4 Features that Define Great Leadership Teams

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Over the past 10 years we have worked with over 100 executive teams across a host of industries ranging from small fast-growing companies to large multi nationals. At the start of each engagement we ask teams to think about the best teams they have ever been on – sports, business, community – and to remember what it felt like to be a part of those great teams. Words like trust, communication, accountability, common goals, respect, and innovation make every list. What we enjoy most is the passion that surfaces when team members call out and add color to these words. Phrases like the following emerge:

- 'It's was all about trust as we always had each other's backs even when things didn't go so well.'
- 'The path wasn't always crystal clear, but we all knew where we were headed and were confident that we could get there.'
- 'Everyone pulled their weight; we just didn't want to let each other down.'
- 'When we screwed up, we didn't point fingers; we just fixed the problem and did our best to not mess up again.'

In this article we provide our view of that most define great leadership teams; a view that has been shaped by long discussions with our clients, tireless research and writing, and our observations of what makes great leadership teams tick. While we readily admit that these are intangibles and somewhat hard to measure, our experience suggests that these themes help leadership teams enable their organizations to thrive.

Feature #1 – Laser Focus on Results

Most leadership teams we work with have a good sense of where they need to take their organizations and work hard to shape the necessary plans and take the necessary actions to realize their visions. Some have a fairly informal approach while others are extremely disciplined about setting goals and tracking progress. Regardless of approach most leadership teams recognize that achieving tangible business results – growth, shareholder value, fund raising, legislative success, service - is critical. So why is it that so many leadership teams often take their eye off the ball and let seemingly trivial issues or lack of discipline get in the way? Below are a few glaring examples of some detractor issues taken from our client engagements...

- Leadership team member A tells his direct reports not to engage with Leadership team member B staff unless he is involved.
- Several leadership team members argue for weeks over the decision of a wellness committee to change the type of snacks located in the break room.
- Leadership team member A makes derogatory remarks (e.g., 'he has no idea what he is doing'; 'she's just lazy') to her direct reports about a peer.
- A leadership team continues to revisit, rehash and re decide on an issue that should fall under the domain of a particular leadership team member.

While the leadership teams that experienced these issues certainly understood their organization's mission and related goals, there is no doubt that they let fractured relationships and undisciplined structure detract from their attention to execution and results. Relationally, the pattern typically goes something like this...

I see a colleague behave in a manner I don't appreciate. I then make an assumption about this behavior – e.g., lazy, arrogant, unbending. The behavior becomes frustrating, so I confront my colleague and he gets defensive. I then come to the conclusion that I don't trust my colleague. We then settle into a pattern of avoidance, lashing out and more assumptions.

Ineffective leadership team structure can also impact a team's ability to stay focused on results. For example, a team that has a poorly defined or executed decision making approach can lead to churn which will delay action on important issues and frustrate team members. Poor structure can also increase relational strife – 'we already resolved that issue so why does he continue to bring it up.'

The result of these structural and relational challenges is a degradation of the team's ability to engage in productive dialogue that pushes important issues forward and minimizes focus on trivial issues. Another often serious outcome is the downstream effect on the units led by each leadership team member. Departments often take on the burden of leadership team dysfunction which exacerbates a focus on trivial issues

(e.g., snacks in the break room) and undisciplined structure (e.g., lack of collaboration across units).

While it is not easy for leadership teams to move on from these unfortunate patterns, with some hard work and commitment great things can happen. The first step is acknowledgement, which typically starts with the CEO helping the team recognize that it is missing opportunities and failing to unlock the team's full potential. Next, each team member must reflect on what they are doing to contribute to any of the team's issues rather than focusing on their colleagues' faults. The team then needs to commit to living by some new expectations or ways of operating (i.e., we will help address issues proactively and directly and will not speak badly of our colleagues outside of the team environment). Finally, the team must supportively hold each other accountable to living by these new more productive expectations.

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Feature # 2 – Force Multiplier Effect

As we discussed in great detail in one of our most recent <u>articles</u>, leadership teams operate as systems that have characteristics that transcend those of any individual members. Great leadership teams recognize that their true value lies in the unique and complementary talents that individuals bring to the team and their ability to harness these talents in the interest of a common purpose. They serve as force multipliers (tools to amplify effort so that more is produced) for their organizations and accept that they set the tone for how their organizations operate and behave.

As evidenced in <u>Aon's Engaged Leader research</u>, employees are watching their leadership teams and their engagement is in part derived from 'the way a senior leader connects with other senior leaders and how effective and accountable they are as a unit.' Great leadership teams have a cascading effect throughout an organization by reinforcing the behaviors and approaches that are required to realize the organization's objectives. Leadership teams that embody the force multiplier concept have a few common characteristics – complimentary skills, common purpose and shared behaviors. Great leadership teams aren't simply comprised of individuals with diverse and complimentary talent and experience. Rather, members fully appreciate the power of this diversity and work hard to leverage it. When leadership teams operate according to a common purpose, they are better able to focus their efforts and gain clarity in how they put their complimentary skills and talents to work. Force multiplier leadership teams' function by a set of common behaviors – egos are left at the door, listening and feedback are at a premium, curiosity is foundational, and empathy and candor are practice in equal parts.

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Feature # 3 – Effectively Manage Complexity

Great leadership teams have a disciplined but agile structural foundation and a strong relational foundation that ensures that the trivial doesn't get in the way of the important. Organizational psychologist Ralph Stacey's definition of leadership emphasizes the skills great leaders need to embody in today's complex, fast paced environment. He suggests that "Great leaders have a greater capacity to live with the anxiety of not knowing and not being in control while interacting creatively and productively."ⁱⁱ Strong structural and relational foundations are critical for handling complex environments.

In order to manage greater complexity leadership teams cannot let poor structure get in the way. Great leadership teams have had the important and sometimes challenging discussions about how the roles of team members and their functions need to integrate. They understand that gray areas often exist, but they have experience planning for and managing these natural ambiguities. Perhaps most importantly they understand the dual roles they play as leadership team members and are committed to

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putting the organization's goals and priorities ahead of those of the functions they manage.

As complexity increases a leadership team's ability to control all aspects of their environment diminishes and this can put pressure on relational dynamics. The best teams have developed a deep trust in each other's intentions and capabilities which enables them to carry on in a productive and healthy manner. Team members might not be best friends and frustrations will still emerge but because they have been in the trenches together leadership team members have patience with each other and trust the intentions of their colleagues. The bottom line is that great leadership teams simply do not let trivial issues get in the way of what is most important which increases their collective capacity to deal with more difficult and challenging situations.

Great leadership teams deploy a well thought out management rhythm (meetings, calls, written communications) designed to reinforce learning, foster creativity and enable necessary planning and practice. To facilitate the rhythm, they hold each other accountable to a set of agreed principles which become ingrained in their day to day interactions and enable them to concentrate on what's most important. The best leadership teams are also committed to learning and recognize that making regular adjustments is essential for handling new and more complex challenges.

Feature # 4 – Resilience

The military cliché – 'no battle plan survives first contact with the enemy' – is a useful mantra for leadership teams to adopt. Today's dynamic and fast paced business environment requires leadership teams to proactively plan but always be prepared to adapt and adjust course. No leadership team is perfect, and none are 100 percent aligned all of the time, but great leadership teams have confidence in their ability to get back in sync after inevitable periods of challenge and dysfunction.

"No battle plan survives first contact with the enemy."

Confidence in a team's resilience is founded on a few important factors. First, team members of great leadership teams have a 'greater good' mindset and

recognize that sometimes their functional responsibilities will have to take a back seat to what is best for the organization. Next, great leadership teams recognize that this greater good mind set can only happen if team members *trust* each other's competence and character and if *psychological safety* exists on the team. Another important factor that shores up a leadership team's resilience is practice and commitment to a set of operating principles. To be resilient all team members have to be on the same page about their roles and how they integrate so that they can predict one another's behavior and adapt to adversity. Finally, resilient leadership teams are focused on results. They adapt and improvise and don't let trivial or relatively unimportant issues get in the way of refocusing and committing to be great.

"Team members of great leadership teams have a 'greater good' mindset."

These factors enable great leadership teams to have confidence in their ability to be successful. Despite setbacks they collectively and individually believe that they are capable to effectively get back on track.

Leadership teams are an important vehicle for enabling their organizations to thrive. Great teams accelerate the performance of the organizations they lead but at times they can get in their own way and can hold back progress. The best teams have established the fiber between members that helps them focus on results, serve as a force multiplier, manage complexity, and operate with resilience.

ⁱⁱ [i] Ralph Douglas Stacey, "The Emergence of Knowledge in Organization." Emergence, <u>https://www.researchgate.net/publication/232992375 The Emergence of Knowledge in Organization</u> (March 2017).