



What accelerating teams do better

The way teams operate and deliver can make or break a company's performance as well as set the tone for its culture. Leaders who keep their teams motivated, with all eyes set on a shared purpose, have a better chance of thriving in the long term.

Teams are the critical performance unit of any organization. As companies all over the world are reorganizing or restructuring to better navigate the pandemic and the economic crisis it triggered, resetting from one of the biggest shocks since the Great Depression, teams will no doubt become leaner and feel heightened pressure to perform better than ever. That's true across the board but particularly important for leadership teams, for whom the stakes are at their highest. Getting teams motivated and providing the support employees need to perform at their best will have a positive impact not only on their results, but also on the overall organizational culture.

However, even before the pandemic, only 13% of the teams we analyzed were qualifying as the strongest performers—what we call “accelerating”—while about a third were derailing or lagging. Our research assessed more than 2,500 teams and identified 16 factors that can help them accelerate. Accelerating teams score high on all 16 factors, but, in our experience, three factors have the biggest impact on whether teams are accelerating or faltering: setting a clear direction, making effective decisions, and implementing a distributed leadership model, which ensures full team participation.

An equally important finding is that, across all 16 factors, leaders score their team performance higher than team members do. So, when team leaders see problems, they should be aware that their team members' views will be even worse. Part of accelerating team performance will be reconciling those different perceptions, not in the least to reassure team members. Leaders should make sure they consistently seek to understand what their teams' views are and make sure they feel comfortable sharing those views with leaders.

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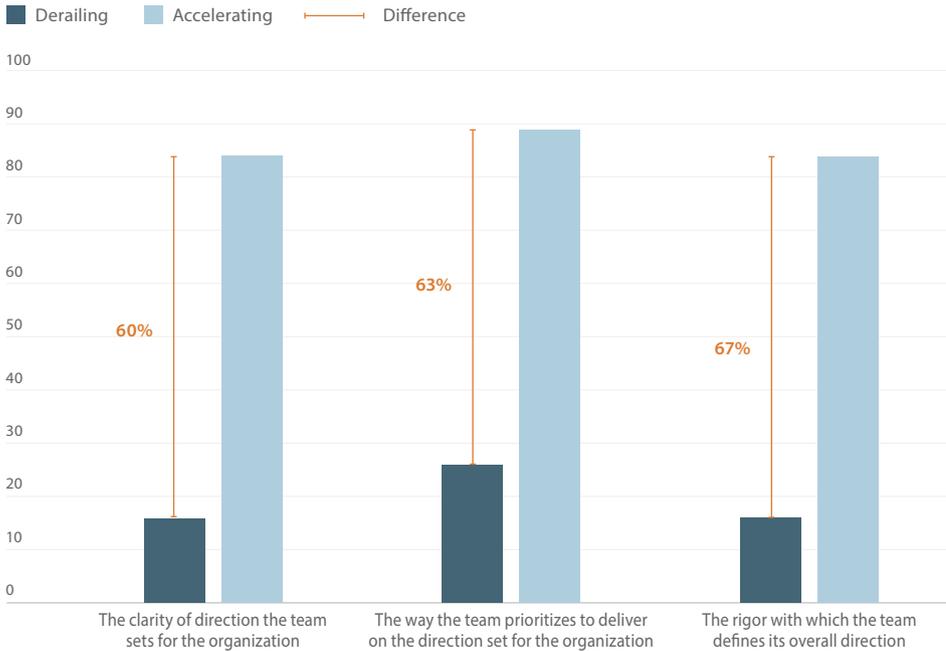
Team acceleration: Drivers, drags, and differences

		When teams have the drive factors in place	What drags team performance	What accelerating teams do differently
Mobilize	Customers first	Creating customer value is at the center of what the team does	Internal focus and lack of shared ownership for resolving service failures	Reserve a seat at the table for customers and start with customer metrics in the team scorecard
	Unique commission	There is a deep understanding of stakeholders' expectations and support	Unclear goals or misalignment on the team's contribution to the organization	Are clear on who measures the team and how they measure it, and prioritize according to stakeholders' expectations
	Shared purpose	The team is committed to a clear purpose	Competing agendas, too many priorities, or conflicting personal agendas	Ensure the team's purpose is clear for all and aligned with that of the organization's
	Clear direction	The team sets and prioritizes an inspiring vision and strategy for the organization	An unclear long-term strategic direction and overt focus on today	Decide on a focused and coherent direction that centers on what only the team can do; delegate the rest
Execute	Tight composition	Teams design a fit-for-purpose structure and have members with the necessary mix of skills and experience	Key gaps in the team's skills and experience and difficulty attracting and retaining talent	Appoint the right leaders to critical roles and get onboarding right
	Explicit accountabilities	Clear performance metrics are aligned with strategy, both for the team and its individual members	Failure to address the performance of team members who are not pulling their weight	Nurture only the right skills in the team and eliminate gaps and overlaps in accountabilities
	Uncompromising standards	Strong principles and values are established with an unrelenting focus on professional standards	Inefficient use of team time that creates a mismatch between what the team says and does	Are single-minded in the pursuit of priorities and execution rhythms, and excel at team time management
	Focused grip	There is rigor in the way the team contracts with the organization and matches critical resources to the biggest opportunities	Distractions or lack of delegation	Match critical resources to their biggest opportunities
Transform	Stakeholder influence	They shape their external environment through building, maintaining, and engaging key strategic relationships	No real insight into the wants and needs of stakeholders and an inability to influence effectively	Account-manage stakeholders as if they were customers and build partnering skills
	Distributed leadership	Leaders ensure full team participation and everyone takes on challenges on behalf of the team	Micromanagement or separate management of team members	Speak with one voice and make sure decisions and actions happen at the right level
	Robust challenge	A climate of support and trust enables the team to be candid and challenge each other	Outright hostility or artificial harmony	Members consistently hold each other to account and stretch each other's thinking
	Disciplined decisions	Decision rights and responsibilities are clear and information sharing is seamless	Data-free decisions or team members who dominate conversations and distort decision making	Make decision-making responsibilities transparent
Agility	Foresight	Teams scan the environment for fresh ideas, potential threats, and opportunities, and rethink assumptions	Lack of time allocated to explore the big issues and resistance to new ideas	Find and leverage different perspectives and spend time exploring big issues and their implications
	Learning	Teams build future capabilities and are able to quickly absorb and implement new learning	Failure to change things that aren't working and frequently repeated mistakes	Use the power of doubt and curiosity to continuously develop the team and evaluate its performance from many points of view
	Adaptability	Response to change is fast, and teams experiment and fail fast to move with speed	Inflexibility, changing direction, frequent reprioritizing, and testing new ideas too late	Implement rituals for testing assumptions and questioning fact-free optimism, and nurture a fail-fast mindset
	Resilience	Teams take risks and members energize each other to set ambitious goals and overcome barriers to delivery	Frailty, highlighting the negatives, and victim mentality	Find ways to actively manage the team's energy and reframe setbacks and challenges as opportunities for growth

Setting a clear direction

When leaders provide a clear direction and road map for their teams, their expectations of future performance rise 1.7 times compared with those of teams without a clear direction. It has the effect of a self-fulfilling prophecy. The clearer leaders are about the future they are trying to build, the way they are choosing to prioritize what they will deliver on in that future, how they will relate to other teams and business functions, and how they will measure and reward performance, the more their teams can place themselves into that vision for the future and confidently work toward it.

Teams must set a clear and rigorous direction for the organization and prioritize to deliver on this direction



Setting a clear direction supports the building of a shared purpose with mutual commitment, which, in turn, allows teams to deliver on their priorities and focus on the work only they can do. A clear direction and shared purpose will help leaders avoid one of the biggest pitfalls of team acceleration: getting stuck in a trouble-shooting mode, when team members allow too many priorities to pull them in competing directions.

The starting point in defining or redefining a clear direction for any team is to make sure that the direction aligns to the organizational purpose and strategy in a way that is understood and embraced by each team member. (Other Heidrick & Struggles research links clarity of purpose with performance and highlights that activating purpose at all levels of the organization is an important element of performance.¹)

The leadership team of a global car manufacturer wanted to improve their team performance as part of addressing performance and culture challenges at the company. Their own view was that their strategy was unclear, that there was a lack of individual ownership, and that performance management took a back seat in their priorities, which encouraged mediocrity. The leaders started with a series of workshops to clarify their shared team purpose, find ways to align the team behaviors to the strategy, develop leadership team members as role models in the organization, and find ways to increase organizational agility in line with their values. Their model and recommendations were cascaded into their company, and teams designed their own journeys, tailoring the outputs from the leadership team to their specific challenges and against 10 key indicators of acceleration that the leadership team prioritized. The company's top 50 leaders were coached in areas like strategic leadership, acting like a role model, and positive power and influence. As a result, the company saw an improvement in organizational culture, better pace to market by reducing plant opening time from eight years to five, and increased savings.

To set their direction, teams should start with the following questions:

- Is there an organizational strategy in place? Is it clear and coherent?
- Has the team translated this strategy into a clear direction?
- Has the team articulated its direction in a clear statement?
- Is that direction robust and detailed enough?
- Are the team members aligned around it?
- Do they know how to operationalize it?

¹ Alice Breeden, Rose Gailey and Duncan Wardley, "Activating organizational purpose," Heidrick & Struggles, June 29, 2020, heidrick.com

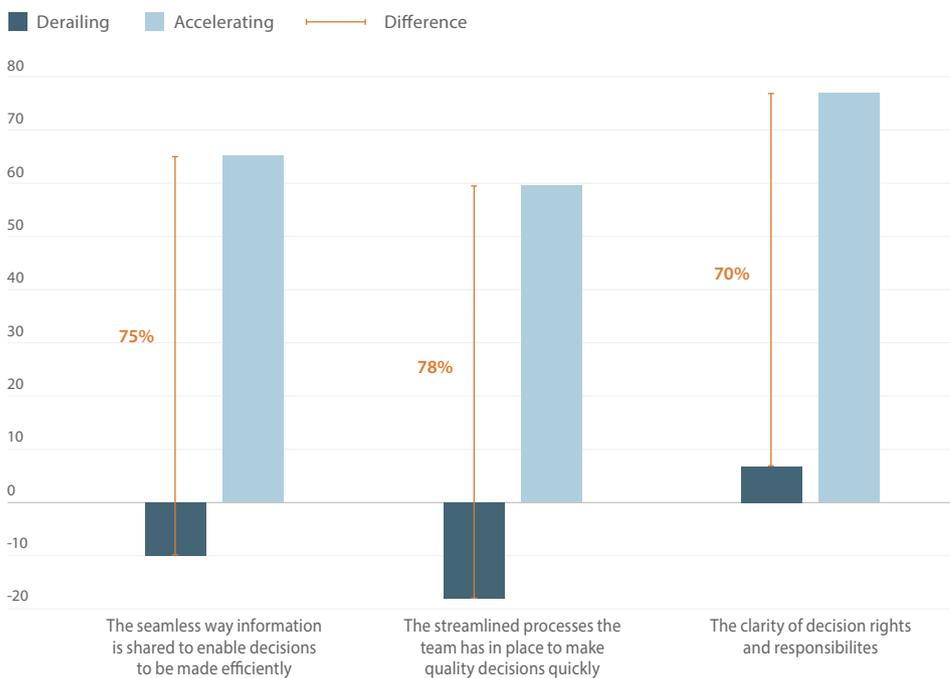
Disciplined about decision making

Once a team has a clear direction, they can focus on day-to-day performance. To a large extent, the success of the team depends on its members' ability to come together and make decisions in a consistent, inclusive manner, which, in turn, spurs everyone into action. The ability pays off: when teams are better at it, they are twice as likely to exceed expectations, which sets the tone of how they will perform. For example, when a new company was carved out of a conglomerate, they formed a new leadership team and it required a new mindset around the decision-making process. Leaders had to eliminate a few negative practices such as making decisions without including the whole team, delaying resolutions, or not making clear decisions. To change the mindset, the team members had to change their habits and practices as well. They designed a team charter, which defined their objectives, resources, constraints, expectations, and responsibilities. This was followed by a clear mapping out of how every person in the team would be involved in major decisions: who would lead, provide feedback, review, or approve. This exercise brought great clarity and guided the team's most important decisions.

At the heart of getting disciplined decision making right is identifying the few critical decisions that the team needs to make and figuring out how to make those decisions using diverse and innovative thinking while translating ideas into tangible outcomes and actions.

Our data shows that though all teams tend to find it difficult to get disciplined decision making right, accelerating teams more often succeed and are better at a few key parts of decision making: sharing information seamlessly, having a streamlined process, and having clear decision rights and responsibilities.

Accelerating teams seamlessly share information, streamline processes, and create clarity around decision rights and responsibilities



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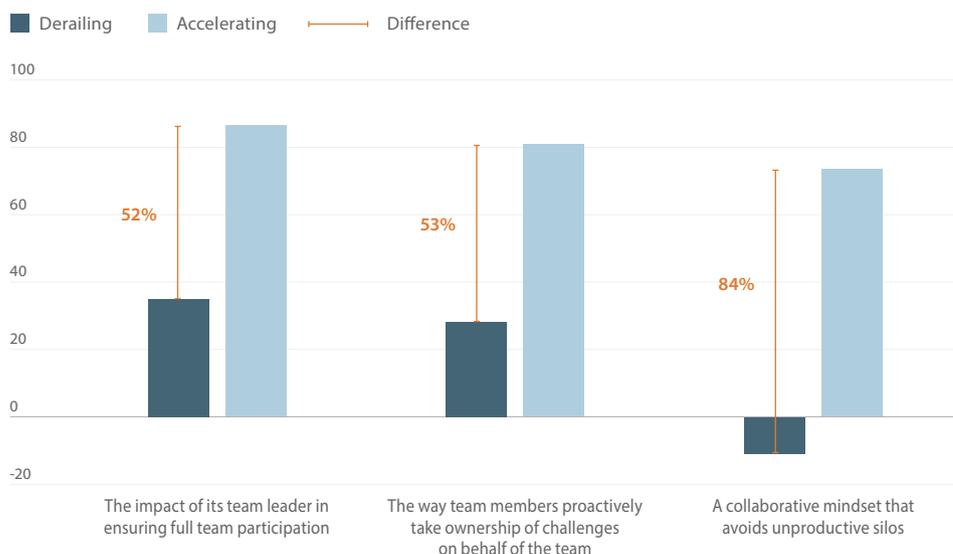
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A private equity-owned business with operations in different countries went through a series of mergers, and, while they had a strong financial performance, they found that the organization had significant cultural challenges, and, even more worrying, that their new operating model was causing tensions between teams. A multi-team assessment identified that a lack of disciplined decision making was a common derailer across all teams. Leaders ran a series of workshops with their teams to discuss the findings and prioritize the issues that needed to be addressed: customer-first thinking, energized leadership, simplicity, and agility. Each team had its own journey that was designed to help them accelerate and was supported by coaches. As a result, the organization's core processes were significantly improved, and its employee engagement survey showed an overall sense of empowerment across all teams.

Promoting distributed leadership

Distributed leadership ensures the full participation of all team members and fosters a collaborative and proactive team mindset along with an inclusive culture that encourages people to feel free to share perspectives and concerns on behalf of the team. Such an environment is more likely to encourage team members to truly align on a shared purpose and is essential in establishing an effective, disciplined decision-making process. There is a wide spectrum of team leadership culture, from the authoritative, where one person makes decisions, to consultative, where the leader asks for advice and creates space for debate, to challenging, where decision making is fully shared by the team. Most teams sit somewhere in the middle of this spectrum and have a consultative style, where the leader factors in the opinions and advice of his or her team members and then makes a call. Any team can shift into an authoritative mode in the case of a crisis like COVID-19 and revert to their default dynamic as the crisis recedes, as long as they know what kind of leadership they want.

Distributed leadership seems to be foundational—but mastering it seems to be a mixed bag



“Distributed leadership” is sometimes taken to mean that nothing is done without consensus. But teams that are getting distributed leadership right operate inclusively, so that all team members feel able to bring up ideas or concerns and yet each team member takes responsibility for fulfilling his or her individual role and responsibilities. Most often, the starting point for getting distributed leadership right is individual coaching for team leaders that is focused on developing a collaborative mindset for themselves and their team, effective facilitation skills, and revamped team processes, such as meeting management.

As a global logistics company changed hands from a family business to a private equity ownership, the leadership team decided to tackle a culture in which few people felt empowered as the result of a long-standing command-and-control organizational leadership style of its previous owners. They agreed on a new purpose and accepted behaviors of the leadership team members, built a case for collaboration, and, for balance, identified the benefits to individual team members of adopting the new behaviors. In parallel, the leaders redefined their leadership model, worked to understand each other’s strengths, and undertook individual coaching on new behaviors and building capabilities in conflict management and feedback. The result was a significant improvement of the way stakeholders saw the team, retention of top leadership talent, a significant increase in their change management ability, and an overall improvement in organizational culture.

The way teams operate and deliver—particularly leadership teams—can make or break a company’s performance as well as set the tone for its culture. Leaders who keep their teams motivated, with all eyes set on a shared purpose, a road map for achieving that purpose, disciplined decision making, and a distributed leadership model will have a better chance of thriving in the long term.

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Heidrick Consulting

We partner with our clients around the world to develop future-ready leaders and organizations, bringing together our expertise in:

- Leadership assessment, development, and coaching
- CEO, board, and team acceleration
- Organization acceleration and culture shaping
- Building diverse organizations and inclusive cultures
- Digital acceleration and innovation

Our proprietary analytical tools use data and technology to bring science to the art of human capital development and organizational design. As one united team, we develop a deep understanding of each client's unique situation and bring together a customized configuration of tools, approaches, and experts needed to build and maintain agile, resilient organizations at every level.

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