



The Leadership Economy

By Dr John C. Maxwell

Our influence operates based on “supply and demand” principles, just like the free market economy. Leadership should not have to be forced on a group of people. Someone who leads by coercion or manipulation isn’t a healthy leader. Healthy influence is based upon providing a resource that is needed by a group. When you possess that resource, your influence goes up, just like a stock price goes up when a company is providing goods or services that are in demand.

Albert Einstein once said, “Don’t try to become a person of importance. Try to become a person of value.” He understood the principle of supply and demand. Our importance is a by-product of the value we add to a group; it is the result of the “leadership capital” we have that is in demand. Our influence is a side-effect of our gifts or strengths that meets the needs of others.

HOW A LEADER’S INFLUENCE ACTS LIKE CAPITAL

If leadership, like the marketplace, functions according to the laws of supply and demand, then let us ponder what kind of capital we might have that will increase our influence with others.

1. Intellectual Capital - Resources in this category include: knowledge on a particular subject, insight and intuition into a given area, or data on a relevant issue. When someone puts their intellectual capital into a tangible form, it becomes what attorneys call “intellectual property.” If it is rare and relevant, it will be valuable.

How to Accumulate Intellectual Capital

(1) Study and Know Your Business

(2) Think More Than Others About Your Business
(3) Think About Solutions and Share Them With Others

2. Social Capital - Resources that represent social capital are the relationships and respect a person has built up over the years within their network. Social capital comes from interfacing with others in a healthy way and adding value to them individually as well as professionally—especially in times of need.

How to Accumulate Social Capital

(1) Value People and Relationships
(2) Look For the Key to Each Person’s Life
(3) Become a Networker and Connect People Together
(4) Seize Every Opportunity to Add Value to Others

3. Experiential Capital - Resources in this category include past experience, a good track record accompanied by a strong work ethic, integrity, and sound past decision-making. Experiential capital is akin to intellectual capital, but not identical. This capital is the intuitive wisdom that comes from raw experience rather than the hard data or content from a book.

How to Accumulate Experiential Capital

(1) Find Your Niche and Dig In... Don’t Hop Around;
(2) Evaluate Your Experiences
(3) Build on Your Experiences, Don’t Camp on Them

4. Talent Capital - Resources that fall within talent capital are the abilities a person has to pull off a desired goal. When an organisation wants to produce a good or render a service, it has need for specific talents—graphically, technically, physically,

organisationally—and the person with those talents carries the weight. While talent is never enough, it is a good place to start.

How to Accumulate Talent Capital

- (1) Discover Your Top 3 Strengths
- (2) Stay In Your Strength Zone
- (3) List Ways Your Talent Can Add Value to the Team
- (4) Stretch Your Strength Areas

- 5. Creativity Capital** - Resources that represent creativity capital are creative thinking; the aptitude to merge two current ideas into a new one; the capacity to communicate a thought originally and persuasively; and the ability to invent new products, methods, services, or strategies.

How to Accumulate Creativity Capital

- (1) Develop a Creative Think Team
- (2) Continually Ask: "Is there a better way to do what we are doing?"
- (3) Continually Ask: "Is someone else doing it in a better way?"


- 6. Passion Capital** - Finally, this capital is about the "pathos" of a person. Leaders with passion capital carry weight because of their strong personality and charisma. They bring to the table excitement, enthusiasm and determination; a fire that

magnetically draw others to them. Passion energises talent, both individually and collectively.

How to Accumulate Passion Capital

- (1) Discover Your Strengths
- (2) Hang Around Passionate People
- (3) Give Your Passion Away

SUMMARY

Leadership revolves around the timeless principles of supply and demand. Your influence as a leader will be proportionate to the "leadership capital" you bring to an organisation. Cultivate your leadership capital wisely, and you'll be flooded with opportunities to invest it in a leadership economy hungry for healthy leaders. 

'Everything rises and falls on leadership'
Dr John C. Maxwell



Dr. John C. Maxwell will be in Singapore to conduct a full-day seminar on 'Building a Leadership Team For Outstanding Results' on 4 July 2009 at the Shangri-La Hotel.

To register or for more information, contact ITD International (Singapore) at Tel: +65 6221 6700 / E-mail: itdsg@itd.com.my or logon to: www.itd.com.my