

High Performance Executive Teams

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Strategically and tactically, organizational leaders often establish teams to accomplish the missions, visions, goals and objectives of their respective organizations. Teams exist in all types of organizations including financial institutions, factories, healthcare organizations, and educational institutions. Yet executives often struggle to maintain high performance of their own leadership teams. This research seeks to answer several questions, including: (1) What are the characteristics of a high performance executive team? (2) What problems do executive teams face that negatively impact their potential for high performance? And (3) What can executives do to increase their respective teams' potential for high performance?

INTRODUCTION

Holmes (2012) recognized that organizations are changing from traditional hierarchical work structures to team-based approaches to work. He noted that high-performance teams must “develop goals and plans, enhance communication among members, develop and maintain positive relationships among members, solve problems and make decisions on a timely basis, successfully manage conflict, facilitate productive meetings, clarify roles for team members, operate in a productive manner, exhibit effective team leadership, provide development opportunities for team members” (Holmes, 2012, p.180). These ten actions are critical in order to form a successful team. Authors of other publications in the area of effective, high performance teams (Rico, Sanchez-Manzanares, Gil, and Gibson, 2008; Harrison and Tarter, 2007; Adobor, 2004; Munro and Laiken, 2003; Ammeter and Dukerich, 2002; Pryor, 1993, 1998, 2007; and Pryor, Singleton, Taneja, and Toombs, 2009) also emphasized that it is important to establish missions, visions, goals, and strategies because they act as catalyst for the success of teams and are building blocks for the development and long term survival of an organization.

CHARACTERISTICS OF HIGH PERFORMANCE TEAMS

Teams cannot be effectively measured as a success or failure unless it is united together for a common purpose or a common goal (Robbins, 2005). In fact, a group without a common goal is really not functioning as a team and would be more likely to fail because it has no unified direction.

Teams that have demonstrated that performance excellence is their “way of life” are high performance teams. Along that line, Kur (1996) defines high performance teams as teams that “consistently satisfy the needs of customers, employees, investors and others in their respective areas of influence . . . and frequently outperform other teams that produce similar products and services under similar conditions and constraints” (p. 34). High performance teams must be created (Richardson and Denton, 2005), and there are specific strategies, tactics, and actions that can increase the probability that teams will be high performance (Leholm and Vlasin, 2006; Harris, 2003). While all types of teams should strive to become high performances teams, it is especially critical that natural work teams (including executive leadership teams) make long-term commitments to excellence and high performance. Yet as noted by Caska, et al (2001) and suggested earlier by Katzenbach and Smith (1993) “high performance teams are a rarity.” Perhaps one explanation is that a high performance culture must exist in high performance teams are to be the norm in an organization (Kaliprasad, 2006).

McKnight (2009) noted, “Top teams exist to support the organization, to grow its assets by enabling it to produce value. In the most successful companies, the top team does this not only by creating the organization’s business strategy but also by collaboratively executing that plan i.e., marshaling the resources required to achieve those goals. This means building or maintaining the organizational capabilities (needed for executing) the strategy” (p. 31). These teams are responsible for taking actions that will help the organization to achieve its goals. These top level high performance teams which consist of executives, CEO’s, vice presidents, and others achieve success by developing contact with people (inside & outside the organization) to achieve the target, exert influence to get tasks accomplished, and finally direct and empower employees to work toward a common goal.

The important role of the high performance executive team is to establish and maintain positive relationships with other team members in the organization because “the effectiveness of relationships...can have a direct impact on the overall success of an organization” (The CV Centre, 2011, pg.1). These “positive relationships help to build trust within a team and can ensure that people feel comfortable with airing their concerns or issues” (The CV Centre, 2011). Forming trust within a team will encourage team members to assist each other in working toward team goals instead of focusing only on their respective individual agenda. Positive relationships instill a sense of community within the team, encourage open and honest dialogue, encourage a more overall positive experience, and usually enhance the team’s capability for success.

In order for team members to make critical decisions, it is imperative for them to have enhanced communication. In a recent study conducted in the medical field it was found that “communication failures are the leading causes of inadvertent patient harm” resulting in the death of 75% of the patients harmed from miscommunication (Leonard, Graham & Bonacum, 2004, pg. 1). Looking at groups of people in the medical field as teams with a goal of keeping patients alive and healthy, it is obvious that even if team members have clear goals, effective communication is needed from the formation of the goals until they are achieved. Otherwise, there could be drastic consequences. Unclear communication can be just as dangerous to the attainment of a goal as any other threat. It is important to recognize that “many factors contribute to communication failures” (Leonard, Graham & Bonacum, 2004, pg. 1). In the example from the medical field, it was noted that “doctors and nurses are trained to communicate quite differently” (example of ineffective communication), “hierarchy, or power distance, frequently inhibits people from speaking up”, a present “cultural barrier” made communication more challenging, and other “human factors” contributed to ineffective communication that created inadvertent patient harm (Leonard, Graham & Bonacum, 2004, pg. 2). The establishment of productive, consistent communication would help avoid many of these problems.

Conflict is another important component for teams, especially the high performance executive teams, to address because it has the potential to positively or negatively impact the team and team results. “If (dysfunctional) conflict is left unresolved it creates a hostile work environment, leads to frustration, hampers productivity, lowers morale, creates poor unity, causes inappropriate behaviors and can cause more conflicts in the future” (Poetmel, 2010, p.1). In other words, resolving dysfunctional conflict is essential because “unresolved conflict is a breeding ground for problems that prevent a team from productivity” (Poetmel, 2010, p.1).

Effective communication is essential to accomplishing team objectives. However, if there is poor unity, individuals may not share ideas and it may trigger low morale and negatively impact team member motivation. Also, a hostile work environment leads to individuals looking out only for themselves and not the team as a whole. Resolving conflict not only eliminates the current issues and teaches members how to communicate better in the future, it also helps bring out leadership traits in team members who help mediate conflict and reform team unity.

Meetings are one of the most common official forums for an executive team to communicate, but they are frequently regarded as major time wasters. Of course, meetings can be productively facilitated. First of all, the executive team should “schedule meetings only when necessary, not by habit” (Are your meetings, 2011, p. 4). This prevents redundant conversations and lets team members know the meetings require action, not just attendance. In addition, when meetings are called for a specific purpose, only “people who need to attend” should be invited, and an agenda with subjects and allotted time should be developed (Are your meetings, 2011). Meeting attendees should stay focused on agenda subjects, and decisions and accountabilities should be agreed upon during the meeting and reviewed before the meeting adjourns (Are your meetings, 2011). When team members recognize the significance of meetings and show other members that they respect their time, this leads to greater team unity.

In meetings, executive team members decide what they wish to accomplish. However, unless actions with a specific timeline for accomplishment are assigned to accountable people, the actions will not be achieved. Dvorak (2007) discusses how IBM’s employees work around the world on various projects and teams. The key “to smooth teamwork is dividing projects into small pieces” and further dividing them into smaller chunks where each “chunk is further split into tasks designed to take one programmer a day or two to complete. It handles mistakes or miscommunications and they are identified, and there is little waiting for others to finish work” (Dvorak, 2007, p. 4). Clearly assigning specific work to team members is extremely practical as they understand each other’s responsibility which increases the accountabilities of the team. Further, clarification of members’ roles, duties and responsibilities leads to increased efficiency and effectiveness.

Pearce (2008) suggested that “teams could be much more effective” than their typical current model if there’s a shared leadership (p.1). It implies that in the executive teams, different individuals lead different sub-objectives or tasks, and they are responsible for the progress and accomplishment of the final goals. This leadership style is extremely beneficial for the high performance team because (especially in large organizations) of the size of the organization. Distributing responsibility helps develop a system of checks and balances and helps prevent a large difference in power between team members. High performance executive teams are focused on achieving organizational goals and also, on achieving executive team goals.

CHALLENGE FACED BY HIGH PERFORMANCE EXECUTIVES TEAMS

High performance executive teams face many challenges that can negatively impact their respective organizations’ potential for high performance, including stagnancy, de-motivation, competition, lack of a skilled workforce, transition issues, globalization, and political dynamics.

Stagnancy or Complacency

Drucker (2006) emphasized that complacency is one of the top causes of organizational failure. A stagnant organization does not grow, and one does that does not grow for some time has to die or has to be replaced. When the stagnation is coupled by innovation and growth by the competition, it speeds up the entire process. Numerous examples exist and include Research-in-Motion, Yahoo, Nokia, and Dell where organizational leaders learned that strategies can be duplicated easily and in many cases is bettered by intelligent competitors.

De-motivated Employees

According to Dunn (2009) employee motivation is a major function that contributes to company's success. Employees often feel neglected when the management team is unable (or unwilling) to provide essential tools and resources. Most work can become repetitive and monotonous after it is done for a long time, and it is the responsibility of the executive team to determine how to make work challenging and rewarding.

Competition

One of the factors over which executive leadership teams have no direct control is competition. They may try to influence factors that fall within their sphere of influence (Maxwell, 2001), but the impact is very limited. Typically organizational leaders who are very entrepreneurial and ready to invest time and resources in developing bigger and better products that offer more value are able to succeed and take over the markets (Gilmartin, 1999). A very recent example is the situation of RIM Blackberry phones and Apple iPhones. RIM had very innovative technology, but it did not take long for Apple to develop better ones that had features that were of more value to customers (Kharif, 2012).

Lack of skilled workforce

This is another human resources issue that needs to be addressed by executive teams. Drucker (2006) and Cohen (2004) highlight the importance of management information systems as applied to the businesses around the world. Bigger and better information system, software, tools are required by employees followed by appropriate training. If the employees are not skilled to perform the job, organizations can lose their competitive advantage very fast.

Transition issues

Transition of executives or handling the responsibilities needed for the next generation is a key factor of highly successful teams and companies. Opportunities need to exist for leadership development in terms of mentoring and training as well as a variety of work experiences throughout the organization. Major problems exist when a member of the executive team leaves whether it is to accept another position or because of death or some unethical or illegal activity of the team member. Whatever be the reason for it, (Drucker, 2006; Cohen, 2004; Cohen, 2008) identify transition as a very critical point in determining the short and long term future of the organization. It can make or break the company very quickly.

Globalization

Executive leadership team members now have to worry about not just the local issues but the global issues like competition, weather, political scenarios and dynamics, and terrorism. As a result of the globalization, there is a diverse workforce. It becomes challenging to manage the team culturally and geographically. The difference in dialect often makes it challenging to communicate because of language barriers. Cultural differences and variations in dialect may create unforeseen challenges when trying to exchange information (Taneja, Pryor, Humphreys, & Singleton, 2012).

Political Dynamics

Executives have to be aware of the political impact of the decisions they make and the actions they take. They also have to be cognizant of impact that certain election results, political uprisings, strikes, curfews, and other situations related to political dynamics. They may face challenges from economic or financial issues to finding a market place to sell the product or equipment (Drucker, 2006; Elenkov, Judge, & Wright, 2005).

These challenges create new opportunities for executive team members as they gain more experience in communication. Table I depicts the challenges and possible solutions or responses to them by high performance executive teams. In addition to identifying and addressing challenging facing their organization, executive team members need to understand how to routinely function as a high performance team. The challengers also help executive teams continuously strive to achieve solutions for them and perform at their full potential by following high performance team practices.

PRACTICES OF HIGH PERFORMANCE EXECUTIVE TEAMS

Peter Drucker was one of the earliest people to identify the solutions to tackle most of the challenges mentioned above. He identified eight practices for highly effective executives as follows (Drucker, 2006, p. 2):

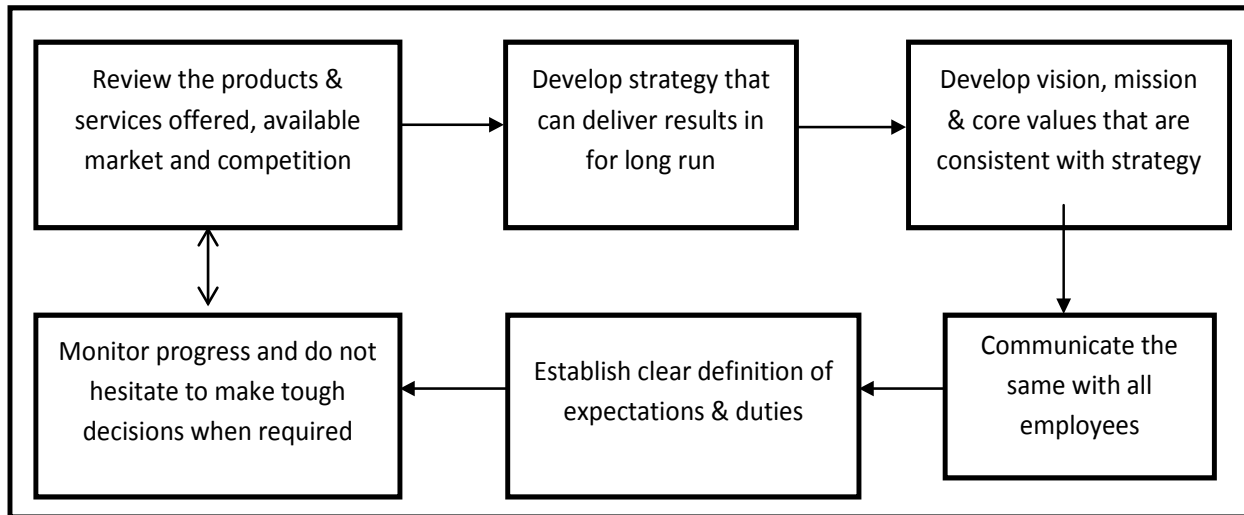
1. Ask “What needs to be done?”
2. Ask “What is right for the company?”
3. Develop an action plan.
4. Be responsible for the decisions.
5. Be responsible for communicating.
6. Focus on opportunities rather than problems.
7. Have productive meetings.
8. Focus on teamwork rather than individual effort.

According to Drucker (2006), following these eight practices lead to the most benefits for an organization. Zenger, Folkman & Edenger (2009) also noted that the most important step for the organization is for leaders to create clear vision & direction. Further, this is followed by developing (and communicating to all employees) core values and guiding principles, goals, strategies and tactics and a plan for risk mitigation. An organization that follows these steps boldly and sustains competitive advantage succeeds in the long run. Executives are an important catalyst in increasing team and organizational performance.

HOW EXECUTIVES INCREASE TEAMS’ POTENTIAL FOR HIGH PERFORMANCE

Formulating a high performance executive team that is adaptable to new situations and problems is difficult to accomplish, and it takes continuous effort to maintain. Figure 1 depicts a model that assists in developing and maintaining a high performance executive team.

FIGURE 1: DEVELOPING A HIGH PERFORMANCE EXECUTIVE TEAM



The following steps will be helpful in developing high performance executive teams and high performance organizations:

1. Review the product/service offering, market position and scope, as well as the competition. A complete knowledge of own organization, its position in market and competition is required in order to develop sound strategy.
2. Develop vision, mission, core values and goals. Ensure that they are consistent with strategies. In order to establish a high performance executive team to accomplish any task, it needs to first establish the vision, mission, core values, goals, and strategies.
3. Develop strategies that can deliver in long run. It may take time to develop such strategies, but this has to be done diligently to avoid or minimize any pitfalls.
4. Communicate strategic and tactical plans to all the employees. The vision, mission and core values make the roadmap clearer for the employees, thereby making it easier for the company to achieve its targets.
5. Establish clear definitions of expectations and duties. Responsibilities and accountabilities should be very clear. All employees have to be accountable and responsible for the duties assigned and expected of them.
6. Monitor the progress. Continuous monitoring is required to check compliance with the tasks and to make sure the project is on track. It can be achieved by setting milestones and making sure they are achieved within the time period they are planned. Any slippages will result either in modifying the course of action or changing the project delivery date.

If adopted by executive teams, a methodical approach as discussed above will definitely help executive teams continue to be high performing irrespective of the type of environment they operate in, kind of market they service, kind of product & service offered. When faced with challenges, the high performing teams do not see them as setbacks but as opportunities to improvise and suggest alternative strategies, thereby leading to further benefits.

CONCLUSION

High Performance executive teams are useful assets for any organization. They are comprised of skilled executive who understand strategic management, have mutual trust in one another, and work together valuing team goals above individual assignments. In order to be successful, executive teams must be carefully formed with the right executives chosen to participate. After shared experiences, executive teams may be used to accomplish a variety of actions such as oversee a layoff, increase motivation, or assist with accomplishing the organization's objectives. Regardless of the specific situations they face and the purposes for which they are formed, they can work together to help accomplish goals if they can function as high performance teams. High performing teams are driven by effective and efficient leaders who are intelligent enough to identify risks and opportunities and who can assign duties based on the merit and performance of employees. In summary, high performance executive teams:

- Develop goals and strategic plans;
- Enhance communication among team members and throughout the organization;
- Maintain positive relationships among members;
- Solve problems and prevent them when possible;
- Make decisions on a timely basis;
- Successfully manage functional (and eliminate dysfunctional) conflict;
- Facilitate productive meetings;
- Clarify roles for team members;
- Operate in a productive, efficient, and effective manner,
- Exhibit effective and efficient (high performance) team leadership; and
- Provide development opportunities for team members throughout the organization.

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TABLE 1
CHALLENGES AND SOLUTIONS

Challenge	Solution as seen by “High Performance Executive Teams”
Stagnancy or complacency	Executives are aware that organization cannot progress by being stagnant. Therefore, they need to keep things moving in the right direction. Also, they need to identify targets and milestones and measure the extent to which they meet targets.
De-motivated employees	Employee motivation is very high on the list. Various ways to motivate employees have to be identified. Some people want more money while others prefer non-monetary factors like job rotation, interesting job profiles, autonomy, being empowered to make decisions and improve operations. Executives have to make sure they motivate team members in right way.
Competition	High performance teams are aware of their environment in terms of their competitors. It is their job to ensure that there are innovations which add more value to their product/service offerings so that they can outpace & outperform the competition.
Lack of skilled workforce	In an era of high unemployment, this issue is easier to handle by matching the right candidate to the job i.e., matching job-ability fit. However, some skills are not readily available, and organizations have to provide training for new hires.
Transition issues	When a team member or executive is ready to leave, it is normally identified in advance, and sufficient time is provided for the transition to avoid any performance gap. However, preparation must be made in case someone leaves abruptly (i.e., in case of death, accepting another job, being involved in unethical or illegal behavior, etc.). Such preparation involves mentoring, training, job rotations, and other such knowledge and experience transfer options.
Globalization	High performance teams/executives are aware of the benefits and risks of being global. They calculate these risks before making any such transition or decision. There must be strategic and tactical plans to use globalization to their organization’s advantage.
Political dynamics	Political dynamics are considered as part of risks that executives face. Understanding the political dynamics and being able to address them is crucial to an executive team and their organization’s long-term survival.