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Behind the Seniors

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(Article begins on next page)



Behind the seniors

HR can give chief executives some invaluable prompts from the wings as they take to the stage with a new top team, Harvard researchers have found

Any time there is a new leader in an organisation, there is also a new top team. Sometimes that's literally true: for example, when a new CEO arrives with some of the top talent from their previous organisation. But more often, what's different is the way the CEO wants to use the team – for information sharing only, for consultation on key decisions, or as the body that makes those decisions.

Let's assume your new CEO wants to create a real team that makes key decisions for the enterprise. Can you help, even if you don't sit on the team? We're often asked this question by HR professionals and the simple answer is: yes – you can help your top team to have a successful launch.

Our research on top teams around the world shows that beginnings are critical to their success. The launch of a team – the first few moments of its life – gives a CEO the chance to create the conditions that result in a great team (*see panel, overleaf*). This is when the top leaders in the organisation can

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be shaped into a real team, rather than one that exists in name only, a team that can “land the plane” and come to decisions that all its members will back. So what can you, as an HR professional, do to help your CEO achieve the best team launch?

Before gathering senior leaders together for the first time, a CEO has to define team

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purpose, decide who should – and should not – be on the team, and prepare individual members for the roles they will play. You can help your CEO to meet the cognitive and emotional challenges posed by these activities even if you're not present at the launch meeting itself. In fact, if you're not a member of the team, you can't be there for the meeting – not even in a fly-on-the-wall role. The launch meeting is a time when the team's boundaries are set – a process that has to take place in private. However, you can still become a trusted adviser. Even if you have no direct relationship with the CEO, you can almost certainly build a good relationship with someone who does, and so help your CEO to take advantage of this

crucial opportunity to get things on to the best trajectory.

One of the CEO's first tasks is to clarify the top team's purpose – to identify those tasks that only this group can do. That means highlighting core themes in the decisions the top team will make together, and finding the right words to describe those themes and make the purpose compelling. Arturo Barahona, former CEO of AeroMexico, provides a good example of how this can be done. Realising that the formerly state-owned airline needed to differentiate itself from competitors by providing a superb service, he defined the leadership team's core decisions as those that would bring victory to AeroMexico in its "must-win battles". Barahona created shared understanding in his leadership team by asking for each must-win battle: "How would we explain this to our employees? What measures would tell us we were successful?" Answers to these questions allowed him to create and clarify a compelling team purpose.

In your advisory role, you could raise similar questions that would help the CEO to explore what they want from the leadership team. A good place to start is to ask what aspects of the business require close interaction and joint decision-making among the top leaders. What, in other

one team. Our research shows that when a CEO attempts to accomplish too many things through one team, it can't function. One leader we came across who understood this was Brian Beamish, CEO of the Anglo American group's base metals division. When he took over this global division, its top team had ballooned to 14 people from four levels of management, representing operations, functions and business units around the world. This unwieldy structure allowed little room for true debate and the group made few vital decisions. Beamish re-assigned its members to three finely focused teams: a four-person decision-making executive committee that handled enterprise issues; a management committee focused on co-ordinating operations and division-wide initiatives; and an alignment team, composed of the top 40 divisional managers, which engaged in information-sharing across the business.

Whatever leadership teams your organisation ends up with, you can help your CEO to think through the capabilities needed for each one. CEOs take a lot for granted when they compose their teams, often assuming that all their direct reports or existing team members have to be included in their own top team. But being asked tough questions about each potential member will

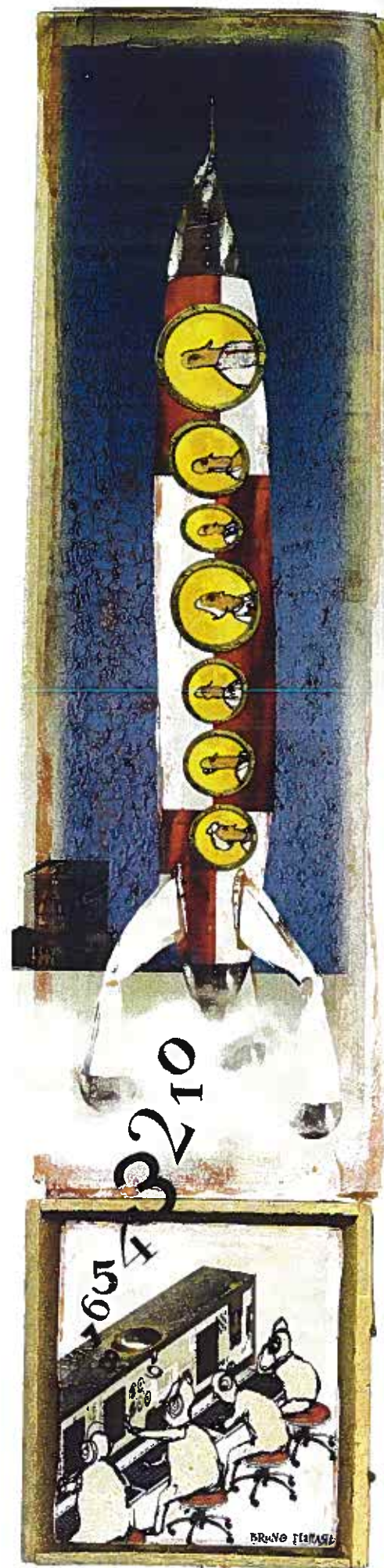
“The launch of a team – the first few moments of its life – gives a CEO the chance to create the conditions that result in a great team”

words, is this team of leaders up for at this point in its life? What actions are important enough to be treated as their main job, rather than a sideline that matters less than what they do as individual leaders? And what are the critical few things that only this team of senior leaders, of all the people in the organisation, can accomplish? Through such questions, you can educate the CEO that team purpose must be challenging (but not impossible), consequential and, above all, clear.

The CEO must then decide who should belong to the team, given its new purpose. That means also deciding who will not be on the core decision-making team. In fact, it's quite likely your CEO will want more than

prompt them to think about these issues in ways they might not otherwise have done. So ask your CEO if, for example, a particular individual is capable of taking an enterprise-wide perspective or can function only as the CFO. If someone lacks the ability to appreciate others' concerns, there may be a way to get their input without making them a full-time team member.

The CEO needs to talk to executives about their roles in the new leadership team. In some cases this will mean having hard conversations with those who will not be invited to sit on the decision-making team, although most of these individuals will have a place in information sharing or operations teams,



such as those that Brian Beamish set up in his division. In other cases, these conversations should aim to bring individuals on board the decision-making team and set out the CEO's expectations.

However, we discovered that startlingly few CEOs have these conversations, so a critical role you can play here is to emphasise their importance and provide some insight into their content. Our research suggests that another vital role for HR professionals is to help the CEO prepare for and face up to the emotionally challenging job of taking people off the core team. Many avoid doing so until their teams are on a dangerous downward trajectory. Providing emotional support and a chance to rehearse these difficult conversations may be among the most helpful things you can do for any leader.

You can also help the CEO to prepare for the team launch meeting – the moment when they breathe life into the team. This means, first of all, articulating a purpose that gives the team a clear sense of direction and engages the energies of its members. The CEO must identify not only what decisions the team will make, but also explain why these particular decisions are on the list, how they are connected to the organisation's strategy, and how they represent the team's unique ability to add value to the business.

Our research shows that few CEOs rehearse for this crucial meeting. While no leader we have seen goes unprepared to a meeting with a key strategic partner or customer, many of them gather their teams with little more than a sketch of the agenda. A successful team launch calls for a far less casual approach, with the CEO using carefully crafted language to explain the team's composition, its core purpose and how that connects to the organisation's strategic aspirations. By acting as a sounding board and providing honest feedback about what messages are coming across, you can help the leader to prepare for the launch meeting.

You can also provide advice and brainstorm ideas about how the CEO can use the launch to solidify team boundaries and begin building a shared identity for the team. Few CEOs know just how porous the boundaries of their top teams are – or how detrimental that is to shared decision-making. In fact, only 11 of the 120 teams we

studied were in perfect agreement about who was on the team! Symbolic acts can be used to create clear team boundaries. In one global conglomerate we studied, the CEO recognised he had a shapeless herd of executives who were used to visitors being invited in to meet the team, interruptions of all kinds in their agenda, and no time to get to know each other as a collective. This CEO had a profound impact on their cohesion by gathering the newly-defined team in a private dining room the night before its first meeting, offering a toast and saying: "This is the team."

The outstanding teams in our research – unlike the poor ones – had rules about what was and wasn't acceptable behaviour. At the launch, the CEO must lead the team to some basic rules of engagement. Diego Bevilacqua's team at Unilever Foodsolutions, for example, established the simple but important norm that team members had to put on the table any issues affecting more than one person in the team. He made it clear from the outset that hidden agendas would not be tolerated.

A top team meeting should consist of robust, vigorous, and passionate (but not personalised) debate about vital enterprise issues. When a meeting goes well, it feels conflictual, not diplomatic. You need to

prepare your CEO for that fact – and for modelling and enforcing the team's working norms.

However, the work of establishing norms does not end at the team launch. Indeed, the most successful teams we studied became quicker to respond to market conditions, or able to achieve tasks they never thought possible, precisely because they had grown in capability. A team launched well will take on greater challenges and redefine its core tasks, while the senior leaders will themselves develop in capability over time.

The launch process we have just described, when conducted well, establishes what we identified in our research as the three essential conditions for creating an outstanding team: creating a real team, articulating a compelling direction and getting the right people on the team. The process also begins putting in place the three conditions we have described as "enablers" (see panel, below). We underline this point because it shows just how crucial your role can be in the launch of a top team, and how vital it is for you to treat the launch as the make-or-break chance it is. You can help your CEO to create a great top team – something that happens in the first few minutes of the team's life – or make your move too late and watch it flounder. ■

THE RESEARCH PROJECT

Since 1998 we have studied more than 120 senior leadership teams from around the world. These teams lead entities ranging from small businesses to huge multinationals. They come from a range of industries, cover 12 nations, and include organisations you may never have heard of, as well as many high-profile players.

Using surveys, interviews and direct observation to study what differentiated superb leadership teams from struggling ones, we identified six conditions that CEOs could put in place to increase their chances of creating an outstanding team. Three are "essentials": creating a real team with clear and stable membership, articulating a compelling direction, and getting the right people on the team – and the wrong ones off. The other three are "enablers" that speed team development. These are: giving the team a good structure, including meaningful tasks and shared norms; providing support resources; and coaching the team as a team.

The same process can be used to relaunch a team that is struggling, facing changed market conditions or trying to achieve a new purpose.

HOW CAN HR HELP TO CREATE A GREAT TOP TEAM?

- Ask questions to help the CEO clarify team purpose.
- Help the CEO to identify the capabilities needed on the top team(s).
- Prepare the CEO for the emotionally challenging job of taking people off the team.
- Provide honest feedback when the CEO is preparing for the launch meeting.
- Offer ideas for using the launch to start building a team identity.
- Help the CEO identify key working norms for the team.