

## Leadership DNA for Start-Ups

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### 1.0: Abstract

India is attracting a lot of attention when it comes to entrepreneurship and start-ups. The Liberalization, Privatization, and Globalization efforts of the Indian government in the early nineties opened up the various sectors of the economy to private sector and foreign participation. When the multinational companies started establishing their businesses in India, they brought along with them best practices in management that had enabled them to become successful in the world arena. As a result, our young managers who were part of these companies in India were exposed to a great amount of learning in terms of how to successfully lead and manage companies. After going through the learning curve, many of these managers ventured out on their own to establish start-up companies. As a result, over the years, sufficient traction was built, and today, India ranks third amongst the start-up ecosystems in the world and has been billed as the youngest start-up nation in the world.

Whilst the above is good news, the high rate of start-up failure is a cause for concern, as it results in erosion of capital and job losses. Keeping this in mind, it is imperative to examine the role that leadership plays in the success of start-up ventures.

This qualitative and exploratory research paper looks into the crucial role of “**Leadership DNA for start-ups**” and tries to bring forth the leadership qualities and capabilities that the entrepreneurs should necessarily have to sustain their ventures over a long period of time

**Key words:** start-ups, leadership, leadership theories, entrepreneurship, leadership styles

### 2.0: Introduction

Of late, India has been attracting a lot of attention for being the fastest growing start-up eco-system in the world. Amongst all the cities in India, Bangalore attracts the maximum number of start-ups due to the excellent eco-system that exists for creation of start-ups, and as a consequence, Bangalore also attracts the maximum funding that start-up ventures receive in the country.

While on the one hand, the high rate of new venture creation is good news, as it not only leads to generation of thousands of jobs but also has a direct bearing on the economy of the country. On the other hand, the high rate of failure of the start-ups is a cause for concern. The new venture failure rate is almost equal to the new venture creation rate in the country. When start-ups fail, they impact the economy in a negative way due to job lay-offs, and improper utilization of capital, not taking into account the emotional and psychological turmoil that people who are involved with failed start-ups go through.

In the above perspective, it is prudent to examine the relationship between leadership skills and the success/failure of start-ups. An innovative business idea alone does not guarantee success. The innovative business idea has to be complemented with capable leadership.

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