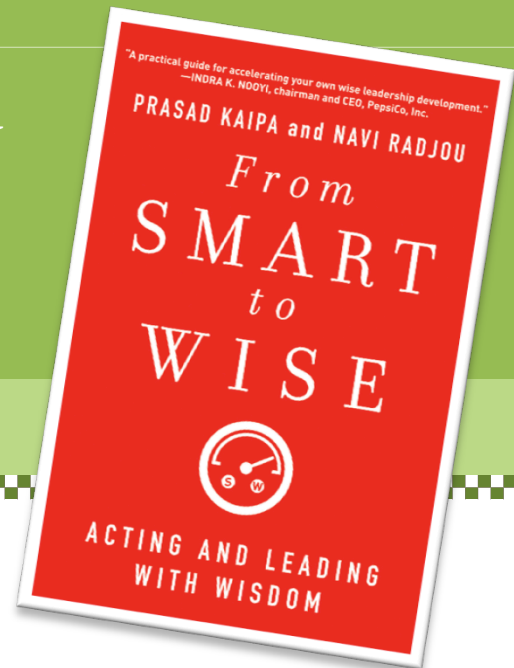


EBS – *From Smart to Wise*

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Class: EADM 834

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EBS by Dr. Danielle R. Frost

“In our experience, wise leadership succeeds where smart leadership cannot” (p. 2).

6 Capabilities

- 1) Perspective
- 2) Action Orientation
- 3) Role Clarity
- 4) Decision Logic
- 5) Fortitude
- 6) Motivation

Introduction

- Business leaders are becoming famous for all the wrong reasons, as new business scandals are regularly seen on the news. There is a current need in business to recognize that smartness is not enough on its own, but that wisdom is necessary as well. “Clearly, the need of the hour is for smart leaders who can act and lead with wisdom” (p. ix). Many people know what wisdom is, but very few have any idea how to apply wisdom in a business setting.
- Wise leadership is “...the practice of wisdom in a leadership context” (p. x).
- This book teaches 6 capabilities which are essential in order to learn the art of wise leadership.

About the Authors

Prasad Kaipa, PhD – Kaipa has been a CEO coach and advisor since 1990, specializing in leadership development and innovation. He is the founding executive director and senior research fellow at the Indian School of Business (ISB). He has served on numerous boards and is an avid writer, producing both books and articles as well as his own blog (at HBR.org).

Navi Radjou – Radjou has worked as a large company leadership consultant, specializing in innovation and leadership strategies. He is currently the executive director of the Centre for India & Global Business, as well as a fellow, at Judge Business School at the University of Cambridge. He is also a speaker and has written numerous articles.



Chapter 1 – Wise Leaders Wanted

There are 2 smart leadership styles: functional smart leaders (blue zone) and business smart leaders (red zone).

Functional Smart Leaders

- Experts in their field
- Execute effectively
- Risk averse
- Detail-oriented
- Deliver exceptional results
- Efficient
- E.g., Tim Cook (CEO of Apple)

Business Smart Leaders

- Visionaries
- See the “big picture”
- Risk takers
- Very competitive
- Strategic entrepreneurs
- Highly motivated
- E.g., Bill Gates (cofounder of Microsoft)

- “Wise leaders transcend both kinds of smartness...” (p. 11).
- Smartness encourages us to benefit ourselves, while wisdom shifts our focus towards benefiting others.
- “The foundation for wise leadership is context sensitivity: discerning what kind of smartness is appropriate for a particular situation” (p. 12).

“[Practical wisdom is] figuring out the right way to do the right thing in a particular circumstance, with a particular person at a particular time” (p. 13). - Aristotle



Which Zone Are YOU?

Take a free assessment now on the authors’ website and see your results for each of the 6 leadership capabilities!

<http://www.fromsmarttowise.com>

Please complete the survey before continuing, so you have your results in mind during the rest of the summary/appraisal.

Steps on the Path to Wise Leadership

- 1) Figure out within which zone you are primarily operating
- 2) Decide where you are on your path
- 3) Create a road map
- 4) Find tools to help you stay on your outlined path

Chapter 2 – A Perspective Shift: Finding and Following Your Noble Purpose

Finding your noble purpose (i.e., your North Star) is the beginning of your journey to wise leadership.

Your perspective is based on your knowledge + your experiences.

Every person views the world from his or her own perspective. In order to be a wise leader, a person must identify their own filters and consciously decide to be aware of the world around them from different perspectives. Smart leaders tend to operate from either a **blue zone** or a **red zone** (see p. 2).

Some other words for perspective include "...worldview, mental model, or mind-set" (p. 29).

Perspective is the most critical of the 6 capabilities.

A shift in perspective occurs in one of two ways: "...either it is triggered involuntarily by extreme external circumstances like a crisis (desperation), or it is induced voluntarily by a conscious effort to change oneself for the better through high aspiration" (p. 33). However, if this shift is induced via desperation, then it usually does not last very long.

For wise leaders, a shift in perspective means "...becoming sensitive to the context around [them] and being able to see the world without any filters" (p. 34).

Blue Zone Perspective

- Focus on short-term goals
- Excellent task execution
- Focus on like-minded people's perspectives
- Not innovative outside of their area of expertise
- May not see subtle external changes = may not adapt plans based on external factors

Red Zone Perspective

- Focus on long-term goals
- See the 'big picture'
- Also focus on like-minded people's perspectives
- Innovative
- See external emerging trends = willing to shift plans accordingly
- May struggle to execute their grand visions

- Your North Star or noble purpose "...is a purpose that transcends personal gain (and ego) and gives meaning and a path to happiness" (p. 41). Wise leaders always keep sight of their North Star in every situation when making leadership decisions. Once you discover your noble purpose, then you must act on it.

"One cannot solve a problem with the same mind-set that created it in the first place" (p. 37).

- Albert Einstein

- One exercise for finding your North Star = write down your most memorable moments and try to find patterns of emotions.
- Wise leaders exhibit mindfulness and have a growth mindset.

Example: Viktor Frankl, a psychiatrist and neurologist, underwent a dramatic perspective shift after his experiences in a Nazi concentration camp during World War II.

Chapter 3 – Your Action Orientation: Acting Authentically & Appropriately

“Integrity is the cornerstone of wise leadership” (p. 83).

- A leader’s actions need to be authentic and appropriate.

- Authentic = their actions are true to themselves.

- Appropriate = their actions are what should be done in this context / situation.

- These points are especially important in today’s world:

- Social media is quick to point out any disingenuous or inappropriate actions taken by leaders.

- People want to support companies that are socially conscious and acting for the benefit of others.

Blue Zone Leaders

- Focus on doing things the right way technically, but not necessarily ethically

- Follow a rule book or their own expertise and experience

- Have a static style

Red Zone Leaders

- Are impulsive and follow their emotions

- Need to feel successful

- Tend to believe that the ends justify the means

- Are good at adaptation, but not necessarily at communication

How to...Bridge a Gap in Integrity (The 3 C’s)

- Integrity is vital for wise leadership.

- There are 3 key elements in acting with integrity:

- 1. Credibility = what you say must line up with what you do.

- 2. Commitment = what you say must line up with what you actually feel.

- 3. Courage = who you are must line up with what you do.

- Mindfulness is a key element demonstrated by wise leaders – it is “...the ability to fully experience the present moment with total awareness and without judgment” (p. 76).

- Examples of authentic leaders:

- Mahatma Gandhi
- Steve Jobs
- Alan Mulally (CEO of Ford)

- An example of a leader who demonstrated great integrity = Mahatma Gandhi

6 Key Attributes in Your Actions

- 1. Align your actions with your noble purpose.

- 2. Act with bold prudence – wise leaders are calculated risk takers.

- 3. Act with context sensitivity.

- 4. Maintain equanimity – and have fun.

- 5. Heed intuition – following a noble purpose leads to less need for external validation of your actions.

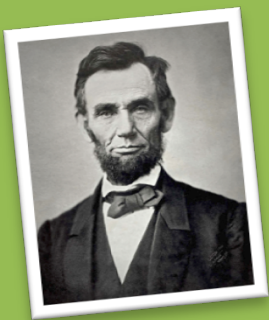
- 6. Act with integrity.

Chapter 4 – Role Clarity: Leading from Any Position



Narayana Murthy

Murthy, the co-founder of Infosys, is a great example of a leader with role clarity. He consistently puts the well-being of his employees and of society ahead of his own. He also seamlessly transfers roles within the company as needed.



Abraham Lincoln

Former U.S. President Abraham Lincoln was famous for choosing his most staunch political opponents as his cabinet members. He is an excellent example of a wise leader who valued opposing opinions and understood his true role.

- “Role clarity is the capability to perform a chosen role convincingly and with enthusiasm, and without losing sense of who you are behind your role” (p. 85).
- Role clarity gives a leader flexibility and leads to a lack of emotional attachment to his or her role. It involves equanimity. Wise leaders demonstrate leadership *in any role* and are good team players.
- “[Wise leaders] recognize that leadership is primarily a stewardship role that consists of developing others and producing value through others” (p. 96).
- Wise leaders should be “multipliers” – i.e., they should “...use their intelligence to amplify the smarts and capabilities of people around them to innovate faster and better and generate breakthrough growth” (p. 109).
- Wise leaders know which roles they are well-suited for and which roles would be better suited for others.

Blue Zone Leaders

- Demonstrate leadership only in their domain of expertise
- Willing to put emotions aside to fulfill their role
- Get stuck in their role
- Can lose their own identities

Red Zone Leaders

- Are very attached to their role as a leader, as it increases their feelings of success
- Emotional / passionate
- Do not lose themselves within their role, but maintain a strong sense of identity

How to...Cultivate Role Clarity

- 1. Realize that “[y]ou are bigger than your role” (p. 101).
- 2. Realize that “[y]ou are part of a whole” (p. 105).
- 3. Cultivate a beginner’s mind-set.
- 4. Learn to let go.

“Mindfulness allows you to see the role and the person playing the role distinctly and without internal criticism. By cultivating mindfulness, you will develop discernment and learn to perform your role with detached engagement...” (p. 101).

Chapter 5 – Decision Logic: Deciding with Discernment



Decision logic is “...the system, process, and principles of reasoning used in making important decisions” (p. 118).

Blue Zone Leaders

- Cautious decision makers
- Better at making short-term decisions
- Open to feedback, but tend to focus only on validating comments
- Rely on their instincts and/or the industry’s best practice
- Take a long time to make big decisions, as require collection of a lot of data
- Don’t use enough discernment in their decisions

Wise Leaders

- “...make decisions that exhibit both ethical clarity and pragmatism” (p. 120).
- Operate in a grey zone
- Emphasize not only ethics but also context sensitivity
- Do not let emotion take over
- Consider many alternatives before making their final decision
- Make decisions with the long-term consequences in mind
- Listen to all viewpoints

Red Zone Leaders

- Like high risk and thus high reward decisions
- Make decisions quickly
- Overconfident in their decision making capabilities
- Don’t pursue other viewpoints
- May not fully foresee the consequences of their ethical lack

How to...Make Decisions Using Discernment

- 1. “Cultivate a mindset of abundance” (p. 125).
- 2. “Respond mindfully to events” (p. 126).
- 3. “Decide with ethical clarity” (p. 128).
 - Wise leaders demonstrate “...ethical pragmatism...doing the right thing for the greater good” (p. 130).
- 4. “Use logic, instinct, intuition, and emotion to decide” (p. 130).
- 5. “Factor in the larger context” (p. 133).
 - Wise leaders make decisions in a holistic manner.

• The quality of our decision making is influenced by our logic, emotions, biases, and conditioning.

• “Making decisions is one of the most important activities leaders engage in” (p. 115).

Chapter 6 – Flexible Fortitude: “Know When to Hold and When to Fold” (p. 139)

Fortitude is “...the courage to stay the course and see the decision through and yet be flexible enough to change direction or even abort the project when needed” (p. 139). Flexible fortitude is “...using one’s discernment to gauge when it’s appropriate to hold on to things and when it’s appropriate to let them go” (p. 145). There is a subtle distinction between these two terms, but wise leaders tend to display the latter, flexible fortitude.

Functional smart (blue zone) leaders work very methodically, sometimes slowly, and with many limitations and boundaries. They are not very flexible and are stubborn. However, they usually do end up completing high-quality projects.

Business smart (red zone) leaders only care about projects that lead to rewards and recognition. They are competitive, enjoy challenging projects, and try to complete things ahead of schedule. They can be moody but are good at multitasking and tend to be resilient when faced with failures, although they may not learn good lessons from them.

Both types of smart leaders exhibit great fortitude but also have their faults. Blue zone leaders “...put up a good fight to defend and stick to their decision at any cost” (p. 142-143), while red zone leaders “...give up too easily and abandon their decision when better opportunities present themselves” (p. 143).

Most leaders tend to stick to their decisions without proper re-evaluation based on situational changes in their external environments, and they may even continue to support their original decision when faced with evidence that it was, in fact, the wrong decision. The opposite position is also a problem, as leaders may give up on their decisions too quickly before fully realizing their actual results or potential.

Example: Wendy Kopp, the founder and leader of Teach for America (TFA) is an excellent example of a leader who displayed flexible fortitude when establishing her organization.



- Wise leaders demonstrate flexible fortitude:
 - 1. “Stick to decisions when appropriate” (p. 146).
 - 2. “Inspire others to support decisions” (p. 146).
 - 3. “Revise decisions when the context shifts” (p. 147).
 - 4. “Draw on collective willpower for transformational change” (p. 148).

How to...Cultivate Flexible Fortitude

- 1. “Harness your noble purpose” (p. 149).
- 2. “Manage your energy selectively” (p. 150).
- 3. “Foster flexibility through ethical clarity” (p. 151).
- 4. “Demonstrate fortitude as a team effort” (p. 151).

Chapter 7 – Motivation: Acting with Enlightened Self-Interest



Enlightened self-interest is “...an ethical philosophy that postulates that people who endeavor to serve others’ interests eventually end up serving their own self-interest” (p. 156).

Blue Zone Leaders

- Concerned with execution and “operational excellence” (p. 160)
- Measure results in terms of basic needs (e.g., safety)
- Motivate team members by stressing and teaching them “operational excellence” (p. 160)

Red Zone Leaders

- Require external validation
- Measure results in terms of tangibles like money, property, power, or fame
- Have difficulty motivating others due to their own motivation being based on self-interest

Wise Leaders

- Have strong intrinsic motivation
- Focused on serving others and serving their noble purpose
- Focused on improving those around them
- Highly self-disciplined
- Focused on working as a team rather than competing with others
- Continually trying to improve and learn from their actions

“I must follow the people. Am I not their leader?” (p. 160)

- Benjamin Disraeli, former British PM

Wise leaders believe that “...what is in the public interest is eventually in the interest of all individuals and groups, including themselves...” (p. 173).

Levels of Enlightened Self-Interest

- As leaders’ perspectives change, their relationships with others also change “...from an antagonistic winner-takes-all relationship to a collaborative approach with the belief that helping others in the long run will help them” (p. 167-168).
- “Level 0: Zero-sum game ($1 + 1 = 0$)” (p. 168): Leaders keep doing what they have done before. They are competitive with others and, believing that the size of the market is fixed, they aim to take as much for themselves as they possibly can.
- “Level 1: Give and take ($1 + 1 = 2$)” (p. 168): This perspective is a shift from a competitive style to a partnership style, where both parties can benefit.
- “Level 2: Making the pie bigger ($1 + 1 = 3$)” (p. 169): This level involves synergistic partnerships.
- “Level 3: The rising tide lifts all boats ($1 + 1 = 11$)” (p. 171): This is a very broad perspective with a “...systemic view of the world...[recognizing] that everything is interconnected” (p. 171).

Chapter 8 – A Field of Wise Leadership: Finding Your Wisdom Logic

“When you integrate some or all of [the 6 capabilities] into a larger whole, you will have created your own wisdom logic – that is, your unique authentic path to wise leadership” (p. 177).

- The pathway to becoming a wise leader can be a collaborative process if you team up with others who are also on the same journey.

- “[The authors] call this engagement across many levels of social organization the *field of wise leadership*” (p. 181).

- The concept of wise leadership can be extended from an individual to various social systems, such as groups, teams, organizations, communities, and even nations.

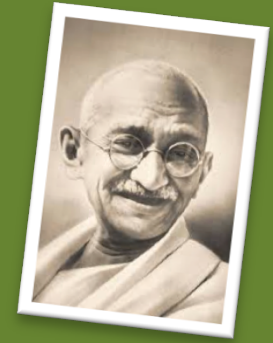
- Each of these social systems can be operating in the **blue zone** or the **red zone** or in wise leadership patterns.

“...wise leaders are not overwhelmed by complexity: rather, they see the potential benefits in complexity and seek to turn it into an opportunity to bring value to their organization and the larger community” (p. 204).

“Change is now the only constant in business...” (p. 205).

“Intelligence, when combined with discrimination and discernment, leads to wisdom” (p. 206).

In your journey to wise leadership, “...you will discover your North Star (your noble purpose), begin to act authentically and appropriately, gain greater role clarity, learn to make decisions with discernment, develop flexible fortitude, and cultivate enlightened self-interest – all of them critical elements of acting and leading with wisdom” (p. 207).



Examples of leaders who have influenced an entire nation:

- Mahatma Gandhi
- King Jigme Singye Wangchuck (former king of Bhutan)
- Dr. Martin Luther King Jr.
- Aung San Suu Kyi (political activist in Myanmar)



Better World Books is an example of a wise organization whose vision is to build “...a global bookstore that harnesses the power of capitalism to bring literacy and opportunity to people around the world” (p. 191).

Critical Appraisal of “From Smart to Wise” by Kaipa and Radjou

This bright red book has a very lofty title, but I believe that the authors were able to live up to the high expectations elicited. One of the first things that I look for in a “self-help” book is whether or not the authors are actually qualified to be giving advice on this particular subject. Kaipa and Radjou have extensive experience as leaders, as well as in coaching and mentoring leaders around them (see quote in box below). With these impressive backgrounds, the authors provide numerous interesting and inspirational real-life examples to demonstrate the main points of their arguments throughout the book.



Many of the concepts in this book seem somewhat self-evident or simply like common sense at first, but, in fact, they are often rarely enacted upon by leaders (e.g., the importance of reflection, willingness to change roles as a leader, etc.).

One interesting aspect of this book was its level of interaction and attempts to get the reader to apply the concepts to his or her life. There were useful tips, ideas, and suggested activities throughout (e.g., for discovering one’s noble purpose). I felt that the real-life leadership cases and stories in every single chapter also served to assist in the application of these principles to the reader’s own life.

One negative aspect of the book is the excessive amount of repetition. A little repetition is good to reinforce points, but this was to a degree that I often found my attention wandering from the topic at hand. For this reason, I believe that a quicker read of this book would be sufficient to draw out the important points. There was also a great degree of repetition in the layout of the book, which would also assist with a quicker style of reading it. I would recommend a quick read of this book to anyone wishing to improve his or her leadership capabilities and style.

Overall, this is a well-written book, which, although repetitive, has excellent points to make and does so through realistic applications and inspiring stories of leadership. It clearly stresses that reading or thinking about these concepts is not enough, but that they must be applied and acted upon in order to progress readers on their own journeys to wise leadership.

“...[the authors] have worked with over seventy companies around the world and with hundreds of top executives in different parts of the world” (p. x).