers

▶ Barriers to effective decision-making

  ▶ Bounded rationality

  ▶ Escalation of commitment

  ▶ Time

  ▶ Uncertainty

  ▶ Personal bias

  ▶ Groupthink

4b Change Management

▶ Types of changes

  ▶ Structural

  ▶ Technological

  ▶ Culture

  ▶ Incremental

  ▶ Transformational

  ▶ Abundance based

  ▶ Deficit based

4b Change Management (life-cycle)

▶ Depending on the stage of the organizational lifecycle, companies may use a different level type of structure, which requires change management.

	Entrepreneurship	Survival and Early Success	Sustained Success	Renewal (or Decline)
Organization				
Extent of formal systems	Minimal to nonexistent	Minimal	Basic/Developing/Maturing	Extensive
Key Ideas	• Marshalling of resources • Lots of ideas • Entrepreneurial activities • Little planning and coordination • Formaion of a "niche" • "Prime mover" has power	• Informal communication and structure • Sense of collectivity • Long hours spent • Sense of mission • Innovation continues • High commitment	• Formalization of rules • Stable structure • Emphasis on efficiency and maintenance • Conservatism • Institutionalized procedures	• Elaboration (or reduction) of structure • Decentralization (or centralization) • Domain expansion (or reduction) • Adaptation (or stagnation) • Renewal (or decline)

Exhibit 16.5 Organizational Life Cycle (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

4b Change Management Models

▶ Lewin's Model Steps

▶ Unfreezing

▶ Movement

▶ Refreezing

▶ Kotter's Model Steps

▶ Create a sense of urgency

▶ Building a guiding coalition

▶ Form a strategic vision and initiatives

▶ Enlist a volunteer army

▶ Enable action by removing barriers

▶ Generate short-term wins

▶ Sustain acceleration

▶ Initiate change

4b Change Management - Nadler

▶ Nadler's System Model

▶ Focuses on these four elements of change, in order for change to be successful:

  Informal organizational elements (such as communication patterns)

  Formal organization elements (such as formal structure and work processes)

  Individuals (abilities and characteristics of managers and employees)

  Taks (the actual assignments given to employees)

4c Team Defined

▶ What is a team?

  ▶ Common commitment

  ▶ Specific performance goals

  ▶ Complementary skills

  ▶ Commitment to how the work gets done

  ▶ Mutual accountability
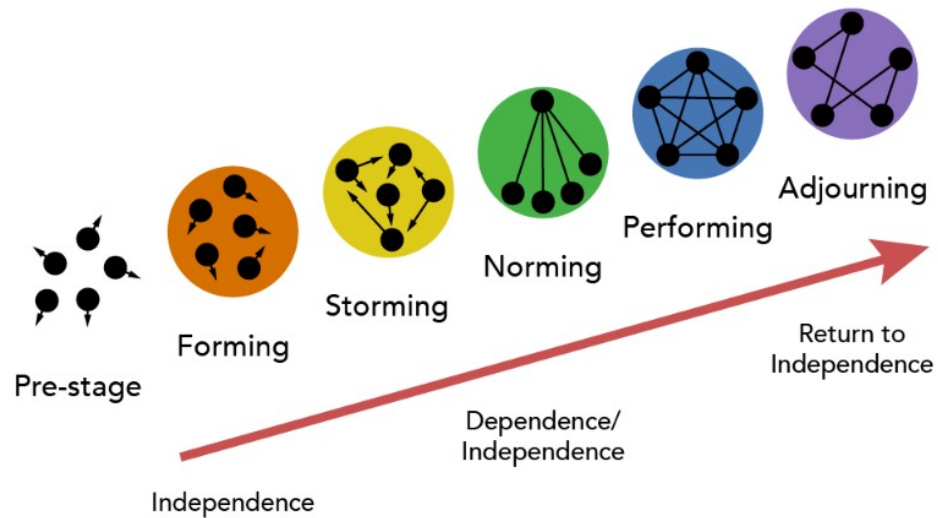
4c Team Types

▶ Formal teams

  ▶ Created due to organizational structure

▶ Informal teams

  ▶ Form naturally due to similar interests

4c Team Development Process

▶ The Team Development Process (Tuckman)

4c Team Norms

▶ Team Norms

Performance Norms:
- High / Low Cohesiveness:
  - High Performance / Low Cohesiveness: Moderate productivity
  - High Performance / High Cohesiveness: High productivity
  - Low Performance / Low Cohesiveness: Moderate to low productivity
  - Low Performance / High Cohesiveness: Low productivity
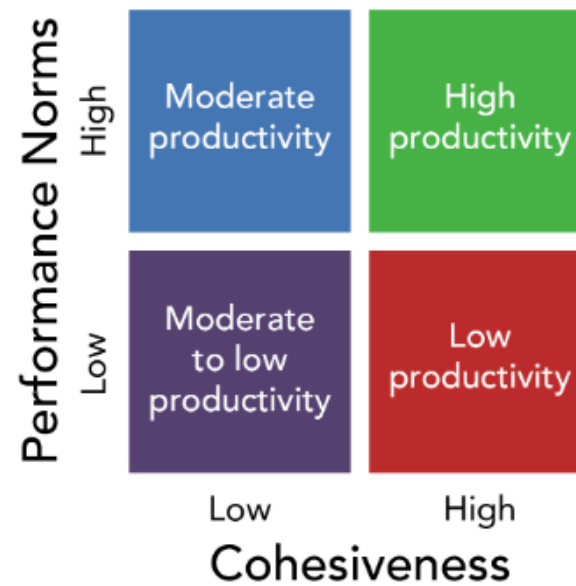
4d Managing Employees – Performance Issues

▶ Performance Issue Process

  ▶ Mandated Issue

  ▶ Single Incident

  ▶ Behavior Pattern

  ▶ Persistent Pattern

  ▶ Disciplinary Intervention

4d Managing Employees

▶ Employee Separation

 ▶ Absconding

 ▶ Resignation

 ▶ Severance package

▶ Performance Appraisal System

 ▶ Formal process to measure performance

4e Politics, Power and Goal Setting

► What is Power?

   ► The right to seek compliance from others

► Sources of Power

   ► Referent (charisma)

   ► Expert (experience + expertise)

   ► Legitimate (position or title)

   ► Reward (If you do x, you can have y)

   ► Coercive (if you don't do x, y will happen
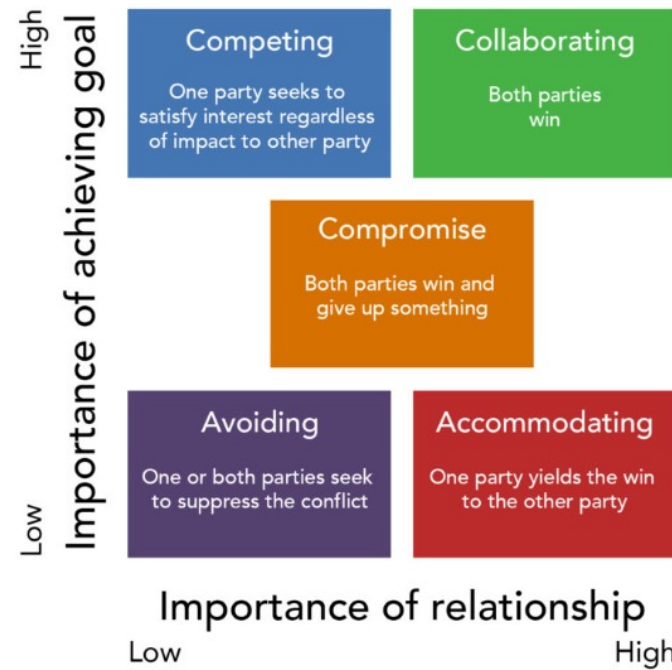
4e 1. Politics, Power and Goal Setting

▶ Types of Conflicts

　　▶ Intrapersonal (internal)

　　▶ Interpersonal (between two people)

　　▶ Intragroup (conflict within a team)

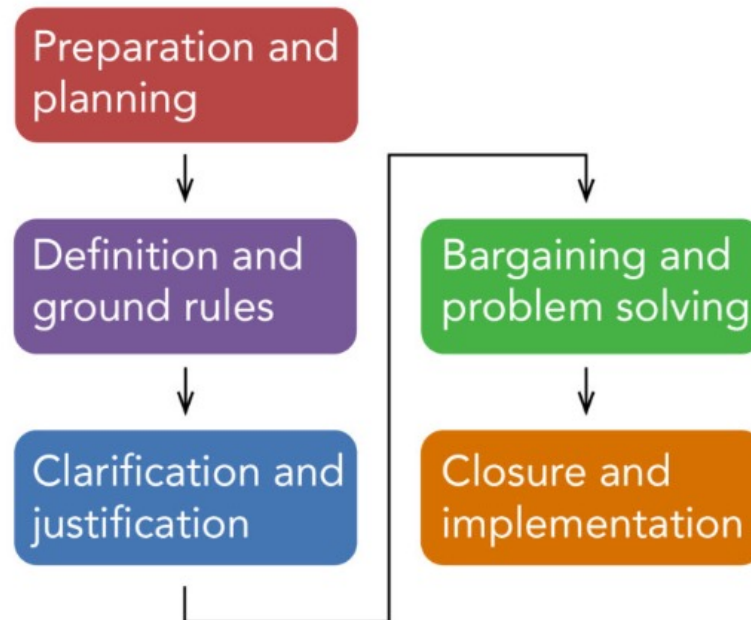　　▶ Intergroup (conflict between two teams, or departments)

4e 2. Politics, Power and Goal Setting

▶ Conflict styles

Competing — One party seeks to satisfy interest regardless of impact to other party

Collaborating — Both parties win

Compromise — Both parties win and give up something

Avoiding — One or both parties seek to suppress the conflict

Accommodating — One party yields the win to the other party

Importance of achieving goal: High / Low

Importance of relationship: Low / High

4e 3. Politics, Power and Goal Setting

▶ Negotiating Steps

Preparation and planning

↓

Definition and ground rules

↓

Clarification and justification

Bargaining and problem solving

↓

Closure and implementation

4f Leadership Goal Setting and Plans

▶ To develop a leadership plan:

  ▶ Review SWOT analysis

  ▶ Develop SMART goals

  ▶ List skills have, skills needed

  ▶ Specific strategies to reach goals

Conclusion

▶ Here's what you learned:

  ▶ compare and contrast models for effective decision making and critical thinking skills

  ▶ determine the most effective change management model as an entrepreneur

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  ▶ evaluate principles as they relate to talent management, such as performance management approaches

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What's Next?

▶ To prepare for the practice exam, consider one more review of the study guide and course materials.

▶ Good luck on the practice exam!