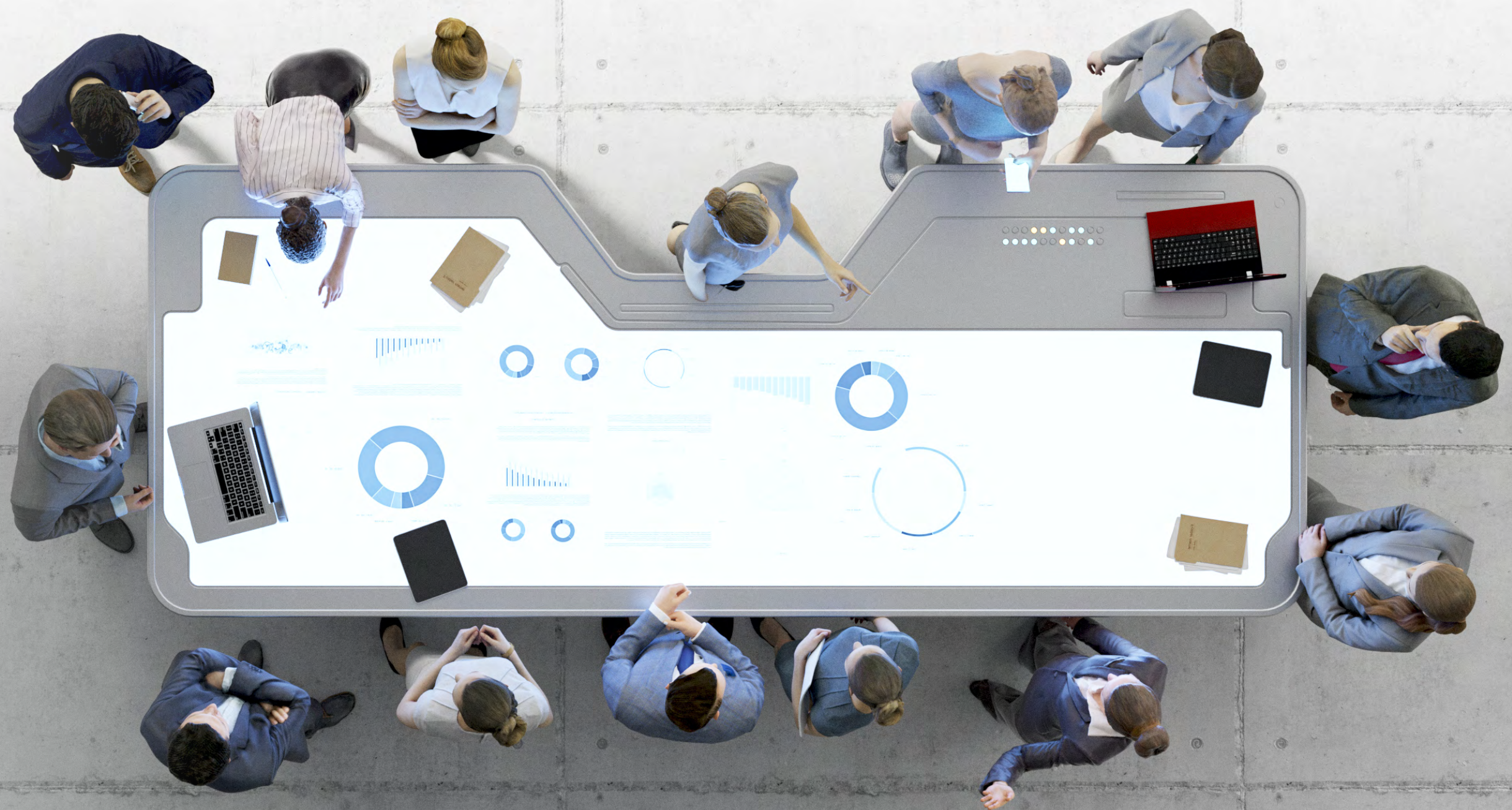




FUTURE-PROOFING BUSINESS WITH BABSON

Re-envisioning Leadership to Build the Future >>

An Entrepreneurial
Leadership Toolkit



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Research and advising from
Babson Executive Education experts

**ANDREW CORBETT &
SCOTT TAYLOR**



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Babson Executive Education has created a toolkit series for future-focused business executives. This Entrepreneurial Leadership Toolkit stems from over two decades of research and consulting from Dr. Andrew Corbett and Dr. Scott Taylor.

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Babson Executive Education Expert and Paul T. Babson Distinguished Professor of Entrepreneurial Studies

ANDREW CORBETT



Dr. Corbett is an expert in corporate entrepreneurship, entrepreneurial learning and cognition, and entrepreneurship education. Named one of the top 3% of all scientific researchers in the world across all disciplines by Stanford University-Elsevier BV for two years running, he was

also ranked in the Top 25 Entrepreneurship Researchers in the World in the *Journal of Small Business Management*.

His thought leadership appears in journals such as the *Harvard Business Review* and the *Journal of Management Studies*, and media outlets like Forbes, Entrepreneurship Magazine, and NPR. Dr. Corbett consults with and teaches corporate clients across the globe.

Babson Executive Education Expert and Arthur M. Blank Endowed Chair for Values-Based Leadership

SCOTT TAYLOR



Dr. Taylor is an expert in studying, evaluating, and developing new approaches in leadership assessment and development. He has worked domestically and internationally with 50+ companies, including Biogen, Coca-Cola FEMSA, Dell EMC, Fifth Third Bank, MCAA, National Football League, Siemens, Office for

Financial Research of the United States Treasury, Pemex Gas y Petroquimica Bsica, and the Smucker Company.

Awarded for his research and teaching, he's published in outlets like *Consulting Psychology Journal*, *Harvard Business Review*, and *Journal of Organizational Behavior*. His research has been featured by Harvard Business Review Idea Watch, MSNBC, *BusinessWeek*, the Society for Human Resource Managers, the Academy of Management, and *The Globe and Mail*.



» TRADITIONAL LEADERSHIP STYLES AREN'T CUTTING IT

Popular models of leadership aren't helping us solve the most challenging problems of business and society. From keeping employees engaged and motivated during the Great Resignation to addressing ongoing problems like Israel and Palestine, healthcare in the US, or the myriad issues outlined in the 17 UN Global Goals, the common models of leadership aren't getting us where we need to go.

Yet leadership development is a \$366 billion global industry—with \$166 billion of annual spending in the US alone. There's clear agreement that these problems are not so complex that they're unsolvable. Leaders simply need more effective tools and approaches to navigate them and get better outcomes.

The Case for Entrepreneurial Leadership

To lead effectively in a world in constant flux, you need to build and nurture an ability to think like an entrepreneur. This way of thinking goes far beyond venture creation. It allows you to act under uncertainty while developing and facilitating opportunities. It is good for you as an individual and good for the health of your company.

CASE

Shifting Focus While Remaining On Brand

David Zamarin '19, presented his water- and stain-repellent spray on "Shark Tank," collected \$200,000 in investments, and launched his startup, Detrapel. This entrepreneurial mindset also allowed him to pivot with the onset of the COVID-19 pandemic, shifting the focus of his company from stain repellent to hand sanitizer and cleaning products in a matter of weeks.

This seamless transition was strengthened through one simple message on the company website: "We're in the business of protection." Detrapel now has an expanding line of products built around this core message.

»» WHAT DOES IT TAKE TO THINK ENTREPRENEURIALY?

There are lots of moving parts to shifting your thinking in a sustainable way, but the general approach can be boiled down into five key steps.

Entrepreneurial Thinking in Five Steps

1. Conduct a series of quick, small-scale experiments with clear goals around what you hope to discover and how you'll measure success and failure
2. Shift your focus from past precedents to new products, customers, and business models
3. Stay flexible while considering the long-game
4. Seek out other entrepreneurial thinkers in your organization for support
5. Remind yourself that inaction is a decision not to evolve

CASE

Leaning into Flexibility with Eyes on the Long-Game

Hilton Hotels CEO Chris Nassetta is a living example of step three in the process of entrepreneurial thinking. To maintain the loyalty of Hilton housekeepers, bellhops, and other frontline workers despite the hotel shutdowns during the height of the pandemic, Nassetta built a Hilton Workforce Resource Center. The center connected Hilton staff with temporary jobs at retailers with increased demand, like CVS, Amazon, and Albertsons.

Highly unconventional, this move demonstrated his willingness to try something new, to take a risk, with the goal of maintaining long-term engagement and motivation with the company workforce.

Entrepreneurial Thinkers Shift Between Two Orientations

A truly entrepreneurial mindset isn't just one simple way of thinking. Instead, it's a willingness and ability to shift between two very different types of thinking.

- **Elaboration Logic:**
Discovering potential solutions and choosing between them
- **Implementation Logic:**
Implementing and executing these solutions

The faster you can shift between these two orientations, the more effective you will be. This helps you refine your approach according to market, competition, and stakeholder feedback—and improve your opportunities.

Entrepreneurial Companies Embrace Cycles of Learning

Shifting between elaboration and implementation logic helps you create cycles of learning in your company or organization. This ability—knowing both how and when to cycle—has to be developed. It is also supported by other elements:

- High social and emotional intelligence
- Getting others to come on the journey with you
- Learning as you engage in the market

» HOW TO MAKE THE CHANGE IN YOUR LEADERSHIP

You may understand the concepts behind entrepreneurial thinking, but creating an entrepreneurial mindset and leadership style for yourself requires ongoing work with a proper outlook, plan, and support system.

Holding Up a Mirror to Reflect on Your Leadership Style Isn't Enough

Most leadership coaches use a straightforward 360 assessment approach. They show you what you look like from a leadership perspective using interviews, personality tests, etc. and then outline your needed changes. Yet recent discoveries in neuroscience demonstrate that this approach doesn't lead to sustained change—a mirror isn't enough.



50 years of research shows change usually fails to stick unless you engage multiple levels in the system in the process of intentional change.

Source: Boyatzis, Smith, Van Oosten; *Helping People Change: Coaching with Compassion for Lifelong Learning and Growth* (Harvard Business Review Press, 2019); Scott Taylor has collaborated with the authors on this research over the past 25 years.

Most Adults Don't Change in Sustainable Ways

- 80% failure rate for losing weight
- 90% failure rate for changing to a healthy diet
- 93% failure rate for reducing stress

Source: American Psychological Association



From the top levels of leadership through high-performing mid-level positions, entrepreneurial leadership is important for anyone who wants to see change and improvement within their department or company.



» PROBLEM-SOLVING MODE SHUTS DOWN LEARNING, CHANGE, AND LEADERSHIP

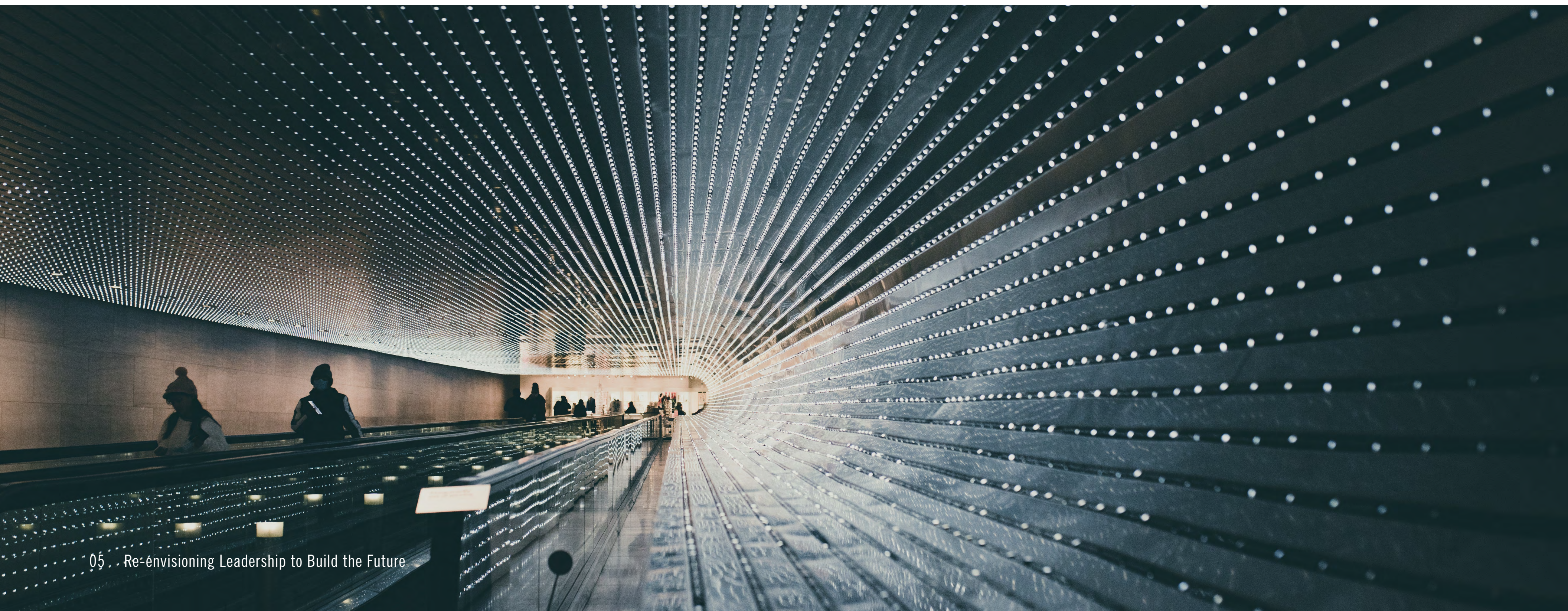
In problem-solving mode, the Analytic Network in your brain is firing—the part that helps you focus, analyze, and decide. Your peripheral vision starts to close in on the problem at hand. This can easily result in an overwhelming increase of negative emotions. This activates the Sympathetic Nervous System—responsible for your “fight or flight” response—and releases hormonal and chemical responses associated with negative emotion.

Chronic stress, so typical of most executives, results in persistent arousal of the Sympathetic Nervous System. Not only does this result in decreased immune system functioning, but it leads to **cognitive, emotional, and perceptual impairment**. Each challenge becomes bigger, and innovative solutions elude your clouded state. The only antidote is to activate the Parasympathetic Nervous System.



The traditional approach to leadership development focuses on describing the problem. The ROI of this approach is typically less than 10%.

Source: Boyatzis, Consulting Psychology Journal, 2008.





» DISCOVER YOUR IDEAL SELF

Engage the Parasympathetic Nervous System

Traditional leadership development focuses on the real or current self. This problem-solving approach engages the Analytical Network and Sympathetic Nervous System (the body's stress response). **Entrepreneurial leadership development focuses on your ideal self—it's built around your aspirations.**

Neuroscience demonstrates that this ideal self is critical for sustainable change. Thinking about your ideal self and aspirational visions for the future activates your Parasympathetic Nervous System—the “rest and digest” state—and the only antidote to stress and its effects. It engages the Empathetic Network in your brain, associated with social awareness, creativity, innovation, and receptiveness to new ideas.

Your ideal self emerges as you ask:

- What impact do I want to have?
- What are my hopes and dreams?
- What do I ideally want to be and do?



The Sympathetic Nervous System (SNS)

Commonly known as the fight-or-flight response, the SNS engages during stressful or problem-solving situations to help you focus and respond quickly. It suppresses creativity and can have a negative effect on your health if over engaged.

The Parasympathetic Nervous System (PNS)

Known as the rest-and-digest response, the PNS brings the body to a state of calm. This helps you think creatively and expand your focus beyond what's immediately at hand. The PNS is engaged by aspirational thinking and connection with others, and it is known to have a positive impact on your health.

Source: Anthony Jack, Harvard Business School Publishing



» BUILD RESONANT RELATIONSHIPS

Recent research demonstrates that intentional and sustainable change is possible at the individual, group, and societal levels.

Leadership is not, in fact, about command and control. **Entrepreneurial leadership is about relationships.** The Parasympathetic Nervous System is activated by resonant relationships—relationships that help you feel optimistic, engaged, challenged, and uplifted. They help you and those you lead feel inspired about the future and its possibilities. In this state, people exceed expectations and even their own sense of what they can do (Case Western Reserve University).

Develop Your Mental Leadership Muscle

As an effective leader, you can't throw analytical thought and problem-solving to the wind. While the Analytic Network (activating SNS) and Empathetic Networks (activating PNS) can't operate simultaneously—and are in fact in competition—positive organizational scholarship based on neuroscience shows that you can cycle between them.

Switching back and forth is difficult, but you can strengthen your ability to do this with research-backed training.

Results of Resonant Relationships

- Intrinsic motivation
- Higher functioning
- Greater adaptability
- Increased innovation and creativity
- Sustained learning and change

Relational leadership drives change in companies and organizations. It assumes leaders view others as capable of change. It supports entrepreneurial mindsets and the unique award-winning approach of Entrepreneurial Thought & Action® developed at Babson.

CASE

Cycling Between Analytical and Empathetic Networks

In her role as Executive Vice President of Corporate Services at Fifth Third Bank, Mary Tuuk learned how to use the ideal self and PNS to build resonant relationships, helping her staff cycle between the Empathetic and Analytic Networks effectively.

When staff were stuck on a problem, she asked them about their vision for more engaging work in the future. This helped them shift from Analytic to Empathetic thinking. She was then able to bring them back to current challenges and goals, but reframed in an aspirational context. The goal was suddenly about more than solving a current problem—it was about advancing a set of possibilities that taps into the bigger picture of a shared purpose.

Source: Boyatzis, Smith, Van Oosten, Woolford; *Developing Resonant Leaders Through Emotional Intelligence, Vision, and Coaching*; *Organizational Dynamics* (2013); note Scott Taylor worked with Melvin Smith to design and teach the program; Taylor also coached the senior leaders from Fifth Third Bank.

» THE FIVE “DISCOVERIES” OF INTENTIONAL CHANGE THEORY FOR ENTREPRENEURIAL LEADERS

A discovery approach can help you make sustained changes in your leadership style. This sequence is both chronological and cyclical. Your growth occurs as you move through these stages, cycling from five back to one for continued growth

Implement this technique for your own growth and development first. Then you can experiment with bringing others along on the journey, building resonant relationships, supporting entrepreneurial thinking, and seeing more success and fulfillment.

1. Defining and committing to your ideal self
2. Determining where your real self diverges from your ideal self
3. Building a learning plan to move your real self toward your ideal self
4. Practicing and experimenting with your learning plan
5. Developing supportive relationships in the context of your change process (ongoing throughout stages 1-4)



Positive and Negative Emotional Attractors (PEA & NEA) pull individuals, teams, and whole organizations toward them. When the Parasympathetic Nervous System is activated by an emphasis on individual and collective strengths put toward a shared vision, PEA occurs. Relate with your team through a focus on possibilities instead of problems. Framing is everything.

Source: Intentional Change Theory, PEA, and NEA were developed by Richard Boyatzis.



WE CAN HELP YOU CHANGE YOUR LEADERSHIP OUTCOMES

When you're problem-solving, you're less receptive to new ideas—and less capable of sustained change. Babson Executive Education faculty know how to help individuals and companies build a different leadership model—one based on entrepreneurial thinking and relational leadership, with research-based processes and support.

Stop looking in the leadership mirror and start building your ideal future.

We Can Show You How To:

- Build relational leadership into your company culture
- Help individuals and teams shift between elaboration and implementation logic
- Develop cycles of learning for your company or organization
- Develop an entrepreneurial mindset
- Reimagine your leadership style

Babson Executive Education Faculty

Our faculty experts can advise and support execution on any topic. What we deliver is based entirely on your unique needs.



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