the team at the top — is it really a team?

CEOs and the senior leadership of most major organizations are usually highly effective individuals who run their business units or functions efficiently, but they may not work as well together to guide their overall organizations.

This article will help leaders consider their own senior team and how they might more effectively practice the essential eight requirements of a healthy, high-performance enterprise leadership team.
Is your team at the top truly a team? This article provides some grounding on the importance of an effective and aligned senior team as well a quiz for you to evaluate your team’s strengths and where it may need to improve

CEOs and executive team members of large organizations are usually talented and highly effective individuals, however, they often don’t operate as an aligned, healthy, high-performing, Thriving Leadership™, team at the top. They often run their business units or functions well but they could perform more effectively together at the enterprise level. Our research into the unique attributes of effective senior leadership teams has led to several new understandings of principles at work that can spell sustainable success or failure for enterprise leadership.

Many, if not most, of the teams that we work with at the very top of the organization face the question, “Are we or do we need to be an integrated team or can we operate as high-functioning, independent business units and functional leaders?”

It is much easier for a specific business unit with clearly defined initiatives, resources and goals, to see the need to be an aligned business unit leadership team. The need for an enterprise team at the very top is less clear, particularly in a holding company structure.

A holding company can operate effectively with each business unit largely “doing its own thing,” however, when a company’s strategy calls for it to organize as a shared business model, the need for senior leadership to adopt enterprise team thinking is critical for success. There are numerous legitimate reasons why the leaders at the top of the organization need to be a collaborative, mutually accountable team or at least know how to be effective team players.

By a team at the top, we simply mean: The CEO and senior leadership and the next tier below the senior leadership. These leaders need to commit (and learn how) to work together in a way that maximizes the value of the total enterprise. This includes making decisions for the greater good, being mutually supportive and aligning around the organizational purpose, vision, values and key strategies and initiatives so that they understand them, support them and speak with one voice to the organization.

Many large organizations have two groups that can be considered teams at the top. There is often a subgroup of the direct reports to the CEO that, when formalized, often directs the enterprise-wide strategic decisions. There is also often a larger group of business unit and functional heads who form a management or operating committee. While it may not be the formal strategic decision-making body, people in this management group must be seen by the organization as aligned and on board with the company’s purpose, strategies and culture.

The power of alignment at the top

Leaders at the top of the company cast a leadership shadow that sets the example for the organization to follow. Without good teaming skills at the top, the organization rarely reaches its full potential. Without alignment at the top that is clear and visible to the entire organization, things aren’t executed as well down the line.

Some specific things senior teams need to be aligned around include:

- How do we best use shared services, such as Human Resources, Legal, IT, etc., to get the best result for the overall organization?
- What are the ways we can work better among business units to gain any
synergies or better serve customers?

- How can we impart common, aligned messages throughout the organization? (in words and actions)
- How can we collectively define and shape the culture to best execute our strategies?
- What can we personally do to align the organization around the company’s purpose and vision?
- How do we develop a true, shared, accountable and ownership mindset across the senior team?

The subsets of the senior team also need to collaborate and align. People in each functional area will constantly need to ask how they can be even more innovative and resourceful and foster a learning environment to support other functions and divisions in the business.

Rigid adherence to “the way we do it around here” will erode cross-functional support and alignment and teamwork.

Some common examples are:

- How can HR be more innovative to help other business units?
- How can Legal better help manufacturing or distribution with legal issues?
- How can Finance gain better visibility or provide better information to operating units?
- How can brand or divisional leaders share resources to achieve greater enterprise goals?

These scenarios all require collaboration and teaming skills. There is another less obvious reason why there is benefit in having a team at the top. Many CEOs join such groups as Young Presidents Organization or business roundtables. They are seeking a forum where other CEOs or business leaders can help with their questions and problems and they can gain benefit from “the wisdom of the team.” They come together to learn from best practices and mistakes. They often act as an informal and supportive board of advisors to one another.

**The value of openness and trust**

When high levels of openness are reached, great teams at the top have members seek the combined wisdom of the group when they are grappling with major issues or challenges. The open discussions they have around strategic issues create more understanding and buy-in, minimize blind spots and provide a useful range of views for the CEO and senior team to consider in the decision-making process.

For all these reasons, companies, even those with a holding company format, build teams at the top. This is a standard practice in complex businesses today, particularly in public companies where the bar has been raised in terms of goals, accountability and enhancing shareholder value.

To have the top executives ‘team’ in any of the ways described requires making a focused effort to increase openness, align on a common vision, build trust and understand one another’s styles and points of view.

To achieve this world-class teamwork requires bringing the team together in a well designed insight-based learning process. It increases alignment, openness and trust, bonds the team, develops the individual leaders and has a positive impact on the team’s culture.

Once a decision is made that teaming is of value to the organization, this question should be asked: **How are we doing as a team right now?**

The following sections outline several scenarios that help you evaluate your team to determine where you already doing well and where can you improve.

You can evaluate this by ranking your team based on eight questions in a short quiz on page 7. First, read each question and the context behind them to understand their importance.

**1 Is it clear that senior team members make decisions for the greater good of the organization, rather than for their own business unit or functional self interest?**

This quality above all others differentiates senior enterprise leadership’s uniqueness in decision making. The ability for enterprise senior leadership to simultaneously wear both hats of leadership decision making is critical to success.

In a holding company business model, where business units operate mostly as separate organizations, unit leaders need to focus only on their part of the business, even if they are a member of the senior enterprise team.

The focus may be on maximizing individual business unit performance even if it results in unhealthy competition and reduces the company’s overall economic value. In this environment, costs can be higher because of duplicated functional services and lack of economies of scale.

Most companies today realize the value of operating in a shared services (matrix) business model versus a holding company model. In doing so they hope to:

- implement more cost-effective shared services
- gain more synergies among businesses and divisional units
- present a more seamless face to the customer with bundled solutions
- allow capital to flow most effectively to the best investments across the enterprise

To make this model effective, the enterprise leadership must first create and personally align on a compelling purpose for the overall business that incorporates the individual business units and functions, while guiding the enterprise senior leadership’s interaction and decision making.
Without this unifying, compelling purpose and direction, it will be nearly impossible for the leaders to make decisions for the greater success, rather than for their individual business units.

This shared business services model can be very effective if the business unit leaders are truly committed to making decisions for the greater good, which will support the overall compelling organizational purpose.

2 Is the senior team seen by the organization as being aligned on purpose, vision, strategies, goals and priorities?

Organizations perform best when everyone is pulling together in the same direction and aligned on common goals. People in organizations are very much attuned to the purpose, vision, culture, strategies and priorities of their organizational leaders.

It is painfully obvious to everyone when top leaders aren’t aligned, and chances are leaders at all levels will also lack alignment on priorities, thus wasting resources, energy and leadership effectiveness.

Alignment does not mean that team members never voice dissent or disagree with a decision. What it does mean is that once points of view have been fully expressed, a decision is made.

Then, the senior team agrees on the importance of focusing the energy of the organization in one aligned direction, and its members are committed to behaving and communicating in a way that supports that focused direction.

3 Do senior team members automatically and consistently assume best intentions in one another or do they assume motives in one another when they disagree?

Discussions, communications, decisions and execution suffer when teammates assume motives in one another. This is often a result of misaligned views on the direction and purpose of the organization and each leader’s role in achieving that purpose.

Mistrust is at the heart of “assuming motives” in others. Trust is the foundation of a healthy team. Trust is built with consistency of actions and your individual healthy state of mind towards others on the team who are in alignment with a common view of the organization’s purpose and direction.

Each leader must understand that his or her teammates also want what they think is best for the organization. They may have vastly different views and opinions about how to fulfill their purpose and execute their collective goals, but with a foundation of trust, they can engage in open and respectful discussions of the issues.

Developing a high level of open dialogue and creative idea exchange will enhance the ability of senior team members to learn from one another and find mutually beneficial solutions.

4 Do senior team members openly discuss issues in meetings or do most real conversations take place in hallways after the meetings?

The best senior teams have candid, respectful and yet challenging conversations in their meetings. The team member’s individual and collective quest to learn and grow in their leadership roles is the foundation of this practice.

In all too many companies, if the CEO or senior team is conflict averse or the unwritten rule is, “I won’t comment on your sandbox if you don’t comment on mine,” then open discussions won’t take place. This often shows up as passive-aggressive leadership behavior where people agree in meetings, and then their words and actions oppose the decisions when team members are out of the room.

Our experience with executive leadership teams is that those teams that are aligned on their organizational and team purpose can maintain a vital, resilient and healthy leadership mindset. They are collectively on a quest for learning and growth, and are able to have debates characterized by openness, respect and candor.

Why does Nationwide Children’s Hospital’s executive team do this so well?

To enable great teamwork, Nationwide Children’s Hospital CEO Dr. Steve Allen engaged Senn Delaney to help build a senior team ‘one company’ culture.

A critical part of that engagement was working with the leadership team to develop a clear statement of essential values and guiding behaviors to serve as a roadmap to achieve the strategy.

Members perform as one team, with integrity, honesty and inclusiveness. They practice open communication and collaboration, know the importance of embracing change and innovation, and have a results-oriented outlook that emphasizes accountability, determination and a commitment to constant improvement.

Even in the early stages of the senior team culture transformation, positive results were already showing up. There was more open communication and greater accountability.

Patient satisfaction scores — a significant measure of success on the front lines — were steadily improving. Projecting the desired culture to the point of care strongly resonated with the hospital’s employed physicians and medical leaders.

The hospital has since doubled in size with the completion of new clinical and research facilities. Nationwide Children’s Hospital’s strategic roadmap is to realize its mission and goal of pre-eminence, and this is showing up in continued good patient satisfaction, safety and quality ratings as well as numerous national honors and top rankings.
When a decision is made in a senior team meeting, do all members own the decision as theirs and fully support it outside the meeting room?

Yum! Brands Chairman and Chief Executive Officer David Novak put together one of the better teams with whom we’ve worked. His executive team at KFC had the motto, “Team Together, Team Apart.” Everyone openly conversed and shared different points of view in meetings but once a decision was made, they spoke with one voice to the organization in owning and implementing the decision.

“Team Together, Team Apart” also meant that they owned one another’s success and were aligned on the overall purpose of Yum! Brands. This led to each leader speaking and acting as a team when together and by the same rules when apart.

Yum! Brands delivered double-digit earnings-per-share growth over 13 consecutive years under David Novak and his senior team’s aligned leadership.

Are senior team members acutely aware of the impact of the shadow they cast on the organization?

Most CEOs and senior teams greatly underestimate the impact they have on the organization just by the way they show up. Everything, from their words and actions to their moods, is noticed.

Anyone who decides to be a parent or a leader has a special obligation to understand that others who look up to them tend to emulate their behaviors. The executive leadership team has the highest obligation, because its members have the most leverage, cast the largest shadow and are most closely watched.

If they are unaligned on direction and purpose, the organization will be unaligned as well. If they aren’t seen as an effective team that is living the essential values, there will likely be silos and ineffective leadership behaviors under them. If they don’t coach, mentor and encourage personal leadership growth, then coaching and personal growth won’t be a part of their organization’s culture.

On the other hand, when business leaders understand the concept of “Shadow of the Leader™,” the results can be powerful.

Mary Foster, former president of Sylvan Learning, once told us: “One of the things that has been most empowering for people was for me to cast a shadow that coaching and learning begins with me. This also aligned with Sylvan’s purpose of helping others develop stronger math and reading skills.” She added, “This alignment of purpose and the essential value of growth and learning turned out to be incredibly freeing for others, making it okay for everyone to acknowledge the team at the top: is it really a team?

The Essential Values include:

- **Performance value**: Includes high expectations and a focus on results. Additionally, strong personal and team accountability is displayed versus blaming or finding excuses.

- **Collaborative value**: Promotes cross-organization teamwork, mutual support and decisions made for the greater good versus siloed behavior.

- **Growth and learning value**: Encourages innovation versus bureaucracy, openness to change versus resistance, support for new ideas versus judgment and leaders as coaches versus bosses.

- **Ethics/Integrity value**: Teams and leaders model integrity and congruence in words and deeds, and exemplify ethical behavior on a daily basis.

- **Organizational, Individual and Team Health Value**: Represented by openness, trust, respect and resiliency promoting a positive, hopeful and optimistic mindset and environment.

- **Customer Value**: Focuses people on the organization’s purpose and who they serve versus an internal focus on internal factors.
their own strengths and challenges and to focus on how to get better results. It’s helping us improve our processes, our meeting effectiveness, our overall productivity and results. Even in our annual performance reviews, which could be rather uncomfortable for everyone, now people walk out inspired and happy to know what they are doing well and what they need to work on to be even more effective.”

8 Do senior team members fully participate in initiatives or do they just nod and bless them with lip service?

Because of the shadow phenomenon, all really important organizational initiatives need to start with the top team. One area where this can be seen is in leadership development and training.

When learning and growth are not particularly valued and lived at the senior team level, then training starting even one level under the senior team will often yield such responses from participants as: “This sounds great but it’s not the way I’m managed,” or, “Has my boss been through this training and development? It would be a good idea for my boss to go through this training, if he/she really values it.”

We learned a real-life lesson about the shadow of leaders early in the history of Senn Delaney. J.L. Hudson, a division of the Dayton Hudson Corporation (now Target Corporation), asked us to help it work on improving customer service in its stores. We piloted the process in six stores working with the store managers with mixed success.

While some stores had measurable increases in service levels and increased market share, others didn’t. In fact, the results were almost directly proportional to our success in shifting the store manager’s focus from operations to service and his/her management style.

It demonstrated how the leader’s shadow of the vision of service and accepted values cast the shadow of influence across the store. When we would ask sales associates why they weren’t more attentive or friendlier to customers, they would respond (in different ways), “Who is friendly and attentive to me?” “If service levels are so important, why aren’t our leaders living and breathing them?”

When we would ask their department managers the same question, we got the same answer. That continued through the assistant store manager, the store manager, the district manager, the vice president of stores, and on up to the executive committee. We concluded that fixing the stores was similar to child and family therapy; you have to include the parents.

Later, when the CEO of a major department store chain in California asked if we would develop a customer service process for the chain, we politely said, “Only if we can begin with the executive committee.” That led to several consecutive years of increased service leading to increased sales and market share.

The key message here? Regardless of whether the key strategic initiative involves a new computer system, increased service levels or a new, enhanced culture, it needs to be owned and authentically lived by the top team first.

Now, as you consider your own organization up against the Essential Values of high-performance teams, take a few moments to think about your team in each scenario by completing the following quiz. We hope it will help you move toward truly being a team at the top. ■

Senn Delaney can help you gain a deeper understanding of these principles and how your executive team could enhance their performance with healthier results.

Contact us to learn more about our groundbreaking research and Thriving Leadership process.

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Dr. Larry Senn is chairman and founder of Senn Delaney. Larry has led culture-shaping engagements for the leaders of numerous organizations, including dozens of CEOs of Fortune 500 companies, state governors, members of two U.S. president’s cabinets, deans of business schools and the presidents of major universities.
is your team at the top functioning well as an enterprise team?

One way to find out whether your organization’s team at the top is functioning well as an enterprise leadership team is to objectively rank how well they meet eight Essential Values, requirements of a healthy high-performance, Thriving Leadership™ team. (See the Essential Values on page 5.) These guidelines are based on Senn Delaney’s combined, university-based research and application of 35 years of work with more than 120 Fortune 500 companies.

1. Is it clear that the senior team makes decisions for the greater good of the organization, rather than for their own business unit or functional self interest?

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6. Do senior team members all walk the talk? That is, do they live the organization’s values?

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the results

How did you rate your leadership team’s performance in these eight key areas? Highest numerical rankings offer an opportunity to leverage the team’s ability to lead by example and to align around the core organization’s purpose, along with living the Thriving Leadership™ essential values. Areas with high numerical rankings can help you target areas for your executive team’s development. Senior teams who do take time to work on becoming even better teams are able to tackle strategic issues with focused alignment, and in so doing achieve even better results for their organization while creating a stronger culture overall.
About Senn Delaney

Senn Delaney, a Heidrick & Struggles company, is widely recognized as the leading international authority and successful practitioner of culture shaping that enhances the spirit and performance of organizations. Founded in 1978, Senn Delaney was the first firm in the world to focus exclusively on transforming cultures. More Fortune 500 and Global 1000 CEOs have chosen Senn Delaney as their trusted partner to guide their cultural transformation than any other culture consulting firm. Senn Delaney’s passion and singular focus on culture has resulted in a comprehensive and proven culture-shaping methodology that engages people and measurably impacts both the spirit and performance of organizations.

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