Opportunity Cost of Leadership

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Have you ever encountered someone who would make a great leader but does not desire to hold such positions? Can you re-examine the person and the role? Have you met a person who desires to hold a leadership position? Is that person suitable for that position if you re-examine the person and the role? Some leaders are born, while others rise to the occasion. This article indulges its readers with the idea of the opportunity cost involved in choosing a leader and why a leader chooses to be a leader.

Opportunity Cost is a term widely used in business studies, and it refers to what other options you have to give up whenever you choose because the scarcity of resources does not allow us to choose to have everything. Let us examine opportunity cost in the person and the role. Humans possess certain traits and characteristics unique to them, and no person can have every desirable feature or element. The ideal leader would be someone who, apart from carrying out their duties, is authoritarian yet liberal, an orator yet a listener, confident yet humble, far-sighted yet short-seeing, intellectual yet social, enthusiastic yet calm, polite yet demanding; have all the traits that are desirable in both a dictator and a friend. This would result in the painting of an unrealistic picture as we cannot have so many, nay, even a couple of conflicting personalities in one person. This leads to choosing among alternatives which eventually involves opportunity cost; you have to give up a leader with certain traits if you select another with specific other
characteristics. It all comes down to which undesirable traits we are willing to put up with so that some other desirable features may be allowed to serve our purpose.

On the one hand, some desire to be leaders. These individuals are born with an innate ability to lead and command the respect of others. They seek power and enjoy being in control (Symons 2016). They exude much confidence and have a good idea of what they want and how they will achieve it. They often have the notion that they are always right and that they know what is best. They generally work towards attaining the highest position of power within their grasp. They rule with an iron fist, and their actions are rarely questioned up-front. What is desirable about such leaders is that they produce results that may subjectively be positive or negative. They can get work done through others and make the most of available resources. They are firm in their decisions and do not waver with public opinions. However, as with every type of leader, they have their shortcomings.

What lengths are they willing to go to achieve what they want? How much of that drive is for personal gain? There is an excellent correlation between greed and the desire to hold positions of power. The cost of choosing a leader who desires to be one is that the opinion of those below the leader is often less valued. There is a disconnect between the leader and the subordinates. The leader gets the work done through authority and force rather than through motivation and support, which deteriorates the morale of the subordinates. They probably have to give up having a pleasant work atmosphere. They probably have to give up the luxury of having their voices heard. The highest cost in this is that it plants a notion that one needs to climb the upcoming generations to nurture such traits, how high is the cost of electing such leaders?

On the other hand, we have individuals who have no desire to hold positions of power but are thrust into them or rise to the occasion. These leaders take up the mantle out of a sense of responsibility and obligation when there is no one else to shoulder that responsibility and if rejecting that position would cause more harm than good. It is uncommon to find individuals with this trait as most people desire to be in a better position than they currently are. This kind of leader has a comparatively higher emotional quotient and is more sensitive to the feelings and needs of those under their care. George R. Terry says, “Leadership is the process of influencing people so that they will strive willingly towards the achievement of group goals.” This is precisely the direction this kind of leadership strives to go in. They are more inclusive and consider the opinion of everyone, trying to satisfy everyone while also, on the contrary, choosing the morally correct path even if it means disappointing the majority. The downside to selecting such leaders is that they are soft and are easily swayed in trying to make everyone happy.

In many cases, more than kind words are needed to get work done, and a more direct approach is required. People can take advantage of their good nature, and their belief in the good nature of human beings may often be proved wrong. They are forced to adjust to the harsh environment in which they have been placed, resulting in the loss of their innocence, which is one of the procedure's high costs.

Leadership puts you in a place that allows you to do many positive things for the people around you but comes with a responsibility to make difficult choices. There are situations where you have to
make decisions that might end up hurting the sentiments of a few people. There are situations where you have to reprimand a subordinate for getting the work done on time. Sometimes, a leader must choose the lesser of two evils. There is a constant need to give up certain things to achieve specific objectives.

So, does leadership require some form of undesirable traits? Does a leader have to sacrifice some of their values to carry out the role of a leader successfully? How high a cost is that to bear? In appointing people who do not desire to be in a position of power to one, do we rob them of the peace they had, transforming them into persons they did not wish to be? Do we encourage power craving by appointing people who desire to be in a position of power to one? There is a dilemma, as can be expected in an imperfect world.

So, when choosing a leader or accepting a leadership position, we ought to weigh the cost of the choices in front of us and choose wisely. Our options can never always be the best, but we can only try. It also helps because, in a democratic setting, leadership is not entirely entrusted to one person but to a team that collaborates with the leader and, as a result, allows for some collaborative decision-making. There is no middle ground between not choosing when a leader needs to be chosen. The act of not choosing has an almost equivalent effect to choosing wrong. By not being a part of the solution, we become part of the problem. It is our responsibility as members of society to use the weightage of our choice on the outcome of the leader’s choosing or to remain silent in that regard forever.

It is wise to note that leadership as a role is more complex than it can be split into the two categories mentioned above. It is only to contemplate what advantages and disadvantages each type of leader has when considering the desire for power. There have been many instances where a more subtle form of leadership produced beneficial results for the public. There have also been instances in world history where a more severe leadership form could not have been realized. There have been instances where a subtle form of leadership led to the decline of entire civilizations. There have also been instances where severe leadership drove societies into darkness. The complexity of circumstances and human traits demand unique sets of leadership characteristics at specific points in time. So, it is not about which form of leadership is better, but rather, what opportunity costs you are willing to bear to have a particular set of traits in the leader you choose. It is also about how neither of the forms of leadership is superior to the other, and no person can be exclusively authoritarian or exclusively non-authoritarian.

The key to successful leadership today is influence, not authority.
—Kenneth Blanchard