

Coherent Top Teams

7 Questions that Top Team must answer to lead Organizations Sustainably

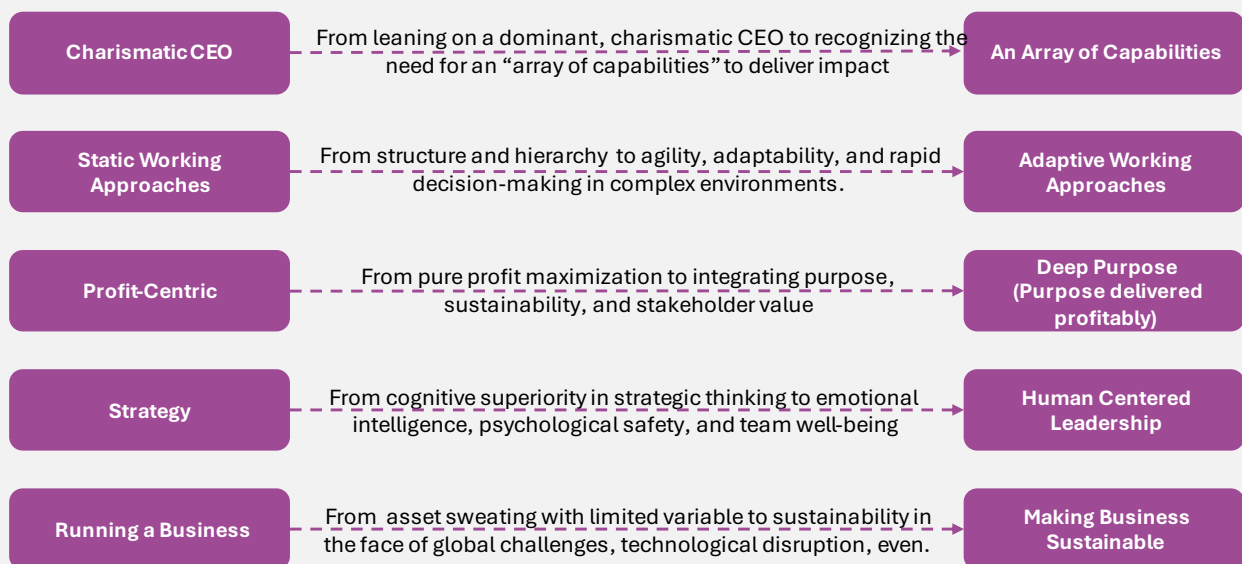
In this seminal article “The Myth of the Top Management Team” (1997), J.R. Katzenbach (Author of “The Wisdom of Teams”), questioned if organizations really need their top Executives to function as a team. He asserted that “trying to shoehorn a group of top-level executives into a team can be frustrating. More importantly, it can be pointless.”. He also pronounced that CEOs “see few gains in performance from their attempts to become more team like”.

In our consulting experience, even today we occasionally see organizations in which the top Executives are not really a team. The first set is where there is a strong and dominant founder. We find that such founders would rather have loyalties directed to themselves personally vs. among the team members. They promote “satellite communication”; that Executives direct messages for their colleagues to the promoter, who will communicate it to others with some deletion, distortion and generalization. The presence of the promoter as the primary “Glue” in most instances ensures that these teams can get by, even in the absence of a Coherent Top Team, but may be limited in scale and impact.

The second category of organizations where we see “non-teams” of Top Executives are businesses that are steady (at least in the mind of the Executives themselves) and have little need to change. To our experience, these teams are either already in decline, running on the last vestiges of entry barriers or locked in increasingly unattractive businesses.

Apart from these special cases, Executives in the vast majority of businesses are facing heightened expectations for results, but also of how they lead others. It bears reflecting if **these can these be accomplished without an interdependent Top Team working together.**

Illustration1 - Change in Leadership context over the last quarter decade. (A ChatGPT 4o compilation)



The non-negotiable of a successful top team- Coherence

A Team is put together to achieve an end (win a match, complete a project etc.). Obviously, the team that wins more and wins consistently or delivers WHAT it is charged to do is a good team. At a deeper level, The ability to “win” consistently is rooted in a unique and integrated HOW, else the WHAT may be unpredictable or a matter of chance. It also merits asking, what will keep a team interested in delivering consistently, but also reinventing the HOW frequently? That inevitably needs a strong WHY, the recognition that we want to, and we can contribute to something consequential beyond ourselves.

Only the Top Team of an organization has the mandate to act on all three of the WHY, HOW and WHAT. Ensuring Coherence among the three is the unique opportunity and mandate of the Top Team of an organization.

It must simultaneously be recognized that Executives are professionals with their own needs and expectations. Coherence recognizes that Top Teams need to balance their “gives” and “gets” sustainedly to be lead coherently.

The “Give” definition of a Coherent Top Team

A Coherent Top Team is one that leads the organization to deliver results consistently on the basis of distinctive choices and capabilities in the service of a cause that is positively consequential for the world beyond itself.

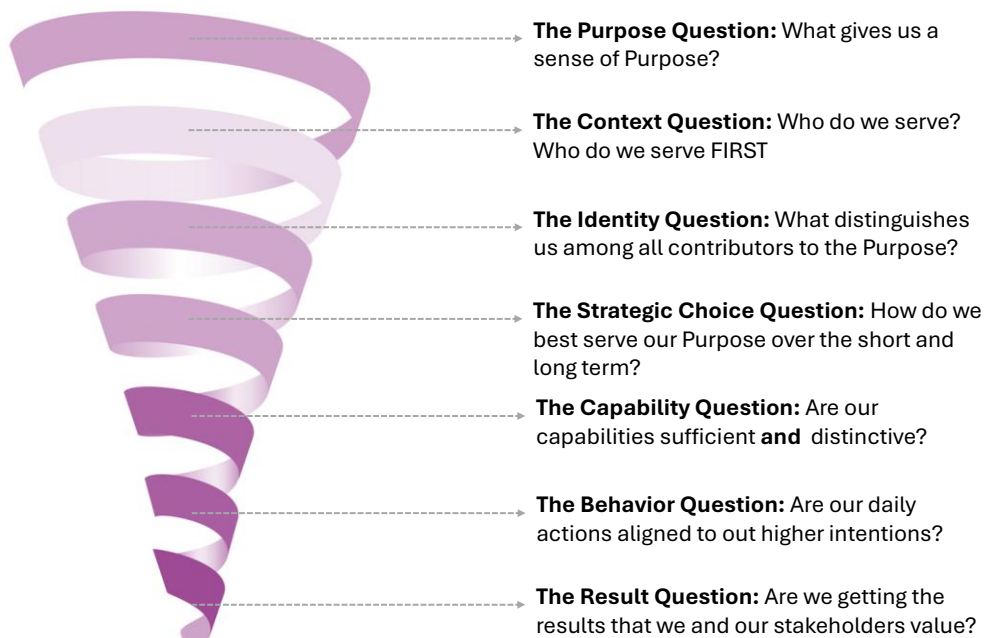
The “Get” definition of a Coherent Top Team

A Coherent Top Team is one that experiences material success by leading the delivery of organizational results while getting to build distinctive capability and brand for themselves and ultimately serving a cause that is meaningful to its members individually as much as to its stakeholders.

How to arrive at Coherence for a Top Team

The need for Coherence is applicable for any team. But, for the Top Team, accountability towards others will significantly outweigh what it needs to do for itself. We have found it useful for Top Teams to ask themselves 7 questions that will help them create Coherence among its WHY, HOW AND WHAT

Illustration 2 – Coherent Top Teams: 7 Questions to answer to lead Sustainably



1. The Purpose Question- What Gives us a Sense of Purpose?

This is the longest horizon that a Top Team can create for the organization (in fact purpose is sometimes called the “timeless goal”). The Top Team is the primary animator of the organization’s Purpose. In a founder / family led business, the Founder / M(P)atriarch likely has the largest influence on the Purpose of the organization. It is for the top team to heed that but also champion the integration of its own voice and the most prevalent aspirations of the broader workforce. It is for the CEO and the top team to elicit and articulate the Purpose of the organization and make that foundational to how the organization decides, acts, prioritizes and relates. This needs to be a priority for both for grown-from-within Executives (to take the implicit Purpose and institutionalize it) as well as for lateral hires (first to imbibe the Purpose, then to animate the organization with it). Purpose can serve by being so exciting, yet so stretched, that it will take a collective effort and encourage Executives to look beyond their individual needs and resources.

2. The Context Question- Who do we serve? Who do we serve first?

All organizations have some fundamental assumption and worldviews. These assumptions are never questioned because they are sub-liminal. When they continue to serve, these are usually given some complimentary terms like “Our principles” but when they have outlived their utility, they are instinctively given derisive names like “Holy Cows”. These principles serve the broader organization to help make sense of new information. The broader organization cannot and should not go down to root cause thinking for all issues. The Top Team, however, needs to demonstrate awareness of “organizational subliminals” and shape them consciously.

These assumptions can be diverse and seemingly unrelated. What is common to them, in our experience, is that they are invariably perspectives or worldview towards external or internal stakeholders. Hence how the Top Teams identify, relate with and prioritize stakeholders as recipients or enablers of the Purpose defines the Context for the team and the organization. A decision as important as “who the stakeholders are?” is “who comes first?”. An organization can serve only 2 or 3 stakeholders and others become enablers or allies. For e.g. Tupperware has always thought of its Direct Sellers as important stakeholders, both emotionally and procedurally. They enabled distribution at a low cost but were also primary channels of information to consumers. Now that e-commerce is doing both distribution and information far more effectively, how Tupperware relates with the Direct Sales team is an important question to define its Context.

3. The Identity Question- What distinguishes us among all contributors to the Purpose?

Most purpose statements sound the same but are not the same. Each organization comes at the Purpose from a unique set of attributes depending on its history, worldview, influence of generations of leaders, shared traits of employees etc. This is the identity of the organization and by extension of the Top Team. These attributes can become so personalized that members begin to be badged by the company’s name. For instance, the author has been a “Proctoid” (P&G) before. All “Proctoids” know what it takes to be one, in both beliefs and capabilities.

The vastly different “Mission Statements” of all companies, for instance in the same industry are not a function of the market or the consumer, they are the function of different identities. How we define “**Who are we?**” becomes the identity question or more commonly known as the Corporate Brand. Having a clear identity puts a set of responses on autopilot and tells stakeholders what to expect from the organization. An Executive Team has the right and also an obligation to shape and strengthen the organization’s identity and align it to Purpose. A well-formed identity becomes a source of pride, but also empowers decisions and actions.

4. The Strategic Choice Question- How do we best serve our Context over the short and long term?

The strategic choice question is most critical for the convergence of the **abstract** (Purpose / Context / Identity) and **tangible** (Capabilities, Behaviors and Results). The single biggest role of the Strategic choice question is to create a roadmap of HOW differentiated and sustainable results will be delivered.

Strategic choice also involves prioritization of investment and resources. Given the number of spreadsheets and PowerPoints involved in making a strategic choice, it is easy to think of Strategy as an exercise of intelligence. But Coherent teams recognize that Strategy is arrived at emotionally and scoped logically (with numbers, Proof of Concept etc.). The Emotional side of Strategic Choice comes from Purpose, Context and Identity.

Great organizations do not give up on their Purpose if it is infeasible in the moment. They make strategic choices (scan for, rework and buy methods) that serve their Purpose better. While IRR is the clinching factor on whether or not an initiative goes forward, but what even gets put on the table is reflection of the unconscious preferences of the organization. For instance, a computer the size of a book was an ideal that Steve Jobs came up with in 1983. The actual MacBook was launched only in 2008, exactly a quarter of a century later when IRR was feasible.

5. The Capability Question- Are our capabilities sufficient and distinctive?

Since strategy is about differentiation, true strategy will always call for new ways to perceive, decide and act. The spaces where “more of the same” will be valid strategy are shrinking sharply. Even if the same is to be achieved, for instance, with much greater efficiency, the answer cannot be “work harder”. That, as a solution, does not befit the C-Suite, perhaps as it does first line managers. The real test of C-Suite (vs. say L&D) contribution to capabilities would be judged by how it invests behind and sponsors institutionalization of capabilities that support organizational differentiation and competitive advantage. The second test for the Top Team is how integrated the capabilities are across functional boundaries. For instance, it is common to see incoherent Top Teams invest in spot solutions for their respective verticals without a thought to integration. This may induce local efficiency but inevitably create systemic friction. In our experience, undoing the multiplicity of systems is often the lowest hanging fruit of any Corporate transformation.

6. The Behavior Question – Are our daily actions aligned to our higher intentions?

The sum and substance of all that an organization stands for is how it comes across to its stakeholders on a day to day basis. What are the patterns and conditioned responses that others credit it with? More importantly, if someone were to see the organization’s behavior, would they be able to predict the results the organization will get? The Top Team promotes the right behavior with setting the right expectations and governing processes, but more importantly role modelling the ideals of the organization and the results it is getting.

7. The Results Question – Are we getting the results that we and our stakeholders value?

Organization’s results are important. That is the metrics by which an organization is judged and rewarded by the stock market quarter on quarter. Over the longer term, however, results are judged by additional criteria. For instance, how predictable and reliable the results are; are the means to achieve the results in line with prevailing compliance at the least and shared ethos at best? The contribution of the Top Team is not to deliver the results as it is to review progress, remove barriers and mobilize resources. Predictability and forecastability are the qualities of results that are attributable to the Top Team vs. the results themselves. Lastly, the Top Team is the sponsor of the rewards that create fair recompense for the organizational effort that brings about the results. Fairness and Equity in rewards is another Top Team deliverable, albeit operationalized through HR.

How to start building Coherence in the Top Team?

We understand that Teams are going to be held accountable “outside-in”; starting with the Results they deliver – customer feedback, stock price, market share are all the most visible aspects of an organization, and they end up hogging the maximum (or all of the) attention in an organization. On the contrary, the design of a Coherent Team must ideally start “inside out”, from their highest Purpose.

The art of Coherent Leadership is like designing a superb car. The customer values the product, service and image experience. It is for the designer to establish first what the brand stands for and then figure out the right ignition timing, weight to power ratio and other technicalities. The designer adds value by creating an entire ecosystem that creates the desired experience while also expressing the design ethos of the brand.

Practically, we find that teams have been so focused on the results that questions of Purpose appear too abstract and distant. In these cases, discussions usually start at the level of “The Strategic Choice Question”. Organizations must trust that the Strategic Choices we make are already reflective of the Purpose, Context and Identity Questions and an attempt should be made to articulate existing constructs vs. creating new. Concurrently, with a different rhythm, more clarity must be brought to the Capability, Behavior and Results in line with the Strategic Choices.

Another Key consideration- Humanizing and serving the Executives who make up the Top Team

It is unfair and unreasonable to expect Executives to be altruistic automatons, who only work for others. They will legitimately look out for what is in it for them. As stated before, a Coherent Top Team knows what is **gives**, but also what it **gets**. The Board and the Chair have a role to play on how that is accomplished.

Purpose: Do CXOs get to articulate and fulfill their personal purpose even as they steward the organizational Purpose? For instance, Unilever allows and encourages all its members to articulate and pursue a Personal purpose. That intervention had a major impact on the emergence of Unilever as a Purpose Centered organization itself.

Context: Do the CXOs get / seek a chance to air how their convictions about various stakeholders may be different from the prevailing organizational ethos? Proactively heeding dissonant voices is perhaps the best way to pre-empt change before things go wrong or to proactively strengthen the organizational approach to stakeholders.

Identity: Are Executives being engaged on how their own identity is being served by their affiliation with the organization? Is dissonance addressed and reconciled respectfully. This is the bedrock of inclusive thinking that organizations are promoting at all levels nowadays. However, this has become even more imperative for the Executive Levels where identities are more well-formed, backed up as they are with stellar records that got them here.

Strategic Choices: Here again, the key question is whether Executives are enabled to bring up and try different strategic approaches vs. being charged to just keep the ship running. The latter is a colossal waste of energy and talent. The Board and CEOs must encourage investment of time and resourcing to tap into individual enterprise.

Capabilities: The thriving industry of Executive Education is proof that Executives value learning. However, just “sending” Executives for training programs will not serve them. Are they being offered real business opportunities to test out and season their capabilities? Are they receiving mentorship from the board or external experts to come up to the expectation of their role that nothing in the past has prepared them for?

Behaviors: Are Executives being held accountable for their behaviors? Are they rewarded if they demonstrate the “right behavior” in addition to the right results? Conversely, are errant Executives punished? Are they being rewarded for engagement and citizenship behaviors in their teams vs. just the results?

Results: This is the most straightforward. Are Executives being fairly compensated for the results they deliver? Here, our experience and research suggest potential overinvestment. The business world is abuzz with the talk of excessive Executive Compensation. The Coherence view here is that high salary may be the price organizations are paying for not having other Coherent propositions in place (as above).

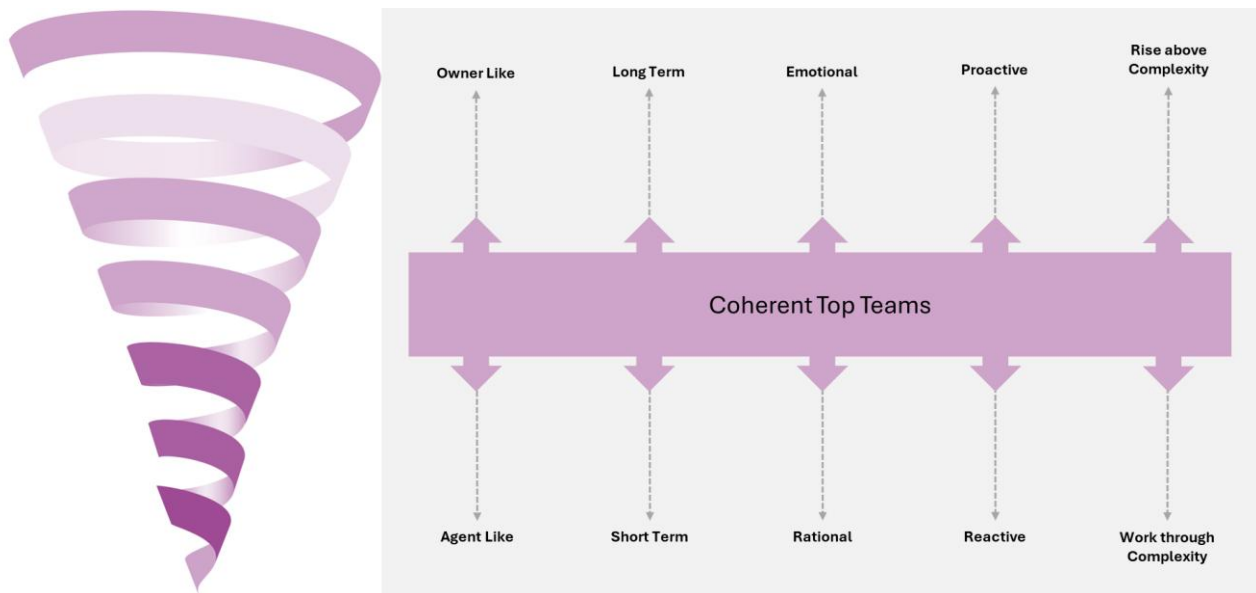
The cost and the unfairness of the multiple of actual Executive Pay to Median pay are broadly discussed. What is discussed lesser, however, is how that focus on results at all costs keeps **Executives and the organization locked into the treadmill of results without having the mind space for monitoring productive behaviors, building capability, making more powerful strategic choices, having a richer identity, shaping the context or championing a purpose**. For Coherent Teams, the results are manifestation of the Purpose over the chosen context.

Summary- How a Coherent Organization spans paradoxes to create value

These heightened expectations need Executives to navigate many paradoxes; intellectual, emotional and social.

1. **Working through Complexity** in the **short term** but finding ways to **Rise above complexity** in the **long term**
2. Being **Rational** in high stake organizational decisions, yet being able to tap into **Emotions** of teams
3. **Reacting** quickly to “market forces”, yet remaining **Proactive** about creating new bases for differentiation
4. Being **Owner like** while being an “**Agent**” of the stakeholders. For instance, the “Why” of an organization is an Owner’s Question. However, fractional ownership of private organizations and intuitive vs. structured approaches of entrepreneurs pushes the expectation of eliciting and articulating the WHY onto Executives.

In answering the 7 Questions, Coherent Top Teams are able to span these paradoxes to create value for the organization and, in turn, for themselves.



We asked a number of CXOs themselves, “What if the Top Executives were not expected to be a team?”. One CXO captured the thoughts and the feelings best. She sighed, *“Well it’d certainly be simpler; not being accountable to anyone except the CEO and have lesser need to align. But, when I think of the opposite, that I’d not have partners, sounding boards or co-champions to work through complex issues, that sounds terrible. On the balance, the top Executives of an organization **have to** be a team.”*

Call to Action

Speak to us to help your top teams develop Coherence. Engaging the top team on “inner game” elements of Purpose, Context and Identity would give them much higher leverage than outer game elements (Capabilities, Behavior and Actions) that they are focusing on anyway. Even conventional interventions like competence development and improved team dynamics will be “elevated” due to the awareness of the entire framework of a Coherent Team. Delivery of results can be empowered by not just “doubling down” but creating more systemic basis for success.

The proposition of investing in coherence is applicable to teams that are a mix of new and old members (where Coherence is sporadic), for a team of largely new members (where they need to appreciate the inner game if the organization and not just transplant practices of their prior organizations) or even teams with seasoned members (who could benefit from elevating organizational assumptions from subliminal to conscious and redesigning them for relevance.)

AUTHOR



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ABOUT COHERENCE



Coherence is a Leadership and Organization Design Advisory Firm that aligns Purpose with Performance. We can help you with your dilemmas in Leadership and Organizational Development. Dilemmas occur when you choose between one right and another right, and the choice that you make defines who you are. We bring domain expertise, advisory experience, an integrated toolkit; but most importantly our intent to serve as you work through your dilemmas.

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