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Teams at the Top
**Unleashing the Potential of Both Teams and Individual
Leaders**

Jon R. Katzenbach

Harvard Business School Press
Boston, Massachusetts

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To my wife, Linda, whose faith in me never wavers.

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Image not available

The Spirit of Haida Gwaii, sculpted by Bill Reid, is located outside the Canadian Embassy in Washington, D.C.

Introduction

The Spirit of Haida Gwaii

One of the more widely acclaimed North American sculptures of the twentieth century rests in a reflecting pool at the Canadian Embassy in Washington, D.C. John W. Creighton, Jr., CEO of Weyerhaeuser, first called it to my attention a few days after a talk we had about his emerging "team at the top" and the challenge he saw in getting all of them "into the same boat" with him. The sculpture, with its 13 grim-faced creatures cast in bronze, all crowded together in an ancient Haida canoe, all rowing to the apparent cadence of their leader, brings to mind a classic team at the top.

Of course, its creator never intended *The Spirit of Haida Gwaii* to be emblematic of teams at the top. Sculptor Bill Reid, a native Haida Indian from British Columbia, has drawn his inspiration from a living web of stories drawn out of the rich and complex mythology of the ancient Haida culture. Clearly, that legend and Reid's sculpture embody a much nobler purpose than any team could envision.

The canoe contains both Raven and Eagle, women and men, a rich man and a poorer man, and animals as well as human beings. Is it fair, then to see in it an image not only of one culture but of the entire family of living things? There are nervous faces and tempers running high. But whatever their differences, they are paddling together, in one boat, headed in one direction. Wherever their journey takes them, let us wish them luck. 1

Nonetheless, the sculpture captures for me the essence of why we seldom see teams at the top achieve real team levels of performance.

They may row to the cadence of a single leader, but they each have their hands full just holding onto their own oars. I presumed that, other than making joint decisions and reviewing the work of others, they could do little productive, hands-on work as a group, nor could they shift the leadership mantle among members as real teams do. I believed that the doctrine of individual accountability was simply too strong at the executive level to accommodate real teams. It also seemed to me that demands on top executives' time, due to their pursuit of important individual leadership activities, were too great to allow time for the "storming and forming" that help develop common levels of commitment in real teams. Top executives are expected to align the actions of large numbers of people not to work within the confines of small groups or teams.

These early presumptions on my part, although perhaps understandable, were largely mistaken. In addition, the reality of senior leadership groups and team efforts has been changing rapidly. There are now more and more executives who recognize and pursue the potential for real team performance at the top, largely because the increasing pace of change demands greater leadership capacity than ever before and, make no mistake, real teams do increase leadership capacity at any level. Additionally, the relentless search for growth and performance reaches outside and beyond whatever disaggregations of business units may exist. To ignore in this search the potential of team performance in both the formal and the social contexts of organizations would be shortsighted.

There is little question that such forces are producing a need for more rigorous and discriminating application of team performance discipline at the top than ever before. This does not, however, imply that *all* of a CEO's direct reports should become an ongoing "real team" or even function periodically as a real team. It does imply that senior leaders should know when the disciplined set of behaviors required for real team performance* should take priority over the equally disciplined but different behavior required for individual executive leadership performance, and vice versa.

*As defined later in this book and in Jon R. Katzenbach and Douglas K. Smith, *The Wisdom of Teams* (Boston: Harvard Business School Press, 1993).

What This Book Is about

This book's central thesis is that *an integrated balance of real team, individual, and single-leader working group performance is both possible and desirable at the top* not that one mode of behavior is intrinsically better than the other. Consequently, some readers may be confused, perhaps disappointed, to find that this book does not attempt to either prove or disprove that companies run by real teams at the top yield higher returns for shareholders or better value for customers. Neither the evidence obtained nor the examples selected provide such proof, nor is it a central argument of this book. In fact, most of the available or observable evidence actually points the other way. For example,

- The best-performing companies are run by strong CEOs who function in single-leader working group configurations rather than in teams.
- Self-proclaimed "teams at the top" typically fail to deliver acceptable returns to shareholders or customers.
- Most observers of senior leadership groups do not recognize where, why, or how they perform as real teams.

This book is intended primarily for those who already believe, as a result of their own experiences, that real team behaviors *in the right places* can improve overall performance. Consequently, I have drawn on a range of successful and unsuccessful top team efforts and examples to argue that senior leadership groups have the opportunity to obtain a better balance between real team and single-leader capabilities. It stands to reason that getting the right balance between the two will both optimize performance capability and increase leadership capacity at the top. Those who already believe, as I do, that a real team can and does outperform a single-leader unit, when deployed against a legitimate team opportunity, should find this thesis of interest. Those who seek additional evidence that an ongoing "team at the top"* is somehow better or worse than a "nonteam" will not find it here.

* This term is set off with quotation marks to emphasize that a team at the top is rarely a team as defined in *The Wisdom of Teams*.

"Team at the Top" Is a Seductive Notion

Virtually every thoughtful chief executive seeks his own "team at the top." The notion is probably as old as most human, if not animal, social orders. The term implies a strong, cohesive, complementary group of people who pull together in support of the leader's vision and aspirations. Typically, however, they observe a clear "pecking order" that precludes real team performance. History is replete with examples of leaders who went to great lengths to ensure the kind of loyalty, dedication, and support implicit in the top team notion, using everything from coercion to inspiration to attain those ends. Pharaohs, kings, dictators, and presidents have always sought a tight, loyal "team at the top" on which they could rely against all opposition. Of course, they did not always use that label, nor did they often obtain that kind of result.

A team at the top is a seductive notion. Thus new CEOs reshape their own version of a top team to fit their image of what kind of support they will need from their leadership group. The business press perpetuates the view that CEOs of large organizations put together a top team of executives to spearhead their enterprise. But we all know that these so-called top teams seldom function as real teams because of the pressures of other priorities, as well as their strong desire to preserve individual accountability, if not ego. They neither shift the leadership role nor apply the basic discipline required for real team performance results. In *The Wisdom of Teams*, Douglas Smith and I defined that discipline as

a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable. 2

Each phrase highlighted in italics represents an explicit element of disciplinewhat we called "team basics"that is absolutely essential if a working group (at any level) is to obtain the extra measure of performance results that real teams can deliver.

Walk into almost any organization of any size in any sector of the economy and ask anyone below the top about the "team at the top." Their immediate response is a knowing smile of skepticism, followed

by a comment that implies "Well, they're not really a team, but . . . Even in the best of companies particularly if you happen to talk to someone who has been a member of a real team down the line it is well accepted that the term *top team* rarely means "real team." The CEO invariably functions as the single leader of a group whose membership is based on formal positions rather than on individual skills, whose purpose and goals are indistinguishable from the overall corporate purpose and goals, and whose behaviors are determined entirely by individual accountability. Hence, although the group may proudly wear the team label, it does not function as a real team, nor does it achieve its potential performance as a leadership group. Simply put, it does not apply the "team basics."

By now it is perhaps obvious that the prevailing mindset makes an either/or assumption about team behaviors and precludes an effective integration with valid executive leadership behaviors. I believe it is important and possible to change both the mindset and its accompanying assumptions to the ultimate benefit of a better-balanced leadership approach at the top.

A Different Mindset

"Team at the top" is a misused term that obscures both the practical options and the critical disciplines that top leaders can employ. All of the CEO's direct reports can seldom, if ever, constitute an ongoing real team. Nor should they try to become one in their quest for the high-performing enterprise. It simply does not work that way at the top, largely because of conflicting executive priorities, changing marketplace demands, individual accountability disciplines, and prevailing stakeholder expectations. Nonetheless, *high-performing organizations increasingly require a flexible and balanced leadership effort that fully exploits nonteam as well as team approaches.*

When we think of a team at the top made up 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 group of executives can function together only in one of two fundamental ways: as a hierarchical group or as a collaborative team. If those are the options, then most top teams certainly are not real teams, because the CEO calls the shots. Moreover, it is virtually impossible to change that pattern without

changing the style of the CEO, which hardly ever happens. Hence, we observe very little team performance at the top of most companies.

To understand this book's line of argument, the reader should adopt a different mindset from the beginning. Picture a flexible group that functions in different modes of group behavior and composition rather than "all of the CEO's direct reports," who must either function as a real team or not. The latter all-or-nothing viewpoint leads to two different kinds of myths about so-called teams at the top: strong leader myths and real team myths.

Strong Leader Myths

Those who favor strong executive leadership assume that strong top leaders cannot and probably need not function as a real team; that sort of behavior makes more sense down the line or in the workplace. This premise leads to five constraints or myths that are actually contrary to the reality of senior leadership behavior patterns.

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 will be solved? This view is held even more widely than by boards of directors, however; analysts, consultants, and journalists, as well as most executives, appear to agree. In fact, it is close to heresy for someone like me 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 CEO's personal attributes have little influence on corporate performance; obviously, they do. Rather, it is the broad leadership and organizational systems that are more important over time. The research effort that led to *Built to Last* provides convincing evidence for the authors' statement about the top leaders in their "visionary companies":

. . .we're asking you to see the success of visionary companies at least in part as coming from underlying processes and fundamental dynamics embedded in the organization and not primarily the result of a single great idea or some great,

all-knowing, godlike visionary who made great decisions, had great charisma, and led with great authority. 3

2. *The CEO has to be in charge at all times.* This myth says that, unless the CEO takes direct responsibility for making the key decisions, he or she cannot expect to have a high-performing company. No self-respecting top leader 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 role shifts among the members) is really impossible at the top, because real teams do not limit themselves to a single leader or decision maker.

The reality is that the CEOs of large companies cannot make all the key decisions, nor do they try. Instead, a strong cadre of leaders down the line are making key decisions all the time that never reach the attention of the CEO. More and more companies are disaggregating their businesses to develop more decision makers closer to both the marketplace and the workplace. A further, highly relevant reality is that real teams can and do function within a construct at the top that permits the chief executive to decide key issues. But this need not prevent a shifting of leadership roles within team opportunities that require it.

3. *It's a team because they say so!* Leading executives, analysts, consultants, academics, and writers freely label the senior leadership groups of large and small companies "the team at the top." Moreover, there are very few CEOs who do not refer often, both privately and publicly, to their "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 a "real team" 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 naturally leads to the right team.* This myth assumes that teams will happen naturally if the right people are held individually responsible. The very best compa-

nies devote major portions of their human resource system to getting right person-right job match-ups. At some companies this becomes a slogan, if not a performance theme. 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 out how to shape his or her own top team and will instinctively team up with other executives as needed to get the job done.

The reality is that 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 that a great many valid team opportunities are being overlooked at the top of most companies.

5. *The top team's purpose is the corporate mission.* This myth assumes that the purpose of the top leadership group is to carry out the mission and strategy of the company. Although this is true, it seldom provides the kind of focus on collective work products or joint leadership that is required to produce common levels of commitment across the team.

The reality is that achievement of the company mission requires much more than what a small group of top leaders decides or does. Hence, it will not provide the focus, commitment, and mutual accountability that a real team effort must have. Although it is possible for senior leadership groups to shape more appropriate team performance purposes, they seldom do.

As understandable as the above myths may be, the result of holding onto any or all of them is to virtually preclude real team performance at the top except where random events break the strong executive leadership discipline that prevails.

Real Team Myths

Equally constraining is a set of strongly held beliefs about the importance and potential value 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 team behaviors at the top. Unfortunately, they are as limiting and counterproductive as the strong leader myths just described. 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 senior leadership groups need to practice more supportive behaviors or teamwork. In fact, most of us assume that this 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. By focusing all of their attention on teamwork, the senior group is actually less likely to be discriminating about when and where it needs to apply the discipline required to achieve real team performance. The group may improve its ability to communicate and support one another, but it will not obtain team performance without applying the explicit discipline required.

2. *Top teams need to spend more time together building consensus.* This myth presumes that time together will lead to team performance. It assumes that consensus decisions are invariably better than individual decisions, particularly with respect to the more critical corporate decisions and actions. Unfortunately, it also assumes that building consensus is synonymous with reducing conflict and that less conflict somehow 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, a great many decisions are better made individually than collectively. Moreover, spending time together seeking consensus is not the same thing as doing real work together that yields a higher-performance result within a real team construct. The further reality here is that, in a real team, the right person or persons make the decisions; group consensus is not required. Most importantly, real team efforts

do not avoid conflict; *they thrive on it*, and it is virtually unavoidable at the top. In fact, "top management teams typically face situations with high ambiguity, high stakes, and extreme uncertainty. Discord, contention, debate, disagreement in short, conflict are natural in such situations." 4

3. *CEOs must change their personal style to obtain team performance.* This myth says that the strong, decisive style of the CEO and other executives is the major culprit with respect to their lack of team performance. Followers of this myth frequently admonish top executives to abandon the basic discipline of executive leadership, back off from making all key decisions, and learn to be more teamlike in their behaviors. Some even advocate personal counseling and leadership training to that end.

The reality is that most top executives cannot materially change their style. Moreover, if they simply learn to play different roles instead, they can often behave in ways that stimulate real team efforts, if not function as members and leaders of such efforts. The basic beliefs, attitudes, and roles of senior leaders turn out to be much more important than their intrinsic leadership styles.

4. *The senior group should function as a team whenever it is together.* This myth suggests that every task for the senior leadership group qualifies as a team opportunity, regardless of how that task is best carried out within the group. This 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.

The reality is that most senior leadership interactions are not real team opportunities and do not warrant the application of team discipline. Team efforts at the top make sense only part of the time. Nonteam efforts can often be faster and more effective, particularly when the value of the collective work products are either difficult to identify or not compelling.

5. *Teams at the top need to "set the example."* This myth presumes that teams down the line cannot be expected to perform as real teams unless the top leaders set an example in their actions to-

gether. The more avid believers in this view often argue for "daily examples" among the group.

The reality is that daily contact is seldom even possible among the members. 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 team efforts at the top are of necessity carried out "behind closed doors" because of the confidential nature of the crisis events that produce such behaviors.

As with myths growing out of the strong leader premise, those that grow out of the real team premise can be equally constraining on senior leadership performance as a group (Table I.1 summarizes these myths and realities). For that reason, this book both presumes and requires a different mindset, which seeks to integrate these two extreme points of view. Simply stated, a "team at the top" should be able to *vary its composition, behavior pattern, and leadership approach to optimize and better integrate individual, team, and nonteam performance.*

Three Major Messages

A fundamental premise of this book is that the pursuit of *more undisciplined team efforts at the top usually inhibits and therefore actually leads to fewer real team levels of performance.* Within that context, this book focuses on three basic messages:

1. The best senior leadership groups are rarely a true team at the top although they can and do function as real teams when major, unexpected events prompt that behavior.
2. Most of them can optimize their performance as a group by consciously working to obtain a better balance between their team and nonteam efforts rather than by trying to become an ongoing single team.
3. The secret to a better balance lies in learning to integrate the discipline required for team performance with the discipline of executive (single-leader) behavior not in replacing one with the other.

It is tempting for the proponents of individual leadership to believe that a