

Building a Better Top Team

Few teams function as well as planned. But, when a top team fails to function, it can slow down, derail, or even paralyze an entire organization. In their work studying top teams at more than 100 leading multinational companies, McKinsey consultants Michiel Kruyt, Judy Malan, and Rachel Tuffieldis identified three crucial priorities for building and directing effective top teams. They concluded that getting these priorities right can help drive better business outcomes in areas ranging from customer satisfaction to worker productivity.

1. Get the right people on the team . . . and the wrong ones off

Determining the membership of a top team is the CEO's responsibility and frequently the most powerful lever to shape a team's performance. Many CEOs regret not employing this lever early enough or thoroughly enough. Some neglect it entirely, assuming instead that factors such as titles, pay grades, or an executive's position on the organization chart are enough to merit default membership.

The key to getting a top team's composition right is deciding what contributions the team as a whole, and its members as individuals, must make to achieve an organization's performance objectives and then making the necessary changes in the team. While this sounds straight-forward, it typically requires conscious attention and courage from the CEO; otherwise, the top team can underdeliver.

2. Ensure the top team does only the work it can do

Many top teams struggle to find purpose and focus. What are they doing instead? Everything else. Too often, top teams fail to set or enforce priorities and instead try to do it all. In other cases, they fail to distinguish between topics they must act on collectively and those they should merely monitor. These shortcomings create overwhelming agendas that no top team can manage properly. Often, the result is energy-sapping meetings that drag on far too long and don't engage the team, leaving members wondering when they can get back to real work. CEOs need to respond when such dysfunctions arise; it's unlikely that the senior team's members—who have their own business unit goals and personal incentives—will be able to sort out a coherent set of collective top-team priorities without a focused effort.

3. Address team dynamics and processes

A final area demanding unrelenting attention from CEOs is effective team dynamics whose absence is a frequent problem. Too little time is typically spent on "productive collaboration" and that can decrease even further when teams deal with high-stakes topics where members have differing, entrenched interests.

CEOs can take several steps to remedy problems with team dynamics. The first is to work with the team to develop a common, objective understanding of why its members aren't collaborating effectively. There are several tools available to address this, including surveys, interviews with team members, and 360-degree evaluations of individual leaders.

Correcting dysfunctional dynamics requires focused attention and interventions, preferably as soon as an ineffective pattern shows up. Often more than a single intervention is needed. Finally, most teams need to change their support systems or processes to catalyze and embed change. Each top team is unique, and every CEO will need to address a unique combination of challenges. Developing a highly effective top team typically requires good diagnostics, followed by a series of workshops and field work to address the dynamics of the team while it attends to hard business issues. When a CEO gets serious about making sure that team members are willing and able to help meet the company's strategic goals, about ensuring that the team always focuses on the right topics, and about managing dynamics, then the desired results will follow.