The power of a thriving team at the top

Learn how senior teams can be more effective at agility, speed and alignment across the whole enterprise, particularly in the face of environments of volatility, uncertainty, complexity and ambiguity, (VUCA).

senn delaney
the culture-shaping firm

HEIDRICK & STRUGGLES
CEOs and senior teams face many challenges today, and with an ever-increasing pace of change, they are being sorely tested

Is your team at the top truly as aligned, agile and enterprise-minded as it needs to be to succeed in today's challenging environment?

It is well documented that large organizations’ leadership teams are facing environments of volatility, uncertainty, complexity and ambiguity, (VUCA) more than ever before.

A 2015 study by University of Oxford Said Business School and Heidrick & Struggles of more than 150 Global 1000 CEOs found the following as key trends, accountabilities and influencing forces on their organizations: cyber threats, lack of organizational values, income disparity, regional tensions and climate change. Coupled with these macro factors are increased competition, disruptive technologies, activist investors with more than $200 billion to invest and global market fluctuations.

Additionally, the speed that these events are coming at senior leadership teams is increasing annually. The Oxford study—The CEO Report—further defined three dimensions of CEO and senior team decision making: speed, significance and scope. All three must be aligned and appropriately balanced to be most effective.

As the pace of change accelerates, the pace of strategic renewal must also speed up. The new organizational imperative is to seek new ways to stay competitive, and be more innovative and agile to stay ahead of the curve in the face of constant change. Organizational alignment and enterprise teamwork have also become a pivot point for success.

Pitfalls of leading independently:

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

There are some common pitfalls of operating as independent heads of business units or functions, including:

- replication of costs due to duplication of capabilities
- lack of cross-organizational knowledge sharing
- multiple, disconnected cultures across the enterprise
- multiple client touch points from numerous business unit salesforces
- lack of cross unit product/service innovation

Historically, it has been easier for a specific business unit with clearly defined initiatives, resources and goals to see the need to be an independent leadership team. The need to be an enterprise leadership team at the top is less clear, particularly when transitioning to a shared business (matrix) structure.

Independent business units can operate effectively with each unit largely doing its thing. However, when a company’s VUCA environment changes and the strategy calls for it to organize as a shared business model, the need for senior leadership to adopt an enterprise team mindset is critical for success. This transition can require a significant change to senior leaderships’ mindsets, habits and behaviors.

Why most leaders decide they need to team

Many large organizations have two groups that can be considered teams at the top. The executive leadership team focuses on key organization-wide strate-
gies. There is often a larger operating committee of business unit and functional heads. While it may not be the formal strategic decision-making body, this operating group casts an important leadership shadow across the organization.

Virtually all of our clients have concluded that there are legitimate reasons why the leaders at the top of the organization need to be a collaborative, agile, aligned and mutually accountable team that makes decisions for the betterment of the enterprise. How do you create an aligned enterprise team?

**Power of alignment at the top**

Leaders at the top of the company cast a leadership shadow that sets the direction and cultural example for the organization to follow. Without good teaming and alignment skills at the top, the organization will rarely reach its full potential.

That is why it is important for leaders on the top team and the functional operating management teams, to commit (and learn how) to work together in a way that makes them most effective in maximizing the value of the total enterprise.

This is usually best done in a formal process that guides leaders to align themselves with the company’s purpose, vision, values and key strategic initiatives. They must define how they need to work together most effectively, while modeling the desired culture needed to execute the enterprise strategic goals.

That includes making decisions for the greater good, being mutually supportive and collaborative, and aligning around the organizational purpose and values so that the team understands them, supports them, models them and speaks with one voice, in words and actions, to the organization. Senior teams need to be aligned around many things, including:

- how to best use shared services, such as Human Resources, Legal, IT, etc., to get the best result for the overall organization
- ways to work better among and across business units to gain any synergies or unique new offerings to better serve customers
- how to impart common, aligned messages throughout the organization
- how to collectively define and shape the senior leadership enterprise culture to best execute our strategies
- what each leader can personally do to align the team around the company’s purpose, values, and enterprise decision making
- how to develop true shared accountability and learning mindsets
- ability to “pivot” as a senior team to quickly align on new strategic or organizational initiatives

Creating an enterprise team requires a well-designed senior team alignment and culture-shaping process

When high levels of openness and trust are reached, great teams at the top have members seeking the combined wisdom of the group when they are wrestling with major issues or challenges.

The mindset needed to have open discussions around strategic issues creates more understanding and buy-in, minimizes blind spots and provides a useful range of views for the CEO and senior team to consider in the decision-making process.

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.

Achieving this world-class teamwork requires bringing the team together in a well-designed senior team alignment process. This provides a means to shift historical mindsets, increase alignment, openness and trust, bond the team, and develop individual leaders. It has a positive impact on building the team’s enterprise culture.

The following principles of Thriving senior leadership teams provide further insight into what that looks like.

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Universal principles of Thriving™ and top team effectiveness

During more than three decades of work and research with senior leaders and their organizational cultures, we have consistently demonstrated that teams with clarity of organizational purpose, supporting leadership values and a learning mindset consistently perform at their best.

Recent University of Michigan and Stanford University research studies have shown that organizations that have Thriving™ senior leadership teams with a learning mindset have a positive impact across their organizations.

Findings show teams in such organizations are:

- 47% likelier to say that their colleagues are trustworthy
- 34% likelier to feel a strong sense of ownership, commitment to company
- 65% likelier to say that the company supports risk taking
- 49% likelier to say that the company fosters innovation, agility and speed

The following principles are a result of developing both individual and collective Thriving™ enterprise mindsets. These universal principles of effectiveness for individuals, teams and organizations are called The Essential Values. They include:

**Performance Orientation**

- includes high expectations and focus on results
- alignment on organizational purpose and strategies for success
- both strong personal and team accountability are displayed versus blaming or finding excuses

**Collaboration**

- represents a mindset of cross-organizational teamwork, mutual support, decisions made for the greater good

**Agility, innovation and growth**

- encourages a growth mindset of innovation, persistence and malleable talent
- true commitment to curiosity; coaching support for new ideas

**Appreciation and recognition**

- leaders appreciate and regularly recognize efforts and performance

**Ethics and integrity**

- teams and leaders model integrity and congruence in words and deeds, and exemplify ethical behavior on a daily basis, including respect for diversity and inclusion

**Positive spirit and vitality**

- represented by a mindset of vitality, optimism, openness, trust, respect and resiliency, promoting a positive environment

**Customer and quality**

- focuses people on the senior team on the organization’s purpose and who they serve versus focusing internally
Aligning senior leaders and creating an agile, growth leadership mindset returned a European telecom giant to accelerated, profitable growth

A flagship company of the BEL 20 headquartered in Brussels, Proximus, the majority state-owned telecommunications, IT, and media company, was at such a crossroads. It had become overly complex and slow. A period of leadership turmoil and market saturation resulted in nearly a decade of zero growth.

The new CEO and senior leaders were seeking ways to restore the telecommunications firm to profitability, regain lost market, simplify and stay competitive and relevant to customers.

In January 2014, the Belgian government appointed Dominique Leroy for a six-year term as chief executive. She joined Proximus in 2012 as executive vice president of the Consumer Business Unit after a 24-year leadership career at Unilever. Leroy recognized immediately that the Proximus senior leadership had operated as independent “portfolio” business units and functions, resulting in bureaucracy slow decision making. “The company was very much run as a holding company; a lot of business unit focus, but a bit siloed. So, in that sense, it was a sub-optimal senior leadership team culture to really unleash all the power in the company.”

As CEO, Leroy continued to engage the senior team in a team alignment culture transformation as the first step in restoring growth. Moving senior leadership from a historical portfolio mindset to an enterprise mindset by creating “One Proximus” was the first step in the firm’s overall transformation. Getting there, however, required a rapid senior team culture shift and alignment to an agile, growth mindset, which was not part of the senior team’s DNA.

Leroy knew from past experience that shifting to a new matrix business model and employing major restructuring changes would first require all the senior leadership to become aligned around the vision, values and new behaviors needed to transform the telecoms company in record time.

The senior team culture transformation and alignment process enabled the leaders to define a common vision, purpose and strategy and communicate and align the entire company to it.

Three key principles and mindsets — agility, collaboration and accountability — became the guiding norms for Proximus’ senior team. By instilling these principles deeply across the senior team, leaders began generating more openness and trust across the business, breaking down silos and creating the desired ‘one company’ growth mindset.

Based on this senior leadership team transformation and alignment, organizational metrics since October 2013 have significantly improved on many levels, including a 13-point increase in strategic alignment and a 12-point increase in understanding of the direction (vision mission and goals). In addition, there was a 12-point increase in decisions being made for the greater good of the overall organization, a 9-point increase in greater openness to change, and an 8-point rise in the sense of creative innovation.

“If as a team you can show these values every day in how you behave, certainly as leaders of the company, it really starts to change the way people work together, and it unleashes a lot of power,” said Leroy. She added that helping the senior team operate with more alignment, agility and a growth mindset has led the overall company to profitable growth even faster than envisioned.

PROXIMUS CEO DOMINIQUE LEROY

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Creating an aligned, agile and accountable team at the top during a time of massive upheaval and change to restore winning performance

Bryan Jordan became president and chief executive officer of First Horizon National Corporation and First Tennessee Bank National Association when it was at the height of a long history of success and continued growth. Within months, the economic crisis struck the financial services industry, toppling many once-mighty institutions.

Before the crisis struck, First Horizon had grown well beyond its regional Tennessee banking roots to a $38-billion financial services company with more than 13,000 full-time employees and national mortgage lending and commercial real estate businesses.

Previously the chief financial officer, Jordan was as well prepared as any new CEO could be to aggressively lead First Horizon through the most challenging years of the financial crisis and restore financial stability. Change, which typically happens in financial institutions at a sedate pace, happened at light speed. There was a near complete turnover of the executive management, followed by two years of painful downsizing to fewer than 5,000 full-time employees, deleveraging an winding down national mortgage lending and commercial real estate businesses.

Jordan knew that the business model would need to shift, and it would take an aligned and focused team at the top to rebuild and re-energize everyone.

“We realized that we needed to do more work on our leadership team. We needed to bring more levels of candor; a better quality of dialogue. We needed to move more quickly in dealing with the challenges. The culture of the organization and the environment that comes from the CEO and leadership in totality are critical to making an organization successful. It’s going to give you an environment where your people can be fast, flexible and nimble and position your company for success,” he said.

Senn Delaney measured several areas of cultural change to determine the impact of the leadership alignment process. First Horizon’s responses exceeded almost all of the Senn Delaney norms created from over 80 clients in more than 11 industries worldwide.

Among the results of the surveys:

- 91% agreed the organization was moving in the right direction to achieve better future results.
- 78% agreed the team was more focused on “making it happen” and being accountable for results versus blaming, finger pointing or justifying poor performance.
- 68% agreed the team embraces change more, is more curious and open to other’s ideas.
- 71% agreed the team better displayed such healthy behaviors as openness, trust, curiosity and positive energy more often.

By continuing to lead through alignment and agility, Jordan and his top team restored First Horizon to one of the 40 largest banking companies in the United States in asset size and market capitalization. He was named 2017 CEO of the Year by Inside Memphis Business journal. He told the journal that keeping the culture strong, staying on top of innovation, and having leaders consciously build the organization of the future have been essential to helping the company work through times of great change or tough economic environments.
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 the team meets the essential requirements of a healthy, high-performance, Thriving™ enterprise leadership team. These guidelines are based on Senn Delaney’s combined, university-based research with Stanford, University of Michigan, USC, University of California, Berkeley, and application of our 40 years of culture transformation work with more than 120 Fortune thousands of senior leadership teams.

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<th>Are the CEO and senior team challenged by a VUCA world?</th>
<th>In a senior team meeting, do all members own decisions as theirs and fully support it outside the meeting room?</th>
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<th>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?</th>
<th>Is the senior team able to pivot, align and execute rapidly as business conditions change?</th>
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<th>Is the senior team seen by the organization as being aligned on purpose, vision, cultural norms, strategies, goals and priorities?</th>
<th>Does the senior team consistently “live the enterprise values” and cast the most effective enterprise leadership shadow to the organization?</th>
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<th>Do senior team members automatically and consistently “assume best intentions” in one another’s actions when they disagree?</th>
<th>Are senior team members acutely aware of the impact of the shadow they cast on the organization through their behavior and mindset?</th>
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<th>Do senior team members openly discuss issues in meetings versus having most relevant conversations in hallways after meetings?</th>
<th>Do senior team members fully support and participate in enterprise initiatives with resources and communication to align the broader organization for success?</th>
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Understanding your results

How did you rate your leadership team’s performance in these key areas?

- Scores between 10–20 represent strongly aligned senior teams.
- Scores between 20-40 represent marginally aligned enterprise senior teams.
- Scores over 40 represent poorly aligned, low enterprise senior teams.

Most senior teams will have a combination of areas with low and high numerical rankings, which can help them target areas for the executive team’s development.

Senior teams that are highly aligned and demonstrating high Thriving™ behaviors will cast clear and positive leadership shadows on their organizations and be positioned to succeed in a VUCA environment.

Our collaborative research around Thriving™ shows that high Thriving™ teams consistently outperform their peers 75% of the time. High Thriving™ teams are 80% more likely to create high-performing cultures across their organizations.

Reflect on the results and how they might be impacting the organization to determine if the senior leadership is as effective as you would like it to be.

ABOUT THE AUTHORS

Dr. Larry Senn is chairman and founder of culture-shaping firm Senn Delaney, a Heidrick & Struggles company. Mike Marino Senn Delaney president and CEO. He also serves as executive vice president and managing partner at Heidrick & Struggles and is a member of the Executive Committee.
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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