



Leading Units & Teams for High Performance

The path to high performance leadership

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Frank W. walked through the room. He could feel the excitement as the employees celebrated the release of their latest product. Frank was both pleased and satisfied. The quality of this product was excellent compared to earlier versions and it was ready to ship two weeks ahead of the trade show, where it would be unveiled.

A few miles away, Keith R. was locked in a conference room with his staff. The tone was one of frustration and anger as the team came to grips with the reality that the latest release of their product was not ready to ship despite a heroic effort by the engineers over the preceding six months. They would miss the opportunity to announce the new release at the trade show and any opportunity to recognize revenue on the new release in the next quarter.

Frank W. and Keith R.¹ are both engineering executives in the software industry. Their company's offices are located within 15 miles of each other. Both companies

Daily behavior is the currency of leadership. Through daily behavior, a leader creates the environment which determines the focus, motivation and performance of the people on which the success of an organization depends.

have been in business for about the same number of years. Both companies have achieved profitability and

are publicly traded. Each company focuses on different applications, so they are not direct competitors.

Frank's engineering organization has achieved a track record of success. They have developed innovative, high quality products and moved them to market quickly and within budget. Keith's organization is a study in poor performance. They have been slow to get products to market. They have encountered many quality problems and have consistently experienced budget overruns.



How can two organizations operating in the same industry and the same labor market serving the same types of customers perform at such different levels? The answer lies in the very basic, but critical, organizational elements of unit/team performance, climate and leadership.

Units and Teams

Units and teams are the basic building blocks of every organization. In today's complex, ever changing and fast paced business environment, the actual work of an organization gets done by groups of people organized into units and teams. The type and quality of leadership drives performance at the unit and team level. This then becomes a critical factor that determines how well or poorly an organization will perform.

By exploring the differences in Frank's and Keith's

units we will see how leadership makes the difference between high performing units and those that perform at lower levels.

Units and teams are both organizations of people

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designed to get something done. Units usually have a long life expectancy. They are formal organizational elements consisting of a number of people over whom a manager has direct authority and responsibility.

Teams normally have a limited life cycle. A team leader, who frequently has no direct managerial authority or responsibility over team members, heads a team. Team members represent various organizational functions and are typically drawn together to do a specific piece of work.

Frank and Keith are both unit leaders. They make use of numerous teams within their organizations. Their engineers participate in teams that are formed with people from various functions. From a leadership perspective, once a team is formed there is little difference between the behaviors required of a team leader and those required of a unit leader, when it comes to producing high performance. Accordingly, most of what we observe in Frank's and Keith's behavior as unit leaders is applicable to team leadership as well.

High Performing Units and Teams

The mission of units and teams is to produce results.



High performance units and teams consistently produce superior results.

My experiences as a business executive and a consultant with

more than 5,000 unit and team leaders in more than 100 organizations, is that high performance units differ from their moderate and low performing counterparts in several ways. They are consistently more effective. They consistently accomplish their missions and objectives. The quality of the work they produce is substantially higher. They are much more likely to bring things in on time and within budget. They produce results faster. They are more flexible in adapting to change. They come up with more innovative solutions to problems.

Research conducted by the Gallup Organization, analyzing data from more than 1 million employees in hundreds of organizations shows that:

“...well-managed workgroups are more profitable (44% higher), more productive (50% higher), and have higher degrees of customer loyalty (50 % higher).”²

One of the keys to achieving and sustaining high performance at the company level is to build an organization with an abundance of high performing units and teams. There are two critical elements that differentiate high performing units and teams from moderate and low performing teams and units. They are the climate or work environment of the unit and the leadership behavior of the unit leader.

UNIT / TEAM CLIMATE

Unit And Team Climate

Spend some time in a unit or team and you will begin to sense the climate in which the members are working. If you visit Frank's operations you will notice that there is a purposeful “hum” throughout the organization. Work is getting done, and people are focused and full of positive energy. When people get together they focus on solving problems and finding ways to do their work more effectively.

A trip to Keith's shop reveals a different story. You can feel a tension in the air. People are working hard but there is no joy in it. When people get together it is more likely that they are complaining to one another about having to work overtime or about the latest change in the project rather than working to solve a problem or do their work more effectively.

Every unit, team and work group establishes a climate: a work environment that persists from day to day. It exists in the perceptions of unit and team members. Research of organizations ranging from engineering groups to nuclear submarine crews, consistently shows that unit climate is the factor that explains the difference between high, moderate and low performing units.

Research into high performing units has isolated six climate factors that differentiate high performing units from moderate and low performing units. They are clarity, commitment, excellence, responsibility, recognition, and teamwork.

Clarity

Clarity is the degree to which unit members understand expectations, goals, policies, job requirements, and perceive that things run smoothly.

In Keith's organization, it's hard to get a clear response when people are asked about the mission and goals of the department. People are also unsure about who "owns" a particular issue. If you ask people what is expected of them, they are likely to answer "be here and be visible." Things seem to move from crisis to crisis. Meeting times shift, schedules change, and people are frequently asked to set aside a task to work on something else that has become more critical.

Things are quite different in Frank's unit. People throughout the unit, including the support staff, are able to tell you what the mission and key goals of the unit are. Every critical issue has an identified owner. If you

ask people about what's expected of them, they will tell you what they are working on, how it fits into the unit's goals, and when it is targeted for completion. Work seems to progress smoothly. Meetings start and stop on time. People are seldom asked to drop what they are doing to respond to a crisis or a problem.

Commitment

Commitment is the degree to which people are committed to achieving the unit's goals and the extent to which they continually use goals to evaluate their own performance.

When people in Keith's unit are asked about goals they frequently say that goals are continually changing and unrealistic. Because of constant changes, people don't worry too much about whether their goals are accomplished or not.

In Frank's unit, people are asked to set their own goals to support the overall mission and goals of the unit. People report that their goals are hard to accomplish but realistic. They are serious about accomplishing their goals

and use them as a yardstick to gauge their performance.

Excellence

Excellence is the emphasis that managers and unit members place on setting high standards of performance and continuously improving performance.

People in Keith's unit report that performance standards are so challenging that they are almost impossible to meet. They talk about managers being focused on how quickly people respond to numerous shifts of direction. There is pressure to do things quickly even if they have to be redone later. When asked about the accomplishments of their unit, people confide a sense of embarrassment over missed deadlines and product quality problems.

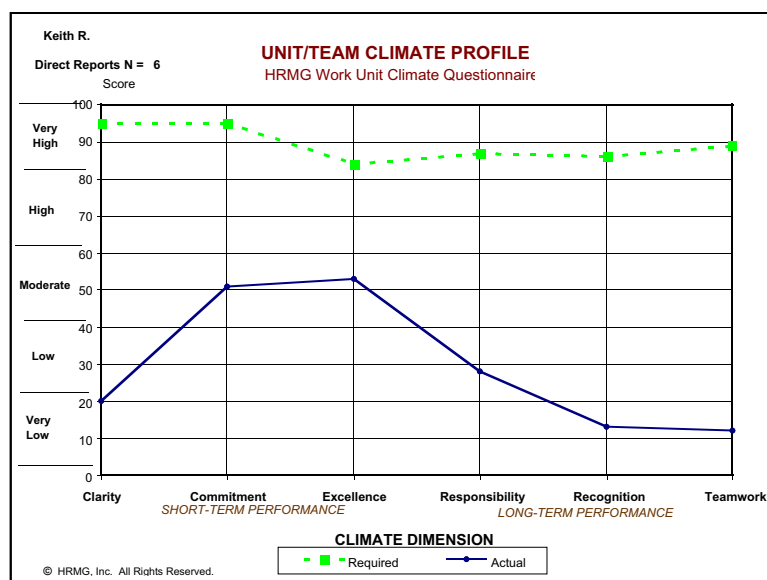


Figure 1. Climate in Keith's Low Performance Unit

In Frank's group, people report that managers place a lot of emphasis on goal setting. They strive to meet goals that are tough and challenging. Managers regularly evaluate employees' performance against their goals. Quality is very important to managers. People are expected to consistently improve their performance. Employees express pride in the accomplishments of their unit.

Responsibility

Responsibility is the degree to which employees feel that they are personally responsible for their work and that they are encouraged to take initiative in solving problems and getting things done.

When asked about what it is like to work in Keith's group, people report that they are told what to do and expected to do it without resistance. Uncertainty about their authority detracts from their focus on work. Almost everyone can relate an experience in which they tried to take action on their own and were severely criticized for not consulting their manager first. Making a mistake has serious consequences. People can cite examples of individuals being fired because they tried to do something on their own initiative and it did not work.

Ask people in Frank's group the same question and you get quite a different picture. One of the first things people tell you is that they feel trusted. They report that they are focused on the work and have a lot of autonomy to make decisions about it. In fact, they are expected to take initiative in solving problems and making decisions. When something doesn't work, they are expected to learn from it and continue to solve problems they are working on. People are focused on the work.

Recognition

Recognition is the degree to which employees perceive that they are recognized and rewarded for doing good work.

Employees in Keith's organization report that there is a lot of criticism and very little positive feedback. People are expected to do a good job and be satisfied with that. Managers typically focus on finding how things have fallen short and bring it to the attention of employees. Money is given when someone does a particularly heroic job in a crisis. No one can give an example of when people were rewarded for bringing a project in on time or under budget.

When you talk about recognition to people in Frank's organization they tell you that the key to recognition is performance. They cite examples of people being recognized and rewarded for accomplishing their goals and objectives, or making substantial contributions to someone else's accomplishment. Extraordinary performances are recognized with bonuses. Steady persistent performances are recognized with regular

positive feedback from management and small rewards, such as time off for personal needs, a party to celebrate hitting a key project milestone, or dinner for two on the company. Above all, employees tell you that positive recognition far outweighs criticism in their daily experience.

Teamwork

Teamwork is the degree to which employees perceive that they are part of a team and take pride in belonging to the work unit.

Teamwork in Keith's group is notable by its absence. People report that management is guarded in its communication with them. They say it is hard to pull a team together to work on an issue or solve a problem. Employees tell stories about people who tried to support others and were criticized for doing so. Managers acknowledge that it is hard to recruit people to the unit and that their turnover is higher than other engineering organizations.

The level of teamwork between employees and managers is the second most common element leading to employee satisfaction in Frank's group. Employees

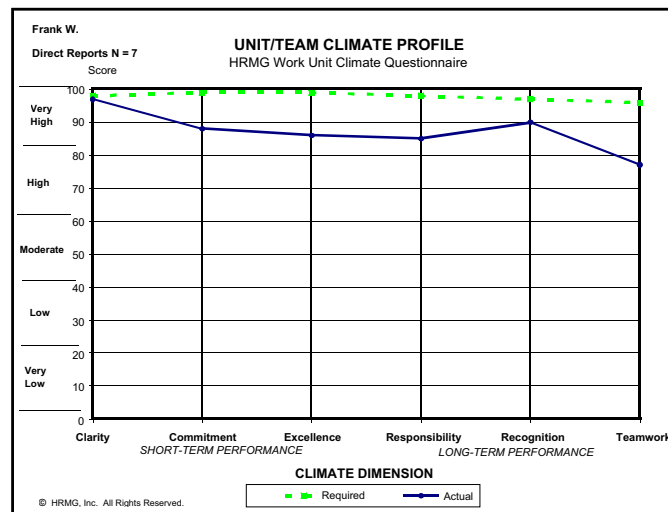


Figure 2. Climate in Frank's High Performance Unit

report that management communicates openly about tasks and issues. People work together to solve problems. Employees give examples of how people support each other when things get tough. There is a tangible feeling of pride in being part of the unit.

The different work environments in Frank’s and Keith’s organizations illustrate the differences in unit climate between high performance and low performance units. Figures 1 and 2 present data from surveys completed by Frank’s and Keith’s direct reports. Scored against HRMG’s norms for high tech units, the charts provide graphic evidence of the contrasting climates of the two organizations.

How did these two executives produce such different unit climates? The answer lies in their daily leadership behavior.

Leadership Styles

Daily behavior is the currency of leadership. It drowns out words and drives unit and team climate. A leader is highly visible to the people she/he leads.

Even apparently insignificant behavior can have a strong impact on employees.



A leadership style is a set of related behaviors that a leader uses to influence people to perform. Some leadership styles contribute to a high performance climate, while other styles detract from it. Research into high performance units and teams has identified six types of leadership behavior. Three of these, Pace Setting, Social and Coercive detract

from unit and team climate. The three other types, Directive, Participative and Coaching, are the primary drivers of a high performance climate.

Keith - Pace Setting and Coercive

When things are going well, Keith uses a pace setting style. He leads by example. Through his personal actions he demonstrates high personal standards and commitment. He expects his direct reports to perform effectively with little support from him. However, he

is unwilling to trust important tasks and projects to others and gets personally involved. When performance fails to meet his expectations he becomes very critical. He is fond of saying, “People should motivate themselves and not require pats on the back.”

When things are not going well, Keith becomes coercive. He steps in and dictates exactly what and how things will be done. He expects his direct reports to follow his decisions with little or no discussion. He wants things done his way. He relies heavily on

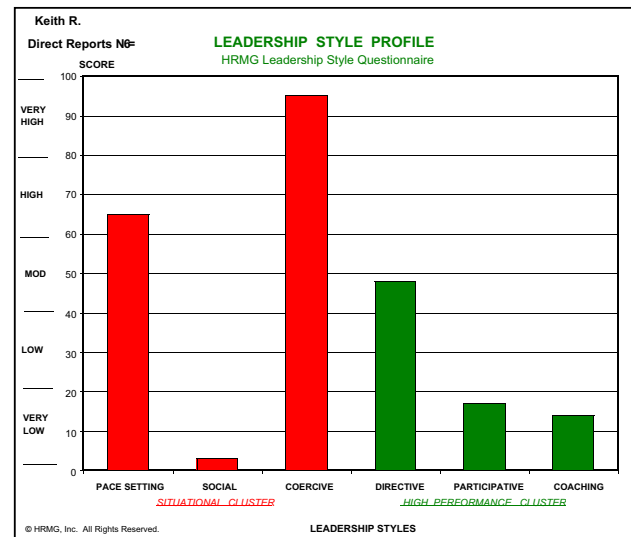


Figure 3. Keith’s Low Performance Leadership Style

negative feedback and personal criticism to control performance. He tries to motivate people by threatening to withhold something of value to them, such as, “If you want that raise you better get this done.”

The extent of Keith’s Pace Setting and Coercive styles can be seen in the graph in Figure 3.

Frank - Directive, Participative, And Coaching With A Dash Of Social

If you spend some time observing Frank’s leadership behavior, you will see that he uses direction, participation and coaching in an effective blend of leadership styles that meet the needs of a situation.

When direction is called for, he will set clear goals and expectations. He will be tactful, but leave no doubt that he is in charge. He solicits input from the people involved before making decisions. He takes the time to explain the reasons behind his directions and decisions, and ties them to the interests of the organization and the team members. He monitors performance and lets

people know if they have done well or missed the mark. He relies primarily on positive feedback to manage performance, but does use negative feedback when appropriate.

Frank relies on participation to get people involved and build commitment. He delegates important tasks and projects to people and lets them run with them. He brings his staff and teams of people together to collaborate in setting goals, making plans and solving problems. He encourages participation by all team members in making decisions. He emphasizes teamwork and recognizes team performance more than individual contributions.

Frank continually coaches individuals and teams to develop their capabilities. He asks his direct reports to set their own performance goals and plans to support the unit's goals. He expects people to identify problems and suggest solutions. He takes time to show people how they can improve their performance. He observes and reviews performance and provides constructive feedback. He

such as withholding negative feedback, smoothing over conflict, or putting people's feelings and happiness ahead of task accomplishment.

Frank's leadership styles are clearly demonstrated by the data from his direct reports in Figure 4.

Leadership Style And Climate

Keith and Frank illustrate how daily leadership behaviors drive climate. Reliance on Pace Setting, Social and Coercive styles undermines unit and team climate and performance. Mastery of the Directive, Participative and Coaching styles produces and sustains a high performance climate. High unit climate results in high performance.

Some leadership styles contribute to a high performance climate, while other styles detract from it.

ive and Coaching styles produces and sustains a high performance climate. High unit climate results in high performance.

The links between leadership behaviors and the six dimensions of climate have been identified through research into unit and team performance. Each of the high performance leadership styles contributes to the strength of unit and team climate. The relationship between leadership style, climate, and performance are illustrated in Figure 5.

The Directive Style is the primary driver of Clarity and Excellence and a key contributor to Recognition.

The Participative Style is the primary driver of Commitment and Teamwork and a key contributor to Responsibility and Recognition. Coaching is the driver of Responsibility and Recognition and a key contributor to Commitment.

It takes all three styles used in concert to produce and sustain a high performance unit climate. In my experience with leadership transitions, it can take from six months to two years of consistent high performance leadership to shift a low performance unit climate to a high performance unit climate. Likewise, a high performance unit climate can be ruined in six months by a unit leadership style like Keith's.

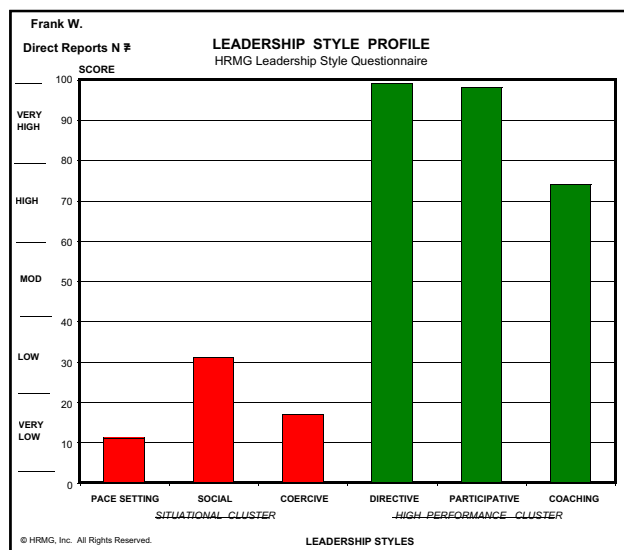


Figure 4. Frank's High Performance Leadership Style

gives people as much authority and responsibility as they can handle and recognizes them for effective performance.

Frank leavens his leadership with a dash of the Social Style. He tries to build warm and friendly relationships with his direct reports and others. However, he is careful not to put people ahead of performance. He avoids other aspects of the Social Style,

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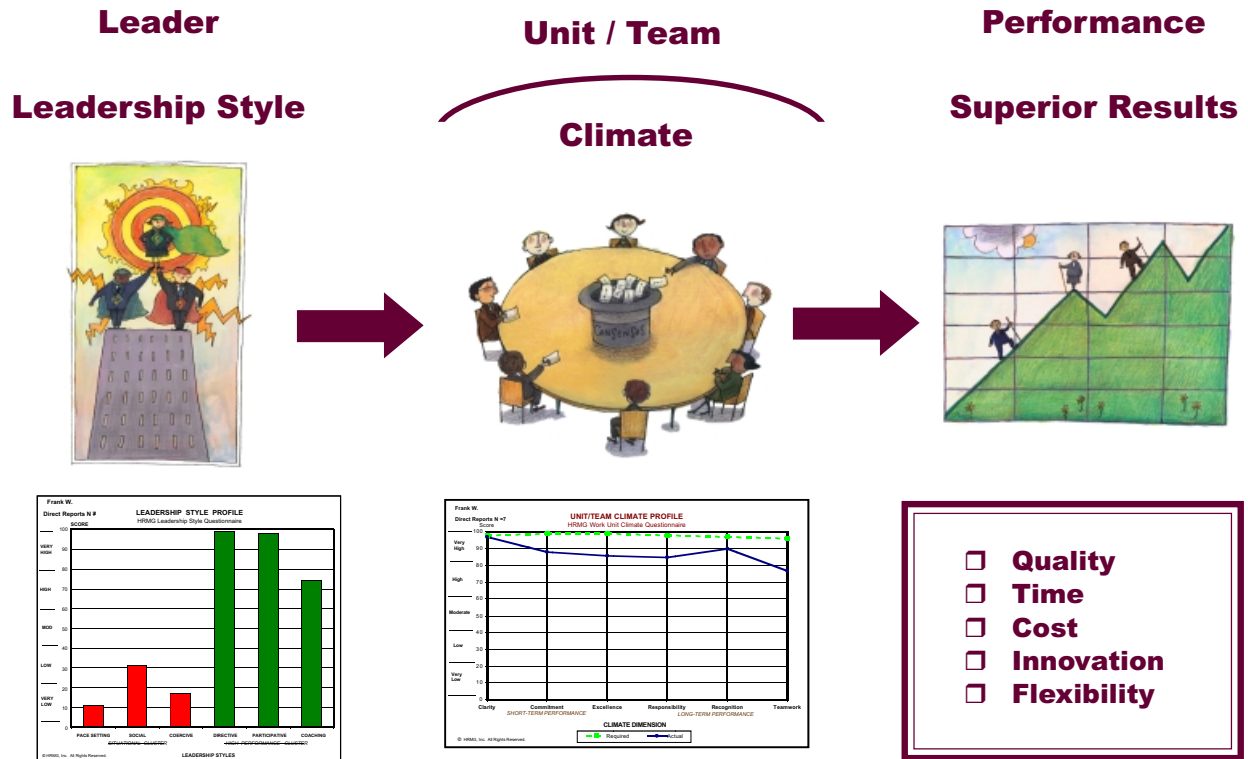


Figure 5. Illustration showing relationship between Leadership Style, Climate and Performance

Climate and Performance

Climate is a strong predictor of unit and team performance. In my experience with turnaround situations and leadership transitions, changes in climate precede changes in unit and team performance by three to twelve months, depending on the size and complexity of the unit or team. It is quite common in a turnaround situation to see climate turn up substantially at the six month point to be followed by an upturn in unit performance at the nine or twelve month point.

Developing High Performance Unit and Team Leadership

Leadership is a practice. It requires awareness and discipline. High performance units and team leadership require a leader to master Directive, Participative

and Coaching leadership styles and to avoid the Pace Setting, Social, and Coercive styles.

In my experience, mastery of high performance leadership behaviors comes easily to some people, but it is difficult for many. It is extremely difficult for some. It takes at least six months of concentrated effort for a leader like Keith to shift his behavior to the high performance style. It then takes a sustained effort to maintain that level of effectiveness.

There are several key steps for anyone desiring to be a high performance leader:

1. Set a conscious goal to develop into an effective leader.
2. Become aware of your own stress level and how you are behaving on a daily basis by

An organization that develops an abundance of high performance leaders gains a competitive advantage that is difficult and costly to duplicate.

core of every high performing organization is a key leader and a management team whose daily behavior gives rise to an energetic and creative environment in which people strive to do their best work.

developing your skills of self observation.

3. Find ways to receive accurate feedback on your leadership.
4. Practice, practice, and practice (at this step, a coach can be very helpful).
5. Become aware of your behavior in stressful situations. Stress can lead us to revert to less effective leadership behavior.
6. Be aware that effective leadership is a practice which must be continuously reinforced. Continue to observe yourself, seek feedback, and consciously monitor your daily behavior.

If your interest is in developing high performance leadership in your organization, there are also several things to focus on:

1. The first is your own behavior. Behavior modeled by key leaders has a very strong impact on other leaders in an organization.
2. Pay attention to climate and leadership. Explicitly evaluate leaders on their leadership behavior and the climate they create for their people.
3. Provide a process for leaders to develop and maintain their leadership skills.
4. Don't tolerate consistently poor leadership. Leaving people who have demonstrated that they are not interested and /or capable of leading effectively in leadership positions undermines leaders who are striving to lead well. It compromises performance and is ultimately unfair to the people reporting to the ineffective leaders.
5. Make demonstrated capability of high performance leadership a critical selection criterion for key management positions.

Daily behavior is the currency of leadership. Through daily behavior, a leader creates the environment which determines the focus, motivation and performance of the people on which an organization depends. At the

The journey to high performance unit/team leadership is challenging for individuals and organizations. Individual leaders build a clear competitive advantage for themselves by mastering the leadership behaviors described above. An organization that develops an abundance of high performance leaders gains a competitive advantage that is difficult and costly to duplicate.

Notes

1. The names have been changed to protect the identities of the people described herein.
2. Coffman, Curt W., Gallup's Discoveries About Great Managers and Great Workplaces. *The Workplace Column*, February 4, 2000, page 2.

About the Author

Lad Burgin is the President and CEO of HRMG, Inc. HRMG is a management consulting firm that helps its clients achieve and sustain competitive advantage by improving organizational performance through individuals, teams, units and customers. HRMG provides organizational and customer assessments, organizational consulting, executive coaching and leadership development services.

For more than 25 years, Lad has worked as a business executive and as a consultant to business executives and their teams. He is the former President and CEO of Gynecare, Inc. He has also held executive positions with Transamerica Corporation and its subsidiaries including Corporate Vice President, and Division President and Chief Executive Officer.

Lad is recognized internationally for his work with executives and their teams. He has consulted with 1000s of executives in more than a 100 companies in 17 different industries around the world.

Lad is dedicated to working with executives to build and sustain high-performance organizations. His expertise is in large-scale organizational change; organizational assessment and design; merger integration; business process improvement; and executive leadership and management development.

Lad currently serves as an executive consultant and confidential advisor to top executives. He does extensive work with management teams and boards of directors to improve their effectiveness. Most of his current work is with executives in Silicon Valley.

Lad is the coauthor of “Transformation to High Performance”, published by *SRI International* (Summer 1993); and *Orchestrating the Renewal: Creating and Maintaining a High Performance Board*”, published in *Directors and Boards* (Spring 1994). Lad is a graduate of Ohio State University, from which he holds a B.Sc., MBA and Ph.D. degrees.

Additional Information

The survey data presented in this report was generated using HRMG’s proprietary instrumentation. HRMG’s instrumentation was designed using extensive research performed at Harvard, Stanford, University of Michigan, Columbia, University of Southern California and the Gallup Organization. And HRMG’s work has been validated by its own research with over 1,000 focus groups, 1000s of in-depth interviews and over 25,000 questionnaires.

The Unit/Team Climate and Leadership Style questionnaires are routinely used as part of HRMG’s comprehensive Leading for High PerformanceSM leadership development program. This program guides executives through the process of becoming high performance leaders. The program is conducted over a 6 month period that includes the following:

- 3-day initial workshop,
- 2 one-day follow-up sessions,
- Private coaching between sessions, and
- 360° survey at the beginning and end of 6 months.

If you would like more information on HRMG’s instrumentation or on its Leading for High PerformanceSM program, please contact:

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Copies of the following articles are also available upon request:

- Transformation to High Performance*, SRI (reprint)
- Orchestrating the Renewal*, Directors & Boards (reprint)
- The Power of Executive Leadership*, HRMG, Inc.
- Making Mergers Work*, HRMG, Inc.