What Your Team's Not Telling You

Three steps for CEOs to accelerate the performance of their team and company

Every day we hear from CEOs about the challenges and opportunities facing their company. Specifically, they are concerned about their organization's ability to keep up with the pace of change and consistently make material progress on key strategic priorities.

One recent study[1] found that 63 percent of CEOs fear their executive team lacks the agility to navigate today's pace of change, and 59 percent worry their employees are not open to change. These findings confirm our experience that CEOs are deeply worried about the ability of their team and organization to rapidly respond to a changing world.

But that only captures half the story.

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1 Alix Partners. Finding a profitable path to growth. https://disruption.alixpartners.com/.

Most CEOs are unaware of the frustration their teams have about the way they are leading: "We're going too deep in the wrong things." "We waste too much of our meeting time on updates rather than tackling the most important strategic and operational issues facing the business." "It's not clear when decisions are made or who is responsible for making decisions that impact the team and organization."

To successfully navigate and lead in a highly complex and turbulent business environment, a CEO needs to actively develop a team that can create a step change in business performance. Here are three steps CEOs should consider:

1. Know when to lean in or out

As CEO, your presence and approach to engaging the team (i.e., declarative, collaborative, inquisitive, etc.) influences the issues they raise, which impacts your ability to accurately assess and diagnose the "real" problem and guide toward an optimal solution.

On one end of the spectrum, there are CEOs who are very directive leaders with a strong command-and-control style. On the other, there are CEOs who tend to avoid conflict and want to maintain harmony. The most successful CEOs blend "hard" and "soft" styles to engage the team and drive results. They display empathy, compassion, humility and vulnerability — qualities critical for leading with an empowering style — yet at the same time they provide clear direction and focus on what's most critical.

CEOs can foster the right environment by inviting the team into the dialogue while establishing the guardrails for the discussion. They can model an open, transparent way of interacting, putting issues on the table, openly discussing the wins and the challenges of the business as a whole and its individual parts.

Consider: *How am I affecting the team's performance?*

2. Define the team's role

Building true commitment so the top team can fully own and drive the company strategy (as opposed to individual business units and functions) is more difficult than most CEOs realize. CEOs often assume because they had an offsite and discussed strategy everyone is aligned conceptually and operationally.

In practice, individual leaders on the executive team tend to focus on the area they lead — because that's where they are held most accountable for performance — rather than collaborating to drive enterprise-wide results. CEOs need to define the work that only the top team can do together while creating an environment for high performance. Providing this clarity and focus enables the team to fully own and drive the strategic initiatives across the organization that impact financial and operational performance.

Consider: *Is my team focused on the most critical strategic and operational initiatives and working together in a way that will materially drive business performance?*

3. Set the agenda and cadence

CEOs frequently underestimate the importance of a strong operating rhythm for running the team, including the cadence, decision-making rights and, yes, meeting agendas. Without a clear purpose and agenda for each meeting, team members often become frustrated because time is spent rehashing previous decisions or on non-value-added topics which often exacerbates friction and creates team dynamics that inhibit performance.

Ideally, team meetings provide an environment where leaders can raise questions about key issues, ask for help solving the problems they're facing and focus on the work that only they can do together as an executive team — setting the strategic direction, monitoring key operational and financial metrics, resource-sharing, prioritization, roadblock removal, setting the talent agenda, and defining and shaping the culture. When this happens, everyone's engaged and contributing, and the team is drawing on all the minds around the table.

> **Business success today requires a CEO to <u>actively</u> align the team so they can work together to create a step change in results for the business.**

The CEO's role is to set the agenda for their meetings, keep discussions focused and drive decision making and action. They create an environment for the "real" conversation to happen in the room by establishing agreed-upon operating norms (i.e., attendance, participation and even cell phone use) and behavioral norms (i.e., debate and discuss, focus on outcomes, challenging assumptions). CEOs also should consider the mix of operating techniques beyond meetings to drive align-ment, information flows, collaboration and decisions.

Consider: *What conversations are happening outside the room that need to happen inside the room?*

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Building a high-performing team is difficult and takes concerted and focused effort. CEOs play an outsized role in defining the work of the team and creating an envi-ronment that both leverages the individual capabilities of each team member and that builds collective momentum on the organization's most critical strategic and operational priorities. To drive greater success, CEOs should evaluate how they are affecting the team's performance.

Key questions every CEO needs to answer

Accelerate the performance and impact of your team using these questions:

Leaning in and out

» What is the team not telling me that's critical I hear?

» As CEO, how does my leadership impact the team's ability to have difficult discussions?

» How am I encouraging or discouraging the behaviors I want to see on the team?

» Am I clear on when I need to be declarative and set the direction and when I need to be a facilitator and engage others?

» Where do I need to provide greater clarity to create focus and action?

» What topics do I need to let the team discuss and process so they can fully own and commit to the path forward?

» Am I investing enough time and energy to strengthen my ability to lead 'this' team?

Defining the team's role

» What is the work that only the executive team can do?

» What topics are the team avoiding but must be discussed?

» Is the team supporting one another in a way that enables them to perform at the highest levels?

» Do we give constructive criticism and feedback to one another and to accept it ourselves?

» Who on the team can I rely on to lead and perform? How can I leverage them more?

» Who on the team is not performing in expected ways? How quickly can they develop the needed skills? Can I wait that long?

Setting the agenda and cadence

» Are meeting agendas set up in a way that ensures we cover what really matters to the business and our stakeholders (board, shareholders, employees, analysts)?

» Does the team have the right capabilities, knowledge and insights to consistently make material progress on key strategic topics?

» What are the problems we have to solve together?

» Where are we wasting time solving things together that should be handled in another forum?

» What information do we need to share more regularly?

» How can we improve our ability to make decisions quickly and stick to them?

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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit **www.spencerstuart.com**.

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