

Why Your Team's Not Working: How CEOs Can Foster World-Class Leadership Teams





How do I unleash my team?

For the CEO of a regional utility company, this question was central to her vision for transforming the company. As in many industries, companies in the sector face growing pressure to become nimbler and more customer-centric in the face of emerging competition. Transforming the organization to meet these challenges required new rules of engagement for the leadership team. Instead of silos, they needed coordinated effort. Instead of independent initiatives — “different chapters of the same book” — they needed a shared understanding of the vision and priorities for the business and a clear sense of how the work of individual departments and businesses tied together.

As the business environment gets ever-more complex, competitive and faster-paced, more CEOs are recognizing the importance of having the right people in the top team working together toward the same goals. In the case of this utility company, the leadership team embarked on an initiative to improve their effectiveness, agreeing on their vision and strategy and identifying their shared priorities and responsibilities. As they became “better together,” leaders were no longer concerned solely with “my area;” the team evolved to be more engaged, interdependent and collaborative in pursuing overarching organizational objectives.

Think of a highly coordinated top team like the effect of a large stone dropped into a lake: it has a strong ripple effect throughout the organization, enabling people at all levels to focus on the right things for the business.

But, while there is greater recognition of the importance of having a well-functioning top team today, there’s a good chance any one executive team is not high-performing. Only one in five is, according to some research.¹ Fostering an effective team can be hard, because it involves managing people — typically with a variety of personal styles and motivations — and getting them aligned and focused on the right things. As one CEO told us, “For the first time in my career, I feel the need to look behind, to see if people are following me.”

¹ Wageman, Ruth; Nunes, Debra A.; Burruss, James A.; and Hackman, J. Richard. Senior Leadership Teams: What it Takes to Make Them Great. *Harvard Business Review Press*. 2008.



The CEO plays the ultimate role in cultivating a high-performing team by creating the conditions that allow the team — and the larger organization — to work together toward shared objectives. CEOs with high-performing teams take responsibility for the development of the kind of team the organization needs to achieve its strategic aspirations. Here are seven questions CEOs can use to start thinking about what’s working and what’s not in their team.

- > Do we have a clear vision and mission?
- > What kind of leadership team does our business need?
- > Do we have the right people?
- > Does the team hold one another accountable for shared responsibilities?
- > Do we make decisions and stick with them?
- > Are we making the most of meeting time?
- > Are we better together?

Do we have a clear vision and mission?

A startup biotech company amassed a virtual dream team of seasoned industry executives to help develop a new drug and bring it to market. But even a collection of superstars will struggle to do all the things they need to build the company — from defining a set of values for the organization and fostering a culture that engages and inspires employees, to pitching investors and communicating with regulators — without explicit agreement on the company vision and mission.

As one CEO told us after taking her team through the exercise of defining their vision and mission, “The bigger we think, the easier things tend to get.” Carving out time to consider the big picture opens the team up to all kinds of different possibilities — unexpected partnerships, creative solutions to vexing problems — that might never emerge when the team is caught up in the internal day-to-day issues that narrow their perspective.

CEOs often assume that the vision and mission of the senior leadership team are self-evident, but it is not unusual for different executives to have varying views on the team’s purpose. When the specific role of the team in achieving business goals isn’t explicitly stated — and translated into objectives for each member of the team — it can slow decision-making, cause teams to work at cross-purposes and make it harder to get the right things done.

Diagnosing your top team

Do we all understand and are we all committed to the direction we are taking?

What kind of leadership team does our business need?

Teams can be more like golf teams — where individuals compete more or less individually and their scores are tallied — or like American football teams, where action is highly coordinated, and if one person misses an assignment, the play will fail.

The golf team model can be appealing because it's clear: everyone has a specific job, things get done, and it's easy to see each person's "score" based on the performance of the parts of the business the individual is managing.

Today, however, more unity and collaboration among management teams are required. Market forces require that organizations be able to change very quickly and they can't do that working in silos.

The highest-performing leadership teams recognize their shared responsibility in reading the external context for the business and shepherding the organization to get the outcomes their strategy requires. Together, they set direction and strategy and help define and role model a culture that supports the strategy. They do this through the people they lead and the processes and structures they establish. They also keep an eye on the organization's informal routines and communications to make sure they are helping to drive the right outcomes.

Diagnosing your top team

Are we looking in the same direction?

What degree of coordination and communication do we need based on the external environment and the challenges the business is facing?

Do we consistently perform well?

Do we have the right people?

The new CEO of a South African insurance company recognized that conflicts on his team were keeping them from working together on some key priorities. That this group would have disagreements and misunderstandings wasn't altogether surprising, given that the leadership team had been assembled from the combination of formerly separate companies and included a mix of expats and locals. The CEO suspected that the team's problems stemmed from lingering mistrust between groups of different backgrounds. Our diagnostic revealed something quite different: in fact, regardless of their background, executives on the team were frustrated about the underperformance of one person that wasn't being addressed.

It's not uncommon for CEOs to underestimate the disruption caused by the behavior or underperformance of a few people on the team. CEOs may over-focus on individual outcomes rather than the leadership behaviors that affect team responsibilities and dynamics. They may lack visibility into who is carrying more than their share of team responsibilities, or who is regarded as a less reliable player by their peers. Or they may not have a good sense of what best-in-class looks like in individual functional roles, especially those who have spent their entire careers in one organization.

Members of the top leadership team not only should be experts in their domain, but also be able to contribute credibly to key business issues outside of their specific area of expertise. CEOs should make sure they understand the strengths and weaknesses of individual team members and how their styles help or hinder the collective work of the team. Executive assessments, including external benchmarking, and a team diagnostic can surface weaknesses in capabilities, problematic behavior or differences in work styles and communication styles that can be addressed.

Diagnosing your top team

Are we clear who is part and not part of the team?

Do we have the right people in the right roles on the team?

Do we have a diverse set of inputs into our team?

Finding ways to bring the team together around a shared goal — such as culture change or long-term “blue sky” planning — can reinforce the leadership team’s shared responsibilities...

Does the team hold one another accountable for shared responsibilities?

Every member of a CEO’s team is responsible both for their specific operational or functional area and the enterprise-level responsibilities they share as a team. But teams sometimes don’t explicitly define the aspects of the organization that they will co-own and co-create or hold themselves accountable for making progress on these shared responsibilities. Other times, teams over focus on short-term priorities to the exclusion of the long-term vision they should be working toward together.

Frustrated that the organization wasn’t making progress on key business priorities, the CEO of an energy company determined that members of his team were more focused on their respective areas and individual agendas than their shared responsibilities. He decided to use a culture change initiative to help align the team, assigning each person as a sponsor for specific projects requiring collaboration across the business — such as increasing agility in the organization and improving cross-functional interactions.

Finding ways to bring the team together around a shared goal — such as culture change or long-term “blue sky” planning — can reinforce the leadership team’s shared responsibilities and provide a platform for team members to agree on how they will individually support the enterprise goals. The CEO’s role is to ensure the team remains anchored to the longer-term vision and how to get there, even as they tackle short-term goals.

Diagnosing your top team

Are we aligned on the most important responsibilities?

Do we make decisions and stick with them?

The best teams actively debate issues and then come together to work toward what was agreed upon. Some teams, though, don't fully deliberate — sometimes because leaders avoid challenging their peers, choosing to “pick their battles,” and sometimes because of behind-the-scenes agreements not to challenge one another's projects. On other teams, too much time is spent driving consensus without coming to agreement. The CEO's role is to make sure that diverse perspectives are heard and that debates lead to decisions.

Once a decision is made, the team is responsible for carrying it out. Some organizations have trouble making progress on enterprise-level initiatives because team members “re-negotiate” the decision behind the scenes. They drag their feet on change, and, with a wink and nod, maintain the status quo. More effective teams encourage rich debate about issues, but once a decision is made, team members are committed to defending and carrying out the decision, both publicly and privately.

All eyes are on the management team, so dissent or a lack of commitment to a decision at the top team level cascades through the organization, crippling its ability to act. The team should role model and embody the direction they have agreed to take and collectively agree on how they will communicate the decision to the organization, considering questions like: How are we going to talk about the key objectives outside of this room? How will we respond to specific questions or concerns? What are the practical implications of this decision for my business unit or function? What will we do — or stop doing — to model the behaviors we want to encourage?

Diagnosing your top team

Do we handle disagreements and conflicts constructively?

Do we remain united even when we disagree?

Do we support each other to outsiders?

All eyes are on the management team, so dissent or a lack of commitment to a decision at the top team level cascades through the organization, crippling its ability to act.

Are we making the most of meeting time?

A common complaint about teams is that meetings become platforms for updates on individual functional and business unit results or devolve into lower-level problem solving. In more command-and-control style teams, for example, team members may wait for the CEO to signal his or her view. Or they are reluctant to raise concerns in a group setting, and a “you leave my turf alone and I’ll leave yours alone” mentality emerges.

Some CEOs are comfortable with the go-around-the-room approach to meetings, believing it helps shine a light on problems the team is having. But this approach can waste an enormous amount of energy and encourage politicking, as individuals scramble to prepare their updates and practice in anticipation of every possible challenge.

Ideally, team meetings provide an environment where leaders can raise questions about key team issues, ask for help solving the problems they’re facing and focus on the work that only they can do — cross-enterprise direction-setting, resource-sharing, prioritization and road block removal. Everyone’s engaged and contributing, and the team is drawing on all the minds around the table. The CEO’s role is to set the agenda for their meetings, keep discussions focused and make sure they lead to decisions, and ensure that there are agreed-upon norms for meeting behavior, such as attendance, participation and even cell phone use.

Diagnosing your top team

Do we all attend meetings and stay until the end?

Do we make good use of our time together?

Are we better together?

High-performing teams bring out the best in one another. They work in concert on shared goals and priorities. Individuals on these teams trust one another, communicate effectively and deal with conflicts constructively.

Teams build trust not just through familiarity — knowledge gained over time about one another’s personal preferences, styles and how they’ll react in certain situations — but by the willingness to be vulnerable within the team. Individuals feel safe sharing thoughts and doubts without fear of criticism or backlash. Low-performing teams have an atmosphere of distrust and cynicism; they feel restrictive and there is no multiplying effect where the sum is greater than the parts.

High-performing teams also interact differently from lower-performing teams. On high-performing teams, individual leaders balance advocacy — pushing individual points of view — with inquiry, listening to and building upon the opinions and ideas of others. They are outward looking — focused on clients, markets and competitors — and prioritize the needs of the overall business over their individual department or business unit. For example, a leader might be willing to give up head count in his or her own department to serve a greater business purpose. They also use much more positive than negative language, and they don't slip into bad habits when challenges arise or they are under increased pressure.

CEOs help create this environment by inviting the team into the dialogue. They model an open, transparent way of interacting, putting issues on the table, openly discussing the wins and the challenges of the business as a whole and its individual parts. They provide opportunities for the team to get to know one another on a more personal level and build trust. They have a pulse on interpersonal dynamics and how individuals on the team are feeling. CEOs also should consider how their leadership style affects these team dynamics, being willing to adjust the style based on the situation.



Diagnosing your top team

Are we able to give constructive criticism and feedback to one another and to accept it ourselves?

Are we good at making sure that everyone knows what's going on?

When one of us is under pressure, do others offer to help him/her?

Do we trust each other?

Do we feel supported?

Conclusion

High-functioning senior teams that are aligned behind a clear vision and mission for the business have a multiplying power. Their influence radiates throughout the organization, influencing the decisions, behaviors, engagement and work of people at every level. CEOs should consider what kind of team they need for the business and how to foster the environment that makes that kind of team possible. Finally, fostering a high-performing team is a continual process, requiring ongoing coaching, regular interactions, and clarity of purpose and mission.

Authors

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The myths that can hurt team performance

Myth	Reality
If everybody in this room does their job, the business will be successful.	Focusing solely on individual performance can perpetuate silos and prevent cross pollinating of ideas and information.
We are a team because we call ourselves a team.	Teams underestimate the need to define their membership and purpose. Teams should be defined by their strategic purpose and have a clear mandate.
A team full of A players is an A team.	Research finds that individual excellence does not necessarily translate into team excellence. Factors such as alignment on shared purpose, trust and the nature of the team's interactions make a team more than the sum of its parts.
A workshop will solve everything.	Fostering a high-performing team is multifaceted and requires ongoing attention.
It's all about trust.	Increasing familiarity and trust among team members is important, but their work must be rooted in a shared understanding of the strategic needs of the business.



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