Bendelta Thought Leadership

Lonely at the top?

What it takes to be an effective Executive Leadership Team

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Never has 'team leadership' been a more important dimension of leadership as a whole. As companies become more flat, nimble and connected, the role of teams in performance grows. Whether these are permanent teams or project teams, the ability of a company to move quickly, respond to opportunities or threats and generate value is largely a product of how well it forms and runs teams. Indeed, the entire Agile movement reflects the importance of the construct of 'team' in its principles and values – in a way that looks quite different from traditional waterfall approaches.

Fortunately, there are many good models for what it takes to be an effective team and how to lead one. Everything from Patrick Lencioni's 'Five Dysfunctions of a Team' to Google's Project Aristotle research provides useful guidance on the hallmarks of a great team and what leaders can do to create such a team. Blending multiple sets of research findings, we see that great teams:

1. Share a common purpose and have a deep sense of 'why'

2. Have high levels of trust or psychological safety

3. Draw on cognitive diversity so that multiple perspectives are applied to solve problems and generate fresh thinking

4. Have positive conflict, whereby team members offer their positions but hold them lightly

5. Successfully balance safety and inclusion with commitment and accountability, so that team members are motivated and get things done.

Similarly, we understand that those responsible for leading teams can create these high-performance conditions by doing things such as:

- Leading from shared purpose
- Being trustworthy and treating others as trustworthy
- Framing mistakes and failures as learning opportunities, and asking powerful questions
- Showing vulnerability
- Ensuring that dialogue is translated into coherent action, with accountability shared around the team.

But what about the Executive Team, the most senior team in the organisation? Do the same enablers and principles apply?

The answer is yes, but the answer is also that what works for most teams is not enough for the Executive Team. Why is this? Put simply, it's because the higher you go in an organisation (even a flat organisation which says it is not driven by hierarchy), the more the team has to deal with tensions – balancing desirable but competing objectives. It's not that other teams don't have tensions to manage – all teams do – but rather that these tensions become both most pronounced and most mission-critical at the top of the organisation. And that has consequences for what it takes to be a great team.

> **Genuine tragedies in the world are not conflicts between right and wrong. They are conflicts between two rights.**
>
> Georg Hegel

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Tension 1:
Being a multi-purpose body

Why have an Executive Team? Many would feel this is so self-evident as to not require examination, but the reality is that many Executive Teams aren't clear on their purpose as a team. (Their sense of purpose as individuals at the Executive level is usually much clearer.)

I often use Bendelta's Executive Team Types framework to understand which types the Executive most wants or needs to preference. More than 80% of the time, it reveals that the Executive Team isn't leaning to the modes that most of the team feels it should.
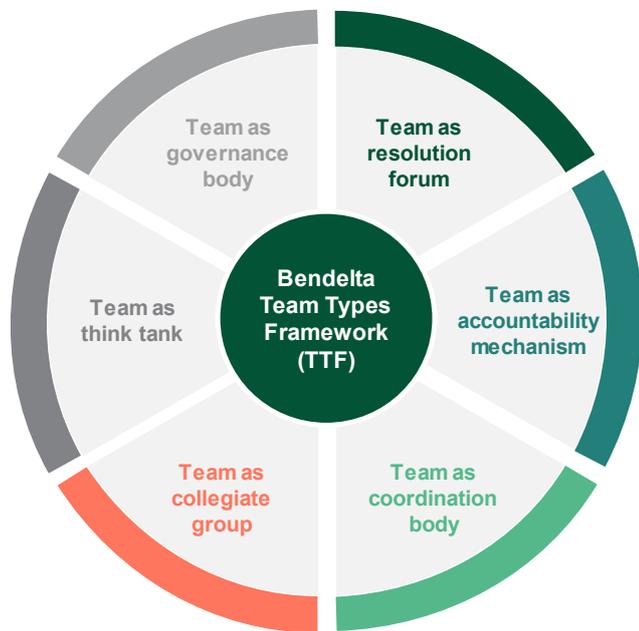
Tension 2:
Leading across multiple time horizons

In one way or another, contemporary organisations are compelled to succeed across three time horizons simultaneously. (This is well expressed in the McKinsey 'Three Horizon' framework but is applicable even if this framework isn't employed.) Specifically, they need to:

- Protect and improve their traditional businesses (typically the business that represents around 70% of revenues and much of the enterprise's profit)

- Accelerate their growth engines (typically businesses that are smaller but have the potential to achieve rapid growth and/or much greater market share)

- Explore new businesses that are either new for them and/or new for the industry (these are usually unprofitable and are uncertain in terms of their viability, but could be key to the enterprise's future success).

It sounds difficult but in fact it's much more than difficult. It requires the Executive to change gear in terms of both pace and success measures, while being equally rigorous across all time horizons. The most common failings are:

- Overweighting the traditional business, leaving the company exposed to disruption

- Overweighting the growth engines and new businesses, damaging profitability and viability

- Applying the same metrics to each time horizon (e.g. evaluating growth engines or new businesses based on profit).

Tension 3:
Leading across simple, complicated and complex challenges

Not all problems and opportunities are the same. But Executive teams often fall into the trap of treating them as they are. Broadly speaking, there are three types of challenge and three quite different ways of approaching them:

- **Simple challenges:** these are challenges which can be solved simply by applying best practice. The Executive should spend almost no collaborative time on these (other than ensuring shared awareness, which can be done without a meeting). They can be managed within the organisation. Despite this, some Executive Teams spend up to 50% of their time in this space

- **Complicated challenges:** these require expertise. Again though, they seldom require all of the Executive's concerted attention (if only for the reason that not all members have the requisite expertise)

- **Complex challenges:** these are challenges which cannot be solved through expertise alone, because nobody has ever successfully solved them. These frequently arise in the context of profound industry disruption. This is where the Executive should draw on the all the cognitive diversity at its disposal (and go beyond the Executive to supplement this further).

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Executive teams go wrong by:

- Spending far too little time on the complex challenges
- Tackling all types of problem in a similar way. There are two ways in which this occurs:
  - Tackling complex challenges as though they are simple or complicated. This leads to a search for silver bullet 'right answers', identified purely through critical thinking and prior experience
  - Tackling simple or complicated challenges as though they are complex. This leads to massive inefficiency and over-consultation.

At the heart of being an effective Executive Team (in addition to what is required for any high-performing team) are:

- Being clear on what value the Executive Team needs to add to the company
- Being able to see that they work on different time horizons and levels of complexity
- Calibrating approaches to fit the context, not using a one-size-fits-all.

All of this requires effective prioritisation. In an age where there are always too many issues to address, Executive Teams must be highly skilled at identifying what matters most, focusing on these, and resolving everything else by devolving, distributing or dumping it.

Seven steps to being a high-performing Executive Team

In addition to the keys to being a high-performing team at any level of an organisation, the following steps can assist Executive Teams to achieve their full potential:

1 Get clear on the higher purpose of the team. Work out what value the team, as a team, can best add to the company

2 Prioritise. Identify (and continue to update) a work program that delivers on the higher purpose. Ask yourselves "what is it that only this team can do?"

3 For anything outside of these priorities, identify other ways for required work to get done. This can be anything from single-point accountability for an Executive on the team, to task forces and of course, delegation

4 Distinguish the business objectives by time horizon and ensure that the success measures vary accordingly. Get the proportion of focus across the time horizons right

5 Set up a cadence that helps the team to shift gears. An effective approach may be to have some meetings exclusively for operational matters and another for strategy, culture and team effectiveness

6 Ensure that complex problems are identified and addressed differently, as a top priority for the team. Develop ways of working that encourage and fuse diverse perspectives, generating debate and dialogue, not politeness or positions

7 Continually develop the capability of the Executive Team. Resist the temptation to say "we don't have space for our development" or "at our level we don't have that much growth potential". Ensure there is an ongoing discipline of developing the team, as a team, to reflect the most significant strategic, cultural and team challenges on the horizon.

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Anthony Mitchell is the Chief Potential Officer of Bendelta. He is an internationally recognised thought leader in strategic leadership, and has been advising companies internationally for the last 25 years, working across more than 30 countries on five continents. This includes frequent work with Global/Enterprise Leadership Teams of major corporations, helping them with their most critical opportunities and challenges.

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