

# The Psychology of Effective Leadership

Intelligence and trustworthiness are no longer seen as key vital qualities



By Nikos Konstantinou

**T**he difference between good and bad leadership can amount to all the difference in the world. History is not made by the groups with the greatest numbers or the most resources; it is made by groups motivated by great leaders to act together for a common cause. Under the leadership of Steve Jobs, Apple Inc. was not only rescued from bankruptcy in 1997 but, by the time Jobs died in October 2011, it had become the world's most valuable company. Given the huge challenges the world is facing today, the need for an evidence-based approach for understanding the psychology of leadership – those mental states and processes that bind leaders and followers together and drive them towards common goals – has never been more pressing.

It was previously thought that individual qualities such as intelligence and trustworthiness were vital to effective leadership. Leaders possessing those qualities were believed to triumph over whatever reality they confronted. However, recently, a different picture has emerged, one that focuses on social identity as the basis for understanding the psychology of leadership. According to this view, the success of a leader is closely tied to the social identity of the group, which determines the leader's desirable characteristics and behaviour. This account is summarized in the four following principles:

First, an effective leader must be seen as a prototype of the group, as "one of us". It is no accident that Steve Jobs portrayed himself as a typical American. His legendary jeans and turtleneck served to make him appear representative of the group he wished to lead. Importantly, doing anything that sets a leader apart from his/her group is fatal. Acting superior or being overpaid is deeply damaging. According to J. P. Morgan, the only common characteristic of the failed companies with which he collaborated was the wide compensation gap between those at the top and the rest.

Second, a leader must be seen to advance the best interests of the group. Although different groups define their interests in different ways, fairness is considered the defining characteristic of

successful leadership. A fair leader resists feathering his/her own nest while, at the same time, making sacrifices for the group. President Obama distanced himself from his wealthier supporters by refusing to engage in accustomed exchanges with them, such as private meetings and White House photos. Yet, he still won the 2012 election.

Third, a leader must skillfully mould the group's identity and goals. The most effective leaders do not merely conform to the group norms; they define the group's identity in ways that fit the policies they wish to promote. When Steve Jobs was once asked to do some market research to understand what customers wanted, he refused. "Customers don't know what they want until we've shown them," he replied. In a similar vein, the pioneering carmaker Henry Ford famously said, "If I'd asked customers what they wanted, they would have asked me for a faster horse!"

Fourth, a leader must work hard to help members of the group live out their shared identity. Attempting to promote an identity that is out of touch with reality and has no clear plan about how it will be realized, is doomed to be discarded in favour of more realistic and practical alternatives. A leader will tell us how to act by telling us who we are, thereby helping us experience our values and identity as reality. In his inaugural address, John Kennedy praised his countrymen's patriotism and then, in his most famous line, demanded: "My fellow Americans, ask not what your country can do for you; ask what you can do for your country."

Cyprus is currently facing its worst crisis in 40 years. The government and the political parties have to agree on unpopular measures, such as raising taxes and cutting pensions. In the absence of strong political leadership, such conditions can easily escalate. Just look at Greece. Weeks before Cyprus elects its seventh president, what the country really needs is a leader who will utilize the secrets of social identity to galvanize society's energy into a coherent social force with world-changing powers. Without this, anyone's charisma will soon be forgotten and any vision will remain just another dream.

**It is no accident that Steve Jobs portrayed himself as a typical American**

**Info:** Dr. Nikos Konstantinou holds a PhD in Psychology from University College London. He is currently a Research Scientist at the Centre for Applied Neuroscience at the University of Cyprus.