

The rule of three: A unified theory of leadership

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There is an underlying structure and logic to leadership, but it is hidden within a fragmented and confusing welter of partial information and misinformation. Every year, there are 2,000 books published about leaders and leadership, and each teaches us different lessons. Add to that the untold number of leadership seminars, motivational speakers, executive coaches, and leadership ideas taught in business schools and corporate training centres – fragmentation and confusion are unavoidable.

The problem is that there are too many divergent approaches to leadership and little, if any, guidance on how to select the right theory for any specific situation. There's little or no acknowledgement that any one leadership approach won't work in all situations, or even in a significant number of situations. There's little guidance on how to size up a situation or how to figure out how to deal with the followers (and other stakeholders) in the situation.

Do we follow Rudy Giuliani's fourteen guidelines from his book *Leadership*? Do we adopt John Maxwell's *21 Indispensable Qualities of a Leader*? What if we follow the advice of Warren Bennis and Jane Goldsmith's *Learning to Lead*? Should we lead quietly, as Joseph L. Badaracco, Jr. counsels in *Leading Quietly*, or approach leadership as an art rather than a science, as Max DePree urges in *Leadership Is an Art*?

Each of these theories solves part of the leadership puzzle, but none of them covers it all. So if you apply any of the theories, you'll improve your leadership abilities because some aspects of any theory will apply to some aspects of any situation. This explains why so many people will swear that one approach is the *right* one, because whichever theory you apply conscientiously will improve your leadership – to an extent. But that doesn't make the theory *right*; it's just part of a bigger picture.

And just as every theory can be right, they can all be wrong as well,

depending on the situation. A theory that works well under some conditions fails miserably under others. None of them can be relied upon to guide every leader in every situation – nor can the aspiring leader predict which theories will work under which conditions.

It is unequivocally a myth that a good leader can lead successfully in any situation. Does anyone really believe that Gandhi could have led an armoured attack across Europe as successfully as General Patton? Different situations call for different leadership capabilities.

It's also common leadership lore that people in demanding situations rise to the occasion. "Leaders are forged in the crucible of stress," they say. True – but it's just as apparent that the "crucible of stress" crushes at least as many people as it turns into leaders.

Many gurus will freely admit that what we need is a unified theory of leadership, one that brings together years of experiential evidence to reinterpret what leadership really is.

The unified theory presented here is a template of the fundamental structure of leadership. It's a structure that is valid for all leaders – in all situations.

The rule of three

The first premise of the unified theory of leadership is that leadership isn't just something that leaders do. Rob Goffee and Gareth Jones are on the right track – leadership is situational and relational. Leadership is a three-part phenomenon generated from the interaction of leaders, stakeholders (the relational dimension) and conditions (the situational dimension). This is a view that is becoming common currency amongst leadership thinkers, who are beginning to realise that the leader-based and trait-based views of leadership are only part of the picture.

As Barbara Kellerman says in her book *Bad Leadership*: "Leadership scholars used to think that the leader's traits were more important than any other variable to the way leadership was exercised. But now they're more sceptical. Traits considered essential in some situations are now seen as virtually irrelevant in others." She adds, "It is now widely agreed that to over

stakeholders operate. The leader is the catalyst. He or she promotes a vision and makes things happen. But the leader can accomplish nothing without adapting to the stakeholders and the conditions.

Leaders need two kinds of capability to succeed. First, essential leadership capabilities – which are the capabilities required of all leaders, regardless of context – and second, situational capabilities – which are the additional skills required for success in specific contexts.

These three forces – leaders, stakeholders, and conditions – interact to generate the phenomenon of leadership.

In his book *On Leadership*, John Gardner identifies context as a key determinant of successful leadership. For Gardner, context includes the conditions or environment in which the leader operates, as well as the constituencies (i.e. stakeholders) who the leader seeks to influence.

Gardner states that it is not just the leader who creates leadership – the conditions and stakeholders also have a shaping effect on the leader. This is a revelatory thought for many students of leadership. Generally, leaders are effective either because they are innately well matched to the

brought into a think tank consulting firm to shift it from its stagnant, paralysis by analysis way of doing business into a more dynamic, aggressive kind of consultancy. The sales executive usually relies on his charisma to motivate people. He is a dynamic, energetic speaker who thinks quickly and instinctively. The consultants in the think tank are intelligent, cautious thinkers, suspicious of hype and resistant to new fangled business-speak and concepts like motivation if spoken with a transatlantic twang.

Clearly, if the new executive had employed his usual methods he would have alienated the consultants straightaway. Instead, our energetic executive assessed the situation and modified his behaviour. Rather than encouraging the consultants to walk the walk and talk the talk, he held one-to-one meetings, wrote strategy documents and relied on the services of credible outside experts to persuade the consultants to modify their behaviour. As a result he moved the think tank into a new mode of operating. He was successful because he adapted his leadership method to suit the client.

The proactive party in this transition was the new executive, but his way of leading was shaped by the

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emphasise the leader's traits is to under emphasise other important variables – such as the situation, the nature of the task at hand, and of course the followers."

The unified theory of leadership states: Leadership is the result of the combined influences of a leader interacting with and adapting to stakeholders and conditions.

Stakeholders include anyone affected by the business or influential in shaping conditions, and whom the leader seeks to influence. Conditions are the environment, or circumstances, in which the leader and the

conditions and their stakeholders, or because they see what is necessary and modify their behaviour to suit the situation.

Stakeholders don't always act proactively to shape the leader, although that can sometimes happen. Usually, the leader is the proactive party, adapting to the context. If the leader lacks the necessary capabilities or is unable or unwilling to adopt them, the result is ineffective leadership and eventual replacement by a different, more capable, leader.

Consider a hypothetical example. A successful sales executive is

realities of the situation and his understanding of what was needed. He integrated himself into the culture and norms of the think tank in order to bring about the necessary changes. Despite this, it was the consultants' needs and expectations that were the primary shaping influence. The result was a successful interaction between the new executive and the consultants. In this example, the "interaction" was relatively passive on the part of the consultants and proactive on the part of the new executive – but it was interaction nonetheless.

The value of this hypothetical →

→ example becomes obvious if we think of it in terms of our own experiences or observations. Most people will have noticed that leaders fail in some situations and succeed in others, that successful leaders often become unsuccessful with time, and that unsuccessful leaders sometimes find success in new endeavours. Why is this? Why is an effective leader not always effective and why does an inept leader not inevitably fail?

Because every leader is unique, every situation is unique, and every stakeholder population has its own dynamic. Great leaders emerge when their capabilities are a match for the conditions in which they operate and

The essential four

There are four capabilities that any leader must have in order to be successful in any context. They don't guarantee success – but success will not come without them. **Strategic thinking, commitment to purpose, right action** and **motivational influence** are the essential capabilities, because all effective leaders in any context must have them.

Strategic thinking is the ability to formulate a vision and to articulate it clearly in words and images. It includes the ability to identify opportunities and alternatives, and to understand the need for change or the need not to change. The leader

to a purpose is based on deep conviction. Commitment is most critical when conditions are at their worst and opposition is strongest. This is when weak leaders fail but effective leaders persist. Persistence means having the motivation to create the right action; as opposed to continuing because of stubbornness.

Commitment to self must be subordinate to commitment to purpose. We have all seen leaders whose primary purpose seems to be self-promotion. Many politicians and corporate climbers fall into this category. Ego and a certain degree of self-promotion are normal and useful for successful leaders, but they must

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the stakeholders they seek to influence. Almost always, this requires a degree of adaptation. When there is no match, there is no leadership.

Leadership is a continuous, dynamic process. And it's not always clear which component of that process has the greatest influence. Leadership, then, is a symbiotic phenomenon – a complex dance of forces, shaped by the capabilities of the leader, the nature of the stakeholders, and the dynamics of circumstance.

can see the larger picture and devise a strategy that will lead to the realisation of the vision. Finally, strategic thinking includes the ability to see beyond rules and conventional wisdom and even to invent new principles, rules and ways of behaving.

Commitment to purpose is the determination, dedication, and energy to make the vision a reality. It means being committed to the vision in the face of obstacles, opposition, uncertainty and risk. The strongest leaders are those whose commitment

be secondary to purpose.

Right action is the ability to do what is most effective whilst obeying an ethical code. It includes discernment, judgement and sound decision-making. It means the ability to see what's important, to understand available choices and to make sound, practical decisions. Right action is a synthesis of these three parts – effectiveness, ethics and bias for action.

Warren Bennis has said, "A leader does the right thing," and others have expanded that observation to

Leadership contradictions

While many ideas about leadership seem contradictory, the unified theory shows that, amazingly, they can all be true...depending on circumstances. Here is a sampling:

- Leadership is charisma and style. It's mystical and intangible. It's an art.
- Leadership is logical and rational. It's a science.
- Leadership is inborn, innate, instinctive, not learned or developed. It's a talent.
- Leaders are created by their life experiences, education, and training. Leadership is learned. It's a skill.
- Leaders lead through power, fear and greed.
- Leaders lead through inspiration, altruism and the self-interest of their followers.
- Leaders lead from the front. They lead by example.
- Leaders lead by directing others from a strategic vantage point.
- Leaders are loners.
- Leaders are collaborators and team players.
- Leaders are creative, imaginative, flexible and opportunistic. They take the course that has the best chance of success.
- Leaders are focused, steady, single-minded and committed. They follow a set course from which they don't deviate.

say that a leader does the right things right. But right action is more than that. It's doing the right things right, right now.

Motivational influence is the ability to communicate the vision and strategy and infuse stakeholders with enthusiasm, dedication, and some of the leader's own commitment. It includes the exercise of appropriate and effective forms of power and persuasion.

Leadership depends on the interaction between leaders and stakeholders.

Some experts believe that the exercise of influence in the form of force or coercion isn't leadership at all, and that true leadership has to touch the hearts and minds of followers. This is a fallacy. The test of leadership is effectiveness. A leader who achieves evil ends through unethical means and brute force may be judged evil and unethical – but may still be effective. Of course, such leaders are undesirable. But it's not useful to ignore their leadership qualities because we do not like their actions – and it would be worse to deny their effectiveness because we deplore their methods.

Reading the context

In addition to the essential capabilities, strong leaders need context-specific traits and skills – defined as **situational capabilities** because they enable the leader to adapt to the conditions and stakeholders that the leader encounters in a specific situation.

The list of potential situational capabilities is virtually unlimited. Some examples include: charisma, courage, intelligence, aggressiveness, patience, humility, eloquence, sense of humour, status, and appearance.

Some situational capabilities are strengths because they enable the leader to be effective with the prevailing stakeholders and conditions. On the other hand, some capabilities have a negative impact and are weaknesses that detract

from the leader's effectiveness. And frequently, a situational capability that is a strength in one context can be a weakness in another. Consider again what would have happened with Patton and Gandhi if their roles had been reversed.

An example of a situational capability is physical strength. Useful throughout history, because a leader could overcome opposition and lead by example in physically

demanding tribal activities, the value of physical strength for leaders today is largely irrelevant. In fact it can be a weakness – displays of intimidation based on physical strength are usually detrimental to the leader.

Some experts think that capabilities such as charisma or intelligence are essential capabilities, necessary in any context. But such capabilities don't pass the unified theory of leadership's rigid criteria for being essential in all circumstances. Many non-charismatic leaders have become CEOs in large corporations. They are notable for being effective at the same time as being unassuming, even boring – strong evidence indeed that charisma is not one of the essential capabilities of a leader.

Followers, foes, and other folks

Stakeholders include anyone who influences or is influenced by the leader. While the term stakeholder is usually associated with business, it applies in other areas too. We usually think of a stakeholder as being part of a group, but sometimes an individual stakeholder can be a significant factor in leadership.

A stakeholder interest group is defined by the nature of its interest in the leader and the leader's cause. A business leader is concerned with stakeholder groups such as

customers, target markets, the board of directors, regulators, employees, managers, investors and suppliers. A political leader is concerned with interest groups such as party members, voters, the press and finance providers. Virtually any set of characteristics can be the common bond of a stakeholder interest group – race, religion, political affiliation, economic class, geographic location, age, attitude, behaviour, etc.

Stakeholders can be classified into four types, based on the view the stakeholder has of the leader's agenda:

- Active followers, who take action and help the leader advance the agenda.
- Passive followers, who support and advocate the leader's agenda but do nothing proactively to assist.
- Passive opponents, who disagree with and oppose the leader's agenda but take no action.
- Active opponents, including competing leaders, who seek to block the leader's agenda or to advance their own.

Leadership depends on the interaction between leaders and stakeholders. That interaction depends on the leaders' capabilities (essential *and* situational) and the characteristics of *each* stakeholder group. Stakeholder characteristics include, but are not limited to, such elements as: wants and needs; self-perceptions; values and morality; motivations; decision-making; relationships; and centres of power and influence.

The 80/20 rule is useful when analysing stakeholders. Usually, leaders can focus on small segments of the stakeholder population – such as significant opinion leaders, influential individuals or active followers. By finding and focusing on key people in this way, leaders can magnify the impact of their influence. →

→ Conditions: dealing with reality

It's useful to identify and closely study as many relevant factors as possible that comprise the conditions for each leadership situation. Some of the more important categories are:

- History – what brought about the current conditions, and are those factors still operative?
- Economic considerations, macro and micro.
- Social conditions and trends.
- Regulatory and legal factors.
- Cultural and ethnic considerations.
- Natural conditions such as climate, terrain, geography, weather
- Infrastructure and resources available to, and required by, stakeholders.
- Centres of power and influence, key institutions, individuals and groups.

- Forecasts, scenarios and development indicators. These include industry, product and business development cycles; product and idea adoption curves; growth and decline patterns etc.
- Potential wild cards – elements that are not normally significant, but which could become important.

Conditions pose two challenges for leaders: finding reality and identifying the driving forces. First off, leaders, especially those in high places, are often shielded from reality. Their sources of information often are distorted and misleading. Their direct observations are subject to the limits of their own senses and the biases that inevitably accompany the state of being human. All that, of course, can lead to poor decision making. The challenge, then is to find reliable sources of information, and to sort through the clutter of excess information to reach an

understanding of what is real about the situation. Secondly, in any situation, there are a small number of elements that have the greatest impact – it's another form of the 80/20 rule. Leaders must identify these “driving forces” and thus direct their efforts more effectively to influence the situation.

The next step

The pieces of the unified theory of leadership aren't new. Even the idea of leadership as an integrated phenomenon has been known for decades. But this awareness remains ragged, instead of being a practical framework for understanding and evaluating leadership, and developing it in people and organisations. The task now is to convert the theory into practical processes for educating and developing the leadership potential we all have – and which we all need in our leaders. ■

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