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Developing High Performing Senior Leadership Teams

By BH Tan

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Teamwork has never been easy. Knowing and applying the critical conditions for developing teams can make all the difference.

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As economic activities become increasingly global and complex, teams instead of individuals have become the fundamental operating unit. A 2015 study by Raconteur and Google for Work surveyed 258 C-Suite executives from US companies representing a diverse range of businesses and sizes. A key finding: efficient ongoing collaboration has a profound impact on business innovation, performance, culture and the bottom line.

Is this anything new? In the past few decades even in Western societies that prize individualism over collective action, there has been an obsession about teams. And in Eastern cultures which value putting the collective good ahead of individuals' goals, teamwork has always been the default mode for working in organizations. The received wisdom is that teamwork unleashes greater creativity and productivity.

How much of such expectations has been borne out by reality at the workplace? In my consultancy work with teams, I usually begin by asking them to respond privately to this question: _When people work together on cross-functional projects, will the job probably (a) get done faster, (b) take longer to finish, or (c) not get done?_ Those who have little experience with teams will choose (a). Most who work in teams extensively know better. It is either (b) or even (c).

While the possibility exists that a high performing team can indeed evoke extraordinary results, research has shown that teams generally underperform despite the extra resources they have. And when the stakes get higher with senior executive teams, the impact can be catastrophic. The dysfunctional ones can slow down,

derail, or even paralyze the whole company. There is a mutually reinforcing relationship between senior leadership team effectiveness and the company's culture.

Six conditions for leadership team effectiveness

The basics of team effectiveness were identified by organizational-behavior pioneers, J. Richard Hackman, Ruth Wageman and two other colleagues in their seminal book titled _Senior Leadership Teams._ Drawing upon their study of 120 top teams from around the world, they stipulated six conditions as follows:

Real team. To work well together, team members need to know who actually are on the team. These people share responsibility and accountability for the collective outcome. There are others whom they may call upon for counsel and help but they are not team members. Team membership needs to be relatively stable but can change according to circumstances. Teams can include members who are diverse, disperse and virtual.

Compelling direction. This is the cornerstone for all great teams. It defines the shared purpose for their existence as a team. It must be consequential and challenging. What exactly is it that through collaboration they must accomplish that they otherwise cannot? How will it impact the lives and work of people and the future of the enterprise? These lead to a sense of shared identity and context.

The right people. Team composition needs to be of the right balance of competencies. A healthy blend of technical and social skills, as well as diversity in age,

gender and race can engender a more creative working climate. Ensuring the right people are in the team is hugely important. Team leaders who select the wrong people or postpone the inevitable decision to remove misfits will witness the descend of their teams into endless bouts of infighting and recrimination. It is also better to have a team size as small as possible to avoid what psychologists call *social loafing.* Economists call the same thing *free riding.*

Solid team structure. Effective team dynamics require well-defined work and social processes. Too prescriptive a structure leads to a robotic environment devoid of humanism and fresh ideas. Having a laissez faire setup can be just as debilitating, resulting in gridlock and dysfunctional behaviors. Defining and agreeing on norms of conduct is thus vital. The right norms can energize interaction and raise a team's collective intelligence. People are socially sensitive, respect each other's views and will ensure that everyone has an equal chance to express themselves, i.e. conversational turn-taking.

Being clear about what it means to work as a team requires deep discussions upfront. Not every matter requires everyone to be involved. Certain things can best be done by one person or a sub-group. There will be matters and times when everyone needs to be collaborating. But in other instances, members willingly rely on others' expertise, judgment and experience, thereby demonstrating interdependence. What about ensuring effective meetings, timely conflict resolution, and decision-making that transcends narrow functional interests?

Supportive context. For a work team to thrive, a supportive organization context is a prerequisite. This includes a company culture that values collaboration, a recognition and reward system that reinforces good team performance, access to data and information, an educational system that offers training, and the availability of material resources required for the job.

Team coaching. The best teams are continually being coached and are coaching themselves to evolve, learn and grow. Feedback and regular reviews are important tools that will help raise awareness and enable everyone to step up to a higher level. While having a strong team leader is critical, team leadership is not solely the responsibility of the team leader. A good team will develop the habit of pausing regularly to look at what has transpired and to provide candid inputs to each other. Their members speak to each other frequently and casually to coach each other in and out of meetings.

The team development journey

Team leaders may leverage these six conditions as a recipe for building their teams either from scratch or even with inherited teams. The team development journey may roughly be broken into the following phases:

- team design and formation
- team launch
- evaluation of effectiveness
- team coaching
- ongoing monitoring of effectiveness and
- sustaining and renewal.

Evaluation of effectiveness

How does the team leader know whether the team is indeed tracking in the right direction? Hackman and his colleagues proposed three criteria: collective output that meets or exceeds customers' and stakeholders' expectations, collaborative ability and individual members' learning.

A team effectiveness diagnostic can provide data and insights about how the team is performing. Based on the High Performance Leadership Team Framework in Figure 1, this is an online survey that all team members

including the leader will complete. It consists of a series of questions that focus on the six conditions discussed and two more. Working with teams around the world, I am convinced that today's teams will need two additional conditions: boundary spanning and psychological safety.

**Figure 1: The High Performance Leadership Team Framework**

In today's climate of digital disruption, brutal competition and rapidly shifting business dynamics, companies need to boundary span, i.e. constantly seeking out fresh insights, emerging trends and formulating new perspectives. Amy C. Edmonson, professor of leadership and management at Harvard Business School, did a ground-breaking study many years ago and discovered that all high performing teams have one thing in common: psychological safety. This is the openness in the environment that imparts confidence in members to speak their minds and take risks because they know there will not be negative repercussions.

The diagnostic report consists of quantitative ratings of the items pertaining to the eight factors. It also has a

section in which members will provide comments to open-ended questions. Such a report is a treasure trove of information for a full-scale workshop. Members will benefit most when they discuss and examine lowest- and highest-scored effectiveness criteria. They will also find it illuminating to compare assessments between the leader's and the team's, and among the members' themselves. A well-facilitated intervention will lead to discovery of blind spots and the proverbial elephants in the room. The most useful outcome will be the identification of critical issues and opportunities. A concise team action plan as well as a short list of individual actions will define the way forward for all in the team.

For ongoing monitoring, it is recommended that a temperature check be done at six-monthly intervals using a simplified version of the diagnostic. Displaying the pre-and post-survey results in a spider diagram is a visually powerful way to show progress. See Figure 2.

Figure 2: Sample Spider Diagram
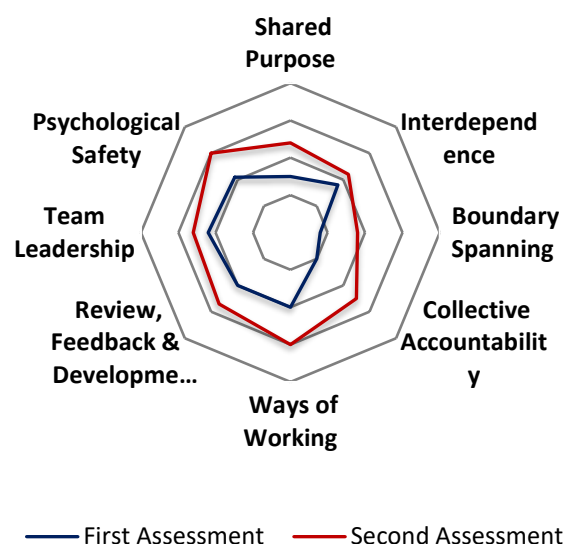
Is your team really making a difference?

Let's now circle back to the three criteria of effectiveness. The higher scores in the spider diagram must lead to observable and measurable improvements in these three criteria: collective output, collaborative ability and members' development. Consider the first: collective output meets or exceeds customers' and stakeholder expectations. Do your data show that your customers are better served in a sustainable manner? Stakeholders for top teams will include the board of directors, business partners and the people in the company. All these constituencies will tell you how you.

are performing. The employee engagement survey is a sure way of finding out whether your people think you have made a positive impact on them.

While building high performing senior leadership teams is fraught with challenges and difficulties, no company can afford not to unleash the power and magic of collaboration. Today's demand for more effective teamwork will become more pressing and complex than in the past. By adopting a systematic approach to designing and developing your teams, your chances of success will be greatly enhanced.

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BH Tan is the president of Lead Associates, a leadership consultancy based in Singapore. He is the author *of Leading with New Eyes* and *The First-Time Manager in Asia.* You can contact him at bh@leadeassociates.com.sg