



Welcome to our latest bulletin in which we focus on organisational leadership.

In our lead article, my colleague and I look at the role of leaders when operationalising strategy and argue that collective – as opposed to individual – leadership is required when an organisation is aiming to change its trajectory.

Our second article gives a striking insight into the lack of strategic leadership in organisations today. Based upon a survey undertaken by PwC in 2015 it found that of the 6,000 senior executives who responded only 8% turned out to be strategic leaders.

Finally, we feature a book that challenges established thinking on what it takes to be a good leader and how the leadership development industry is failing. [Leadership BS](#), by Jeffrey Pfeffer, presents a compelling and refreshing insight into the dire state of leadership today.

As always, we welcome your feedback.

Best regards  
[David Trafford](#)

## About Formicio

We work with people who want to improve their organisation's future.

Specifically we can help you:

**Assess** your current strategy by understanding your organisation's current trajectory and the factors driving it.

## Collective leadership and strategy

Leadership is important as without it organisations would have no direction and people would have no-one to follow. But is all leadership the same, or are different leadership models required in different circumstances? In their article *The Case for Greater Collective Leadership*, [David Trafford](#) and [Peter Boggis](#) believe there is, particularly when an organisation aims to change its trajectory and go beyond its default future.

They argue that if operationalising strategy is about changing the trajectory of an organisation, and changing trajectory involves people altering what they do and how they do it, then it's unreasonable to expect them to commit to these changes unless they are confident they will be successful, and the benefits of the future state are worth the pain of transition. And the principal source of this confidence – or its absence – comes from an organisation's leadership.

But if the organisation's leadership is not aligned, either on the strategic intent or the trajectory by which it will be realised, confidence will not be established. Furthermore, it's not only what leaders say that instils confidence, it's what they do and how they behave. If they act collectively as one, use the same language and exercise judgement based upon the same criteria, then it will be evident they are aligned, and thereby exercising collective leadership – as opposed to individual leadership.

Collective leadership is where multiple individuals exercise their leadership roles within a group – and then the entire group provides leadership to the wider organisation. What's more, it's a fluid and flexible approach to leadership, where roles and resultant accountabilities evolve in response to changing circumstances. As a result, the power of collective leadership is greater than the sum of the powers of the individual leaders. Collective leadership is where the given roles and functions are, intentionally, broadly defined and the contribution that individual leaders make evolves over time in pursuit of a common purpose.

To read their full article, in which they offer seven operating principles for collective leadership, click [here](#).

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## Strategic leadership is in short supply

In 2015 PwC conducted a study in which they asked 6,000 senior executives a series of open-ended questions aimed at revealing their leadership preferences. The responses were then analysed to determine which types of leaders were most prominent. The results confirmed what many of us have suspected for some time: that strategic leadership is in short supply. In fact they found that only some 8% turned out to be strategic leaders, or those effective in leading transformations. They also found that strategic leaders are more likely to be women – with 10% of female respondents categorised this way, compared with 7% of men. Furthermore, they found that the number of strategic leaders increases with age – the highest proportion aged 45 and above.

**Develop** your new strategy by defining an organisational trajectory that leads to an improved future.

**Operationalise** your strategy by creating the conditions that enable the organisation to pull itself towards its target future.

Our approach is to help our clients find solutions that work best for them, while keeping them true to their strategic intent.

More details can be found on our [website](#).

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## Parting thought

“A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.”

Lao-Tzu  
Chinese philosopher,  
writer and founder of  
philosophical Taoism  
6th century BC

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While the authors believe that organisations can build their capacity for strategic leadership, they conclude that the shortage is a result of how organisations traditionally promote and develop their leaders. As they put it: “In many companies, the individuals who make their way to the top of the hierarchy do so by demonstrating superlative performance, persistent ambition, and the ability to solve problems of the moment. These are valuable traits, but they are not the skills of a strategic leader.”

In their article they offer 10 principles that can unlock the potential strategic leadership within organisations. These principles cover the three areas of systems and structures; people, policies and practices; and focus on the self.

Interestingly, when PwC conducted the same survey in 2005, only 7% of respondents were identified as strategic leaders. Through a 10-year period of significant challenge and change the strategic leadership needle has barely moved.

To read the full article click [here](#).

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## The state of leadership today is dire

According to Jeffrey Pfeffer, in his latest book [Leadership BS](#), the state of leadership in organisations today is dire, and what’s more the leadership development industry has failed.

He argues that there is overwhelming evidence of workplaces filled with disengaged, dissatisfied employees who do not trust their leaders and who often expressed their number one desire is to leave their current employer. And leaders themselves feel no better as they confront shorter job tenures and an ever-higher probability of suffering career derailments and getting fired.

He also believes that the estimated \$20 billion spent annually on leadership education and development is based more on hope than reality, on wishes rather than data, on beliefs instead of science. He is particularly troubled that there are no ‘barriers to entry’ into the leadership development industry. With no credentials, rigorous research, knowledge of the relevant scientific evidence, or anything else, anyone can pass themselves off as a leadership expert, and he argues many do. He’s also critical of past leaders whose biographical works and speeches on leadership describe what they want to believe about themselves, rather than an accurate description of how they actually led. Their primary aim being to create an attractive legacy – rather than providing qualitative data from which to learn.

In many respects he believes the leadership profession is currently like the medical profession was at the beginning of the 20<sup>th</sup> century when almost anyone could practise medicine, with little attention given to their suitability, training or the effectiveness of what was being practised.

Pfeffer certainly challenges established thinking on what it takes to be a good leader. He claims his goal is to: “cause people to rethink, to reconceptualise, and to reorient their behaviours concerning the important topic of leadership”. He certainly succeeds. It’s a must-read for all aspiring – and established – leaders. Find out more [here](#).

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