

Making Teams Work at the Top by Jon R. Katzenbach

Leader to Leader, No. 7 Winter 1998

MOST top executives pay lip service to their "team at the top" but achieve only a small portion of the actual team performance potential of the senior leadership group. Others, who champion a team approach at all levels, become frustrated that they cannot run the company more as a team. Both extremes are missing the point: real team efforts at the top of large organizations have performance value only when applied to legitimate team opportunities.

In other words, the senior leadership group (that is, all the CEO's direct reports) need not try to become a real team. As obvious as this may seem, few senior leadership groups are disciplined about when and how they pursue team opportunities. As a result, they struggle for team performance when it makes no sense, and miss opportunities for team performance when it offers high potential. This happens even in companies that have mastered the use of teams in other parts of the organization.

The reasons are simple to describe but difficult to overcome. Shortfalls in team potential occur when leadership groups

- Do not appreciate the discipline of teams and the performance potential teams can offer -- even at the top
- Do not differentiate between -- nor make an explicit distinction in how they pursue -- team and nonteam opportunities
- Depend upon crisis-type events to trigger team behavior
- Rely exclusively on the familiar discipline of executive leadership, which conflicts with -- and typically overpowers -- the discipline required for team performance
- Regularly overlook new options for team composition, modes of behavior, and leadership roles they can play to build real teams in the right places

▲ The Prevailing Mind-Set

WHEN we think of a team at the top composed only of the CEO's direct reports, we presume that all companies have one, for better or for worse. We also presume that this senior executive group can function together in only one of two ways: as a hierarchical group or as a collaborative team. If those are the primary options, then most top teams certainly are not "real teams" because the CEO calls the shots. Moreover, it is virtually impossible to change that reality without changing the style of the CEO, which rarely



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happens. Hence, we observe very little team performance in the executive suite of most organizations. This mind-set further leads to two different sets of myths about so-called teams at the top: the strong leader myths and the real team myths. Both result in a loss of performance potential within senior leadership groups.

▲ Myths of the Strong Leader

THE underlying assumption of those who favor strong executive leadership is simply that strong leaders cannot -- and probably need not -- function as part of a real team; that sort of behavior makes more sense down the line or in the workplace. This premise leads in turn to five fallacies surrounding senior leadership behavior.

1. The CEO determines whether a company wins or loses. What board of directors does not believe that if you pick the right CEO your problems are solved? The view is even more pervasive than corporate boards, however; analysts, consultants, and journalists as well as most executives appear to share this belief. In fact, it is close to heresy to suggest otherwise.

The reality is that the leadership requirements of winning companies (particularly those that stand the test of time) go well beyond the CEO. It is not that the CEO role is somehow less important, or that the leader's personal attributes have little influence on corporate performance; obviously, they do. Rather, it is that the broad leadership and organizational system is more important over time. As James Collins and Jerry Porras argue in [Built to Last](#), "the success of visionary companies -- at least in part -- [comes] from underlying processes and fundamental dynamics embedded in the organization and not primarily [from] a single great idea or some great, all-knowing, godlike visionary who made great decisions, and had great charisma, and led with great authority."

2. The CEO has to make all the key decisions. No self-respecting boss admits to backing off when a tough decision is needed. This is particularly true in turnaround situations. This view causes most of us to believe that a real team (wherein the leadership and decision-making role shifts among the members) is really impossible at the top, because real teams do not have a single leader or decision maker.

In reality, however, the CEOs of large companies cannot make all the key decisions, nor do they try. Instead, a strong cadre of leaders down the line is constantly making important decisions that never reach the attention of the CEO. More and more companies are disaggregating their businesses to create even more decision makers closer to both the marketplace and the workplace. Many of these avail themselves of real team decisions. Furthermore, real teams can and do function within a construct that permits the senior leader (or CEO) to decide key issues. This need not prevent a shifting of leadership roles within teams when opportunities require it.

3. It is a team because we say so! CEOs, managers, analysts, consultants, academics, and writers freely label the senior leadership groups of large and small companies as "the executive team" or "top team." Everyone knows who they mean, despite the nonteam behavior that generally characterizes these groups.

The reality -- which everyone knows as well -- is that these groups seldom if ever function as real teams if one is rigorous about defining the term, applying the discipline it implies, and measuring the kind of results it should produce. Labeling the leadership group a team does not make it so.

4. The right person in the right job leads to the right team. The very best companies devote major portions of their human resource system to getting right person-right job match-ups. At some companies it becomes a slogan, if not a reality. At the top, the primary focus of new leaders is how to structure and fill the top jobs in the company -- particularly those that comprise the CEO's direct reports. The understandable presumption is that the right person will somehow figure how to shape his own team -- and will instinctively team up with other executives as need be to get the job done.

The fact is, real teams at the top happen naturally only when a major, unexpected event forces the issue -- and only when the instincts of the senior leader permit the discipline of team performance to be applied. Unfortunately, that means a lot of valid team opportunities are overlooked.

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5. The top team's purpose is executing the company mission. While senior executives are, in fact, responsible for carrying out the organization's mission and strategy, that is far from the whole story. To produce the kind of shared sense of commitment necessary to execute strategy, they must also focus on collective work products or joint leadership.

The achievement of mission depends on much more than the decisions of senior executives, some of which may warrant joint decisions. Good decision making alone, however, will seldom provide the focus, commitment, and mutual accountability that a real team effort must have. While it is possible for senior leadership groups to shape effective team behavior around key decisions, they seldom do.

As pervasive as these myths are, the result of embracing any or all of them is to virtually preclude real team performance at the top -- except when a crisis breaks the strong executive leadership behaviors that prevail in most organizations.

▲ Myths of the Real Team

EQUALLY constraining is a set of strongly held beliefs about the importance of real team performance within a senior leadership group. These beliefs are increasingly evident among top executives, and have been at the heart of much of the research that has been published about executive team behaviors. Unfortunately, they are as counterproductive as the myths of the strong leader. Five in particular hamper the very team performance they are designed to stimulate:

1. Teamwork at the top will lead to team performance. This myth argues for more attention to the "four Cs" of effective teamwork -- communication, cooperation, collaboration, and compromise. It also recognizes that many senior leadership groups

need to practice more supportive behaviors or teamwork. In fact, most of us assume that teamwork is probably the only kind of team effort that senior groups can be expected to pursue.

The reality is that teamwork is not the same thing as team performance. Teamwork is broad-based cooperation and supportive behavior; a team is a tightly focused performance unit. Hence, by focusing on teamwork as a generic virtue, the senior group is less likely to discern when and where they need to apply the discipline required to achieve real team performance. They may improve their ability to communicate and support one another, but they will not obtain team performance without applying team discipline to a specific task.

2. Top teams need to spend more time together building consensus. We often assume that consensus-based decisions are somehow better than individual decisions, particularly with respect to critical corporate actions. Unfortunately, we also assume that building consensus is synonymous with reducing conflict, and that less conflict leads to more teamlike behavior.

The reality is that most executives have little time to spare as it is, and the idea of consuming more of that scarce resource struggling to build consensus makes little or no sense to them. In fact, many decisions -- such as whether to appoint an individual to a new job or how to choose between two equally attractive strategies -- are better made individually than collectively. Moreover, spending time together seeking consensus is not the same thing as actually working together, as a real team, to yield a higher performance result. The further reality is that, in a real team, the right person or persons make the decisions; group consensus is not required. Most important, real team efforts do not avoid conflict; they thrive on it. Conflict is virtually unavoidable among top decision makers, who must deal with ambiguity, high stakes, and frank debate as a matter of course.

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2. CEOs need to change their style to obtain team performance. Those who see the strong, decisive style of the CEO and others as the major obstacle to team performance would admonish top executives to stop making all key decisions, and to learn to be more collaborative. Some even advocate personal counseling and leadership training to that end.

Most senior executives cannot fundamentally change their style. However, rather than trying to be someone they are not, if they simply learn to play a different role, they can often stimulate real team efforts, if not function as members and leaders of such efforts. Their underlying beliefs and everyday activities turn out to be much more important than their personal leadership styles. For instance, Andrew Sigler, the former CEO of Champion International, would probably not be anyone's first choice as the ideal team leader. He was a strong, individual leader with a single-minded focus on the best way to lead his company forward. Nonetheless, he understood the value of teams and, through word and deed, genuinely supported their growth throughout the organization. His successor, Richard Olson, has a very different leadership style, much of it developed

while working under Sigler's strong executive style. Olson is a natural team leader who is able to lead Champion's senior group -- both as a team and as a single-leader unit. Both Sigler and Olson achieved remarkable team results throughout the company, although Olson gets more team performance at the top. The key is in learning to differentiate between team and nonteam situations within the senior group, and to ensure the appropriate discipline is applied -- even if it means someone else should lead the group's team efforts.

4. The senior group should function as a team whenever it is together. This myth presumes that every task for the senior leadership group could qualify as a team opportunity, regardless of how that task is best carried out within the group. But that view leads to team-building sessions that can drive tough, skeptical executives up the wall. As a result, a lot of time can be wasted attempting to achieve team behaviors in situations that warrant more efficient, leader-driven approaches.

In reality many senior leadership interactions are simply not real team opportunities and do not warrant the application of team disciplines. Team efforts at the top make sense only part of the time -- when they address specific issues that require senior executives to do real work together. If, by contrast, the task is simply a matter of reviewing and approving the work of others, or communicating syndicated decisions -- as much senior executive activity has become -- it is seldom best accomplished by a team. Individual efforts can often be faster and more effective, particularly when the potential value of the collective work products is low or unclear.

Team efforts at the top make sense only for specific issues that require senior executives to do real work together.

5. Teams at the top need to "set the example." To suggest that teams down the line cannot perform as real teams unless the top leaders act as role models presumes too much about the power of senior managers -- and too little about the abilities of others. Nevertheless, believers in this view argue for "daily examples" of team behavior among the leadership group.

The reality is that daily contact is seldom even possible among the members of the management group. Fortunately, most real team efforts down the line are unaffected by how the senior leadership group behaves, as long as the top leaders believe in the value of team performance down the line and are supportive of such team efforts. The support matters far more than the example. Moreover, many of the team efforts at the top are, of necessity, carried out behind closed doors because of the confidential nature of the crisis events that produce true team action.

The myths that grow out of the real team premise can be as constraining on senior leadership performance as those growing out of the strong leader premise. For that reason, it makes sense to seriously consider a different mind-set that seeks to integrate these two extreme points of view. Simply stated, a "team at the top" should be able to vary its composition, behavior, and leadership roles to optimize -- and better integrate --

individual, team, and nonteam performance. Obviously, this is an argument for a balanced leadership approach.

▲ **Achieving Balance "at the Top"**

EXPANDING and tapping into the leadership capacity throughout the organization is important for virtually any enterprise that anticipates growth and change, be it Mobil Oil, Hewlett-Packard, Champion International, or Ben & Jerry's. It doesn't seem to matter whether the company is large or small, industrial or financial, global or regional -- leadership capacity is in short supply at all levels.

This has always been true, and will probably always be true -- dynamic organizations can never have enough leadership capacity. On the other hand, just because the aspiration is elusive does not mean that we can afford to ignore the need. In leading a complex enterprise to an increasingly high set of balanced aspirations, team performance is but one of several approaches that leaders must consider. At the same time, I believe team performance is the approach with the most potential for immediate results -- and the one that is most neglected within top leadership groups.

The forces at work in any large organization can easily undermine senior executives' interest in learning how to increase their team performance. Paradoxically, these very same leaders are often in serious pursuit of greater leadership capacity. Yet they continue to overlook the value of the team approach in enhancing the potential of any small group. Real teams learn how to shape working approaches that exploit the leadership capabilities of all their members. They also learn how to develop those individual and collective capabilities to the fullest. However, the full potential of a team at the top cannot be realized unless and until the leadership group is able to

- Sharpen its ability to recognize high-potential team opportunities and differentiate them from equally important nonteam situations
- Learn to shift its mode and composition to fit differing opportunities and apply the appropriate discipline
- Become comfortable in shifting the leadership role among its members without eroding the ultimate authority of the CEO

What worries me most when able leaders are first exposed to the notion of fluid team dynamics is their tendency to conclude "we already do that." Discussions of shifting roles and responsibilities among senior leadership groups invariably produce a great deal of head nodding, knowing glances, and side comments of support -- followed by the sighs of relief that "we don't really have to worry about being a team after all -- we just have to keep delegating work to subgroups."

An understandable reaction, since much of what effective leaders do instinctively is what works best for teams at the top. In moments of crisis -- a plant disaster, a takeover threat, any unexpected and serious disruption of service -- people break the hierarchical norms of the organization and work together to accomplish whatever needs to be done. Most leaders are also relieved to learn that their personal styles do not usually need to change,

that they need not feel guilty about functioning as single-leader working groups, and that strong individual leadership still counts for a lot. Indeed, subordinate groups working without the executive's direct participation are often the best way to obtain team performance, and, as we have seen, unexpected events will probably trigger true team behavior anyway. No wonder "we already do it that way" is a common reaction among senior executives.

So why not just keep doing it in the way you are most comfortable? The answer, of course, is that instinctive adherence to executive leadership disciplines will snuff out team discipline. Any senior leadership group may get team performance in crucial situations, but will not obtain it in many other important opportunities. Teams excel when

- The task requires a truly collaborative work product
- Real value accrues from rotating leadership roles among team members
- Members hold themselves mutually accountable

But understanding the difference between team and nonteam situations is not enough. Learning how to recognize those differences, consciously making the tradeoffs between the speed of individual action and the performance potential of team action, integrating the two disciplines, and applying the right discipline at the right time is an acquired skill for most leaders who run things at any level. To that end, the following six specific suggestions can help any senior group that aspires to more team performance at the top:

1. Determine the group's level of common commitment to real team efforts: Openly discuss each member's beliefs as to the potential value of more team performance within the group. Unless and until group members truly believe in the extra value of team performance, executive leadership discipline will prevail.

2. Do not try to be a real team all the time: Learn the difference between a real team effort and a single-leader working group; recognize that both have value within the construct of the senior leadership group.

3. Be disciplined, but be selective: Learn to apply the six elements of team discipline -- small size, complementary skills, common purpose, clear performance goals, explicit working approach, and mutual accountability. Real team performance demands that members of the group understand and apply this simple discipline, as well as deal with the inevitable conflicts team basics create for advocates of executive discipline. Until the group recognizes the value of both disciplines and is selective about when to apply each, valuable leadership capacity will be lost.

4. Go beyond your "personal favorite" leadership approach: Learn to shift in and out of a real team mode of behavior and vary the roles played by each member without eroding the senior leader's ultimate authority. This suggests an open discussion of the relative areas of individual experience and know-how, as well as the design of a working approach for the group that permits role shifts among the members as different kinds of performance issues arise.

5. *Obtain the right skill mix:* Vary the membership of each team situation to fit its purpose and goals; do not presume all "direct reports" should be involved in all team issues at the top. Seek out the appropriate skill mix for each situation, even if it requires skills from outside the senior group.

6. *Concentrate team efforts where they count the most:* Periodically (say, every six months), explicitly identify the half-dozen or so team opportunities that deserve priority attention of the senior leadership group. Ensure that the six elements of team discipline are being applied to each of these situations.

The good news is that team performance at the top is much more doable than commonly assumed. The bad news is that most small groups that run things can obtain team performance only by changing their approach, learning new skills, applying multiple disciplines -- and doing more real work together. The potential benefits of doing so are too great to ignore.



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Print citation:

Katzenbach, Jon R. "Making Teams Work at the Top" *Leader to Leader*. 7 (Winter 1998): 32-38.

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