

The Secrets of Executive Teams for Breakthrough Results

By Jeff Freedman, MSOD

What makes executive leadership teams different from other teams?

What are the secrets to consistently achieving breakthrough results?

Does team accountability have a causal role to play?

I explored these three questions post-pandemic via one-on-one, in-depth interviews with over 70 exceptional executives and leaders whom I've coached and consulted with over the past two decades. Collectively, they represent 12 industries and a variety of senior leadership levels.

After collaborating with these individuals and their teams on strategy, organization design, change management, and leadership development, I gained a wealth of insights into the unique functioning of executive leadership teams. Their focus was to grow their businesses, capture new opportunities, and improve productivity and profitability while also attracting and retaining top talent.

In this article, I will outline observations and key findings from my interviews, give you conclusions and recommendations, and provide you with a powerful diagnostic framework you can use to empower executives and leaders in your own organization.

Key Takeaways Include:

- The very nature of executive leadership teams, their unique membership, and how the type of work they do influences cooperative effort versus siloed processes.
- How selecting the right talent based on cultural fit and demonstrating the organization's desired leadership behaviors greatly impacts collaboration, team accountability, and team performance.

 How securing alignment and agreement up front on the team's purpose, followed by identifying critical cross-functional priorities, role clarity, and shared expectations enable improved collaboration, team accountability, and business outcomes.

What Makes Executive Leadership Teams Different

Before proceeding, clarifying how and why executive leadership teams are different than traditional teams will be helpful. From my research, I've found that nuanced solutions are needed to unleash an executive leadership team's full potential and accelerate measurable breakthrough results.

To begin, traditional teams are typically 6-12 people working together to enhance organizational effectiveness and achieve specific goals within a functional department, product team, or short-term project team. They often have complementary skills, a commitment to a common purpose, and they hold themselves mutually accountable for results.

By contrast, executive leadership teams are often a hand-selected collection of highly ambitious and intelligent senior executives with business, financial, and organizational savviness who enjoy big challenges and winning.

These senior executives typically have strong convictions and potentially differing views of the business's future direction. Their leadership styles are unique and they have favorite "go to" personal playbooks of how things should work based on their

prior career success. Additionally, they have risen in their careers by distinguishing themselves through individual achievements versus the work they have done with or through teams.

Another thing to note about senior executives on executive leadership teams is that they usually focus on three key areas:

- 1) How work gets done and business outcomes. They set organization strategies, address critical priorities, and oversee internal operations and governance.
- 2) External affairs. They proactively manage external relations with investors, analysts, and customers. Post-pandemic, they also focus on attracting top talent, engaging and retaining employees, and making corporate real estate holding decisions.
- 3) Managing team relationships. They manage relationships both across the team and the organization.

In my experience, there are several other profound reasons executive leadership teams are different from traditional teams that set executive leaders apart.

For one, the CEO of an executive leadership team clarifies roles and selects team members (some as potential successors), shaping the team charter to successfully achieve the CEO's vision as they and team members navigate their time-bound roles.

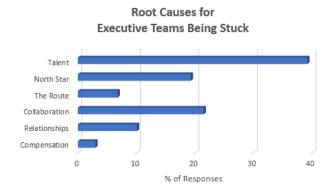
Also, executive leadership teams sometimes feel like they're operating in a fishbowl; they and their work, decisions, and interplay are carefully watched by many both inside and outside of the organization.

And finally, executive leadership teams clarify corporate leadership values and behaviors while also advising on succession planning and developing future talent.

What Impacts Executive Leadership Team Performance?

Based on my interviews with over 70 executives and leaders, six root-cause themes emerged indicating how executive leadership teams get stuck with impacts to performance. Detailed results, conclusions, and recommendations, plus a framework you can use in your own organization are outlined below. First, however, it will be helpful to review a description of the six root-cause themes:

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North Star	The team's purpose, adding value to the organization, goals,
	breakthrough results orientation
The Route	Strategy, priorities, role clarity, shared accountability, metrics in aiming for the North Star
Collaboration	Shared expectations, team habits, protocols (e.g., effective meetings, after action reviews), team performance and feedback to execute and take effective/ efficient action enabling the Route
Relationships	Keeping commitments, communication, conflict resolution, trust
Talent	Technical and leadership competence, Emotional Intelligence (EQ), culture fit, "Ready-Now" to assume role on executive leadership team
Compensation	Short- and long-term incentive (at risk) compensation (versus base pay) for results and behaviors and balanced between company and individual goal achievement



Key Takeaways On Root-Cause Themes Affecting Performance:

Talent is of crucial importance. Cultural fit and the ability to possess and demonstrate both leadership and technical competence are essential for success; namely "Right Fit" and "Ready-Now" talent.

Collaboration seems to be where many executive leadership teams get stuck; this frequently shows up as lack of alignment or agreement around shared expectations, team habits, meeting protocols, and team feedback.

North Star is another area of challenge if the team's purpose and ability to add value to the organization are not clearly defined up front by the leader and agreed to by the team.

The Route, which involves strategy, priorities, role clarity, and metrics, seems to be an area where many teams have adequate proficiency.

Relationships, in terms of keeping commitments, communication, conflict resolution, and trust, can be an area for improvement.

Compensation, whether tied to both results and behaviors or balanced between individual and company goal achievement, was not mentioned as a key factor in performance.

Diversity, Equity & Inclusion (DE&I) was rarely mentioned by executive leaders. The prevailing sentiment was that intention is key, otherwise DE&I can be seen as performative. Additionally, an individual's performance seemed most important—

not their representation; it's about taking an element of risk on "Ready-Now" talent, regardless of DE&I.

Continuous Improvement, which means taking the time to review team effectiveness and then course correct, was not mentioned at all.

Accountability and Its Role in Executive Leadership Teams

I am defining team accountability as "a working environment where people can count on each other to take action consistent with agreed-upon, desired outcomes." Based on my interviews, six root-cause themes emerged as factors influencing team accountability.



Key Takeaways On Root-Cause Themes Influencing Accountability

Talent is of crucial importance—especially to the leader who is a role model for holding individuals and teams accountable, communicating expectations, facilitating meaningful dependencies among team members, and then measuring and rewarding team performance and behaviors.

Collaboration was a notable factor, but more so when leaders worked on integrated activities and shared resources, knowledge, and experience for the good of the organization, using established processes such as initiative progress forums. Also important was awareness of individual leaders' decisions on adjacent teams and organizations.

North Star also had value, specifically when there was a strong organization or team mission along with a stretch goal—which demands crossfunctional collaboration versus siloed behavior. Some industries like biotech, healthcare, aerospace, and defense experienced more team accountability due to the importance of the mission and impact on customers and branding.

The Route was less of a factor, yet it had more to do with avoiding the typical diffused accountability in matrix organizations by optimizing horizontal connections, leadership, and governance. Also cited was the importance of identifying accountability by role with clear objectives versus by P&L or functional silos that address the tension between going solo for speed or using common enterprise solutions.

Compensation was rarely cited. This isn't too surprising since leaders are often rewarded more for individual achievement versus team goal achievement.

Relationships was a theme cited last even though the behaviors related to relationships support team accountability. For respondents, the focus was on psychological safety, trust, vulnerability, and mutual respect.

The Unique Challenges of Executive Leadership Teams

Based on my interviews and observations while working with senior leaders over the years, executive leadership teams are indeed different than most other teams. Their make-up, organizational roles, and responsibilities all contribute to some unique challenges:

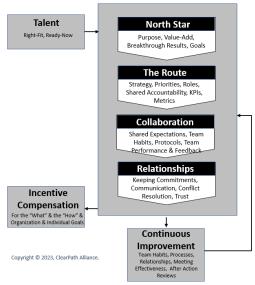
- Hiring or promoting talent not ready for a role on the executive leadership team or not aligned with the organization's leadership values can have serious impacts on individual careers, team performance, and business outcomes.
- To be most effective, an executive leader needs to adequately manage topics, decisions, and actions as well as interactions, meeting agenda

- design, and conflict resolution. The leader also needs to be a role model and reward team behavior and performance.
- Agreement on team purpose, direction, and the value-add of the team to the organization is necessary or what results is an executive leader work group where each member primarily focuses only on their part of the business.
- Collaboration takes intention, especially with competition for power, turf, and control via desire to fulfill self-interests. Collaboration can be nurtured though, if grounded in clear roles and individual accountability.
- Relationship conflicts are usually not surfaced or fully resolved until differences of opinion about North Star, The Route, or Collaboration are first dealt with, respectively.

Breakthrough Results Framework for Executive Team Performance

Below is a simple, yet powerful framework outlining key factors that contribute to executive leadership team performance.

Executive Team Effectiveness Framework



I developed this framework after years of working with senior leadership teams and then reaffirmed its viability after my interviews with executives and leaders. High-performing executive leadership teams build alignment and achieve desired business results by agreeing on the four **Critical Success Factors** as shown in the specific sequence above, coupled with one key input (**Talent**) and two key outputs (**Compensation and Continuous Improvement**).

Here are five key tips when using the framework:

- It is necessary to manage power, turf, and control issues by addressing executive competition such as jockeying for position just to have a visible win or playing favorites and positioning for selfinterests versus leading the company.
- 2) There must be an honest conversation about organization design. Namely, is the preference for a hub and spoke model (where leaders run their individual businesses and functions) or a cross-functional executive leadership team.
- 3) Agreement on shared expectations is crucial. Especially important is proactively defining the team's desired reputation and how they want to be perceived by key groups inside and outside the organization. This is enabled by identifying, defining, and enacting a short-list of team habits necessary to achieving the desired reputation, plus the team's desired benefit and value to the organization.
- 4) There must be an honest conversation about siloed behavior versus operating with an enterprise mindset to create workstream interdependencies, common processes, and viable systems. Post-pandemic, it is also beneficial to agree on how to manage remote and hybrid staff and provide guidance for in-person meetings.
- 5) Taking time to periodically review team effectiveness and course correct is important to sustaining breakthrough results. This includes dialogue and action about the team's habits, processes, relationships, and time management. Equally important is a review of team progress based on stated desired outcomes and success measures.

The Secrets to Achieving Breakthrough Results

To bring the framework to life, executive leadership teams who more effectively unleash their full potential and accelerate breakthrough results do the following:

- Ensure team members possess a diversity of experience and both leadership and technical competencies based on their roles. Additionally, they must deliver performance against organizational and individual goals as well as demonstrate and role model the organization's values, desired leadership behaviors, and culture.
- As necessary, make sure the CEO or president
 has an experienced executive coach as a sounding
 board and confidente to heighten awareness of
 their behaviors, actions, and messaging when
 addressing team challenges—including power,
 turf, control issues, and expectations.
- Be clear on the team's purpose and value-add proposition as well as maintain a sense of urgency. Engage in honest discussions about the tangible costs associated with operating as a team versus as a work group. This includes time and effort, decision speed, and coordination.
- Discuss how teaming may enable business outcomes tied to the mission, business drivers, and pressing challenges, in addition to fitting with the company's operating model. Namely, identify what will be accomplished by working together: deadlines, owner(s), success measures, and progress reviews, for example.
- Develop a cohesive organization strategy with team input, ensuring clear roles and responsibilities across the team. Determine how each leader will contribute to success—especially in driving the organization's financial performance while sustainably growing both the business and talent. Additionally, focus on a small set of cross-functional priorities coupled with individual and collective accountability.

- Take time and effort to identify shared expectations and clarify the team's desired reputation, their habits for collective strategy execution, and the benefit and value they will bring to the organization. Also agree on meeting and decision-making protocols, common processes and systems, and how to approach measuring team performance and continuous improvement.
- Along with first addressing differences of opinion about North Star, The Route, and Collaboration, create time and space for team member interactions that strengthen human connection and create a foundation for trust and mutual respect based on individual accountability.
- Identify whether systemic organizational challenges are truly problems that need solving versus polarities to manage. Polarities² in executive teams are ongoing, typically chronic, issues that are unavoidable and unsolvable. The most common polarities I encounter and address are profitability and growth, stability and change, and corporate and business units. To mitigate polarities, I often help my clients expand their thinking from Either/Or to Both/And, take appropriate proactive steps based on identified early warning signs, and then focus on finding common ground and win-win outcomes in support of the organization's mission.

Moving Executive Leadership Teams Ahead

Today's global economy is pushing executive leadership teams to move much further and faster into the future. Amid this push, many teams are finding it difficult to address pressing external business drivers in order to deliver short-term performance and measurable breakthrough results for shareholders and their boards.

Despite these challenges, most executive teams I work with have indeed achieved measurable breakthrough results. They are more efficient at information sharing as well as individual, team, and cross-functional accountability. In turn, they make

faster decisions, manage polarities more effectively, and drive effective change initiatives that address their most pressing business conditions. In other words, they are achieving improved execution while also proactively managing operational risk.

Now that you've learned the secrets to attaining breakthrough results, why not start right away? Please <u>contact me today</u> for a complimentary consultation and a primer on how to accelerate your team's success.

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- 2. Polarity Management: identifying and managing unsolvable problems, Barry Johnson, HRD Press, © 2014.