

New research suggests there aren't as many as you might think.

The Ways Chief Executive Officers Lead



by Charles M. Farkas and Suzy Wetlaufer

There is no shortage of schools for business-people of every specialty: accountants, engineers, financiers, technologists, information specialists, marketers, and, of course, general managers, who have their choice of hundreds, if not thousands, of M.B.A. programs. But where is the school for the person in charge of getting the best results from all

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these members of the organization? There is no school for CEOs—except the school of experience. Chief executives must learn on the job how to lead a company, and they must learn while every stakeholder is watching.

The CEO's job is like no other in the organization. It is infinite. Senior executives are, by definition, ultimately responsible for every decision and action of every member of the company, including those decisions and actions of which they are not aware. CEOs—even new ones—are allowed few mistakes. Not surprisingly, research shows that

between 35% and 50% of all CEOs are replaced within five years. That is a costly proposition for any organization, for no company can lose its leader without losing some sense, even temporarily, of its identity and direction.

Two years ago, our interest in the role of the CEO prompted us to begin an extensive study of how senior executives lead. Over 12 months, we interviewed 160 chief executives around the world, most of whom were running major corporations in industries as diverse as gold mining, computers, and soft drinks. Our goal was to examine the set of attitudes, activities, and behaviors that determined how those executives managed their organizations. To be honest, going into the project we hypothesized that there might turn out to be 160 different approaches to leadership. There were not. Only 5 distinct approaches emerged from our data.

Charles M. Farkas, a director at Bain & Company in Boston, Massachusetts, is coauthor, with Philippe De Backer, of Maximum Leadership: The World's Leading CEOs Share Their Five Strategies for Success (Henry Holt, 1996). Suzy Wetlaufer, formerly a consultant at Bain, participated in the Maximum Leadership research project. She is now a senior editor at HBR.