
The perils of transactional leadership



100 days of Trump

Ryk Bliszczyk - 27 April 2017

I have previously lamented about President Donald Trump's ascension to the US presidency. Not for any reason of political partisanship but because Trump's history and style represent all the leadership traits that I have spent a career working against. ([What does Donald Trump's election mean for senior executives, leadership development and leadership coaching in particular?](#) posted on November 14, 2016).

Winning an election is one thing, but it takes more than his bullying and bluster to actually lead as a President and to get things done. Getting elected to the top job – or applying for (and being appointed) to lead an organisation is not, of itself, a measure of successful leadership.

Convincing a constituency, such as disaffected voters in politics, or the board of a company that you have the potential to lead well isn't the same as effectively leading the enterprise and achieving promised outcomes. Trump has a lot to do to prove that he *can* lead.

Now, 100 days since Trump's inauguration, it's a good time to check-in on how he's going.

Unsurprisingly, the consensus emerging from observers around the world is that Trump has done rather poorly. He has had no major legislation passed through Congress, he has made no real change to American life and his list of accomplishments is very short. So far he appears to be struggling with the challenges of being a leader

and his approval rating at 41% is among the poorest for any President at this point in his term.

Trump, as President, is displaying all the characteristics of his long business career as a deal maker. For him every interaction is a transaction - an opportunity to win at someone else's cost, so every achievement is a zero sum game of win/lose.

This is the hallmark of an inveterate salesman and obviously a tactic that worked brilliantly in the election race, which is possibly the ultimate zero sum game. While Trump may not have been the best Republican candidate, he was able to cast enough doubt on all the others so that he looked the best option. He used a similar tactic against Hillary

Clinton, not putting himself forward as the best candidate but better than her. It is also evident in his constant flip-flop on issues. He has a preference for being on the winning side of an issue. So if has an opinion to go one way on a key topic one day because he believes he can win, he is likely to changes sides if he believes, with new evidence, that the alternative approach can win. Always looking for an angle to be on the winning side. Its winning the transaction that matters to Trump, not anything else.

But effective leadership is not a zero sum game. It must be played as a win-win game. Everybody must feel like they are winning something (or at least losing very little in the short term for longer term greater gain) for any leader to hope to gain support from followers and achieve his or her agenda. Effective leadership excludes bullying, narcissistic and mean behaviour. During Trump's business, he effectively used the US legal system to do so, undertaking his mentor Roy Cohn's tactics of 'Always deny, always countersue'.

Trump has never had to learn effective leadership. He is now clearly struggling to understand that transactional leadership doesn't work – especially as President. Constantly changing your approach just to be on the winning side destroys trust and leads to confusion. Lack of trust an uncertainty area disaster for a President. Trump himself recently admitted in a Reuters interview: "This is more work than in my previous life. I thought it would be easier".

The win/win principle is a fundamental rule for any successful organisational leader.

I have seen the Trump type of zero-sum leadership before, in organisations where a transactional culture exists. The clearest example is financial services. To be successful as an employee in financial services you must be constantly engaging in transactions of various types.

Transactions in financial services are by definition zero-sum or win/lose games. In order for a person on one side of a deal or transaction to win then the person on the other

side must lose. As a result, a transactional culture develops and transactional leadership is often the norm.

But as we have seen with Trump, transactional leadership is not effective. An effective leader must inspire and motivate others to achieve a common goal and agenda. That means they must find win/win solutions. People will only buy into a leader's agenda if they feel they share equally in the sacrifice and the benefits. A win/lose culture does nothing to promote this and in such cultures performance is usually poor and bad behaviour abounds.

In Australia's financial services sector, there have been many examples of such bad behavior and these are the basis for the call by some for a Royal Commission. Many firms have not effectively addressed the prevailing culture of win/lose.

Make no mistake, that for someone raised in a transactional culture, to suddenly start playing a win/win game is extraordinarily difficult. The financial services sector here and overseas would be better served to invest

heavily in shaping the behaviours of their leaders, to be more adept at delivering a win/win style of leadership, than spending huge sums on large scale culture change programs, that don't address leadership behaviour or even

hold leaders accountable for bad behaviour.

Trump, like many leaders in financial services, will never be able to lead successfully until he sheds years of learned behaviour and stops playing

win/lose and starts playing win/win.

I'm not holding my breath in anticipation of such a monumental change but we have 1,360 more days of Trump's presidency to find out.



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