TOP TEAM EFFECTIVENESS: A 21ST CENTURY IMPERATIVE

TRIUMPHA

Top Team Effectiveness: a 21st Century Imperative

Change is the only constant. Successful businesses know they will always need to adapt, whether that's minor tweaks to an existing model or wholesale transformation. So why is it that as we set the change agenda and performance standards for our organisations, our top teams rarely role model the team working and high performance which inspires organisational excellence?

Think about the two or three biggest challenges/opportunities for your organisation over the next 12-24 months. Is your leadership team ready to meet these challenges? How does your team need to evolve and develop?

We've been discussing these questions for a long time. How to create a high performing leadership team has ranked in the top ten topics in Harvard Business Review for the last 40 years, and yet, despite this, what most organisations do isn't working, and most top teams have untapped potential.

Top teams rank high among the organisational leadership topics covered most consistently by the Harvard Business Review from 1976 to 2016

■ The 'timeless' top ten

1. Decision-making	8. High-performing leadership teams	15. Managing uncertainty
2. Attracting and retaining talent	9. Overhead costs	16. Leading oneself
3. Managing Performance	10. Transformational changes	17. Globalisation
4. Transitions	11. Influences	18. Knowledge management
5. Reorganising	12. Gender	19. Project management
6. Developing employee skills	13. Diversity	20. Leading others
7. Culture	14. Joint ventures	

Source: Scott Keller and Mary Meaney, Leading Organisations: Ten Timeless Truths, New York, NY: Bloomsburg, 2017
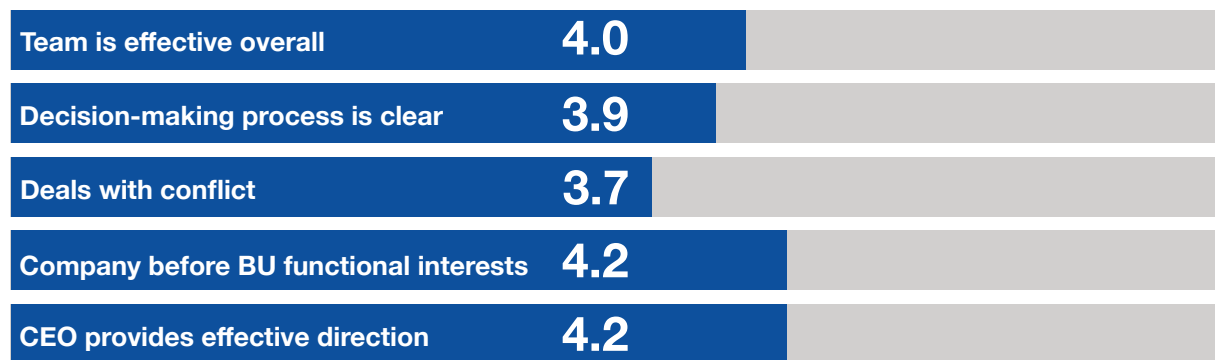
What most companies are doing isn't working[1]

6%	of top HR executives report that the executives in their C-suite are a well-integrated team
38%	of executives agree that their top team has the right strategy
35%	that it effectively capitalises on synergies
28%	that they know their collective gaps and have a plan to address them

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[1] Heidrick & Struggles leadership consulting practice & University of Southern Carolina Center for Effective Organization, Diane Cotu, Why Teams don't work, HBR
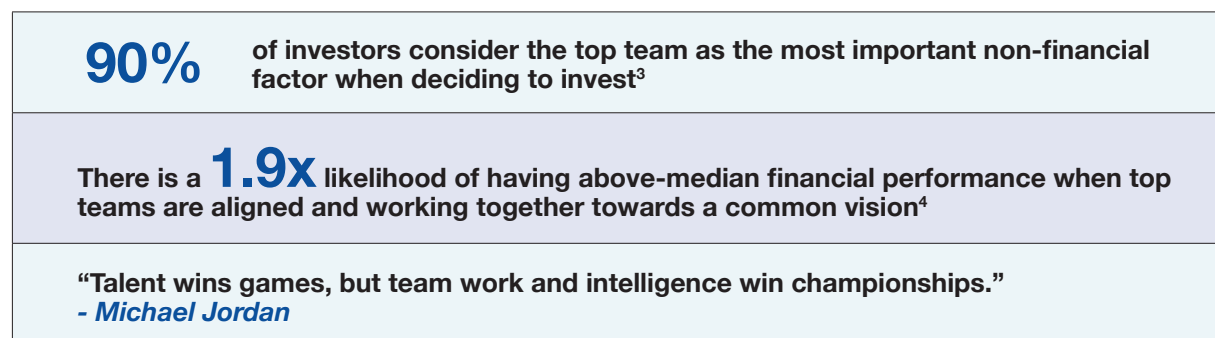
Very few top teams are above par[2]

UNTAPPED POTENTIAL

Team is effective overall	4.0
Decision-making process is clear	3.9
Deals with conflict	3.7
Company before BU functional interests	4.2
CEO provides effective direction	4.2

What we do know is that when is that when a leadership team performs, the returns can be significant:

Teamwork eats talent for breakfast

90% of investors consider the top team as the most important non-financial factor when deciding to invest[3]

There is a **1.9x** likelihood of having above-median financial performance when top teams are aligned and working together towards a common vision[4]

"Talent wins games, but team work and intelligence win championships."
- Michael Jordan

However, operating conditions are not getting any easier, and top teams face increasing challenges:

Increasing Challenges Facing Teams at the Top

Percentage of senior executives who agree that their top team/company[5]:

59% Faces more threats to company growth than in the previous three years

56% Is likely to compete in new industries over the next three years

56% Will face rising cross-sector competition

51% Will enter into new alliances or joint ventures in the next year

It is our view that enabling leadership teams to reach their potential is an organisational imperative. Your top team must perform at its best to ensure your organisation delivers results today and sustains performance into tomorrow.

Based on our decades of experience working in and with executive teams and boards, this paper will discuss why creating high performance top teams is so challenging, and, crucially, how you can address these challenges and take your top team to the next level.

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[2] Rosen & Adair, CEOs misperceive top teams' performance, HBR

[3] Global Institutional Investor survey, Ernst & Young

[4] Keller & Price, Beyond Performance

[5] PWC 8th Annual Global CEO Survey

Transformation starts at the top

Historically, top teams have been measured by the influence the CEO has on business results. But in an ever-changing 21st century business environment, it takes more than an heroic chief executive to deliver results.

Marshall Goldsmith said: 'No one leader can be good at everything. Shared leadership across a team of leaders will be the way in which excellent companies do business in the future.' The real power for dealing with rapid change and hyper-competition lies in shared leadership across the senior executive team and board.

So, if the age of a single CEO doing most of the heavy lifting is over, how can you fine-tune your executive team to deliver the performance the business deserves?

Executive teams are perpetually characterised by repeating frustrations – lack of productivity or progress in meetings, the same issues appearing time and again, and too much (or not enough) conflict derailing the decision-making process and speed of execution. There's so much energy spent for so few results. Not to mention that the skills that secured a seat at the top table are often insufficient or counterproductive for effective performance at this level. As a board member or non-exec, the symptoms can be as familiar as the cures are elusive.

So, what are the missing pieces that will help executive teams – already made up of the best-of-the-best a company has – become the high-performing units they need to be? What does it take to turn that group of great people into a board that truly delivers for its organisation, to create shared leadership and harness that to enhance results?

Why top team performance is not improving

With the new imperatives presented by the 21st century – a more dynamic and unstable business environment than ever, fast-paced technological changes, and distinct shifts in the attitudes of the workforce – drawing on leadership, talent and capability is the only way to get ahead.

Yet despite decades of significant investment in team development we're still not seeing universal improvements in top team – and therefore business – performance. This is for three key reasons:

1. Team work is prioritised over task work
2. The timing is wrong
3. Leaders get stuck

1. Team work is prioritised over task work

At its core, an executive team must build strong relationships in service of the organisation; you don't have to like one another, just figure out a way of communicating and collaborating that drives outcomes. Whilst 'team work' is important, so is 'task work', and, like yin and yang, both need to be in balance to yield results.

Focus on Taskwork and Teamwork

TASK The "what" The activity you are doing	PEOPLE = "The How"	
	Working Processes	**Relationships**
	• Roles • Agenda • Time • Problem solving • Idea generation • Strategic thinking • Strategic planning • Decision making • Communication • Agreed actions	• What's it like/how does it feel working like this? • Are all included and contributing conflict? • Energy levels • All being heard • How decisions are made- have we all had our say? • Satisfaction levels • How are we using everyone's potential?
Build Psychological Safety		

Research reveals that when a team undergoing transformation focused on task work and team work they were nearly twice as successful as those that focused on team work alone. So having considered how a team will work, it's also critical to focus on how to get work done - the task strategies.

Giving sufficient focus to the task performance strategies your team uses for solving problems, making decisions, thinking strategically and using its time and capabilities are just as important. Without this balance, unproductive team norms become accepted.

2. Timing Is Wrong

We often talk to clients about the significance of timing.

Slow decision-making is the most frustrating of things; decisions are made, but the time it takes to agree them seems endless. Then implementation goes at a snail's pace and you're worried that the organisation will miss the market opportunity altogether! Sometimes, on reflection, the team didn't make the right decision because of a lack of challenge – or too much – which railroaded the process.

Sound familiar?

If so, the likelihood is that, even though you can spot the symptoms, you haven't yet figured out the cure. And the really tricky thing is that the right cure – the one which fixes the issues once and for all – is likely to depend entirely on the timing.

We can be well prepared for predictable times in a team's life. Matching interventions to your business/organisational rhythm ensures that your team is 'ready' for them, that you are not working against the grain and the interventions you deploy have the intended impacts. For example:

When there is a significant change: A new CEO, a new strategy, a change in priorities, market disruption, a new operating model or a need for culture change, the CEO will need to 'design' the leadership team they need to succeed, including the skills mix the team possesses and how this can be put to optimum use. Do you have the right people, and therefore the right skills and behaviours, on the team?

When a new team is being formed or a team is being relaunched: It's the time to orient the team to each other and the task, to be clear on what the team is there to do, to align on direction and priorities and establish the team's role in executing strategy, the resources they need and their norms, behaviours and rhythms.

The end of a quarter: Is optimal time for reviewing whether your performance strategies are working and identify what else you might deploy to accelerate progress. It's the time to consider what you need to continue/change to hit year end outcomes.

The midpoint and end point of your business cycle: This is optimal for learning and results reviews and educational/inspirational inputs where you can explore new ideas and have time to think.

Many boards and executive teams spend a large amount of time setting the what and where of strategic direction. The really effective ones also agree on the how, defining performance strategies that will ensure the organisation delivers.

If you're using the wrong strategies, and your timing is off, how can you expect to deliver the right results?

3. Leaders Get Stuck

Learning and personal development must not stop because someone reaches the board or leadership team. A very real danger is that some of the skills which have supported a rise to board level will work against you – there can often be a misguided belief that those who reach the board are fully-formed and able to take on the challenge without further personal development.

Most successful leaders and managers today have a good intellectual understanding of the various management tools & skills required to lead an organisation successfully. Therefore, the major leadership challenge is NOT understanding the practice of leadership, BUT practicing their understanding of leadership. Typically, leaders know which changes they need to make. The hard part is changing behaviours and creating new processes and habits while interacting with others (stakeholders) on the job.

So while top executives seem to agree on the business challenges we're facing – company growth, new markets, cross-sector competition and the need for new alliances – it seems that the actions being taken to make those teams most able to tackle the challenges are merely more of the same things which haven't fixed the issues so far. It's like turning up the volume on a radio station you're already playing and expecting a different genre of music to appear.

If these are the gaps that get in the way of your team development delivering the results you need and enabling your team to perform at its best, what are the transformational factors that will catapult your team's – and therefore your organisation's – performance?

What needs to change?

Just five things will take your top team from average to outstanding.

It's a bold claim. Only five things to transform an average team into a high-performing one. But they are so critical you'll find it easy to see why.

1. Relationships built in service of the organisation's goals
The trend for 'team building' has not waned since the advent of cocktail mixing workshops and raft-building exercises meant to transform a disparate bunch of individuals into an effective team. But activities designed as vehicles for relationship-building miss the point entirely.

At board level, it's not about getting to a stage where you all happily go for after-work drinks. You don't have to like each other, but you do need to forge relationships that will withstand disagreement, challenge and tough times, while enabling each other to continue to drive strategy execution.

Developing a good understanding of each other's working styles and strengths in service of improving strategy execution is a well-made investment that will pay back many times over. But it's also critical to recognise that no one person can cover all the bases, so within the team people need to work with others who complement them, covering each another's blind spots. Sharing leadership across the team in this way is essential.

2. Don't assume alignment
It's absolutely critical that members of your top team have a common understanding of the organisation's goals and strategies to achieve them. Even small divergences in understanding about purpose, priorities and strategic direction at this level can become gaping chasms when viewed from below.

Finding effective ways to check that the top team are genuinely aligned is a make-or-break success factor.

3. Absolute clarity on the team performance framework
Too many teams are convened without sufficient understanding of what they have been created to do. For top teams, it's imperative that the CEO has crystallised their thinking on three things, which can then be refined with the team:

A. What is the purpose of the group and what critical things will they do when together?
B. What are the behavioural standards and norms for the group?
C. Who should be on the team, given 'what' the team is there to do, and 'how' you want the team to operate?

The stronger the base, the higher the peak; It's about creating an enduring performance framework for the team to guide what and how, as well as why they come together. This clarity will reap its own rewards.

What needs to change? (Cont.)

4. Optimising team performance

If you always do what you've always done, said Ghandi, you will always get what you've always got.

Few leadership teams pay attention to the strategies they use to get work done and whether they are delivering the results they need and expect. This is about task work as well as team work, and is about looking carefully at *what* and *how* work gets done and making dynamic changes to the approaches you use.

It's also about helping successful leaders get even better by making positive behavioural changes to their leadership style and approach. What has been a slight weakness at lower levels can be a derailer at this level. Senior leaders find that what made them successful and some of their ingrained patterns of behaviour no longer work.

Research by McKinsey reveals that when senior leaders act as role-models for the behaviour changes they're asking employees to make, transformations are over five times more likely to be successful. With most organisations in a constant state of flux, can you afford not to get this right?

5. Slow down to speed up

Research (and common sense) tells us that individuals and teams cannot continue to perform at their best in perpetuity.

Periodically and purposefully coming out of performance mode to reflect on what's going well and what might need tweaking is the best way to check that you are progressing in the right direction.

Taking this deliberate stop also allows the literal 'pause for breath' needed to replenish energy and stamina ready for the next phase. We call this 'slowing down to speed up'.

How – A Framework to Go Beyond High-Performing and Into 'Hyper-Performing'

If the previous five things are the *what* of optimising executive team performance, our framework is the *how*.

Based on our work with and in executive teams for a wide variety of organisations, we have developed this framework for creating fully functioning, hyper-performing teams. It is borne out of first-hand experience, not simply theoretical study, outlining what's needed to take your board from good to great.

Composition

As we mention earlier, you must have the right people round the table. But to decide who should get a seat, you first need to define what the team exists to do.

Once you have absolute clarity of purpose, you need to set aside any egos and conventions about reporting lines and be brave enough to pick the right people, with the right skills, and the right behaviours, regardless of where they sit in your organisation.

Alignment

To perform, any team, but especially an executive one, needs alignment on purpose, priorities and strategic direction. This should go without saying, but if it was that simple it wouldn't need a mention here.

This is about real and tangible alignment, with behaviour which supports everyone genuinely pulling in the same direction, not just nodding in the right places. Real alignment ensures that the decisions you make are implemented, and at the pace you need.

Interaction

How a team interacts is another significant factor in its ability to perform. How do you want these relationships to be? How can you know which interactions may create tension and which will be most productive? What level of conflict is optimal to improve the quality of decision-making and how do you create a climate where people don't hold back on good ideas for fear of speaking up?

The interactions between the team and other stakeholders – internal or external – also need careful consideration. Which relationships are most pivotal to the success of the team? And who is best placed, both in terms of energy levels and existing relationships, to handle them?

Execution

Research reveals that getting the right balance of interaction and execution (the how and the what) can increase the sustainability of a programme by 1.8 times. Having considered how a team will work, it's also critical to focus on how to get work done.

Many teams will have done work on themselves as a unit, but few will have addressed the strategies they use to get work done. Who works with who? Who sponsors particular projects? How will the group make decisions? A lack of emphasis on task strategies is a major factor that holds teams back.

Learning

If your team is always in performance mode, there is no reflection and refinement, inevitably meaning performance will deteriorate over time.
We talk about taking a step back to go forward, which means building in pauses at the right time to make sure that everything is on course and to identify any fine-tuning opportunities.

It's critical to evaluate which strengths you will take forward with you and which might need some attention to be even better.

Top Team Performance Framework
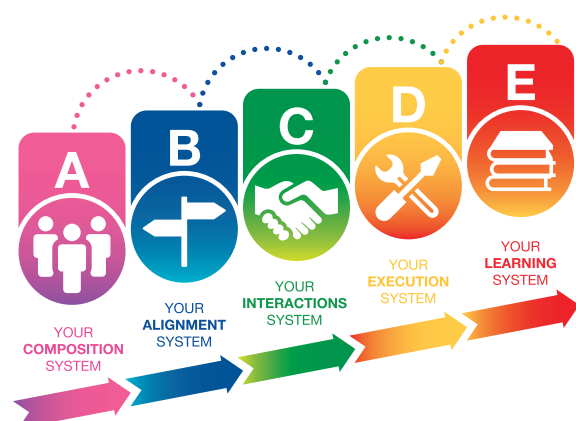
Is it really that simple?

It sounds really straightforward to say that just five things will take your top team from coasting to excelling, and of course, if it was that easy, everyone would have solved the problem!

What then, is the reason for many executive teams still failing to reach their potential? Experience tells us that as well as being about the what and the how, it is also about the when.

When? Getting the Timing Right for Positive Transformation

When is just as important as what.

When a team is performing below par, it's easy to leap to solutions. But the most crucial move is to pause sufficiently so you can understand the timing context to match it to the right solution.

What do we mean by when in this context? Our clients call us when the following things happen:

- A change in leadership – whether that's a new Chief Executive, Chair, significant stakeholders or C-suite team members

- Changes in strategy or strategic priorities

- A need to take team performance to the next level

- External factors such as legislative changes or disruption in your market

- Any key point within the organisation's cycle, for example the mid-year point when they need to review progress against enterprise targets, or the start or end of a year

- Before making significant changes, for example establishing a new target operating model or strategy, and when considering the best team to lead the change

- A new partnership, joint venture or alliance which brings teams together

- They want to develop the relationships within the team for strategy execution or need to develop the pivotal relationships

that are critical to the success of the team or business, for example the Chair and Chief Executive, or Chief Executive and CFO

- When senior relationships are so fractured that intervention is needed to get things back on track

Each of these scenarios is unique. Doing the wrong things at the wrong time doesn't deliver results. That's why we put so much emphasis on the discovery phase of our work. It helps us not only understand the enterprise and its context, but map the when, which is what leads to higher quality, more sustainable interventions.

Surely We Can Crack This Alone?

The evidence would suggest not. As discussed earlier, high-performing leadership teams were number eight in the top 20 Harvard Business Review article topics between 1976 and 2016. That's 40 years of trying to successfully and sustainably solve this problem, without much apparent progress.

Through our work, we have identified three common problems we see when working with executive teams:

1. Time together is unproductive

2. Conflict is too high or too low, which impacts on decision-making

3. The skills, experience and behaviours which got people on the top team aren't enough to sustain performance

In our experience, the trick to making those successful and sustainable changes is in not only addressing these three big problems, but in using the right solution for the team's *when* – which is dependent on the stage both the business and the team are at. Interventions need to match both the business context and the team's stage, which we reviewed in detail earlier in this article.

Next steps

As basketball legend Michael Jordan so eloquently put it, 'Talent wins games, but team work and intelligence win championships.'

Senior leaders need to decide whether they are happy playing in lower leagues, or whether they have their eyes set on the Premiership trophy.

If you have your eyes on the prize and you're keen to ensure you do the right thing at the right time to take your executive team up a level, get in touch for an informal chat about how we can support your growth. Either call +44 (0) 161 4728 or email reception@triumpha.com to connect with our team.

What our clients say
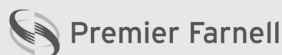
Premier Farnell

Nick Wilkins
Chief Supply Chain Officer,
Premier Farnell

The team coaching that Triumpha provided to our senior executive team was a tremendously useful part of our transformation programme. The coaching allowed us to reflect on ourselves and consider the actions we could take to become an even more effective team. Triumpha acted as a mirror to our behaviours and how we could work better together, which when you are forming a new team is obviously really useful.

One of the great strengths Triumpha brings is their rare ability to combine operational pragmatism and cutting edge thought leadership (across a wide range of organisational and behavioural topics). They provided concepts which allowed us to reflect on the direction we were going in whilst making sure that these ideas were also grounded by their understanding of us as leaders, our business and their extensive operational experience. Triumpha helped us to decide how we could pragmatically tackle the challenges we faced.

Hermes
Makes delivery easy.

Carole Woodhead
CEO Hermes Parcelnet UK

Hermes first worked with Triumpha to facilitate a Board Strategy Workshop. Prior to the event Triumpha sought feedback/input from key stakeholder groups which ensured a broad perspective and healthy/challenging discussions on topics including strategic options, developing key processes and culture/behaviours.

The outputs included a revised vision statement for the business and clarification of the brand values and differences between the Hermes and myHermes brands. The vision has been clearly defined and quantified in terms of customers/markets, channels, financials, service, people & culture & other categories too.

bacp
British Association for
Counselling & Psychotherapy

Andrew Reeves
Chair British Association for
Counselling & Psychotherapy
(BACP)

BACP is a large professional association meeting the needs of nearly 48,000 members. It's Board, constituted with a mix of elected and lay members, sets the strategic direction of the organisation and, as such, is tasked to work efficiently and effectively in this context. As part of our skills audit we commissioned Triumpha to undertake a role profile of all Board members, collect the data from key stakeholders – such as the Executive team – and help us understand effective Board operations and how we mapped onto those benchmarks.

From start to finish, the work of the Triumpha team was outstanding. We experienced a courteous, efficient, insightful, intelligent and experienced response that was both challenging and sensitive.

Members of the Board were given individual profiles, and we were then enabled to consider how these facilitated and, at times, impaired our working relationships. Through this information, the Board has already begun to implement key changes around its informal and formal working style. The management of Board meetings, together with reviewing an already excellent working relationship with the Executive team, are tangible outcomes from this work. We would highly recommend Triumpha and will they certainly be our first choice for future developmental work.

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