

# At last, some good news for leaders: you are not alone



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ON MANAGEMENT

It used to be the Ewings who livened up the boardrooms (and saloon bars) of Dallas, but these days the Rockefellers provide all the dynastic entertainment on offer. At ExxonMobil's annual shareholders meeting in the Texan city last week, descendants of John D. Rockefeller, the founder of Exxon's forebear Standard Oil, lobbied hard to force the company to split the joint role of chairman and chief executive – currently held by Rex Tillerson – in two.

Most shareholders demurred. They seemed happy enough with the company's performance. As well they might be: ExxonMobil had record sales of \$40bn (£20bn) last year, far outstripping all other leading US corporations. The share price, up by 10 per cent in the past 12 months, has shaken off the bearish sentiment that has afflicted other industrial stocks. It has not been a bad time to be in the oil business, of

course. But management must be getting something right.

While the dispute over ExxonMobil's strategic direction centred on the environment, in effect it constituted an attack on the current boss. Now, you might expect a Rockefeller to subscribe to the great man theory of history. But this theory, when applied to the leadership of businesses and organisations, distracts us from what we should really be thinking about. The personality of Mr Tillerson, and whether or not he should combine the roles of chair and CEO, is not the central point. The quality of the leadership team that surrounds him is what counts.

All of us – business people, financiers, analysts, journalists and PRs – are guilty of perpetuating the myth of the lonely leader, struggling single-handedly to drive the business on. I can only speak for my trade here. As journalists we are taught to “tell the story through people”. So, if we want to report what a company is doing, who else should we write about if not the boss?

But as Lee Scott, chief executive of Wal-Mart, was honest enough to explain to this newspaper earlier this year: “I don't run the company . . . as a CEO if you have to get up every morning and tell them what to do, then you've got the wrong people in

the jobs.” Nor can Mr Tillerson simply over-ride the entire ExxonMobil board: 10 out of the 11 directors elected last week are non-executives.

Now there is new evidence that it is top teams rather than top bosses that matter most. Research commissioned by the UK-based consultancy Cognosis has shown

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that the effective development and execution of strategy has more to do with what senior executives succeed in conveying to the rest of the organisation than what leaders do and say alone.

Just over 1,000 senior managers from large businesses were asked by the research company YouGov to give their views on the strategic effectiveness of their organisation. Unsurprisingly, perhaps, the verdict was not all that positive. Under half felt that their leaders, leadership teams and organisational culture supported the

effective development of strategy.

More surprising was the evidence, drawn from “regression analysis” of the survey findings, that leadership teams were four times as important as leaders in that process of developing strategy. “Leaders have only an indirect influence on creating a more strategically effective culture,” says Richard Brown, managing partner at Cognosis. The leader's job is to “catalyse and orchestrate his or her top team”. It is then up to that team to influence the rest of the business.

So how, if you are the boss, do you make this process work? Try to build what Cognosis calls a “whole-minded” team around you. That is, balancing four key personality types (and approaches to strategy) as identified in a Myers-Briggs style analysis of your colleagues: those who are predominantly creative, collaborative, rational or practical.

According to the survey data, “whole-minded” teams are seen as significantly more effective. But there is good news for the leader who may be an essentially rational or practical kind of person. “Leaders don't have to be whole-minded to assemble and lead whole-minded teams,” Mr Brown says. Getting buy-in from the rest of the business

will be a lot easier, however, if the top team contains that mix of qualities that will help create a more convincing, and possibly even inspiring strategy.

The alternative is all too familiar: one-dimensional teams of executives all hired in the leader's image, people who have got on in their careers by trying to be as much like their boss as possible. There is no mystery how this happens. “Leaders do tend to build leadership teams in their own image,” Mr Brown says. But this reinforces narrow-mindedness instead of building the “whole-mindedness” you need.

Do not expect to see any sudden or dramatic changes in the way we talk about business. The glossy magazines will not run out of CEOs eager to be photographed for the front cover. But, with their smart covers, those magazines are really reporting the myth and not the facts about how companies are run. Leadership, it turns out, is a team sport. Its tasks and duties are distributed far and wide among the ranks.

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