



BUILDING A BETTER EXECUTIVE TEAM

Measure the quality of dialogue as a proxy for the quality of decision-making.

“The only thing worse than being on our executive team is not being on it.” For this executive, like many we know, she is ambivalent about her membership of the team. It can be a difficult place in which to perform well, because executive team composition is usually an aggregation of business unit and functional heads, centrifugal forces pull team members apart. Yet not being on the team means you are ‘out of the room’ when big decisions are made.

The essential role of an executive team is to take an ‘enterprise-level’ view. So, the challenge for CEOs is to persuade team members to leave their functional or unit hat at the door, and to slip on an ‘enterprise-level’ hat.

And it requires team members to put the interests of the enterprise ahead of their narrow unit interests. That demands a certain level of collaboration, trust and collective thinking.

So, what is the measure of an effective executive team, above and beyond this ability to think at the ‘enterprise-level’? What are the indicators of success of the team itself?

The obvious starting place is the overall performance of the business, as measured by financial results and reputation. But this is a very generic measure. And it is only partly due to the work of the executive team.

Another way to look at it can be the quality of decisions taken by the team. Because the results of these decisions can be measured. And because it is a measure specific to the team. So, measuring the results of the decisions is a good proxy for measuring the quality of them.

But there is another proxy for measuring the quality of decision-making within the executive team. That is to measure the quality of dialogue within the team.

One way to think about this is to see what happens when the quality of dialogue deteriorates. For example, The Royal Bank of Scotland, which collapsed in a heap and had to be bailed out by the UK government.

Members of the executive team used to call their weekly executive team meetings “weekly executive team beatings.”

Everyone knows when the senior team is not having the right conversations. Not just team members but their colleagues and their own staffs. It filters down pretty quickly to the rest of the organization.

What does an executive team with poor quality conversations look like?

- A lack of challenge and of open debate
- The inability to speak ‘truth to power’
- Meetings that are conference calls, not in-person relationship-building
- Lackluster contributions from team members
- Too little participation from everyone
- Too much reporting out of individual responsibilities, rather than ‘thinking together’ conversations

Yet despite this, few leadership teams actively look at the quality of the conversations they have.

Why great dialogue really matters at the executive team

Research carried out by The Right Conversation (www.therightconversation.co.uk) in 2011 confirmed the insight that the quality of conversations in an organization is one of the biggest factors affecting its performance – affecting directly the quality of decision-making, the richness and inclusiveness of strategy development, innovation, cross-functional collaboration and employee engagement.

The research also showed clearly that many organizations struggle to find a sensible way of having a ‘conversation about conversations’ because what happens behind closed doors amongst executive teams is notoriously difficult to analyze.



The whole point of a high-functioning leadership team is to think together. By doing so, it becomes aligned around a course of action, and it typically creates a better-designed outcome. Thinking together, though, requires the team to be proficient in dialogue.

A good example was pointed out by renowned business academic Henry Mintzberg who noted that strategy evolves and shifts to adjust for difficult-to-predict changes in the market, natural disasters, political events and a host of other variables. This does not happen neatly within the confines of the annual planning cycle, but real-time – which highlights just how important effective dialogue between senior leaders is because threats can be detected early and dealt with, and opportunities seized as they begin to appear on the horizon.

Learning how to maximize the effectiveness in talking and listening to each other helps executive teams to safeguard the business and capitalize on opportunities.

How to assess the quality of dialogue

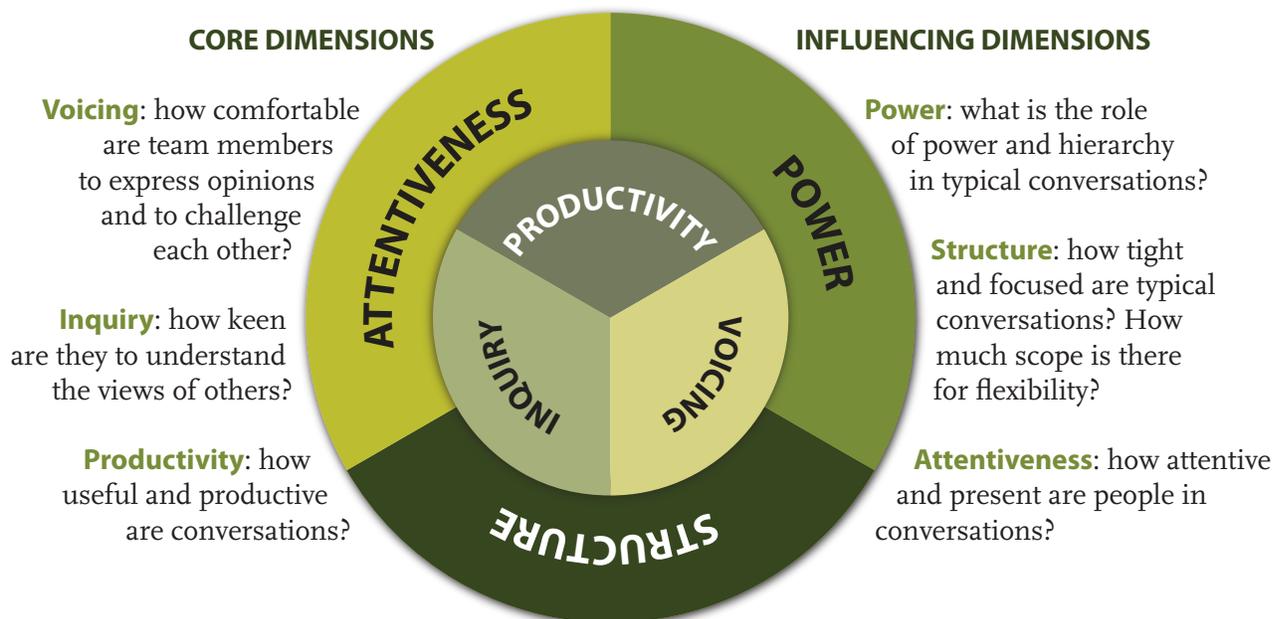
Sometimes an in-depth, full-bore assessment of an executive leadership team is not required, or not possible. Measuring the quality of dialogue is light-touch. It can be used on its own as a quick pulse check. It can also be used as part of a broader team development effort.

The Team Dialogue Indicator™ (TDI)

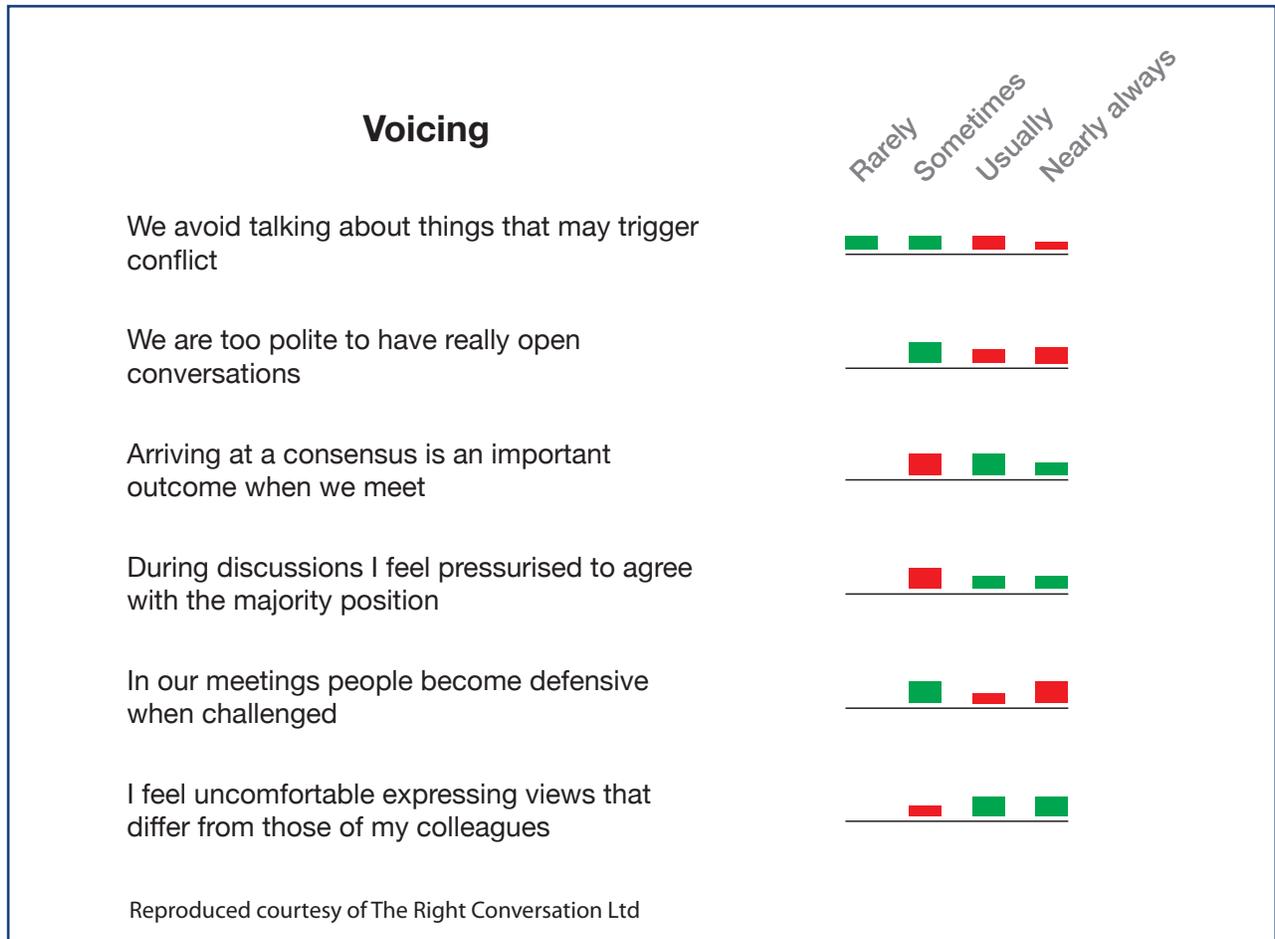
All top teams have habits and behaviors that shape the way they have conversations and discussions, some of which are likely to be effective and others less so.

The TDI, developed in conjunction with Ashridge Business School, a leading UK research institution, assesses these norms under six headings, as a first step in understanding where improvements can be made.

- 1 **Productivity** – how useful and productive are conversations on the whole?
- 2 **Attentiveness** – how attentive and present are team members in conversations?
- 3 **Structure** – how structured are typical conversations? How much scope is there for flexibility?
- 4 **Voicing** – what is the typical balance between building consensus and airing differences of opinion? How comfortable are team members to challenge each other?
- 5 **Power** – what is the role of power and hierarchy in typical conversations?
- 6 **Inquiry** – how good are team members at listening, and how aware are they of their impact on others?



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Many executive teams like the simplicity of the tool because it is free from psychological jargon, and yet it is meaningful to team members. It refers to things that they actually do and experience in meetings.

The tool has been used in organizations large and small in many countries, and is proven to help teams become better decision-makers.

The quality of dialogue is a great proxy for the quality of team decision-making. Measuring dialogue is a useful tool to improve the performance of any executive team. And by improving dialogue, the team elevates collaboration and ensures better collective outcomes. It also cements trust within the team.

The River Group was formed by clients for clients. The founders met 17 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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