

Chief Executive

The Leader's Role: 6 Conditions for Building a Great Leadership Team

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During a recent meeting with the CEO of a large mid-western manufacturing company he conveyed his deep frustration with his leadership team as exemplified in the quotes below.

- *"Each team member is extremely talented but they just don't seem to be on the same page without me inserting myself."*
- *"Our leadership team meetings are stale - we report out functionally but we don't challenge each other or push for innovation or to continually get better."*
- *"While we all seem to like each other, it is very rare that the team or subsets of the team get together to address important enterprise-wide issues without me in the room."*

After a brief discussion this CEO revealed - "I assumed that bringing a group of talented senior executives together would be sufficient for creating an effective leadership team. Unfortunately, that was a bad assumption and as a result I have failed to set my team up for success."

THE CHALLENGE

Simply put, the job of a senior team leader (CEO, President, GM) in leading a senior

team is to establish the conditions that will help the team thrive and be resilient. Unfortunately, the work isn't simple at all and is often made more challenging by the tendency of many executives to assume that with experience and position comes the ability to serve as an effective leadership team member. Evolving a group of executives, even highly skilled and talented ones, into a cohesive unit that points the organization in the right direction is a complex endeavor that requires time and nurturing.

At least two factors contribute to this complexity. First, individual executives come from varying backgrounds and experiences and naturally espouse different agendas, visions and ways of operating. Second, leadership team members have specialized management and functional responsibilities that often reinforce their individual contributions and sometimes compete with their enterprise responsibilities. In her article "[Building Great Leadership Teams for Complex Problems](#)" Ruth Wageman emphasized this challenge - "In leadership teams at the top of an organization, members often construe themselves as representing their own constituents, even at cost to the other leaders at the table." To overcome these very real hurdles, senior team leaders have to establish and reinforce the conditions that enable groups of senior executives to evolve into effective leadership teams that serve as force multipliers for their organizations.

THE CONDITIONS

Based on our experience working with leadership teams of many sizes and across a host of industries, we have identified six conditions that formal leaders must establish to build great leadership teams. The first three conditions require active management by the senior team leader whereas the second three conditions require *modeling* of important behaviors.

Actively Manage

1. Enterprise Purpose
2. Operating Model
3. Management Rhythm

Model Behaviors

4. Self Awareness
5. Productive Dialogue
6. Accountability

ACTIVELY MANAGE (CONDITIONS 1 • 2 • 3)

It is a complex endeavor to take a group of talented, experienced and opinionated senior leaders who are playing critical functional leadership roles and build them into a cohesive unit that is laser focused on an organization's most important strategic priorities. And, while we are strong believers that truly effective teams evolve into ones where the leader is a coach and the team becomes competent at holding itself accountable, we also recognize that there is an important organizing role for the senior team leader. Specifically, the senior team leader needs to use position authority to actively establish and maintain three conditions for team success - creation of the leadership team's unique purpose, establishment of a team

operating model that supports that purpose, and implementation of a management rhythm to ensure the team stays on track.

Condition #1 - Identify A Compelling Purpose

The following are real examples of items we have seen addressed (and not tangentially) by senior leadership teams - business cards for front line service employees, location and menu for the annual holiday party, format for a marketing presentation, layout of a new warehouse. Often times, leadership team members will have traveled great distances and taken time away from being with customers or leading their respective units to deal with issues like these that clearly are not tied to an organization's most pressing priorities. This lack of discipline and focus is a symptom that a leadership team has not defined or at a minimum is not adhering to a purpose that unites the team on what is most important at the current juncture in the organization's lifecycle.

Leadership teams set the tone for their organizations and nothing will rally managers and staff more than a senior team that is laser focused, in sync, and accountable. This is why the senior team leader must take a strong role in driving the creation of the team's purpose. As articulated in the book [Senior Leadership Teams](#), a leadership team's purpose should encapsulate what the chief executive needs "this group of enterprise leaders to do that cannot be accomplished by any other set of people." The senior team leader should actively solicit input from the team and foster productive debate including discussing important interdependencies among team members and ideas on how the current team can help drive the organization's most critical priorities.

However, this is one of those times when the senior team leader needs to resolutely and unapologetically use his/her authority as the chief executive to provide the team with a clear and compelling purpose. The senior team leader then must work diligently to ensure that each team member is on board with the decision and clearly understands their role and the team's collective accountability for executing the purpose.

Condition #2 - Define the Operating Model

The type of model a chief executive chooses to operate his/her leadership team depends on the complexity of challenges their organization is facing. Chief executives of organizations that are relatively stable where the CEO sets and drives the strategic direction tend to deploy consultative operating models. In these types of models leadership team members exchange relevant functional information, learn via debate on key issues and challenges, and provide advice and counsel to the chief executive for input into important strategic decisions.

More complex organizational challenges including significant growth or retraction,

launching of new lines of business, or restructuring requires chief executives to adopt integrative leadership team operating models. In these types of models chief executives task leadership team members with managing key organizational interdependencies and making decisions on areas that are most consequential in driving the organization's strategy. Integrative operating models require significant interdependence among leadership team members including shared responsibilities and regular collaboration.

Condition #3 - Establish an Effective Management Rhythm

Management rhythm is a fancy phrase for how leadership teams monitor strategic and tactical execution including plans and metrics, vehicles for communication, and formal and informal meetings. While there is no magic one size fits all formula for how often teams should meet or how they should track progress, a leadership team's operating model will influence the rhythm. For example, a consultative leadership team operating model will likely include regular leadership team meetings where team members are required to report out on functional progress whereas a team using an integrative operating model will likely have a more complex and fluid rhythm where sub teams will meet to drive various cross-organizational initiatives.

The following are a few guiding principles for creating an effective management rhythm. First, it is essential that leadership teams maintain discipline and provide adequate time for discussing and debating strategic issues separate from tactical issues. Too often we see teams set aside time to address strategic issues only to watch the discussions quickly devolve into tactical problem solving deliberations. Next, some time should be devoted to meet face-to-face; especially when addressing challenging enterprise wide issues. In person communication facilitates more effective challenge and debate and better enables difficult issues to be ironed out in a more productive fashion. Finally, it is important for leadership teams to document expectations, metrics and plans so that progress can be monitored effectively. While this might seem obvious, we often encounter teams that get together with no agenda and limited vehicles (spreadsheets, dashboards) for keeping the team on track.

MODEL BEHAVIORS (CONDITIONS 4 • 5 • 6)

We are currently working with a number of CEOs who are extremely well intentioned and who sincerely recognize that building a better leadership team will pay big dividends for their organizations. The challenge, however, is that the work of building a great leadership team starts with the chief executive's effort to step back and model behaviors that reinforce their personal commitment. Unfortunately, behavior change is hard work and like many executives we work with these chief executives are struggling. For example, one of our clients has a difficult time receiving feedback and hearing perspectives that are different from his, which has

led his direct reports to avoid and not challenge him. This is why we spend time up front in our engagements to help senior team leaders prepare to model three conditions that will enable their teams to become great.

Condition #4 - Model Self Awareness

All of us have our 'blind spots' and executives are no different. Unfortunately, these blind spots often hold us back from being our best as colleagues, bosses or teammates - we think we are behaving one way while others see us showing up in a different way. Executives on the client teams we work with are often shocked when they get feedback from their leadership team colleagues (often for the first time) - "what do you mean I don't listen" • "I don't let my direct reports off the hook" • "I don't waffle when making decisions; I am actually quite decisive." To build teams with members who are addressing their blind spots, senior team leader needs to commit to addressing their own first.

In her recent [Harvard Business Review article, *What Self Awareness Is \(and How to Cultivate It\)*](#), Tasha Eurich suggests that there are two types of self-awareness - Internal and External. Internal self-awareness represents how clearly we see our own values, passions, reactions and impact on others while external self-awareness means understanding how other people view us. Eurich goes on to say that experience and power can actually hinder self-awareness - 'seeing ourselves as highly experienced can keep us from doing our homework, seeking disconfirming evidence, and questioning our assumptions.' Both types of self-awareness are clearly important but our experience suggests that relationships among leadership team members are strengthened when leaders take the lead in helping team members strive to understand how others view them so we are not clouded by inaccurate assumptions and lack of diligence.

Condition #5 - Model Productive Dialogue

Productive dialogue is the ability for teams to challenge, debate and discuss their most important issues in a manner that progresses the issues and leaves minimal relational scars. Unfortunately, productive dialogue is a rare practice in most organizations. Fostering an environment where productive dialogue can thrive is challenging and requires hard work and commitment on the part of each leadership team member. Shutting down dialogue can happen quickly -- for example, when someone's voice isn't heard, when teammates get defensive with one another, or when group think sets in and the team begins to shut out dissenting views. Senior team leaders play a big role in establishing or reestablishing productive dialogue. When they demonstrate that they are open to feedback, actively listen to different perspectives, and view confrontation as a natural part of the team's way of operating, leadership teams are much more likely to engage in productive dialogue.

Condition #6 - Model Accountability

The business dictionary defines accountability as “the obligation of an individual or organization to account for its activities, accept responsibility for them, and disclose the results in a transparent manner.” Inherent in this definition are three types of accountability - individual, power, team. These types exist on all leadership teams but to varying degrees depending on the team's maturity and collective capability. Truly great leadership teams evolve into ones where individuals feel accountable to the team, the leader serves more as a coach rather than the primary source of accountability, and the team becomes competent at holding itself accountable. This optimal leadership team accountability construct is extremely difficult to establish and requires nurturing, commitment and patience on the part of the senior team leader.

From the beginning, the senior team leader needs to clarify and reinforce the importance of the three types of accountability. Most importantly, they must model the behaviors they expect for the team. This includes receiving feedback well and providing timely, direct and respectful feedback. Senior team leaders also need to clarify that the leader’s role does not exist to settle problems or constantly monitor the team; rather it is focused on creating an environment where peers address concerns immediately, directly and respectfully with each other.

Simply put, the chief executive's job is to set their leadership team up for success. This requires them to actively manage creating the leadership team's unique purpose, deciding on an appropriate operating model and implementing an effective management rhythm. Perhaps most importantly the senior team leader needs to guide and nurture the team by modeling self-awareness, how to engage in productive dialogue, and team accountability.