

THE EXECUTIVE TEAM SERIES: NUMBER TWO OF THREE

BUILD IT AND THEY WILL LEAD

4 ways your Executive Team can be more like “The Fellowship of the Ring” than “Game of Thrones”

An Underperforming Asset

In organizations large and small, private and public, commercial and nonprofit, the top executive team sets the tone and has the power to add (or destroy) more value than any other team in the company. For example, they can engage employees in a new strategy and direction, get an acquisition off on the right foot, and set positive cultural change in motion.

However, most executive teams, by their own admission, don't add the value they are capable of providing. According to a McKinsey Quarterly report, just 30% of executives felt their time was spent in productive collaboration. According to the Hay Group, of 120 executive teams in 11 countries, fewer than 25% reached their potential.

Lack of teamwork at the top creates collateral damage. Some teams are viewed within the organization as a forum where “good ideas go to die” or a panel of judges that feels like the Spanish Inquisition. The team members themselves don't receive much value either. Some have told us, “The only thing worse than being in those meetings is not being invited to them.” Conflict at the top can destroy value internally and in the external world. When there is “Game of Thrones” at the top, the company suffers (see sidebar).

A Common Root Cause of Executive Team Underperformance – Benign Neglect

While not all executive team dysfunction reaches “Game of Thrones” levels, most fall short of the committed, do-or-die collaboration of the Fellowship in Tolkien's “Lord of the Rings.” Yet CEOs do not need magical powers to dramatically increase their team's effectiveness. In the real world, they just need to overcome the benign neglect that prevents them from intervening.

For some CEOs, the human factor prevents them from taking actions that may make them feel uncomfortable—especially if conflict is rampant. Others have not been part of a high functioning team before, so they are skeptical of team development and perceive it to be navel gazing, a waste of time,

GAME OF THRONES

Company	The Intrigue
	Squabbling over Sumner Redstone's fortune, with two ousted lifelong lieutenants suing Shari Redstone. This has all the makings of a palace coup.
	Interim CEO Ehab Al Shihabi was “demoted” and a new CEO brought in. Known for his tyrannical behavior, insiders said “The wicked witch is dead” after the announcement. Al Shihabi's future role and those of others was left unclear.
	A “power vacuum” was created when CEO, Hank McKinnell, spent more time outside the company than in it. Former CEO, Bill Steere, was still around and filling the void. Then McKinnell set up a horse race among three recently promoted executive chairmen.

and bereft of ROI. Perhaps most often, CEOs assume that their executive teams will naturally work well since they are comprised of the most experienced and trusted enterprise leaders in the company.

There is a bizarre irony to benign neglect of executive team development. Since its members are such strong leaders, executive teams need direction, guidance, and clear rules of engagement even more than other teams. Even the strongest of leaders will support a collaborative cause they believe in. In our view, CEOs must actively develop their executive teams—great teams are not born, they are built.

Activist Executive Team Building – Four Practices That Work in the Real World

Here are four ways that CEOs can rapidly build their executives into a higher performing unit:

1 Get the charter right. Across the dozens of executive teams we’ve worked with, there are a vital few roles for executive teams: Strategy, Communications, Organization Design, Growth, and Talent. Reorient the team’s work to focus on some version of these areas. Great leaders will become even stronger when they have a collective sense of purpose. It won’t take long and doesn’t need to be a slow process. Define the vital few topics and then get on with it by visibly distorting team meetings to focus on these.

2 Distribute leadership accountability. Identify leaders for each of the team’s charter items. Hold them accountable for making sure that the executive team does the right work on its agenda items. This is vital for instilling a sense of ownership for team outcomes above and beyond the CEO’s own accountability for leading the team. There is no room for “floaters”—each leader should know their role on the team.

3 Actively work on relationships. Provide a mechanism for team members to constructively give and receive feedback to each other. Even in a half- or full-day meeting onsite, CEOs can build in the time and space for team members to have two rounds of 1:1 feedback (15 minutes each). Formal peer feedback can be implemented on an annual basis.

4 Infuse process rigor. Clarify basic team management practices; such as how agendas will be built, how pre-reads will be handled, how decisions will be made, etc. Rigor can also include quick and easy practices such as immediately debriefing the discussion of major topics in real time (e.g., How did we do? What did we miss?), pulse check surveys of the team through an email asking for comments, etc.

Build It and They Will Lead – Examples

Of course, each company has a unique strategy and context; each team is different in size, culture and personalities. With that said, below are examples of specific practices employed by senior executive teams that have invested the time and energy to increase executive team performance.

Company	Executive Team Building Practices
	Charter and Distributed Leadership. The top teams in each of its three businesses have a clear charter, with assigned accountabilities of team members to lead the team’s work on each charter. Leaders are identified for Talent, Channel Management, Strategic Growth Initiatives, etc.
	Peer Feedback for Stronger Relationships. Each Executive Team of a major business unit provided feedback to its peers via confidential interviews. 1:1 sessions were built into annual team offsites to provide opportunities for greater clarity on how each team member can contribute more effectively to team success.
	Process Rigor and Distributed Leadership Roles. Over the course of a 3-year transformation, the executive team instilled leadership roles for key projects and designed quarterly multi-day meetings around the “must win” initiatives for improving company performance. They also instituted formal peer feedback and debriefed the results individually and as a team.

The River Group Executive Team Strength Meter

Teams at the top of the organization are positioned to have substantial impact. The question is whether this impact will be in the form of value creating leadership—or value destruction through collateral damage to morale, culture, and engagement.

Like the strength meter of a website password, CEOs can assess the strength of their executive team using the scale below:

THE RIVER STRENGTH METER					
WEAK – COLLATERAL DAMAGE		MODERATE – BASIC FUNCTIONING		STRONG – VALUE ADDING LEADERS	
Micro-Management	The “Black Hole”	Herding Cats	Fit for Purpose	Poised for Greatness	Championship Caliber
The executive team does the work of management. Operational focus and centralized decision-making style frustrates those outside the team and wastes effort.	Information goes up the chain; but not back down. Little communication occurs from the executive team on strategy, priorities, or decisions.	A group of individuals who get along; but do not collaborate on joint priorities. Only some processes work—such as agenda management.	Productive dialogue and focus on enterprise-level topics such as strategy, resource allocation, and talent.	Focused and aligned on the vital few priorities. Shared leadership roles are in place to ensure accountability.	Focused charter, shared leadership, constructive candor, mutual trust among team members, and high engagement with employees.
DEVELOPING EXECUTIVE TEAMS					

The River Group was formed by clients for clients. The founders met over 15 years ago as CEO client and consultant. Over the years, we have worked on many successful transformations together.

This track record of success and fruitful collaboration led us to form The River Group as specialist leadership advisors.

With the client/consultant perspective, The River Group is a different kind of

consulting firm. We combine years of experience leading change ourselves or advising others on leading change.

We have the behavioral know-how of consultants and the focus and pragmatism of the CEO.

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