

Idea in brief

Teams at the top are non-teams: groups of highly self-assertive alpha executives, whose autopilots direct them to thrive primarily for individual results. But lasting outstanding corporate performance can only be achieved through a collective logic of performance in the team at the top. CEOs and their top teams have to master thoroughly Seven Disciplines of Team Success to overcome the barriers that block effective team performance.

The Top Team Paradox: How to Master the Alpha Syndrome at the Top

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Article, originally published in German,
in: managerSeminare

When world leaders convened for the 2015 World Economic Forum in Davos, a new term attracted broader attention: VUCA – the acronym for the four major challenges leaders at the top of large organizations face in today’s business environment: volatility, uncertainty, complexity, and ambiguity. Confronted with an increasingly unmanageable world, top leaders displayed a new humility: “It is crazy out there – and no single one of us has the answer!” No doubt – the time of the heroic, omniscient leader is up. Overwhelmed by the VUCA-challenges, CEOs increasingly turn to their top management teams in order to make best use of joint expertise and judgement for superior decision-making under conditions of uncertainty.

In fact, there is a clear trend: Nobody is able to get it right alone in the C-suite of any company anymore. Already in 2012, an IBM study based on a sample of over 1,700 CEOs globally stated that 58 percent of respondents considered “leading in the team” as one of the three most important leadership skills. Collective performance and leadership by the senior executive team is more than ever necessary to overcome the complex challenges involved in creating lasting success for a large corporation.

Leadership at the top of a company is a collective leadership task. The top team members do not just represent their individual business units and corporate functions. Their primary task is to create a Collaboration Premium – a return on joint decisions and actions that is more than just the sum of their individual performances. The top team is the final decision-making body and, thus, its members need to assume a collective perspective and prioritize the interests of the entire organization in order to move the company forward. However, this is oftentimes highly contradictory to the mental models of most of the members of these teams. Especially top executives have no natural inclination towards working well together as a team – they have to deliberately form a top team by choice in order to lead collectively. They have to develop jointly utmost discipline and relentlessness in the way they work together. And they have to do so with a particular quality of interaction for the interests of the entire company.

“The composition of the top team is important, but it is the collaboration between its members that is decisive:

How its members work together will make or break its success.”

Working together in the C-suite: The traditional procedures and rules don’t help

In light of this, the cursory attention that has so far been paid to turning heterogeneous groups of top executives into genuinely effective top teams is severely below par. Still too often, supervisory boards limit themselves to choosing or changing the CEO, thinking that “getting the right people on board” is sufficient. Of course, the composition of the top team is important, but it is the collaboration between its members that is decisive: *How* its members work together will make or break its success. So, the critical question is: What attitudes and behaviours do senior executives in a high performing top team need to practise in order to jointly lead their company to long-term success?

At first glance, this question seems trivial and adequately answered. Book shops are full of guides with titles like “The 5 (name the number) secrets of successful teams.” Additionally, a wide range of team building tools exist. However, these books and tools were not created for C-suite teams. They do not focus on those factors that make effective leadership of top teams so difficult. They do not take into account the dynamics that Karl von Clausewitz defined as “frictions”: those forces that make the easy things difficult and the difficult things impossible. In business, these difficulties are mostly not a result of a lacking strategy, unclear structures, blurred roles and responsibilities or an absence of rules for teamwork. It is the fact that top teams are made up mostly of alpha executives that creates the major barrier for collaboration within these teams.

The alpha executive challenge: Everyone believes in one’s own solution

Top managers are a different kind of personalities than middle managers: they are alpha leaders. The term “alpha” – taken from behavioural biology and describing the dominant leader of a pride, for instance the silverback leader of a gorilla pack – has made it all the way to the C-suite. Experience suggests that the proportion of alphas among top executives is more than 75 per cent. Alphas are highly success-focused and performance-oriented,

they are ready to take on challenges that others shy away from – that is how they make it to the top. They consider themselves as bound to lead and often create strong followership through their strength and drive, and even inspire admiration. They are a force to be reckoned with.

C-suites are mostly the domain of engineers, scientists and economists, who are thoroughly convinced of their individual superior analytic rationality. As alphas, they work with the conviction that their analytic capabilities are a universal tool they can always count on, irrespective of the concrete situation. With this in mind, alpha executives are confident and bold in following their mission, and they do so with highest creativity, utmost determination and with extreme perseverance. They always strive to be first – coming in second makes you the first loser. This drive to success is precisely why alpha executives are an invaluable asset to every company.

But the enormous upsides of alpha attributes have a severe downside risk: Every single member of the alpha team is convinced that he has the only viable solution. The unwavering confidence in their own analytic superiority and problem-solving capabilities makes it hard for them to trust in the competence of their colleagues. “I don’t give away my trust, everyone needs to keep earning it every day,” many top team members say. That is why the typical alpha strengths make it difficult to weld these executives together into one team. In a high performing team, disciplined collaboration has to win over natural competition. Instead of each individual asserting the own position, the team must amalgamate the different perspectives and find a joint way forward.

However, it is not only the built-in alpha rivalry that makes it so hard for top teams to develop a joint logic of success. The greatest strengths of top managers can also turn out to be their greatest weakness.

**The alpha syndrome:
Strengths become strong weaknesses**

Particularly in highly complex and dynamic situations such as crises, alpha executives tend to develop dysfunctional behaviour patterns that are borne of excessive strengths. This can evolve into a

severe risk to the coherence and performance of teams at the top.

“The individual strengths of top executives do not necessarily add up to a collective strength.”

To describe this phenomenon, the management researchers Kate Ludemann and Eddie Erlandson have coined the term Alpha Male Syndrome: Dominance and confidence can turn into intimidation and arrogance, the drive for performance bubbles over into placing excessive demands on others, analytic strength mutates into a tunnel-perspective, and decisiveness is replaced by actionism and narrow-minded stubbornness. Buddhists call these weaknesses the “near enemies” of those strengths, they are rooted in. And the structures, processes and mechanisms that are found in companies are powerful allies of these near enemies.

The apparent contradiction was well formulated by the former German football coach Udo Lattek: “I do not want a team of stars, but a star team.” That is at the heart of the Top Team Paradox: The individual strengths of top executives do not necessarily add up to a collective strength. Often, individual strengths form the basis of collective weakness, in which one plus one plus one does not make three or even six, but a measly one and a half.

**The Top Team Paradox:
Non-teams at the top are the rule, not the exception**

The Top Team Paradox becomes particularly clear by comparing the realities of corporate leadership with the established team definition by Jon Katzenbach. Katzenbach pragmatically describes a team as “a small group of people with complementary skills who are committed to a common purpose, set of performance goals and approach, for which they hold themselves mutually accountable.” When it comes to top teams, it is a completely different world.

1. The skills within the top team do not complement each other

The members of a top team are outstanding general managers – experienced and highly competent –

who have successfully managed a whole range of positions over the years of their career. They command the complete range of skills that one needs to make it to the top. This is why top teams are groups of equals: Each member has the potential to take over another's position – or at least has a clear idea as to how the other team members could do their job even better.

2. The joint cause is too abstract

Operational teams bond when they have to create a tangible result under time pressure – whether that is entering a new market, developing a new product or enhancing process efficiency. Each of these activities has a clear definition of success, such as market share, sales and revenue, or cost efficiency. For teams at the top of companies, this is a different story. Their goals are often abstract and focused towards a high level company purpose (“offering our clients only the best: all the time, everywhere”), vision (“belong to the industry top five in five years”), the implementation of a strategy (“strengthen core business and promote innovation-driven growth”) or purely financial targets (“20 percent EBITDA”). Naturally, a unifying vision and strategy as well as financial targets are indispensable. But these goals and indicators are abstract, and there are countless, competing and even contradictory ways to achieve them. This is why they don't make a suitable guidance for collaborative team behaviour.

3. Alpha team members follow the OHIO-principle

In general, top team members are loyal primarily to their own business unit. They focus their management attention according to what we call the OHIO-principle: Getting their “Own House In Order” comes first. Thus, the top team is only their secondary loyalty: “These weekly board meetings just drive me insane – they last for what feels like nine hours, address 23 more or less relevant topics and cover piles of PowerPoint slides. I'd actually like to focus on my real job for once.”

“In the board room, most top executives act as the highest representative of their own operational or functional silo – flavoured with a ‘bring home the beef’-mindset.”

This complaint is very common and the message is clear: Most top executives do not see their contributions in the board room as their primary responsibility. They rather act as the highest representative of their own operational or functional silo – flavoured with a “bring home the beef”-mindset.

Departmental silo-thinking is often supported by the logic of corporate performance targets. Top executives mostly operate according to a hybrid target structure, which tries to combine the company's overall objectives with the goals of their respective business unit. This leads all team members to focus with full attention on reaching their business unit's targets – as, in their department, they can directly influence success while contributing only indirectly to the company's overall success. The top executive's target structure, therefore, rather supports departmental selfishness, instead of working in a way that strengthens the joint accountability of the company's top team.

4. Productive conflict is avoided

Top executives who are responsible for their own business units perceive any interference in these responsibilities as unacceptable, encroaching, and in the worst case, as narcissistic injury – especially if it comes in the form of “well-meant” advice from a colleague. In fact, discussions among a team of alphas about alternative solutions or additional improvement potentials regarding one business unit can quickly escalate from productive challenging and holding each other accountable into intense disagreements – aimed at intellectual pre-dominance and personal positioning within the team. As a consequence of such experiences, executives in top teams often practice undeclared ceasefires that are based on the logic of deterrence: No team member intervenes into the internal affairs of another colleague – and, thus, does not become the object of an attack himself. The team dynamic created by those hidden pacts of non-aggression reduces the number of productive conflicts and obvious victims. However, this comes at the cost of a less obvious victim – the best solution.

There is clear evidence: Successful top managers have their inner compass set more towards individual aspirations than the common top team

goal. Real teams at the head of a company are the exception, as, normally, the logic of competition presides. When confronted with potential trade-offs, most top executives decide in favour of their individual performance rather than a collective performance. Or to paraphrase the words of the famous German philosopher Immanuel Kant: Teams at the top find themselves in a domain of “unsocial sociability” – the dilemma between the necessity of forming a strong collective entity and the natural tendency towards individualization.

Traditional team building tools are not helpful to cope with the team challenge at the top. To fully capture the collaboration premium that comes from leveraging the collective intelligence of all senior executives in the team a set of concrete practices is needed. Managers in the top team have to develop these practices themselves – by collectively reflecting the challenges and dynamics within the team. By consciously questioning their well-proven routines of thought and behaviour top managers learn to act as a disciplined and reflective team.

The Double Top Team Paradox: Alphas compete and need each other

This defines the Double Top Team Paradox: Alphas are not prone by nature to productive collaboration in a team context (paradox 1) – and, yet, alphas need other alphas as a corrective force in order to successfully perform as a team (paradox 2). Through reflective dialogue at eye-level, managers in the top team create a joint awareness about their mental models, their pre-dispositions, judgements and their productive or unproductive behaviours in the team. Only the regular practice of joint autopsies without blame and a constructive scepticism in reflecting individual and team behaviour patterns, can pave the way for alphas to overcome the Top Team Paradox. Ron Heifetz and Marty Linsky, Leadership scholars at the Harvard Kennedy School of Government, call this reflective practice “getting on the balcony”, a technique to step back and gain an observer’s perspective that is imperative for each top team.

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Officer’ instead of Chief Executive Officer.”

The CEO has a paramount role in this. Studies by the Anglo-American research group working with Randall S. Peterson, Professor for Organizational Behaviour at the London Business School, show that the personal traits and behaviour of the CEO are a key driver in creating a productive dynamic inside the top team. According to the leadership ideal of a team at the top of the company, it is the CEO’s main task to not only role model an appreciative challenging mindset, openness and reflection, but to also manage this reflective dialogue within his management team. To put it concretely: The CEO should make critical reflection of unproductive routines and dysfunctional behaviour a top priority on the agenda of his leadership team – alongside the regular dialogues on strategy and business performance. In light of the VUCA world and the alpha team paradox, it might be time to change the meaning of the acronym CEO into “Chief Enabling Officer” instead of Chief Executive Officer. He has to enable and to enforce a culture that is based on five critical building blocks of disciplined collaboration within a team: 1. Focus on team results, 2. Mutual accountability, 3. Joint commitment, 4. Productive conflict, and 5. Mutual trust. For the CEO, a primary task is to uncover and tear down communicative and behavioural routines that block the way to enhanced collective performance.

Ways out of the paradox: Breaking unproductive routines by reflective dialogue

The most damaging and widespread communication routine used by alpha executives is “downloading”: presenting and listening solely from the perspective of one’s own role, position or story, while not being willing to accept that the own perspective is really just *one* way of looking at things. What is said and heard is limited to confirming one’s own judgements and narrative – this is not reality but only an individual tunnel through reality. The second unproductive communication routine is “debate”, which is centered around what is perceived as a rational exchange of confronting views. Executives argue their views, judgements and interpretations in the hope that their convictions will prevail. And mostly

they do so without being prepared to listen to or be persuaded by better arguments of their colleagues.

The third communication routine, “discussion”, is already more of an exception in top management teams. Discussion is a productive exchange of opinions based on mutual appreciation and with the goal of reaching a real synthesis – and thereby taking better decisions on complex issues. Discussion can make use of the collective intelligence within the team and thus create a collaboration premium. However, like download and debate, it is not instrumental to self-awareness and critical self-reflection.

“Outstanding top management teams have developed a well-functioning muscle of collective reflection of their own basic assumptions and behaviours.”

Alpha executives can only achieve self-awareness through training their muscle of “reflective dialogue”, a practice they are not used to in the board room. Outstanding top management teams have developed such a well-functioning muscle of collective reflection of their own basic assumptions and behaviours. Over time, they have established a collective “Reflective System 2”, as Daniel Kahnemann, winner of the Nobel Prize and author of the bestselling “Thinking, Fast and Slow”, would call it: a practice of stepping in to challenge the routines and autopilots of individual top team members. No top manager can do this alone – it has to be accomplished as a team.

In this practice of reflection, team members empathetically and openly listen to one another, with a critical awareness of their own perceptions and judgements. They are eager to understand the consequences their individual behaviour might have on other team members. “Reflective dialogue” is key to collectively learn about behaviour and its consequences, thus creating collective emotional intelligence. Thus – and this is often neglected – collective emotional intelligence (EQ) serves as the major catalyst to leveraging the collective rational intelligence (IQ) of the entire top management team – which is so critical to get to sound decisions in the VUCA world and thrive as a high performing top team.

Seven Disciplines of Team Success:

What the CEO and his top team need to practise

When is reflective team dialogue critical to success? And which skills must alpha executives develop in order to collectively lead as a team? How can executives at the head of the company avoid and un-learn dysfunctional behaviour? No top manager can tackle these problems alone. It takes self-critical dialogue with peer executives to recognize and overcome the unproductive behavioural patterns that weaken the top team and potentially the entire organization. Successful managers in the team at the top must master a single core skill: reflection in action – to perform “in the game” and at the same time observe themselves “from the sideline”. There are seven critical situations in which top teams face a particularly high risk of failure. And there are Seven Disciplines to practice and enhance a collective logic of success.

Discipline 1: Understand the real problem

Alpha executives work according to the motto “if in doubt, act”. As proactive doers, they pinpoint problems that they can solve with their routines and their models of success. Often these routines are focused on “technical” fixes such as processes, structures and roles. Yet, collaboration challenges will not be successfully addressed unless the “adaptive” dimension is also recognized and tackled: the basic assumptions, mental models, loyalties and individual patterns of behaviour in the team. Thus, successful leadership and collaboration in the top team begins with a differentiation between a “technical” problem and an “adaptive” challenge – in order to define the appropriate way to cope with it.

Discipline 2: Listen to the inner dialogue

Alpha executives are convinced they act rationally and unemotionally. And yet, just like everybody, they are influenced by what is going on in their individual “inner theatre”. Interpreting others’ behaviour based on one’s own patterns of thought or inner dialogue and perceiving reality “through tinted glasses” is human. And it is commonplace in top teams, too. In order to lead effectively, executives must learn to go beyond taking their own perspective as the only true reality. They must learn to approach problems from the perspective of all relevant parties involved. And they must be willing to actively use their peers in the team as

assets – listening to their feedback – in order to recognize their own personal filters of perception.

Discipline 3: Be aware of the leadership shadow

Despite an inherent overconfidence bias – a tendency to overestimate one’s own strength and impact – alpha executives systematically underestimate the shadow they cast into their organization. Especially the indirect effects of leadership are often ignored or misjudged by alphas in top teams. For it is not only through their explicit leadership impulses they provide but also through their way of collaborating that they function as role models for all other executives throughout the organization. Working with their direct reports and middle managers, alpha executives must be consciously aware of their role model status, reflect on it, and keep the unintentional side effects of their behaviour in mind.

Discipline 4: Focus on the primary task

In situations of crisis and stress, even battle-tested alpha executives fall back in avoidance tactics and defense mechanisms, whether they do this consciously or not. In the process, they lose sight of their primary task at hand: collective and effective leadership. Faced with apparently overwhelming complex challenges, alpha executives tend to go after “symptom solutions”, such as immediate actions (just for the sake of demonstrating decisiveness), retreat to their own department or upward-delegation to the CEO (because “well, someone must know”). The alpha team should understand that the scapegoat mentality is a warning signal, and they should be brave enough to face the question: What is going on here, and what is our part in it?

Discipline 5: Earn the authority

Alpha CEOs overestimate the authority that their position affords them. Authority is nothing more than power in exchange for a service the CEO provides to his team – by providing direction, protection, orientation, structures and norms. Yet, leadership in an alpha team requires boldly pushing the limits of authority, without losing support. Leadership is not just about giving answers, it is also about asking questions, revealing conflict, naming taboos and addressing non-collaborative behaviours. That is the task of every executive in the top team who takes leadership responsibility

seriously and sets an example – even in challenging the CEO.

Discipline 6: Leverage productive conflict

Alpha executives tend to avoid open conflict in the top team: No doubt, individual success models and a primary focus on functional units interests could easily clash in strategic trade-off discussions and pose a severe threat to team cohesion. However, if conflicts are escalated up the line only to be delegated back by the top executives, that vicious circle of avoidance can paralyse the entire organization. More than everybody else, the alphas at the top must use their conflicts as a productive force in collective leadership and set a visible example through their constructive approach to conflict.

Discipline 7: Regulate the tension

Alpha executives are at their best in crisis situations. And, they often use crisis mode to solidify their own position of power, even after the acute phase is over. The consequence is that external crises are turned into protracted internal crises. Alphas who are not able to adapt their leadership tone at the top to the business situation at hand lead their organization into unproductive crisis-fatigue. Alphas have to consciously renounce their need for action and heroism – and instead invest in disciplined collaboration at the top: Which level of tension and release is appropriate when? Which alpha colleague is in permanent crisis mode and becomes an incalculable risk?

These Seven Disciplines are not mechanic laws for success nor a simplistic advice, rather, they are individual practices and patterns of behaviour. They are ways to counter the challenges of the Top Team Paradox: As competitive lone fighters, C-suite executives must face another core task as a team – unlearning their managerial routines and learning collective leadership capabilities at the top.

Fulfilling this task demands extra effort and self-discipline, but there is a reason for hope: Alpha executives are bold and prepared to move beyond their comfort zone to achieve lasting success. It only requires their conscious joint decision to invest in “reflective dialogue” as the catalyst for enhanced collaboration performance at the top.

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