



THE LEADERSHIP CONTEXT

Size matters!

Design is the key to leadership team effectiveness, speed and agility.

What I learned from talking with Ruth Wageman.

By: Pod O'Sullivan

“Can you come and chat? I've got some great people on my team, but it feels like I am alone in pushing a boulder up a hill. They don't seem as committed as me or are only focused on their function - not the whole business. And this is the most senior leadership team! Can you help to sort us out?”

This was the content of a recent call with the Managing Director of a subsidiary of a large global organisation. She is charged with overseeing \$3bn of revenue in the 5th largest market in the world for their global organisation. This is not small fry.

Yet her frustration is not unique. In fact, it is quite common for leadership team leaders and indeed members to be frustrated at how their team works together (or as may be the case, does not)

Where does frustration within leadership teams emerge from?

One helpful assumption to hold when thinking about leadership teams and leaders within those teams is that most leaders want to do a good job. Yet when we dig into what lies behind the classic call from a Managing Director as outlined earlier, many leaders are confused as to what is really being asked of them in their individual roles and functional responsibilities when coupled with their role as a leadership team member.

The functional leadership roles (Director of Marketing, or Director of Supply Chain etc.) are typically challenging roles with all kinds of performance metrics attached. Feedback from many leaders is that what happens in the leadership team meeting is not leadership work. Mostly what they're doing when the collective leadership team comes together is reporting and exchanging information about what's going on in the different parts of the business.



I was discussed this in a recent [Leadership Diet podcast episode](#) with Ruth Wageman. Ruth is a [renowned expert](#) in all things team, team formation and setting up leadership teams for success. She has been a Professor at Columbia, Dartmouth and Harvard universities in the USA. She co-wrote the widely acclaimed book, *“Senior Leadership Teams: What it Takes to Make them Great”* and is the co-creator of the “6 Conditions” team assessment.

Ruth noted when leadership team meetings become a mere information exchange, *“the leaders are distracted and thinking about the problems that they could be solving back in their day (functional leadership) jobs. The invitation to be enterprise level leaders has never been clearly called out, which leads to an assumption that as a leader I'm here because I'm supposed to fight for my part of the enterprise”*.

Ultimately the time spent in meetings for many leadership team members become boring at best and completely ineffective at worst. If that is the case how does a leader think about structuring the leadership team, so it becomes effective and leadership team meetings become a valuable use of time?

In the episode we discussed what she calls 3 essentials that are part of the fundamental building blocks for launching teams towards effectiveness.

The 3 essentials are:

- **Be a Real Team** – needs to be bounded, stable and interdependent to differentiate it from being a group or cohort.
- **Compelling Team Purpose** – needs to develop and have a collective purpose that is clear, compelling and consequential. In simple terms, a clear reason for being.
- **Right People** – be comprised of the optimal people, of those available, with the right mix of capabilities and diverse thinking to deliver on the team purpose.



What is the real leadership team?

According to Ruth, the first mistake leader of leadership teams make is not thinking through the make-up of the team itself. Her experience and international research suggest that many leadership teams are made up of all the direct reports of the most senior leader, be it the Managing Director or CEO. Hence many teams end up with large numbers of 12-18 members. This is not a leadership team! This is merely a reflection of the organisational structure. First and foremost, if a leader is intent on leading a collaborative, enterprise wide thinking and effective leadership team, they need to start with building a **real team** with clarity on who is and who isn't a member. This is what Ruth refers to as a bounded team.

A real team is:

- Clear who is officially a member of the team and who is not,
- A stable entity i.e., members are in roles for extended periods,
- Together long enough to accomplish something significant,
- Interdependent – members need to interact with each other, exchange, information and resources to accomplish something larger than what can be done individually, and
- Here because only together can the goals be accomplished.

Compelling Team Purpose - What are we here to do?

The second problem is that many leadership teams have not paused to clarify the team's actual purpose.

Ruth suggests the core questions the team leader needs to be able to answer with their team, include:

1. What must we do together that has to be done together?
2. What is our unique added value as a team?



3. What is it that we must do together that only we can do that will bring about the success of the enterprise?

She adds, *“a really compelling purpose is clear about what our contribution is. It's challenging. So, it's going to be a real stretch of our capabilities, just like our individual leadership roles. There is a consequence for us doing or not doing this”.*

My experience in facilitating many such conversations is that when done well, functionally orientated leaders realise there is a significant contribution they are being asked to and can make as leadership team members. It's a very powerful intervention. Once there is real leadership work on the table, it calls upon all of them to remove their functional leadership hat and come to conversation as an enterprise leader. But for many leadership teams, the invitation has never been clearly given.

I often get misquoted as saying that trust and relationships aren't important. But I do think trust and relationships matter. I just think that they're an outcome of good team design. Building trust is not the point of intervention.
Dr. Ruth Wageman

So, who needs to be on the leadership team, then?

When a CEO or Managing Director has an organisational chart with 12-18 direct reports either because of historical reasons, matrix structures or indeed, the motivation to review the leadership team structure has never been loud enough, leaders struggle to articulate a compelling purpose for a team that large. Large teams (of up to 18 members) find it difficult to work interdependently on core business needs.

Ruth suggests better questions to ask of such a team, are:

1. What is the critical leadership work that would benefit from the creative fusion of different thoughts and perspectives?
2. What is the critical leadership work that needs us to be operating in alignment?



3. What's the critical work that needs a team and who are the people that can contribute to that?
4. Who are the people with the mix of capabilities, the diversity of perspectives and teamwork skills that would enable them to fulfill that purpose?

With these questions what emerges is a realization that one size does not fit all and having more than one leadership team addresses many core complaints. An example is demonstrated below.

Leadership team	Core focus	Interdependency
Wider Alignment leadership team, often called the Management Team	<p>Has all members, which may be a large number.</p> <p>Convene for the purpose of companywide alignment on key strategies including organisation culture, information sharing, corporate messaging and/or broad consultation.</p>	<p>Information is shared at Functional level and at other leadership team levels</p>
Operational leadership team(s)	<p>Members are those with direct oversight of key commercial or operational parts of the organisation.</p> <p>There may be a manufacturing or commercial orientated leadership team(s), as example.</p> <p>Convene to steward BAU leadership, oversee key pre agreed metrics and raise red flags as appropriate.</p>	<p>Feeds urgent issues into the Strategic or Executive Leadership team and updates the Wider Alignment team in BAU updates</p>



Strategic or 'Core/ Executive' leadership team	<p>Usually led by the CEO/ Managing Director, is a small team made up of the roles with key strategic impact, including CFO and commercial leaders.</p> <p>Convene for oversight of multiple business horizons, rapidly address urgent issues and redeploy resources as needed.</p>	<p>Updates the Wide Alignment team and involves specific leaders or sub teams as necessary</p>
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Each team needs to address the 3 essentials as outlined earlier i.e., the structure to make it a real team, purpose of the team, membership. When this is done well, Ruth says each team will have a clear purpose statement and direction, purposefully designed meetings agendas and clarity on the interdependency between that team and the other subsets of the leadership team.

Where do mindsets come into all of this?

My experience in sharing ideas like this with many leadership teams over the years is the notion of leadership team subsets makes logical sense to everyone. However, the realization that my role does not need me to be in the core or Executive leadership team, is often confronting for many leaders. This takes a mindset shift. Indeed, restricting a large leadership team into a series of smaller teams, takes a few different mindsets.

The first mindset set shift is for the CEO or Managing Director. According to Ruth, for the most senior leader to say, "Oh wait a minute, all my direct reports are not my team. In fact, I might have more than one team and I really need to ask some key strategic questions!" can be very freeing as a mindset shift. This mindset shift gives them permission to think about different configurations of people for different purposes.

A useful approach for the leader is to share with the team that they want to get more efficient in how the team works together, in how they share information and, most importantly, do real work together. In doing so the leader intends to launch several smaller teams to address specific areas.



“Everybody wants to be on the leadership team, but no one wants to go to all the meetings, because so much information that's being shared is not relevant to anybody who, you know, to 50%, at least of the people sitting around the table at any given moment!”

Dr Ruth Wageman

The second mindset shift is for new members of leadership teams, particularly if this is their first time on a leadership team. Their expectation is they will be involved in all decisions at the leadership team level. They quickly realise this is not the case and often are relieved when this is shown to be untrue. The allure of going to many leadership team meetings, many of them deemed to be a waste of time, diminishes fast.

At a point when the team has got some success under its belt, it's much easier to authorize subsets of the team members when they've come to recognize why those talented and smart people are best suited to tackle a specific area of leadership team responsibility and report back.

Pod O'Sullivan is a partner with [The Leadership Context](#), a boutique consultancy that works with CEO's and leadership teams to help them scale their leadership to enable the organisational strategic imperatives, particularly during complex times. His podcast, [The Leadership Diet](#) is widely regarded as an intimate and insightful look at senior leadership for all its aspirations and realities.





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