

What Makes Leaders Great?

By Timothy F. Bednarz, Ph.D.

What is leadership? Unfortunately it's a heavily misused term, applied in a variety of ways that often renders it meaningless. Over five years ago, I was determined to understand what it truly means by investigating the lives of 160 great and influential American leaders, which spanned over 235 years. I felt to understand what leadership is you need to understand what the great leaders accomplished and how they did it. More importantly, did they have anything in common that could be applied in today's complex world?

What I discovered is illuminating. All the common understanding about these leaders proved to be incorrect. The great leaders weren't focused on making money, creating wealth or generating profits. They felt profitability was a result of their actions and the decisions they made. Rather they brought their skills, abilities, motivation and attitudes to bear to build strong emotional connections and bonds with each of several key constituencies. Their focus was on creating value.

Effective leadership, as defined by the actions of the great leaders is like a stool with multiple legs. Each of those legs represented one of their key constituencies. The most common were customers, employees, investors, suppliers and vendors, intellectual contributors and communities. If a balance isn't maintained, the stool is not balanced and often collapses. Consequently, the great leaders built trust, credibility and legitimacy with each group, even though they needed to balance often-conflicting demands placed upon them. Each conferred the permission to lead. These balanced connections mirrored the effective leadership principles these leaders successfully employed.

Many corporate leaders focus on delivering short-term results to their investors, often at the expense of the other key constituencies, creating an imbalance. This results in layoffs, labor disputes, quality problems and a host of other problems and issues. These leaders stress that this needs to be their goal and that their company would not be profitable without these actions. However, the great leaders who kept their constituencies in balance built strong, profitable and competitive businesses. They possessed legitimacy.

What I discovered is that the most accurate gauge of great leadership is legitimacy. For the purpose of discussion, I designated this pattern as the *Legitimacy Principles*.

The Legitimacy Principles enumerate the linkages of leaders' legitimacy, credibility, trust and a balance of emotional standing and bonds with all key constituencies. The synergetic relationship produced between these key factors of success is the foundation of effective leadership, and it provides insight into a new definition of it.

...The presence of the Legitimacy Principles endow leaders with the authority to lead, manage, execute, empower, effectively communicate, sell their vision, generate a passion for success, and overcome adversity. Their absence results in ultimate failure as an effective leader.

It is often assumed that leaders automatically possess legitimacy. My research demonstrates and substantiates that this is a fallacy. It shows that legitimacy is derived from two separate sources that grant leaders permission to lead.

The first source is authority or the power granted to leaders *by either election, or appointment* to an office. In the business setting, this is conferred by the stockholders through the board of directors.

Rudolph Giuliani observed, *“A leader is chosen because whoever puts him there trusts his judgment, character and intelligence... It’s a leader’s duty to act on those attributes.”*

The second source is validity. Validity is not conferred, nor is it automatically attained once one is appointed. *It is earned.* It becomes a contributing factor to the authority granted to a leader, typically over the span of his or her career. This defines a leader as genuine and authentic in the eyes of all key constituencies.

Both sources of legitimacy compliment each other. However, validity provides an enduring, yet fragile acquiescence of all the constituencies that gives a leader the tacit permission to lead. It is built upon three critical factors: trust, credibility and emotional balance. My research demonstrates that these are the hallmarks of great leaders. Without the presence of these three critical factors, the leader’s validity collapses. Once a leader loses his or her validity, the authority to lead is significantly undermined.

Jon Huntsman, Sr, wrote in *Winners Never Cheat Even in Difficult Times* (Wharton School Publishing, Upper Saddle River, New Jersey, 2008), *“Leadership is a privilege. Those who receive the mantle must also know they can expect an accounting of their stewardships. It is not uncommon for people to forego higher salaries to join an organization with strong, ethical leadership. Most individuals desire leadership they can admire and respect. They want to be in sync with that brand of leader, and will often parallel their own lives after that person...”*

Copyright © 2011 by Timothy F. Bednarz, All Rights Reserved

Timothy F. Bednarz, Ph.D. is founder and CEO of Majorium. He is the author of the upcoming book, Great! What Makes Leaders Great, What They Did, How They Did It and What You Can Learn From It (Majorium Business Press) to be published in fall 2011. He can be contacted at 715.342.1018 or at timothy.bednarz@majorium.com. Want to know more about these great leaders? Dr. Bednarz will present a session on leadership at the 2012 ABC of WI Winter Convention, Friday, February 10. This is a session you won’t want to miss!