Leadership 101: The Foundations of Good Leadership

The Power Moves | 27 January, 2021 | by Lucio Buffalmano

Everywhere you turn there is someone talking about leadership and how to be a good leader.

And albeit there are indeed some great resources on leadership, sometimes I feel that the fundamentals of leadership are not stressed enough.

So in this article, you will learn what are the most foundational, basic rules of great leadership.

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Leadership: Give & Take

Remember the model of social exchange?

It says that social relationships are exchanges where to get something, you need to give something.

Well, the same model that forms the basis of social relationships, also forms the basis of leadership.
After all, **Leadership is just another form of social exchange** ("service for prestige", Price & Vugt, 2013).

And in that exchange, there are certainly major benefits for the leader.
But there should be benefits for the followers as well, otherwise many people wouldn't line up to follow him, be influenced, and/or execute the leader's tasks.

Leadership Failure: The Taker's Approach

Remember the all too common "WIIFT" failure of social exchanges?

"WIIFT failure" refers to people who fail to see that, to receive, you also need to give.

Well, the same basic failure of WIIFT we saw in social exchanges also applies to leadership: poor leaders focus on what *they* want -often the leadership position-, and forget about what they must give to reach that position.

On the other hand, **good leaders focus on what to provide their followers in order to earn the leadership position** -and benefits-.

Because there are obvious benefits to leadership.
And it's al good to want those benefits –*especially* if one is well-suited for that leadership role-.
Good leaders also want those benefits. But **good leaders have a mindset that they must *earn* the leadership's benefits**.

A quick litmus test for leaders' mindset

Ask yourself:

Does the leader candidate seek leadership for a goal is he pursuing, or for the benefits of the position? People who put the benefits before the duty tend to make for poor leaders.

Example:

> **Tracy**: And I volunteered for every committee. As long as I can lead it.

That's the attitude of the benefits' hunter -in this case, resume'-.
Those tend to make for poor leaders because they put their personal goals first, second, and third. And if the organization or people around them do badly… Too bad for them.

Value-Giving Leadership: The Only Possible Leadership

Giving is part and parcel of any win-win, healthy, and stable social exchange.

And the same is true for leadership.
As a matter of fact, that's even more important for leaders.

Why so?

Because, as a rule of thumb:

Leaders who give nothing to their followers struggle to recruit and keep followers.

There are exceptions, of course.
But these exceptions confirm the rule.

The exceptions confirming the rule: value-taking leadership

Some leaders do keep followers in a value-taking leader/follower relationship.
Many of these followers might not see or define the relationship as value-taking, though, or they wouldn't follow their leaders in the first place.

That's why external observers are crucial to assess leadership, and you can't always only rely on the followers themselves.

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And sure, there can be a degree of subjectivity in assessing what's value-taking and what's not.

But it's not *infinitely* subjective.

Enter: cults.

Most people inside of cults see their leaders as Gods on earth.

But most people outside of them see them as dangerous lunatics.

Albeit cults are at the extreme, the same concept applies to the whole spectrum of value-taking or value-adding leadership.

Now, some of you aspiring cult-leaders might think: "I don't care about being value-taking or value-adding, I just want to be a leader".

Well, OK.

But there is still a problem with that approach.

The problem is:

Who are you going to lead with a value-taking leadership?

Let's see:

The law of the lid: leaders are the upper bound

Who would keep following a leader who is unable to add value?

Or worse, a leader who takes value, or leads people on a self-harming path?

Exactly…

High-quality people don't often get stuck with value-taking leaders.
People who follow non-value-adding or value-taking leaders tend to be low-quality people.

This principle is similar to what leadership author John Maxwell calls the "law of the lid" ([Maxwell, 1998](#)).

For Maxwell, the law of the lid postulates that the effectiveness of the organization is limited by the effectiveness of the leader.

I expand Maxwell's "law of the lid" to the *type* of followers a leader can get.

This expanded law of the lid states that:

> The value of the leader is the upper bound of the organization's effectiveness, as well as the upper bound of the followers' value

To understand concepts, sometimes it help to think in extremes.

And in extreme terms, think of it like this: a drug addict homeless would hardly get the movers and shakers of this world as his followers.

And if Bill Gates wanted to mentor new start-up entrepreneurs, you can bet that he could probably find the best and most driven entrepreneurs to listen to him.

Makes sense, right?

So, if you want to lead great people, you know what you gotta be: be a great leader.

> **If you want to lead great people, become a great leader.**
>
> *The Power Moves*

Below is a very good real-life case study of the dynamics under a value-taking leader.

Check it out as it also includes social dynamics and social strategies among groups of friends with a poor leader:

- **Failure of leadership**: the real-life story of a group of friends disbanded after poor leadership. Includes WIIFT failure, and law of the lid (subscribers only)

The Good Leader Starts With Himself First

How exactly do you start on a path of becoming a great leader?

Well, a famous quote from Viktor Frankl springs to mind here:

> For success, like happiness, cannot be pursued; it must ensue.

It's the same for leadership:

> **Leadership cannot be pursued, it must ensue**

In simple terms: you can't be a great leader if you haven't worked yourself up to be a great human being first.

Great leaders start from the inside out, from self-development.
Great leaders develop themselves into high-quality human beings, and then people *want* them to be leaders.

When you're a high-quality human being, it also means that you're high-value.
And that means that you have a lot to give.

Giving of course must not be exclusively *material* giving.
As a matter of fact, the best leaders give *more* than material benefits.

Which leads us to another crucially important axiom of leadership.

Transcending Material Exchanges

We also said that the exchange model has its limits.

The exchange model, albeit it never stops being relevant, becomes *less* calculative when relationships grow closer.
When people grow closer and start liking each other, they also pay less attention to social accounting.
One, because they trust they will probably get something back in the future or when they need something.
And two, because they feel pleasure in giving to people whom they like.

Well, the same is true for leadership.

Leader-follower relationships can also transcend a more pragmatically materialistic mode.
That can happen in many ways, including:

- People admire the leader
- People believe in the leaders' goals
- People feel a sense of belonging with the group
- People make friends with other group members

In psychology, these drivers of states and behavior are called "intrinsic motivators".
Intrinsic motivation is crucial for leaders.

It's important because in a purely exchange-based model motivators are based on material benefits (extrinsic motivators).
And when people are not primed to intrinsic motivators, they *only* take action if there is something that materially benefits them.

As we shall see, that is a huge handicap for any leader, and it disempowers them.

To quote psychologist and leadership expert Haslam:

> For this reason, as a host of commentators have remarked, evidence of leaders attempting overtly to manipulate followers by means of either reward or punishment is an indicator not of their leadership's success but of its failure.

This is not to say, of course, that environments -or people- that work better under transactional approaches don't exist.
They do.
Intrinsic motivation might have little appeal for very cynic or very money-driven folks.

But there are plenty of people and environments that work better when we leaders can add *something more* than pure transactions.
We might even say that leaders that go beyond transaction are the only leaders who truly harness the human potential.

The limits of transactional leaders

Some leaders never move beyond a transactional model.

It's, again, a question of mindsets.

Transactional leaders believe that human beings are motivated primarily or *only* by self-interest. Acting on their belief, they attempt to influence behavior with mostly or only with material rewards and punishments ([Burns, 1978](#)).

But in their belief, they miss out both on the emotional aspects of human relationships, as well as the "higher" ideals and drive.
And they are no less real than the more pragmatic and materialistic ones.

And while transactional leadership is valid in some environments, we can generally say that leaders who never move beyond the transactional nature of leadership tend to be poor leaders.
And this is especially true when they lead people who would also appreciate more emotional rewards and intrinsic motivations.
We will see examples in the next lessons.

As we shall see, when people access higher ideals, they contribute to the group or to the leader's cause even if there is nothing practical in it for them.

Both elements are crucial for effective leadership.
Great leaders make sure to provide material benefits whenever applicable, while *also* influencing people to transcend the pragmatic give & take.

The rule of thumb is that, whenever you can afford it, **you want to fulfill all needed and basic extrinsic motivation, and then focus more on intrinsic motivation**.
In a business environment, that means that you provide as much salary as it's needed for a comfortable life, and then focus less on material benefits, and more on the goals and values of the team.

Power Dynamics of Leadership

Now we go back to a principle we already discussed:

Exercise your power with as little dominance and coercion as possible.

We might even argue whether or not power based on coercion is even leadership at all.

To be precise, coercion, force and threats, of course, can work and be effective.

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But it's mostly effective with powerless individuals who need you far more than you need them, who have no other options, and who are not in a position to ever walk away.

Those are not situations you are very likely to encounter in today's world.
And especially not when dealing with other high-value folks, who tend to have plenty of personal power and plenty of options.

The other problem with coercion is that it's resource-expensive.
It requires you to spend resources in overseeing people, and it erodes goodwill and social capital.
This is the opposite of what happens with value-adding leadership, and intrinsic motivation.
See here:
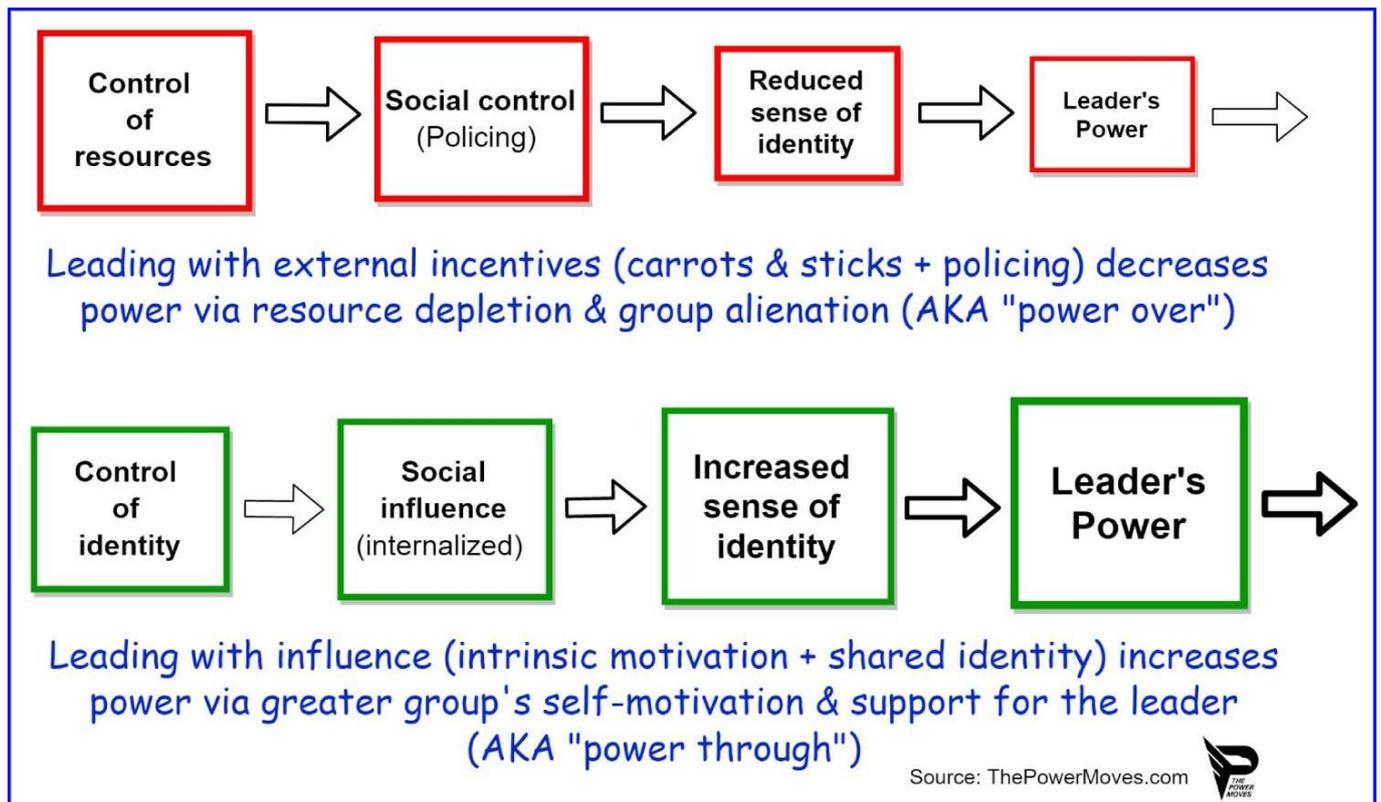
Also read:

- **Power over VS power through**

And the same can be said for extrinsic motivation only:

To quote Haslam:

> **As Machiavelli observed, mercenaries make bad followers.**
> **So do slaves.**
> The naked use of power is neither a badge nor a secret of a leader's influence.

The Commandments of Great Leadership

The 9 commandments of great leadership:

1. Good leadership starts with my own self-development

2. Win-win is possible, and preferable

3. It's my duty as a leader to provide value

4. It's my duty, as well as moral responsibility as a leader to set the example -and to be a generally

exemplary human being-

5. Man shall not live by bread alone (Matthew 4:): People are beautiful creatures that want to matter and do go deeds. It's my duty as a leader to also address the emotional side of leadership, make people feel good about being part of this group, make them matter and, as much as possible, to make them feel good about themselves and about life in general

6. I pull people up: strong leaders know that their group is only as strong as the people in it. And pulling those people up makes the *whole* group stronger.
Strong leaders are confident in their top position, and that's why they avoid social climbing, which usually happens more around the middle of the pack.

7. Power is best exercised with influence, then coercion (ie.: make people *want*)

8. Get the job done: Channel higher ideals into positive action, which ultimately lead to accomplishments. If we're working towards a specific goal, it's my duty to make sure we reach that goal

9. Once I set the example, provided guidance, and helped the team grow, then it's also fair that I get the leadership benefits

Leadership Styles

There are different ways of grouping the different leadership styles.

My usual take is not to make too much of groupings.
But they can be helpful to understand larger dynamics, understand your propensities, and where you need more work.

One of the most popular breakdowns of leadership styles comes from Daniel Goleman ([Goleman, 2001](#)).

Goleman describes six different types of leadership:

Pacesetting	**Coaching**
Primary objective: Accomplishing tasks to a high standard of excellence	**Primary objective:** Long-term professional development of staff
- Leads by example or 'modelling' - Has high standards and expects others to know the rationale behind what is being modelled - Is apprehensive about delegating - Takes responsibility for tasks away if high performance is not forthcoming - Has little sympathy for poor performance - Sees coordination with others only as it impacts the immediate task	- Helps staff identify their unique strengths and weaknesses in the light of their aspirations - Encourages staff to establish long-term development goals - Reaches agreement with staff on both the leader's and their own roles in the development process - Provides on-going advice and feedback to facilitate staff development - May trade off immediate standards of performance for long-term development
Visionary	**Commanding**
Primary objective: Providing long-term direction and vision for staff	**Primary objective:** Immediate compliance
- Develops and articulates a clear vision for the organisation - Solicits staff perspective on the vision, without surrendering authority - Sees selling the vision as a key part of the job - Persuades staff by explaining the 'whys' behind the vision - Sets standards and monitors performance in relation to the larger vision - Uses a balance of positive and negative feedback	- Gives lots of directives - Expects immediate staff compliance - Controls tightly, through close monitoring - Relies on negative, corrective feedback - Motivates by stating the negative consequences of non-compliance
Democratic	**Affiliative**
Primary objective: Building commitment among staff and generating new ideas	**Primary objective:** Creating harmony among staff and between leader and staff
- Trusts that staff have the capability to develop the appropriate direction for themselves and the organisation - Invites staff to make decisions affecting their work - Reaches decisions by consensus - Holds many meetings and listens to staff concerns - Rewards adequate performance and rarely gives negative feedback	- Promotes friendly interactions among staff - Places less emphasis on task directions, goals and standards than meeting staff's emotional needs - Pays attention to and cares for 'the whole person' and stresses things that keep people happy - Identifies opportunities for positive feedback but avoids performance related confrontations - Rewards personal characteristics as much as job performance

Source: https://www.thecolourworks.com/leadership-styles/

See the full picture [here](#).

1. Pacesetting Style

Demands and expects excellence and results.

When: when you are leading a group of highly driven individuals, especially if they are competent and/or have a learner's mindset.

When not: when your team is not skilled, or when it's thin-skinned. In those cases, they can feel overwhelmed and "not good enough".

Improve on: you can frame your high demands as "tough love", so that even when you push or criticize, people always know that you still care about them. This used to be my style when coaching, and it helped a lot to minimize the negative impact when I was being a bit too forceful in my demands.

2. Coaching Style

Helps develop people over the long term.

When: It's very good when you have the skills and knowledge to help the team grow *and* the team is eager to learn.

I also recommend you do some coaching or seek to advise followers and team members to show that you care personally. Caring personally has been shown to be a driver for both performance and increased motivation ([Gallup research](#)).

When Not:

1. when the team is more experienced than you are
2. when they don't yet see you as an authority and/or someone to look up to
3. with unmotivated employees
4. with employees who don't want to change or don't care about improving
5. with employees with a fixed mindset (ie.: they don't believe they can improve)

Improve on: Instead of teaching people make them want to learn, and ask to learn.

How to do it?

There is a very simple way.

Show the positive effects that your mindsets, habits, and skills have on your life. Your upbeat mood, your passion for work and life, and your results.

3. Visionary Style

This is the leader who rallies the troop behind his grand vision and dreams.

When: Can work well when the business or team is adrift and down in spirits. Then a new vision of change can be invigorating.

It also works well in professions and fields that are high in intrinsic motivations, such as NGOs or "change the world" startups.

Finally, you can go for this style when you don't really have anything concrete to offer, and a "vision" is the only thing you have.

For example:

> **William Wallace**: Defiance of tyranny (…) Never take our freedom (…)

William Wallace had nothing to offer in terms of extrinsic motivation, so his speech is all about intrinsic motivation: high ideals, and a vision of future freedom.

When Not: It's not effective when working with a team of experts who know more about the leader. In this case, they can become disillusioned and cynical about the leader. Imagine them thinking "this idiot knows nothing, and he wants to lead us to a promised land?".

Improve on: You need a touch of vision and some grandeur. People want to aspire to something bigger and immortal.

Calibrate to the audience though, and never go so overboard that you come across like a dreamer who's lost in his own dreams and unmoored from reality. People also need a leader who can make things happen in the real world, and that sometimes requires some good old realpolitik.

4. Commanding Style

The commander, sometimes also called "authoritative", bellows order and demands immediate compliance.

When: It can be effective during disasters where a quick and energetic response is needed. Business turnarounds can also require a stronger approach, and difficult or very lazy employees can also provide

more output under a commanding style.

In the army or in army-like environments it's also OK.

When Not: Any time you're not in crisis mode it's best to avoid. And it's also bad with high-quality people, since those tend to demand better treatment.

Exceptions apply in some army units, where even high-quality and high-power folks know that it's part of the game and not a personal slight against them.

5. Democratic Style

The democratic leader hears everyone and builds consensus.

When:

1. When the team knows more than you do
2. When you will reach a better decision listening to more people
3. When you have no formal authority and need people's buy in.
4. When you want to strategically increase intrinsic motivation since people take more ownership when they feel heard and understood (often work even though the decision was not what they wanted)

When Not: When you need to take quick decisions, or when you realize that meetings and decisions are taking too long.

Also keep in mind that it's possible to overdo this style. If there is *too* much democracy and little decision making, people can feel like they are in a leaderless organization.

Improve on: You can start with a democratic style, and if decisions take too long, you step in to reduce the options, call a vote, or guide the team. You can also narrow down to a few decisions you like, and have the team discuss and vote.

6. Affiliative Style

Leaders focusing on harmony and human connections. They provide encouragement, support, and lots of praise.

When: after you have delivered criticism that was "too much", or when the team is exhausted and down in spirits. Then you can focus on the relationship side of things to mend relationships or rebuild goodwill.

When Not: when you need laser-focused performance and when you need to push to reach certain objectives. It's also poor when you have slackers in the team, as they can take advantage of an affiliative leader.

Improve on: Use this style to help foster friendships among the team. Friendships have been proven to be an important driver of performance as well as of intrinsic motivation to show up and do good work (Gallup research).

I like this style, but in many situations you also need to make sure that people know you're the leader, and not just another team member. And you need to provide corrective feedback or criticism as needed, or people will not improve.

Best styles

What's "best" depends on the situation.

And, unsurprisingly, Goleman says that the best leaders are those who can switch from one style to the other depending on the situation.

However, pacesetting and commanding styles should be limited in time and space or they will poison the

environment and lead to poorer results.

Daniel Goleman calls "resonant leaders" the leaders who understand human nature and leverage that knowledge to get the most out of people.
Resonant leaders embrace emotions and humanity.
Resonant leaders are: visionary, coaching, affiliative, and democratic.

Dissonant leaders instead don't understand human nature, ignore it, or actively try to cut it out.
Of course, that doesn't work too well most of the times.
Dissonant leaders are: pacesetting and commanding.

I now add two more styles which I feel are important but that are missing in Goleman's overview:

7. Servant Style

Servant leaders focus on the needs of others, be it their followers and/or the organization they serve.

Servant leaders care less about their own personal power, and more about the achievement of their goals as a team, and/or the success of their organization. So their leadership is rarely top-down and tends to be more collegial.

Some researcher believes the servant leadership to be one of the most versatile styles (Wong, 2003):

	Autocratic	**Paternalistic**	**Laissez-faire**	**Servant**
Attributes	Oppressive dictator	Benevolent dictator	Detached or weak	**Empowering / Caring**
Motive	Control	Loyalty	Disengage	**Develop workers**
Power	Coercive	Reward	Hands-off	**Inspiring**
Effects	Fear	Dependance	Independence	**Commitment**
Best for	Irresponsible / Defiant	Dependent / Immature	Creative / Mature	**All types**

My advice is to develop some aspects of servant leadership.
For example, by making the ultimate goal of the organization the ultimate goal for everyone.

That's also a *great* attitude to increase your reputation as a true professional.

On the other hand, make sure you remember this: a servant attitude never means that someone steals your credit or shortchanges you of your fair share.

8. Bluster Leadership Style

This is a typical "the power moves" addition.

This style is Donald Trump to a T.

Just some examples here:

> **Trump**: One of them said it was the single greatest meeting I've ever had with anybody, it's the highlight of my life

Contrary to what some might think, I advise to add some bluster to your leadership.

Too many managers are often too boring or grey, and they fail to motivate and empower.

A touch of bluster can be helpful, in that sense.

Think of it like "fair marketing value" or, exceptionally, think about "romancing" when an extra push is needed.

Also, as a rule of thumb, **use bluster to highlight the wins of the team, not yours**.
Bluster used to highlight your wins is narcissistic.

Example from Trump:

> **Narcissistic Bluster**: It's the largest winery on the East Coast, I own it 100%, no mortgage, no debt, you can all check, you should have to go check the records folks, in fact the press I'm asking to please check (…) one of the greatest vineyards of all time, I mean there is nothing like it

Instead:

> **Value-adding Bluster**: Team, this is a memorable day. What we have achieved is unbelievable. What <u>you</u> guys have done is unbelievable, nobody ever before has ever created a better machine. I don't say this lightly, but I've been in many teams in my life, and I must say… You guys are the best team I've ever been in.
> I'm proud to be here with you.

The "We" In Leadership

To be a great leader, we must understand leadership from the point of view of the team.

Researcher Haslam says that this is what a team wants from his leader:

1. The leader must be "one of us"

The leader must be similar to the team so that the team can recognize him as "one of us".
Ideally, the leader is similar in some key features.
And if the leader wants to move the team in new directions, he should positively embody those traits.

For example, in the video we saw above of a warrior wanting to lead his men into a battle, the leader should embody those values of fearlessness, and love for freedom.

A leader of a team fighting for environmental preservation should himself love and protect the environment.

2. The leaders should differentiate "us" from "not-us"

The smart leader who wants to strengthen the identity of his team must also differentiate what it means to being "one of us" from being outside of the group.

Being one of us in the group that fights for environmental preservation is different from people who don't care about the environment in many ways.
For example, they say "no" to an additional shopping bag at the checkout, they drive electric cars, etc. etc.

3. The leader must do it "for us"

The most beloved leaders act in a way that brings benefits to the team (we go back to the basics: value-giving).

This is where enlightened collaboration and fair marketing also apply to leadership: the smart leader will always frame his action as advancing the interests of the team.

3. The leader must craft a "sense of us" (social identity)

This is what Haslam calls "entrepreneurs of identity".

It's especially important when a group is forming, or when you are changing directions.
It's about describing what you stand for, what your values are, and "what it means to be us".

To leverage the group's support leaders must work hard to ensure their policies and ideas are aligned with the group's identities.
As a matter of fact, if you want to make your policies more popular, always frame them as aligning with the sense of identity.

At the same time that the social identity enables leadership, it also constrains leaders as they can't act in opposition to the social identity and still be legitimized as leaders.

But remember that "entrepreneurship of identity" is somewhat fluid, and you can add or remove different values. Just make sure you are not too abrupt with it.

Example:

When Bush sought support for his Iraq invasion, he leveraged Americans' identity as "standing for world good", and "having a moral duty" to promote freedom and democracy.

4. The leader must "make us matter"

Haslam calls the leader who excel in this area as "embedders of reality".

It refers to transforming plans into reality. Vision only carries people so far and eventually, leaders must show the group they can matter, impact the world, and bring about the changes they seek.

This is also where some bluster can help.
Bluster bridges the gap between vision, motivation, and reality. It promotes the successes, links them to the vision, and makes the group feel powerful, empowered, and special.

Leaders Must be Similar, But Exceptional

This is a key dichotomy of leadership.

Says Haslam:

> Leaders can be ahead of the group, but never so far ahead that they are out there on their own.

To represent the group, the group wants its leader to be similar to them and, in a way, like them.
Yet, they also want leaders to be exceptional.

In The Power Moves' parlance, you want to be similar to the team you lead, but you want to be one of the highest value members of that team.
In what you want to be high value varies from team to team.
But there are a few evergreen values that matter in almost all teams, and they include personal values, ethics, ownership, and work ethics.

Learn More

This is a preview from **Power University**, where you can find more examples, strategies, and techniques.

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