

## The Authentic Leader Fallacy (2)

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### Introduction: Shem's Law of Effective Communism

Shem Levy is an ex-boss of mine, extremely smart, highly opinionated[\[1\]](#), and unfortunately, for people working under him, he was mostly right[\[2\]](#). Shem had/has many insights into the human and social mind, his thoughts on education, personal growth are very thought-provoking. And here is one of them:

Shem startled me by stating (over coffee) that Communism works. This was the year 2000, and communism has been discredited by the Fall of the Berlin Wall and the breakup of the Soviet States. He then gave very specific conditions about how it is successful:

- It needs to be about 100 people
- Everyone shares all resources
- Central allocation of resources

His point was that beyond 100 people (his example was based on a kibbutz, circa 1960, I assume), the problem of free-ridership[\[3\]](#) (i.e. people who don't pull their full weight) starts to manifest. At one hundred people, the leader of this community knows everyone, if not in the first degree, definitely by the third degree of separation. With that familiarity, he/she is assumed to be in a strong position to judge the performance of everyone. He/She is usually selected based on merit (therefore credible) and acceptability to the community (authenticity to the values). The decisions to allocate rewards and punishments were largely unquestioned but almost complied with. It is a tough-love society, if you were thought of by the majority including the leader as a low performer – you would get less remuneration. But you will still be in the community if you chose to stay. The leader is physically and visually accessible. He/She doesn't stay in a bigger house or have a newer car. He/she doesn't have a private elevator or a secretary. He/She is under the microscope all the time. He/She lives up to the expectations of his/her followers all the time. He/She exercises situational leadership to solve many problems and is able to explain the decisions and considerations behind the decisions. Despite that, his/her impact cannot exceed 150 people, through personal example.

### **IN THIS SPECIFIC CASE, the social contract is simple and clear**

You accept his/her leadership because he/she embodies the values of your group, he/she strives to be fair and you comply. As most kibbitzes are agricultural, the work ethic is based on sweat and effort. As most kibbitzes faced physical threats and many males were reservists, the military top-down command-and-

control became the foundation of management structure. As most kibitzes were marginal, meaning that the difference between success and failure was very narrow, there was little room for alternative views.

So why is this important? **Because I contend that 100-150 is the upper limit of very personal and very authentic leadership.** It is where people who talk the walk and walk the talk, exist AND most importantly, can be witnessed to walk the talk every day. It is where leadership work is very pure, everyone is at the front, that the operations, everyone is hands-on – and you get results based on the level of effort and commitment that you put in. The leader and subordinate leaders are judged as close as possible to the ideal of authentic leadership. With that on to the main article.

## The Purpose of Leadership

People act in accordance with their self-interest(s). [\[4\]](#)

Therefore, the leader's single and sole purpose is clear: **to persuade the followers to take up the interests of the group, at the expense of their self-interest(s) (voluntary or otherwise).**

ALL leaders strive to achieve this by **offering a better future for their followers**, and they back it up by either gaining compliance (i.e. coercion, reward, and punishment) or commitment. What they are asking their followers is to support them – give up their personal power, so that they can use the aggregated power to achieve 'supra-normal results, that on countback is better than a single follower can hope to obtain individually. The more followers a leader gains, in theory, the more potential power he obtains – and also the greater the returns he has to deliver.

In short, a leader is one who:

- obtains personal power from you, on credit, today;
- based on a promise to deliver a promised set of results by aggregation and deployment of personal power, better than you can achieve on your own;
- sometime in the (VUCA: volatile, uncertain, complex and ambiguous) future

Now, if at this moment, you think this sounds familiar. It is. It is based on the expectation that tomorrow

will be better than today, and the leader offers us the best chance of obtaining that tomorrow by working with him. It is the basic dynamic of Ponzi schemes, stock markets, and virtually all modern economic activity (i.e. Capitalism.).

And with all things related to credit, credit-worthiness – TRUST becomes a factor. And this is where we return to the issue of Leadership Authenticity.

## Using Trust to Gain Power

Power can be obtained in 2 ways: Authority (Hard Power) or Influence (Soft Power).

Hard Power is a good way of acquiring physical compliance. It is also convenient, but often it is an awful way of obtaining commitment. Hard power seldom builds trust. Without trust, we cannot build commitment. Hard Power always runs the risk of having people perform at the lowest common denominator, unless monitored carefully and fairly (the added cost of monitoring is always a waste. Sometimes necessary. Mostly unnecessary). That is why autocratic, centralized systems work well only in small groups of under 150.

Soft Power is the basis for acquiring Commitment. Why is commitment important? Creativity, Innovation, Extra-mile performance, risk-taking, joy .... All the powerful sources of human ingenuity derive from personal commitment. And Commitment is determined by the Principle of Equity, how fair the outcomes will be. Without Equity, there will be no basis for trust within groups. Without trust, there will be no commitment.

Trust is like a currency or money. A medium that facilitates exchange. Without trust, we would need higher levels of bureaucracy and authority to check and counter-check. This increases friction, the costs of doing anything outside the norm.

Trust is also like a currency in that it is useless in itself unless it is a platform for exchanging something for another. When we give up personal power to a leader, we begin to follow his/her ideas, her initiatives. We dedicate time, money, intelligence, thought, imagination and effort. We exchange these for the promise of a better future. We hope to be able to collect on the promise. Trust is therefore like

money: The moment we stop believing that we can collect, the moment we stop following - Trust becomes worthless. But trust beats monitoring, it gives the organization the potential for speed of implementation.

Therefore, when trying to build committed followership, good leaders attempt to use soft power first, and hard power as a last resort, to acquire power.

## Soft Power[5]

There are 2 ways leaders employ soft power to ask you to give up your personal power to them: Credibility and Incredibility.

- **Credibility:**

- o We are attracted to people who are credible. proven, have good track records, consistent, committed, and shares the same values
- o They offer pragmatic solutions.
- o We can relate to them easily.
- o Poster Child: The senior manager that you think should be CEO, not the fool that is currently the CEO

- **Incredibility:**

- o We are attracted to people who are different (in an attractive, glamorous sort of way), they have attractive ideas, embody what we desire
- o They offer visionary solutions. With the promise of better returns.
- o We want to relate to them. We want to be them.
- o Poster Child(ren): Mark Zuckerberg, Jack Ma, Elon Musk

Without working with, or knowing a person deeply[6], it is hard for us to assess a person's authenticity. It is EASIER by far to accept the perceived authenticity of a leader. As a proxy for credibility. In the same manner that we judge a prospectus of a new banking corporation attempting an IPO – we check out their websites, their HQ building, their annual reports. We judge the worthiness of the leaders, by the words, their actions, their attractiveness, credibility, or incredibility.

The use of proxies to evaluate credibility becomes more important when the leader is someone who spans groups sizes of larger than 150[7] and/or when they encompass different geographies and/or communities[8].

Therefore, if a leader wants to appeal to a large group, it is in the leader's interest to be perceived as authentic as possible to be acceptable to the largest possible segment of the group. That is why politicians love to kiss babies and take pictures with them on the campaign trail. Because the psychological goodwill to babies is largely universal, and by association, the politicians know that it rubs off on them. That is why Angela Merkel smiled more in the last 2 weeks than she had in the preceding 50 weeks. Because being likable is a universal plus to voters. It makes the task of asking for power on credit so much easier.

However, having to be many things to many people, complicates a leader's task of delivering the super-normal results that were promised. As our world is VUCA, and many decisions require contextual exceptions (i.e. situational context), when general principles fail to enlighten or are unhelpful. Principles, values can help guide thinking and thoughts. Or confuse them. All leaders need a certain degree of freedom to exercise judgment, take risks or decide not to take risks.

## **The Measurement of Leaders**

Authenticity is a useful concept. People prefer to trust leaders who are perceived as attractive, authentic, and/or credible. But we do not measure a leader's work by their authenticity. We measure them by their outcomes.

Leaders need to be accountable. Leaders need to deliver results in order to maintain and build their credibility, after all, they did borrow our personal power on credit. Ideally, I would like to say that leaders need to deliver the results that they promise. But that isn't realistic. The world is too unpredictable for that. In a VUCA world, many things can go for or against a leader's sincere intelligent

attempts to deliver what he promised.

Read the annual reports. When the results are good, the management team attributes it to their leadership, the efforts of the staff (and justify their big bonuses). When the results are poor, they often attribute it to the challenging business environment (and use it to justify the big bonuses). As Naseem Taleeb pointed out, when we want to believe something, we will find reasons to substantiate the belief. Man is easily fooled by randomness because we like to attribute perceived reasons to outcomes.

We hope that our leaders are informed and make informed decisions. But that means that also means that informed leaders change their decisions and their minds often. In a VUCA world, new information changes facts. New facts change knowledge. New knowledge defines the challenges differently in the minds of the informed. When minds change, values change. When values change, the person that we thought we knew has also changed.

So here is the problem: **if results are obtained in part by factors outside the leaders' control, and if the promises made earlier are no longer relevant a guide to measure their performance – then how do we determine if a leader has performed well or otherwise?**

Jeffrey Pfeffer said that we should hold leaders accountable for what they actually have or haven't accomplished, not necessarily what they stated they would accomplish prior to taking office — and are held accountable for improving both their own behavior and workplace conditions. I take it to mean that besides measuring the achievement at work, we should hold the leader accountable for helping effect a better way of living, working, and thinking in his/her own organization; as well as the taking measure of the leader's personal growth.

## The Roll Call Revisited: For Leaders

*“To be somebody or do something.” – John Boyd*

In my last article, I argued that if a leader climbs the ladder to become a CEO (and is not the Founding CEO), he has to sign on the social contract that encompasses the values of the organization, and that means implicitly and tacitly agreeing to all its proposed organization values and norms. In turn, the

majority recognizes him as one of us.

I also alluded that he has to make certain trade-offs because in established organizations there are politics and there are factions that he must make concessions to, in order to gain their support. Their support can only be obtained if the faction is promised at least the status quo or more returns in a zero-sum environment. This deal then constrains the new leader's degrees of freedom, limiting his authenticity (or at least limits the extent of what he said he would do vs what he is allowed to do). Very often, these same factions do not WANT a leader to deliver super-normal results because the leader then gains more power at their expense – and a purge, a reduction of their powers and influence will result. Witness Donald Trump's trouble in the White House while working with the GOP (his Party!), they don't want him to succeed too much – he will be out of control! (Fortunately for him, they don't want him to fail too much. Looks bad by association.)

Leaders who climb up the greasy pole to leadership, to be the first among equals, all understand this Faustian bargain. They promise change, better results for their followers in public, but often, have to cut backroom deals to legitimize these factions, to obtain their support in exchange for altering the status quo.

For many leaders “To be somebody or to do something,” is a dilemma. In the last American election, the “be somebody” candidate, Hilary Clinton, for the Democratic party won, in large part because of the backing of key factions backing the status quo. The “do something” candidate Bernie Sander lost. Because he lost, he lost the opportunity to make things happen at the White House. It doesn't matter if he was better than Hilary or Trump, he lost and therefore was not afforded the opportunity.

Boyd painted a black and white picture. He was a black and white kind of guy. I think that between these two dominant options offered, there are many ways to proceed. Excellent leaders can build coalitions, negotiate consensus to navigate between the two options - but they then have to be many things to many peoples. For people who are B&W, or action-oriented - there are just too many moving parts. Too many things that can gum up the works.

My advice to all leaders: You are the leader because you can and want to lead. By that, it means you must love 'the suck'. Between an easy option and a hard one, choose the harder one for yourself. (You might want to choose the easy one for your followers). The higher you go, the more important making concessions and building alliances are. Be aware that you cannot be all things to all the people that you

lead. You can be some things to all the people all of the time. Be self-aware. But also be aware that you are a symbol and carry the expectations of the people you lead on your shoulders. It is your burden. And it sucks.

## **Caveat Emptor: For Followers**

Leadership is a complex and difficult task. People want to be leaders for many varied reasons – ego is probably the most common, but most politically incorrect to admit. (And most of the leaders we know are egoists, but WE condone this hypocrisy. And then we are aghast when they don't live up to promises they made to us (which we already know they don't TOTALLY believe it<sup>[9]</sup>). We don't want to know it. We want servant-leaders. But if history teaches anything, Greed and Ego get things done.

No one ever is ready for a leadership challenge. Those who claim to be, often are pursuing what worked in the past, and will by their actions cause problems for their successors (probably).

Effective leaders change their minds when they change the way they think when they confront problems and challenges that THEY have not seen before. Leaders should be taught how to think, not what to think to lead effectively in a VUCA world. This is effective adaptation. How then can a leader remain authentic when their minds are constantly evolving<sup>[10]</sup>?

Leaders are symbols. For their organization. For their followers. For their detractors. For pundits. They hold intangible meaning for many people. Because they are a potential walking, talking Ponzi scheme, (remember that they asked us for our personal power on credit?) they need to be held accountable.

I have stated that results are too unpredictable a proxy to measure a leaders' work. Leaders should be held accountable for what they actually have or haven't accomplished, not necessarily what they stated they would accomplish prior to taking office — and are held accountable for improving both their own behavior and workplace conditions.

I wish leaders would be selfless. I wish leaders would be authentic. I wish leaders would have MY interests foremost in their minds. That is not how the world works.

We get the leaders we get because they are the leaders we deserve – that is the way the world works.

[1] For those of us who know him personally, this is a gross understatement.

[2] And unfortunately, for the organization - he was sometimes wrong.

[3] Free-ridership erodes trust and belief in the fairness of outcomes within groups, by the constituent members.

[4] By self-interest, I mean, people act in accordance to how much (intrinsic and extrinsic) reward they estimate they will receive for a certain action. Therefore, volunteers at a social service event act in their self-interest, because the (non-monetary) reward (e.g. personal satisfaction, feel-good factor, etc) is at least equivalent or higher than the effort and time costs incurred.

[5] The following section is an oversimplification. For more on this topic, go check out “Influence: The Psychology of Persuasion” by Robert Cialdini. He cites six ‘universal’ principles (or levers) to persuade people: 1. Reciprocity, 2. Consistency, 3. Social Proof, 4. Like-ability, 5. Authority, 6. Scarcity

[6] Knowing a person does not equate to really knowing a person. Many neighbors of a suspected serial killer have always claimed disbelief, because we have known him for such a long time, and he was such a nice guy.

[7] When a group grows beyond 150, History, Anthropology, and Organisational Theory seem to concur that a new class of non-workers needs to arise: bureaucrats, support staff, and managers, in order to maintain and sustain the growth. Or the organization splits.

[8] Organizational Values, Cultures are often lived through the filters of individuals with their own familial, country, social values.

[9] Thought: Can you believe in something if it is not a 100% belief?

[10] How generous were we when Trump admitted that “Who knew that healthcare was so complicated?”? We weren’t. Yet, he was learning and evolving. Isn’t this a good thing for America and hence the world?

***The post “The Authentic Leader Fallacy (2)” was first published by Ethan Tan here***  
<https://www.linkedin.com/pulse/authentic-leader-fallacy-2-ethan-tan/>

## About Ethan Tan

Ethan is the Principal Consultant for The 8th Pinnacle Pte Ltd. In his role, he leads business transformation projects with clients from the private and public sectors across Asia-Pacific. He is the Practice Lead for Change Management, Leadership Development, Sales, and Business Development Technology with clients.

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