

Building Great Teams: Overcome the leadership challenges to reach & sustain high performance

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Cultivate Collective Mastery

Table of Contents

Executive Summary	2
Six Key Leadership Development Challenges	3
Five Key Desires	4
Bridging the Gap	5
The Generative Leadership Approach	6
The Generative Leadership Process	7
Conclusion	8
References	9

Executive Summary

This whitepaper focuses on one specific question,

How do leaders build great teams?

Twenty-one interviews with CEOs, other business leaders and consultants identified six leadership development challenges that inhibit team effectiveness. The interviews also surfaced five desires leaders have for their organizations.

Key Leadership Development Challenges

1. People feel stuck, overwhelmed, or frustrated, and disengage.
2. Founders & subject matter experts struggle to lead and influence other people.
3. Managers not growing into their evolving responsibilities fast enough.
4. Poorly performing teams.
5. Insufficient leadership systems inhibiting organization and business effectiveness.
6. Significant disruptive events or transitions.

Key Desires

1. People who adapt and act effectively in challenging circumstances.
2. Teams that respond creatively to the changing needs of the business.
3. A leadership culture of collaboration, learning and innovation.
4. Scale the organization to achieve its mission and goals.
5. Navigate organization transitions with efficacy

Many organizations struggle with these challenges, and the leadership development industry doesn't help by over focusing on individual leaders¹. Bridging the gap requires a mind shift to ***see leadership as a system*** enabling the organization to adapt and thrive in the evolving world. Great organizations do this by cultivating collective leadership mastery to create with what is emerging around them.

This paper proposes a ***Generative Leadership Systems Approach*** and ***Process*** to cultivate collective mastery. Leaders start by building safety, trust, truth, and awareness of the opportunities for each leader, team, and the organization. Leadership development becomes a shared journey, creating with challenges as they arise, enabling leaders and teams to scale collective leadership and build a great organization.

Six Key Leadership Development challenges

In the 21 research interviews conducted, six predominant “challenge themes” emerged. A range of comments provides deeper understanding of each challenge theme. The pandemic aggravated their impact, yet the themes are not new. Leaders and teams who strive for high performance experience these along the way.

1. People feel stuck, overwhelmed, or frustrated, and disengage

- People feel frustrated, overwhelmed, fearful, angry with change, increasing challenges, and growing complexity in their work and life.
- Dissatisfied with their opportunities to learn, grow, and make a difference.
- Feel threatened by perceived challenges to their sense of self (identity).
- Lonely, lack connection, not sure if they’re valued or belong, or where they fit.

2. Founders & subject matter experts struggle to influence and lead other people

- Lack awareness, organizational system, and relationship skills.
- Their ego/identity is tied to their area of expertise.
- Dictate their approach and micromanage implementation details.
- Resist hiring people more knowledgeable than they are.
- Unable to facilitate constructive conflict and courageous dialogue.

3. Managers not growing into their evolving responsibilities fast enough

- Haven’t completed the shift from individual contributor to manager.
- Not developing their direct reports and teams to take on more leadership.
- Struggle to manage managers, functions, and businesses effectively.
- Unable to influence and lead up and across functions and business units.
- Don’t understand or fulfill the organization’s leadership expectations for them.

4. Poorly performing teams

- Operate as independent experts without a shared purpose.
- Struggle to create effective linkages with other teams to achieve organizational success.
- Competing values and objectives
- Avoid difficult conversations.
- Challenged by time zone and cultural differences.
- Unable to integrate new members and their expertise effectively.

5. Insufficient leadership systems inhibiting organization and business effectiveness.

- Unclear or lacking purpose, vision, culture, strategy, structure, or alignment.
- Lack the right people and the capacity to develop and retain them.
- Ineffective communication, information, accountability, and measurement systems.
- Inability to consistently create and deliver sufficient value to those they serve.
- Not enough or too much process and structure for effectiveness.

6. Significant disruptive events or transitions

- Covid-19 pandemic, economic downturns, etc.
- Insufficient investment/cash flow to sustain operations.
- Departure of the founder(s), leaving a “legacy personality” team.
- Integrating organizations with significantly different cultures.
- Being acquired and having to integrate into new parent company.

Five Key Desires

Key desires that leaders expressed are summarized into five major themes. They demonstrate a strong, timeless vision of what’s possible for the organization, their teams and themselves.

1. People who adapt and act effectively in challenging circumstances.

Capacities mentioned: presence, balance, clarity, confidence, courage, growth mindset, and adaptability to create in ambiguity and fulfill their roles and responsibilities well.

2. Teams that respond creatively to the changing needs of the business.

Satisfy their stakeholders’ needs and help each member learn and grow together.

3. A leadership culture of collaboration, learning and innovation.

Foster individual and collective capacity and enjoyment in providing increasing value.

4. Scale the organization to achieve its mission and goals.

Develop the capabilities to create and deliver sustainable performance.

5. Navigate organization transitions well.

Manage transitions to sustain and improve organization effectiveness.

Bridging the Gap

Significant gaps exist between the challenges and desires leaders envision. The increasing change and complexity in the world make bridging the gaps more difficult. As gaps widen, businesses fail to thrive, and people leave. The gaps expanded dramatically during the Covid-19 pandemic. Record numbers of people quit their jobs in 2021ⁱⁱ. While fewer businesses failed than expectedⁱⁱⁱ, many now find it difficult to hire^{iv}.

Many organizations follow industrial leadership models: “selected leaders” deciding and controlling for efficiency and stability. These models were developed for the industrial economy of the 1930’s to 1950’s. They’re becoming increasingly ineffective in rapidly adapting to significant geopolitical, economic, environmental, and business model changes in the knowledge and internet economies of today.

Managing both stability and adaptability at scale isn’t simple. When businesses scale, they’re challenged to grow new capacity, expand the number of people^v involved, and address the complex, ever changing context around them. They need a creative leadership culture that focuses on creating desired outcomes, rather than simply reacting to problems that arise.

Learning and change begin with observing the organization as a complex adaptive system. Assessing the leadership culture impact opens new possibilities^{vi}. What outcomes are being created? What are the network effects on individuals, relationships, and the wider system? What is the collective leadership capacity? What is working? How could it be improved?

Consider an orchestra with one musician playing off tempo. The audience may not notice, yet other orchestra members notice. If 5-10% play off tempo, everyone notices. If a leader experiences one developmental challenge, their team will notice. If multiple leaders experience different challenges, there is a compound impact to innovation, learning and adaptability experienced by the whole organization.

Great organizations develop leadership systemically. They view leadership as a practice best developed together. They build adaptive teams integrating execution, learning and innovation. They cultivate collective leadership mastery, enabling the organization to thrive as it grows.

Leaders set the stage for building great teams by first starting with themselves^{vii}. They build awareness of their strengths and liabilities as a leader and acknowledge the gaps. They leverage the feedback and the help available. They learn through practice with their teams. They focus on one thing at a time to improve and model developing themselves for those around them.

Second, leaders develop their leadership teams. They clarify the team’s purpose. They get the right people in place. They co-create the development agenda with each team. They assess individual and collective effectiveness. They build alignment for what matters. They respect the endurance and power of the status quo and focus on the critical few capabilities to grow the desired leadership culture.

Third, leaders evolve the leadership systems to grow and scale a creative leadership culture that focuses on creating desired outcomes throughout the organization.

Consider the metaphor of leader as a gardener. Gardeners cultivate the environment for growth. They develop themselves and teach others. Leaders as gardeners grow themselves and encourage the growth of people in their organizations. They grow teams and provide them with the information and support needed for decisive action at the lowest possible level. They communicate, model, and encourage new behaviors to cultivate collective leadership capacity.

The challenges and desires above provide an initial frame. What leadership development challenges limit your teams and organization? What collective leadership capacity is required for your organization to grow and thrive? By clarifying the gap between today's situation and your desired future you generate insight to act. Although this seems simple, in practice it is more complex. Getting good support dramatically improves the results.

The Generative Leadership System Approach

This approach emerged from years of experience helping leaders bridge the gap between the challenges they experience and where they want to be. It utilizes evidence-based concepts and practices to help leaders build great organizations and businesses.

Development of the leadership system begins by building safety, trust, and truth, using the processes of True StoryTelling^{viii}. Awareness of opportunities for learning and growth emerge from sharing stories of what is working well and what could be improved.

Leaders co-create the specific steps to suit their organization's context and purpose. Leaders and teams discover together what they need to cultivate collective mastery and achieve superior results, distinctive impact and lasting endurance^{ix}.



Individual leaders develop presence, courage and adaptability as they grow their leadership capacity to guide and develop their teams. Teams develop a community of learning and practice together helping each other grow while fostering innovation, agility, and adaptability.

The journey unfolds over time, building on emerging challenges as they arise, enabling leaders and teams to scale their capacity to thrive in complexity.

The Generative Leadership Process

The Generative Leadership Process zooms in on the interactions between developing oneself and building great teams. It begins with cultivating one's capacity to observe complex adaptive systems at the different levels of scale illustrated in the diagram.

Observe – a capacity developed through refined practice, to notice what is happening in a curious, non-judgmental way and open new perspectives and possibilities.

Each leader navigates an iterative spiral of observe, identify, develop, practice, and reflect that evolves as it deepens. They expand leadership capacity and develop presence, courage, and adaptability.

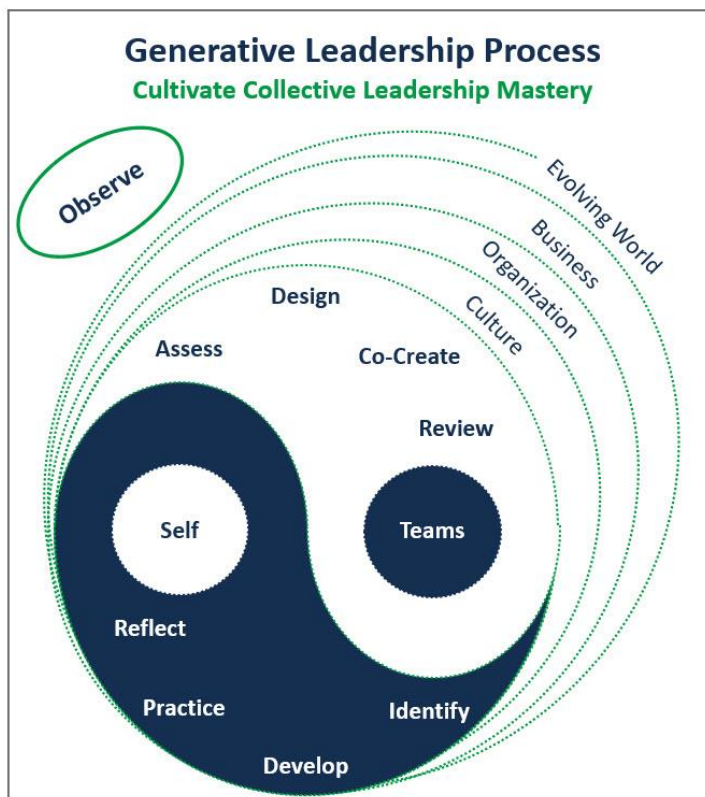
Teams also experience an iterative spiral of observe, assess, design, co-create and review. They evolve as they expand collective leadership capacity and foster innovation, agility, and adaptability.

Learning and growth occur synergistically as teams develop and individuals grow their capacity and contributions to the team.

For Individual Leaders

Identify – Clarify where one is today and where they want to be in the future. Gather insights from trusted people. Identify opportunities for learning and growth to expand creative leadership capacity within and across the broader system.

Develop – Make sense of the insights. See and explore new ways of interpreting situations. Choose and commit to develop one capability at a time. Craft a development plan incorporating presence, courage, and adaptability to support achieving the one capability improvement.



Practice – Learn and apply simple habits to navigate complexity. Negotiate past leadership mind-traps (e.g. the need to be right). Create intentional experiments to test initial hypotheses. Refine through practice with a coach and other learning partners.

Reflect – Step back to *observe* what is going on, acknowledge the growth and *celebrate* the progress so far. Continue the cycle with *identify* - what is most important to improve now? And then move to *develop* – Refine or define the capability improvement to focus on now.

For Teams

Assess – Determine what’s working today and the opportunities to improve team effectiveness.

Design – Establish a clear purpose and desired future state for the team and craft a development plan to get there. Commit to working and developing collective leadership mastery together.

Co-Create – Learn and practice new habits to increase innovation, agility, and adaptability. Develop collective leadership capacity and a community of learning and practice based on safety, trust, truth and opportunity. Invite all team members and stakeholders’ voices to be heard and respected in creating desired outcomes.

Review – Periodically step back to *observe* the growth and *celebrate* the progress achieved. Continue the cycle with *Assess* – what is the next step to accelerate building collective leadership mastery? What is needed from each team member to help the team?

Leaders and teams deepen their capacity and expand their influence and impact across the system as they learn and practice leadership together. The magic of this work lies in the organic nature that arises from people helping each other grow in a community of practice.

Conclusion

The evolving world, full of uncertainty and complexity, provides surprises, challenges, and opportunities for organizations. Individual leadership development alone is insufficient. Great teams and organizations must develop collective leadership mastery to adapt and thrive.

Consider what aspects of your leadership culture are working well, and which area if improved would make a significant difference. Use the steps above to first develop yourself, then collective mastery with your team, and finally evolve the leadership system and culture for your organization. It isn’t always easy. Seek out learning partners who help you and your teams develop what you need to scale your organization and build a thriving business.

References

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- ⁱⁱ [People Aren't Just Quitting Their Jobs, They're Redefining Success, Arianna Huffington, Inc.com](#)
- ⁱⁱⁱ [Pandemic destroyed fewer U.S. businesses than feared, Fed study shows](#)
- ^{iv} [US businesses struggle to fill jobs even as hiring picks up](#), June 4, 2021.
- ^v [See Short Story: Rule of 3 and 10 \(Hiroshi Mikitani, CEO of Rakuten\)](#).
- ^{vi} Thanks to Ken Long, Founder, [Tortoise Capital Management](#).
- ^{vii} [Scaling Leadership: Building Organizational Capability and Capacity to Create Outcomes that Matter Most](#), by Robert J. Anderson and William A. Adams, ©2019, John Wiley and Sons.
- ^{viii} Thanks to Ken Long, Founder, [Tortoise Capital Management](#).
- ^{ix} See Jim Collins' series of books on building great companies: [Built to Last](#) (1994), [Good to Great](#) (2001), [How the Mighty Fall](#) (2009), [Great by Choice](#) (2011), and [Beyond Entrepreneurship 2.0](#) (2020).