

WHITE PAPER

# Are You Getting the Best Out of Your Executive Team?

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## Introduction

An executive team is a powerful asset for any organization.

A strong C-suite mobilizes everyone in the organization to propel the organization's vision and strategy forward. Yet, too often, this considerable potential goes untapped. Senior executives struggle to balance the need to run individual business areas with the need to work together as an enterprise leadership team focusing on the success of the whole organization.

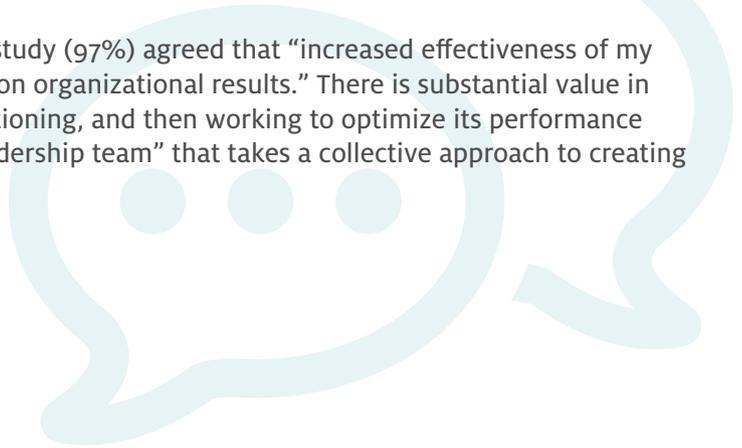
In a recent CCL survey of senior executives, 65% indicated that their executive teams were experiencing this clash between functional and enterprise accountabilities; only 18% rated their team as "very effective" with respect to their executive team responsibilities.

**These data paint a stark picture: Too many executive teams are underperforming.**

Even though individual members are well-prepared and capable in their individual roles, there is often a sizable deficit when it comes to the team's collective capability.

What can the CEO do to ensure the executive team capitalizes on the potential for collective impact and results? How do executive team members integrate their individual skills and expertise into a highly functioning team that intentionally acts together, leveraging their opportunity to work for the entire enterprise?

Nearly all the senior executives in the CCL study (97%) agreed that "increased effectiveness of my executive team will have a positive impact on organizational results." There is substantial value in assessing an executive team's current functioning, and then working to optimize its performance and alignment as a genuine "enterprise leadership team" that takes a collective approach to creating results.



## The Executive Team's Three Crucial Imperatives

For an organization to be successful, the executive team must intentionally attend to these areas of collective effort:

### Strategic Focus

- Establishing vision,
- Spending time and energy at the strategic level,
- Balancing risk and innovation
- Anticipating future needs and opportunities,
- Ensuring future sustainability of the organization.

### Collective Approach

- Taking an enterprise view
- Working together as a collective enterprise asset
- Putting the good of the enterprise over individual or personal gain
- Modeling breaking down silos and cocreating solutions

### Team Interaction

- Valuing differences among team members
- Listening and communicating effectively
- Asking each other for inputs
- Trusting and respecting each other



## Symptoms of Underperforming Executive Teams

Most executive teams are leaving growth potential on the table. Because they are typically a group of functionally focused leaders, their No. 1 challenge is to come together with an enterprise view.

As a result, most executive teams are

- **not conveying enterprise awareness** down through their direct reports and into the larger organization.
- **not driving cross-boundary collaboration** to eliminate waste and create new value.
- **not leveraging the diversity of perspectives** to help foster multi-disciplinary planning and strategy—figuring out what to keep, what to discard, what they need to learn, and what to start.
- **not fostering “bottom up” insight, awareness, and ideas**, leading to an organization that is disproportionately top-down at a time when awareness and mobility need to originate from multiple levels.
- **not examining differences well**, out in the open, and with a combination of assertion and inquiry.

And if they’re thinking, and acting, that way on the executive team level, those same weaknesses are likely to manifest throughout the organization. As a result, companies don’t execute on strategy and change initiatives as well as they might otherwise. They may fail to adapt quickly enough to keep up with the marketplace. And although they may attract skilled people, they may not be able to develop that talent in a way that maximizes value for the enterprise.

**The bottom line? Underperforming executive teams result in underperforming companies.**

## Being Intentional and Effective About Developing Your Executive Team Is Critical

During the roughest months of 2008, when I was the CEO of a healthcare organization, an employee took advantage of my open door and dropped in one day.

“Something’s getting twisted between what you say and what we see every day,” she said.

She went on to explain that, as an employee, what she heard and saw of me—our organization’s mission, vision, strategy, context, and culture—wasn’t syncing up with what she and others were seeing and hearing from the leaders they saw on a day-to-day basis. “It looks like you’re playing by one set of rules, and the people around you are playing by another,” she said.

I asked her why she thought that was.

“Well, some of us think it’s a conspiracy, a bait-and-switch, good cop–bad cop thing,” she said.

“Most of us think it’s because when you’re not in the room, people are making up their own rules.”

Her comments summed up one of the most difficult challenges every CEO faces. You can’t be everywhere all the time, so you depend on your executive team to carry out and communicate the mission, vision, and strategy and to surface relevant issues, realities, and awareness from the farthest corners of the organization. But you also don’t want robots who blindly parrot what you say without regard to a particular context or situation.

You need leadership coherence. What does that look like? Shouldn’t it happen automatically? After all, these people are highly skilled and experienced in running their business units.

**Unfortunately, putting a group of high-performing executives together doesn’t ensure they’ll function as a high-performing team. That’s why being intentional and effective about developing your executive team is critical for every CEO.**

*— Larry McEvoy, MD, Contributing Author*



## Designing a High-Performance Executive Team

Most CEOs would agree—and CCL data supports—that picking the right people to “get on the bus” of the executive team is critical.

**CEOs select executive team members based on what those individuals have accomplished before, not how they’ll function as part of a team of peers with final responsibility for the organization’s strategy and operations.**

The CEO, therefore, must always be focused on the ever-creative process of building and developing the executive team. And there is no algorithm for putting different people together in the complex roles required in an executive team.

However, having the right approach to designing your executive team can improve the odds of developing a group of leaders who can complement the CEO’s strengths while also working together well and carrying out corporate strategy. In your design, you need to consider the team’s strategic abilities, operational knowledge, and emotional intelligence. Their ability to work together as peers is just as important as their ability to manage their own direct reports.

If the CEO can play the role of chief executive team developer successfully, the executive team will function more effectively. The executive team will perform better, but they’ll also learn to think differently, individually, and together. The CEO (and board) will benefit from deeper insights about the business landscape and internal gaps, faster access to new ideas, and the ability to rapidly test, develop, and scale new ideas. Furthermore, the entire organization will function more efficiently, with more diversity and more coherence.

# Five Keys for High-Performing Executive Teams

Although developing a high-performing executive team is complex, there are five key actions to get right:

1

**1. Get the diagnosis right.** Situational awareness is a must-have for every individual, team, and organization. Your executive team members should be masters of this skill, starting with their awareness of the executive team itself. That also goes for the CEO. An organization's top leader needs to understand what makes members of the executive team tick individually, and also what makes them work (or not) as a group.

2

**2. Get the leadership mental model right.** Senior executives bring their preferences, past experiences, and biases to their roles. But executive team roles require them to lead well beyond the circle of their personal influence, and do so in a way that's coherent with overall organizational culture and strategy. High-performing executive teams understand and have explicit agreement on what it means to lead at the enterprise level.

3

**3. Get the mindset right.** Most executive teams are built of executive experts. After all, if they hadn't been successful earlier in their careers, they never would have ascended to executive leadership roles. But more important than what they already know, is that they know how to continue to learn. High-performing executive teams have a shared growth mindset. They know their responsibilities go far beyond their areas of technical expertise, and that they need to teach and develop others to also go beyond their technical know-how. They need to be focused on learning, thinking, and leading globally across the enterprise, not merely on being experts in their particular functional areas.

4

**4. Get the interactions right.** Leaders arrive on executive teams with considerable experience, skills, and relational habits. However, some of those may serve as barriers to their success on the team. Creating "interaction rules" that work—and discarding those that don't—is essential in developing a strong executive team. Blind spots can abound here, so executives must be transparent, able to be vulnerable, comfortable with learning in public, and equipped with strong dialogue skills. The interaction rules that teams adopt—they are not the same for every team—have to transcend cultural, functional, and circumstantial variations. These interaction rules become the "relational DNA" that drives professional interaction not only on the executive team, but throughout the company.

5

**5. Get the "diffusion rules" right.** Executive teams can only be effective when their thinking, actions, and decisions spread and amplify quickly across large numbers of people—to processes, projects, and places where they aren't personally present. Reports and meetings, though necessary, are insufficient. The "how we think and act" DNA must be universal across the organization.



When your executive team is functioning at its best, the team members will be

- thinking like a strategic team AND functional experts simultaneously;
- meshing the “tribal rules” of their own origins with those of their very different teammates;
- agreeing on interaction rules and team dynamics that allow both fluid independent function and consistent collaboration;
- balancing competing values and interests;
- mobilizing each other and their business units to collaborate and innovate;
- cultivating success and engaging the organization at every level.

No matter how good a CEO is, the ability to mobilize the executive team to its highest level of performance is the organization’s strongest leverage point for continued success. It is worth taking the time to assess your executive team and take the necessary actions to ensure that it is indeed a positive force for the organization.

## **Executive Team Scan** *A New CCL Assessment*

The Executive Team Scan inquires into each executive team member’s views of how well the team is functioning in the important areas of strategic focus, collective approach, and team interaction. Members receive feedback as a group on what they should be doing as a team, how well they are doing it, or if they’re doing it at all.

Each team member weighs in on the results, which are intended to facilitate important conversations within the team. The scan can prompt needed action planning to help your organization’s executive team improve its performance.



## About the Authors

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