

High-Impact Leadership: The (Hidden) Power of the Relationship

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Entrepreneurs and managers must make complex decisions every day in uncertain situations, short timeframes, and with strong pressure for results. The need to guarantee the achievement of high levels of performance in the present is accompanied by the need to identify new opportunities, if not create them, with the goal of sustainability of the business over time.

One of the most powerful resources leaders have available to them, that they unfortunately do not exploit the way they could, is people. In fact, people bring businesses skills, potential for development, and intelligence and energy.

The difficulty in making the most of the human factor is traceable to the way leaders interpret and act in the boss-employee relationship, still being too tied to a traditional leadership model that is not able to generate the elements necessary for the context in which the business finds itself competing.

In fact, the traditional “command & control” paradigm generates obedience and passive respect for rules, if not opportunistic attitudes and avoidance strategies, when there is actually a need for ideas, creativity, and constructive conflict, elements that only people who are generally engaged and responsible can contribute.

“Positive leadership,” a line of research that was born in the context of positive psychology about twenty years ago, provides useful ideas on this point, opening up new possibilities as regards the achievement of valuable results through people in complex situations.¹



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Positive leadership is used to mean the “process of implementation of multiple positive practices that help individuals and organizations achieve their highest potential, flourish at work, experience elevating energy, and achieve levels of effectiveness difficult to attain otherwise.”²

To give a concrete example of what has just been defined, we refer to the box “The Positive Leadership of Directa Plus,” that presents the case of the Directa Plus company. After a brief description of the company and its history, we leave room for the account given by Giulio Cesareo, the engineer who is the founder and CEO of the company. His words will allow us to understand how and with what actions positive leadership is implemented. Directa Plus has particular characteristics, being an SME created with sourcing and onboarding by

those who currently work there, managed directly by the founder. We believe, however, that the concepts expressed can provide interesting and useful stimulus for those who operate in large, more structured businesses.

ENGAGEMENT AND PSYCHOLOGICAL SECURITY

Some elements, that by now are strongly rooted and hard to modify, characterize the context in which companies currently operate: on the one hand, rapidity and pervasiveness of change, boosted by technological evolution, and on the other, uncertainty and ambiguity of economic, political, and social dynamics, that mutually influence each other and are amplified by their global dimension.

The organizational models adopted by businesses able to move effectively in those contexts are character-

The Positive Leadership of Directa Plus

Directa Plus is a company in Lomazzo (CO), founded in 2005 by Giulio Cesareo, who is the CEO, with the goal of producing nano-particles of carbon (graphene) in a simple, sustainable, and scalable way. “I wanted to create a different product, that could truly improve the world. I had the vision of David who defeats Goliath, a small company that is able to compete with multinationals.”

In 2016, the company was listed on the AIM (Alternative Investment Market) of London and is currently one of the largest producers and suppliers of graphene-based products destined to international markets, consumers, and industry. Directa Plus manufactures natural, chemical-free products, made sustainably and custom for commercial applications in very different sectors: from smart textiles to elastomers, from composite materials to environmental solutions.

During the course of 2021, Directa Plus worked to extend and improve applications of graphene to products such as lithium-sulphur batteries, with very significant sales potential.

The year 2020 saw an increase in turnover of 144 percent, while the first half of 2021 marked an increase in turnover of 41 percent, a significant improvement of financial data and an exponential increase of collaborations, the unambiguous sign of recognition of the value of the knowledge and technologies that Directa Plus has developed over time.

There have been 71 patents filed to date and the company is ready to collaborate with the principal industrial players in our country, in addition to pursuing the development of projects linked to the National Recovery and Resilience Plan (PNRR). In that plan significant attention is dedicated to innovation and new technologies, and the futuristic applications of graphene can be a strategic tool for relaunching the Italian economy.

When asked what the decisive factor is for the success of his business venture, Cesareo responds with conviction: “It is certainly the people, because it is with them, and through them, that Directa Plus produces innovation and reaches unequalled levels of excellence, succeeding in earning the trust of investors and clients.” Relying on people means concentrating on relationships, and this is precisely what Cesareo bet on, engaging himself in a “very humble and concrete way: I spend a lot of time with my associates, I invest a lot in their self-esteem, and I constantly nourish the desire to do and discover, with enthusiasm and optimism. I built a team by bringing on board highly-talented new graduates, who have grown with me and the company. I have invested in the relationships with them and among them, dedicating time and attention to observing them in action, giving them feedback, and in turn receiving feedback from them. I have sought emotional engagement, having them participate in all of the key moments, so that they fully understand the vision, goals, and priorities of Directa Plus, and this has been decisive, because the awareness of the direction and of what can truly make a difference has represented a reference point for small and large decisions from day to day.”

“I did all of this starting from my values as a person, even before my identity as an entrepreneur, values in which I believe and that were thus easy for me to translate into concrete behavior and results, succeeding in making them the DNA of Directa Plus over time, a compass for all of those with whom I share this adventure. The greatest satisfaction is that the attention I have dedicated to the kids we have hired over time, they now dedicate to the new hires and those with whom they collaborate. Those who join the company today, whom I invite for a chat with me a month after they start, also tell me that they are becoming integrated with great ease and appreciate the climate of great collaboration, constructive discussion, and tension towards excellence that characterizes our way of working.”

Directa Plus is a melting pot of diversity: in terms of gender, technical/specialist knowledge, professional experience, and life. “I have worked and continue to work directly in the selection processes, actively seeking out diversity, because

ized by the flexibility and speed of adaptation to change and the ability to exploit opportunities and innovate. There are three elements that allow businesses to have these characteristics: effective and productive management of internal interdependence and interdependence with the relevant environment, widespread assumption of responsibility, and an environment that promotes continuous, individual, and organizational learning.

In this context, the role of leadership as an organizational process that orients and sustains change and innovation is central.

In fact, leadership – understood as a general process through which the leader achieves results and generates value with people – is effective if it is able to promote individual engagement and psychological security in teams.

Engagement is the mental, emotional/affective and physical state that consists of involvement of the worker that is not only professional but personal, with respect to the business goals and in particular the activities that person carries out.³

An engaged worker expresses high levels of energy, commits herself fully to what she is doing, has a genuine desire to give a valuable contribution, and identifies with her activity, as well as with the company and its goals more in general; she feels that she can play an active and conscious part in the realization of a project, a vision, and a purpose whose meaning is clear.⁴ Recognizing herself in what she does, it is easier to take responsibility and express intelligence and energy well beyond what is required by the role, including aspects of creativity and originali-

...word of an entrepreneur

the experience of Directa Plus has taught me that diversity generates value.”

Respect for the person and the professional is the founding element of the company’s identity. “It is seen in the weekly meeting we have institutionalized as an observation point on objectives and priorities, to share the information needed to organize the work but also to improve processes and keep the tension towards innovation high. We have trained ourselves to listen to each other and we continue to do so. I believe strongly in the power of listening, that for me means accepting with humility that someone else can enter your world, with the risk they will say something you don’t like, that can question your certainties, but increase your awareness and stimulate new thoughts that help to reach places we never thought we would reach. I also believe strongly in the power of discussion and conflict. Experience has taught us that if we face conflict by taking the time to explain the different positions and why we think they are important, if we govern it with the logic that derives from the goals and priorities we pursue, this becomes a tool to go outside the box without breaking relationships, but also to produce ideas and take great steps forward, strengthening the cohesion of those who participate in dissolving it constructively.”

In Directa Plus there is no gender pay gap and everyone is given the opportunities considered most useful to allow for both a step up in terms of current and potential contribution and legitimation in the eyes of the board, clients, investors, and other stakeholders. “We have sponsored pathways for our associates to earn research doctorates and we have assisted them for the period necessary to construct high-level professionals and consultants and tools and approaches useful to bring Directa Plus into the future.”

Continuous learning and improvement are a mantra for us. “We have all learned the value of feedback and of learning from mistakes, especially when they have high costs, transforming them into learning opportunities, not only for those who committed them. We speak frankly, without the fear of naming the person who made the mistake, starting with me. This is not to pillory anybody or find scapegoats, but to analyze the problem and fully understand it, so as to prepare ourselves and improve processes and solutions.”

To produce innovation and aim for excellence, it takes a great deal of energy and equilibrium. “The integration between personal and professional life is a goal we all pursue with great conviction. The shifting confines of business in the post-pandemic period has made remote work normal, when possible and appropriate. Having consolidated practices, having established rules aimed at facilitating work and internal coordination, including in hybrid work situations, and a strong culture that allows us to do so with great confidence, certain of respecting the company’s priorities and people’s willingness to find beneficial solutions for themselves that do not penalize their colleagues.”

Easy? “Not always. It takes time, patience, and great determination and ability to make decisions even in situations characterized by high pressure based on the values that define us and not personal convenience.”

Is it worth it? “The complexity of the system is considerable, because the structure is entropic and events are often unpredictable. And I have had the advantage of building a team with dimensions that allow me to frequently interact with all of those who work at Directa Plus. But giving people space, investing in their professionalism, constructing a stimulating work environment for the skills put into play and for daily interaction, being guided by a common vision and values and paying great attention to the quality of relationships while adapting methods to the dimensions and specific characteristics of the organizational model, is I think the only path to innovation and excellence for businesses in the present and the future.”

ty of thought, thus succeeding in achieving excellent results.

Experienced in this way, the individual dimension of employment has tangible effects on the company as a whole and on its performance, on customer satisfaction, and on the degree of innovation the company can achieve, in addition to making a significant contribution to the physical and psychological wellbeing of those who work there. "Employees who are engaged in their work have performance that is 20 percent higher than that of their unengaged counterparts, they are three times more creative [...] and inject dedication, concentration and energy into the company [...] a greater drive and ability for mental recovery, that translates into superior performance in terms of quality and efficient use of resources, creativity, innovation, and greater resilience in crisis situations."⁵

Psychological security is the shared perception among members of a team of being able to take the risk of being themselves, in the sense of not feeling uncomfortable expressing their own ideas or opinions or starting a discussion, with the assurance that they will not be embarrassed, rejected, or sanctioned socially by the team itself.

The people who work in teams characterized by a high level of psychological security share information and points of view, request help if they have difficulties, question the status quo highlighting opportunities, propose different approaches with respect to consolidated practices, and openly speak of problems while proposing solutions, they don't hide or censure their errors and those of others, but they look at them as opportunities for corrective actions and learning.⁶

In general, teams with high levels of psychological security are more productive and innovative, they learn more quickly and are characterized by greater tension towards results and the willingness to take calculated risks, while at the same time safeguarding the wellbeing of their members.

POSITIVE LEADERSHIP

Positive leadership is particularly effective in generating and encouraging the engagement of individuals and the psychological security of teams. The adjective "positive" does not indicate a uselessly cheerful or feel-good attitude, or the shifting of relationships from a professional level to a personal/friendly one. A positive leader leads people by investing in the construction of trust, knowing well that it is a mutual pro-

cess, and thus that you cannot expect trust from others if you are not willing to give it yourself. Moreover, the trust that employees place in the leader is first of all placed in him/her as a person, and then also in the technical and professional skills and results that the associates believe he/she is able to reach.

Associates trust the leader as a person when they recognize the intention to lead them while caring for their interest and that of the company, and if they see consistency between the values that the leader professes and his or her behavior, especially in critical situations.

Positive leadership does not avoid being decisive, setting a direction, and influencing associates so that they "do things that they would not do without encouragement of the leader," to make decisions that could displease someone. The peculiarity of positive leadership is that it constructs its strength by giving strength to people and teams, and creating the conditions for relationships to remain constructive, even in moments of conflict.

The type of relationship that is established through positive leadership is constructed on a personal connection of proximity where the leader communicates directly and clearly, without manipulation; in situations of strong pressure and stress, in critical moments that require firmness, reaffirming the value of mutual respect without falling into aggressive or abrasive

modes of relationships, so that people can act at the height of their intellectual, psychological, and physical strengths.

A positive leader does not interpret a relationship in a paternalistic manner, which places an associate in a situation of inferiority and dependency, nor does he invoke friendship or the usefulness of belonging to an exclusive group, requesting loyalty and unconditional support in exchange. In the event of mistakes, he does not seek a guilty party, or worse, a scapegoat to protect his own actions or image, especially when he has made the mistake, but he transforms it into an opportunity for collective learning.

Positive leadership enhances the strong points and sense of value people have, because it aims to cultivate and enable autonomous thinking, pro-activeness, and the personal assumption by the associate of responsibility for their own development. A positive leader gives responsibility and pushes the associate out of their comfort zone in order to fully reach their potential, but guaranteeing support from the leader.



Rather than using lists of activities, a positive leader engages associates in terms of vision, goals, objectives, and priorities. It is not “what needs to be done” that stimulates the motivation of associates to do their best, but having a broader sense of meaning in which to inscribe their specific contribution.

Finally, positive leadership places great attention on the creation of the best conditions to preserve and nourish people’s wellbeing. “In unhealthy business environments people see rest as a dangerous way of taking their foot of the accelerator. They can’t stop until reaching the limit of exhaustion. In healthy environments people see rest as a precious source of energy and a necessity to avoid burnout.”⁷

In reading what has been written to this point, one could conclude that these are ultimately concepts based on common sense; this may not be entirely wrong, provided we are willing to recognize the fact that what is (or seems to be) common sense is not automatically common practice.⁸

In other words, it is certainly necessary to understand what positive leadership means and what benefits it produces, considering the current situation. But positive leadership is effective if it finds concrete implementation in people’s actions, in specific contexts,

in a manner that is coherent with the company and its daily work.

It is the same difference that exists between following a valid training program, with the assistance of an excellent coach, and the actual sports activity that the athlete performs in competitions.

Translating what one knows or has understood into congruent attitudes and actions is challenging for everyone, even more so when you are under pressure, but it is not impossible.

A good starting point is to debunk the myth of leadership as natural talent or the prerogative of some, and consider it what is actually is: only one of many tools available to people in companies; an extremely powerful and still insufficiently exploited tool whose effective use requires effort and commitment on the part of the leader, and why not, also the humility necessary to accept having to learn something, that until now – erroneously – was thought to be an innate quality, present only in some chosen individuals.

“Leadership is not a glamorous end point or recognition for what one has done, but a resource and a tool of the company. It is only effective if employees benefit from it by being motivated, developing and grounding their skills.”⁹

¹ E. Martin, P. Seligman, M. Csikszentmihalyi, “Positive Psychology: An Introduction,” *American Psychologist*, vol. 55, 1, 2000, pp. 5–14; F. Luthans, K. Luthans, R. Hodgetts, B. Luthans, “Positive Approach to Leadership. Implications for Today’s Organizations,” *Journal of Leadership Studies*, 2001, 8(2), pp. 3–20.

² K. Cameron, *Positive Leadership. Strategies for Extraordinary Performance*, Oakland, Berrett-Koehler Publishers, 2012.

³ “State of the Global Workplace 2021 Report”, Gallup.

⁴ A.M. Saks, “Antecedents and Consequences of Employee Engagement,” *Journal of Managerial Psychology*, 21/7, 2006, pp. 600–619.

⁵ F. Gino, *Talento ribelle*, Milan, Egea, 2019.

⁶ A. Edmonson, “Strategies For Learning From Failure,” *Harvard Business Review*, 2011; A. Edmonson, K. Roloff, “Overcoming Barriers to Collaboration: Psychological Safety and Learning in Diverse Teams,” in E. Salas, G. F. Goodwin, & C. S. Burke (a cura di), *Team Effectiveness in Complex Organizations: Cross-Disciplinary Perspectives and Approaches*, London, Routledge/Taylor & Francis Group, pp. 183–208.

⁷ A. Grant, *Twitter*, September 18, 2021, <https://twitter.com/AdamMGrant/status/1439246386529247239>.

⁸ R.E. Boyatzis, “Leadership Development From a Complexity Perspective,” *Journal of Management Development*, 25, 2006, pp. 607–623.

⁹ T. Chamorro-Premuzic, *Why Do So Many Incompetent Men Become Leaders. And How To Fix It*, Harvard, Harvard Business School Publishing, 2019 (Italian trans.: Perché tanti uomini incompetenti diventano leader? (e come porvi rimedio), Milan, Egea, 2020).

SYNOPSIS

- The difficulty some leaders have in making the most of the human factor can be traced to the way they interpret the relationship with their associates. This is in fact still linked to the traditional paradigm of “command & control,” that generates obedience and passive respect for rules.
- Positive leadership – understood as the process through which a leader achieves results and generates value with people – is however able to promote engagement in individuals and psychological security in teams.
- A positive leader guides people investing in the construction of a mutual relationship of trust, and bases their authority on clear and direct communication. Moreover, such a leader places great attention on the creation of the best conditions that allow for preserving and fostering people’s wellbeing.