

ALIGNING THE STARS

Creating Dialogue Within Senior Teams



Lawrence S. Levin, Ph.D.
CEO, The Levin Group, LLC

INTRODUCTION

Being the CEO of a construction firm has never been more difficult. Major changes in the marketplace, increased competition, and the ability to recruit and retain top talent are among the daunting challenges facing executive leadership. The balancing act of increasing competitive advantage while decreasing risk, of managing growth while “bottom-proofing” the company, and of maintaining the culture and community of a firm while moving it into the future is a difficult, yet essential process to manage.

Yet while successful firms operate as highly interdependent teams, especially at a project level, most executive teams do not excel in open, high order dialogue with one another—especially when stakes are high and change is rampant. It is not unusual for executive management meetings to be characterized by careful, deliberate presentations or report-out formats which are so well-polished that the “real” issues never get surfaced.

It is a cliché to say that it is lonely at the top, but it is a cliché that is true—especially in this industry. Who does the CEO talk to? Senior teams are stocked with experience and talent, but most CEOs do not utilize this skill base or leverage the loyalty formed from working closely together for many years. Who do members of the senior team confide in? While meetings at an executive level occur frequently, powerful, honest, and open dialogue is rare.

Dialogue literally means an exchange of ideas. Effective dialogue is essential to produce the strategic thinking and implementation that creates unique competitive advantage.

Why is good dialogue so difficult for many competent, experienced A/E/C executives? Three reasons are:

■ CULTURE IS A MIRROR OF CEO STYLE ■

■ OLD HABITS DIE HARD ■

■ WHAT IF IT GETS WORSE? ■

1 CULTURE IS A MIRROR OF CEO STYLE

Many AEC companies have evolved from the family run or entrepreneurial model in which one person is the dominant force and usually the major owner of the company. It is normal for those at the next level, even the most senior level, to treat the CEO with a respect and diffidence that usually shows up as not disagreeing publicly (or sometimes even privately) with the boss.

At worst, a CEO can surround himself with “yes-people”—sycophants whose function is to agree at the surface level and carry out the wishes emanating from the top. This creates huge blind spots in any organization and leads to a culture of public agreement and private complaining. This makes for bad strategy, bad morale, and bad decisions, and ultimately drives talented and ambitious managers underground or out of the firm. Great companies thrive on a delicate balance between respect for leadership and individual empowerment. An aligned senior team provides the model for how culture works—what behaviors get reinforced and what behaviors get extinguished by the organization.

True alignment only occurs if people feel able to shoot straight, differ publicly, raise different ideas and dialogue fully. This ability is based on building a solid and trusting team. Being careful does not work. But being straight is not easy or without risk.

2 OLD HABITS DIE HARD

Senior meetings have a form and rhythm based on history, culture and habits. A common phrase is “it’s the way we’ve always done it.” In our work, we observe many different teams who work with varying degrees of success. One fact that seems to hold true across companies is that people know when meetings are working as advertised and when they are not productive. But this clarity is post-hoc and rarely leads to more open and productive time together.

But how often does a group step back and examine its own process? How often have you asked whether this meeting is accomplishing its true purpose—is the “right stuff” being discussed, and is the entire group being truthful, open, and authentic—conditions required for real dialogue?

Since old habits are hard to break, a shift in focus is usually required to change the approach and create the new behaviors needed to facilitate effective dialogue. Unfortunately, the impetus for this type of change is often some calamity or threat to the organization that demonstrates that business as usual is not working. Pain is highly motivating—the “burning platform” that fosters change. But pain is costly and

promotes reactive decisions. It also does not produce sustained behavior change, as people return to their comfort zone when the threat goes away. Examining meeting quality, learning new ways to dialogue, and getting to the real issues that must be addressed and resolved are essential for good senior team interaction.

3 WHAT IF IT GETS WORSE?

A common fear is that truly open dialogue creates conflict or can worsen simmering problems. Many groups choose to keep a lid on issues that are commonly known but unexpressed. This only serves to keep problems covert and unresolved.

It is certainly difficult to confront peers about their performance or their behavior. It is even more difficult to confront the boss, especially if he or she is the owner of the firm. Organizations all have stories about the tragic consequences of confronting a boss. Yet our experience is that this is largely the assumptions that create myth and legend.

Several years ago, a powerful and feared CEO of a large firm told me that he could not confide in any of his direct reports. When asked why, he responded, "they are all afraid of me." While he was sophisticated enough to know the cost of avoidance to the organization, he did not know how to break the pattern. It took a series of Executive Advances in which we dealt directly with the dynamics of the management team, what he needed and expected from them, and what he did to engender this fear, before they were able to begin to talk candidly with one another. He also, much to their surprise, asked for feedback on his effectiveness. It was only then that the talented players on this team could align to solve the very real problems facing the company, make hard decisions together, and create a strategy to move the company forward.

From a cost / benefit equation, the cost to this company of not having the benefit of effective dialogue among the senior team was enormous. Critical problems were unexpressed and unresolved, opportunities could not be realized, poor morale created a revolving door atmosphere, and the company could not be agile or creative. The benefits of dialogue were impressive: They were able to bottom proof their organization and withstand market changes, execute a critical acquisition, and restructure the management with a company-wide view to anticipate new markets. As a result, they have been able to sustain growth in volume, profitability, and talent over the past five years.

Leadership sets the tone for either candor or carefulness. Unresolved issues limit an executive team and limit what is possible for the company. **If you cannot talk about it, how can you address it and continually improve?**

This is not an easy dilemma to solve. It falls outside the usual skill set for a firm whose leaders have evolved through operations, technical expertise, business acumen and very hard work. Most leaders of AEC firms have terrific strategic and content knowledge. A common complaint is that they spend too much time on tactical project issues and not enough time on the big picture strategies. Unless they trust their senior team and their direct reports to fully understand the risks and critical company issues, leaders often stay “in the weeds,” not at the 20,000-foot level they should occupy.

- How does an AEC firm improve their ability to truly engage issues and create effective dialogue?
- What is the ROI from addressing these critical activities?
- What does it cost your firm when critical issues are unresolved?
- What must happen to “Align the Stars”—creating real teamwork among the skilled players on the senior team?

**What follows is an explanation of
the seven critical variables that constitute
“The Art of the Advance.”**

THE ART OF THE ADVANCE: ALIGNING THE STARS

Most AEC firms have periodic “retreats; but great executive teams practice the “Art of the Advance”— regular and focused time to ensure critical issues are discussed and the team plays to full potential.

SEVEN VARIABLES

SEPARATE AN ADVANCE FROM A COMMON RETREAT

1 WHEN CULTURE AND CHANGE COLLIDE...

Culture usually wins. To change a senior team’s culture, you must change its operating behaviors and norms. Culture is loosely defined as the combination of values, policies and norms within an organization. If there is a lack of alignment between any of these three areas, conflict will arise. Companies talk about culture all the time, but it is rarely examined consciously and deliberately, especially at the executive level.

The executive “Advance” must explore the company’s real culture—its norms, what gets reinforced, and what the executive team models. Behavior must be changed at the top—among the senior group—before the rest of the firm will truly follow.

When senior leadership preaches or prioritizes change, no matter how essential it may be to the company, the employee body watches how they operate together, and what their track record has been before they buy-in and implement new behavior. Organizations of all sizes and shapes regale us with stories of good ideas that are not executed, of great strategies that are poorly implemented. This is expensive in many ways, including the loss of credibility and faith in management.

If culture is unexamined, change, no matter how critical, cannot be sustained. A focused and deliberate “Advance” is a powerful environment for surfacing old behaviors and creating a flexible, adaptive and competitive culture. Established culture always beats change.

2 THE MOOSE IS LOOSE

The ability to “put the Moose on the Table” and talk openly about difficult issues differentiates an Advance from a typical planning session. Total candor and productive dialogue about difficult issues has a major impact on trust and how well an Executive Team operates.

As teams get more used to dealing directly with one another, tough issues are surfaced with greater confidence. Buckminster Fuller once said, “Not getting it is what takes the time.” To the extent tough issues are dealt with successfully and a track record is established, the “moose” get smaller, show up less frequently, and don’t smell quite as bad.

3 FOCUS ON PROCESS AS WELL AS CONTENT

An Advance focuses on how the executive team integrates to address the content issues placed in front of them. Effective relationship dynamics, clear roles and responsibility definitions, authenticity, and the clarifying how power is used are essential understandings for creating a powerful and effective management team from a group of skilled players.

Observing the effectiveness of their own internal processes is a talent rarely seen within an executive team. It is not what they get paid to do. Utilizing an external unbiased resource who is conversant in your business, has a sensitive ear for how people are inter-relating, and has garnered enough trust from the players creates a powerful ROI. It is possible to educate a group of diverse players, even technical, hard-nosed people, to willingly observe and comment on their own process of discussion; to distinguish dialogue from argument, defensiveness from openness, and progress from stasis.

4 THE SOFT STUFF DRIVES THE HARD STUFF

Alignment requires a balance of dynamics and teambuilding (the soft stuff) as well as an unwavering focus on competitive strategy, clear deliverables, and effective implementation (the hard stuff). Executives often ask “why is the soft stuff so hard?” Simply put, because they have never been trained to focus on it.

Any successful Advance will not rely on “feel-good sessions” but upon hard measurable results, with clear feedback for an effective increase in performance. Good Advances are results-driven, not “touchy-feely.” Discussion of strategy will result in actionable steps for implementation. Increasing clarity about roles will result in better accountability. Feedback will result in measurable behavior change. This is a hard-nosed business in which people invest a huge time commitment in which their livelihood becomes their lifehood. It is less stressful, more productive and individually fulfilling to work with people you trust and hopefully like, but the bottom line is still about value, about profits, and about customers and the art of communication.

5 DON'T TRY THIS AT HOME

Using an experienced advisor, coach, or facilitator is a critical success factor. Any substantive Advance must deal with real issues without censoring or editing differences of opinion. To ensure that these issues make it on the agenda, and are dealt with openly and fully, using an unbiased and experienced outside resource is always the best choice. It is important to choose wisely.

Well-meaning consultants without your industry-specific knowledge will lack context and an understanding of the AEC world. Industry experts will do a good job focusing on the content, but cannot deal with the critical dynamics. Make sure they do their homework. Interviews with team members, their reports, and a thorough understanding of the organization, its history, current conditions, culture and style, is needed for success. An effective consultant (yes, they exist) is worth the investment and the results will speak for themselves—through your people and on your bottom line.

6 IF IT AIN'T BROKE, WHO CARES?

Schedule “Advances” regularly. Building an aligned executive team requires work and frequent maintenance.

The more regular the meetings, the easier they become. Time spent on strategy, priorities, and other “front-end” work produce competitive advantage as does time spent on communication, coordination, and teamwork.

Do not wait for something to break or for there to be pain in the system before convening an Advance. This diminishes impact of the event, return on your energy and credibility of the leader. Foresight is less painful than hindsight and is the shorter path to lucrative results.

7 HAVE SOME FUN

While it is called ‘work’ for a reason, a good team needs the lubricant of laughter and irreverence to truly want to work together and produce great results! Time spent in relationship and acknowledgement of what you have accomplished together makes the good times better and the tough times shorter.

ACTION STEP

- Ask yourself—what are the costs of not addressing and resolving critical issues with your senior team?
- What message does it send to your overall company?
- Ask yourself—what could our team really accomplish if these barriers were removed?
- What value does real dialogue and alignment offer the company?
- Ultimately, what is the ROI of “Aligning the Stars” within your organization?

AUTHOR'S NOTE

Lawrence Levin, Ph.D. is founder and CEO of The Levin Group, LLC. He works deeply as a consultant and advisor to leadership teams within AEC and Fortune 500 companies. Larry has over 20 years of experience in understanding and accelerating implementation of critical initiatives within the AEC industry. He designs and facilitates executive team Advances, creating and fine-tuning top-notch senior teams.

Contact Information

404.377.9408

info@thelevingroup.comwww.thelevingroup.com