

**MANAGEMENT, LEADERSHIP AND THE TEAM GAME**

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Executive Summary

This paper examines, from a practical perspective, the systemic weaknesses in 'traditional' methods of assessment, training and reward for corporate executives, and the implications of those issues for organisational performance. It also examines the primacy of functional competence over values and behaviours in many companies, and concludes that the team dynamic of senior leadership teams in hierarchical organisations is often implicitly (and perhaps fatally) flawed.

*'It's amazing what you can achieve when you don't care who gets the credit' Anon*

### ***Nature vs Nurture***

Can leadership be taught? Some years ago, I saw an interview with an ex-Commandant General of the US Marine Corps, in which he was asked a question along the lines of "How is it that the US Marine Corps recruits men and women from such a wide demographic and intellectual cross-section, and some years later returns those people to society, with a value set and attitude which empowers many of them to go and achieve great things in diverse fields?" This insightful question might almost be expected to spawn a thesis or a book in response. The General's answer was however very short and to the point: "We recruit the right people."

Does this point to hierarchy of nature over nurture in leadership? I don't think so however, that one phrase does generate some interesting issues. The military recruits men and women as officers first and functional specialists second. This is particularly highlighted in the RAF, where the honest truth is that I and many of my colleagues joined up almost solely because we wanted to be fighter pilots, a desire supported by some combination of commitment to public service, wanting to be pushed to our limits, and having watched *Top Gun* 14 times. However what the Air Force recruits is not pilots but General Duties (Pilot) officers. You are recruited as a General Duties officer specialising in the pilot role. This distinction was probably lost on all of us at that stage, however it is an important one, which drives the whole selection process.

Pilot selection lasts 4 days of which only half a day is devoted to specific pilot aptitude testing. The remainder comprises an in-depth medical, an interview, psychometric testing, and two days of group exercises, with all candidates leading an exercise at some point, but also including several leaderless tasks. So 50% of the initial selection process for what appears to be a very technically- or skill-based job is actually devoted to assessing behaviours and attitudes in team-based environments, and leadership potential. You have to have potential in both your functional skill set and your behavioural traits. It doesn't matter how good you are at 'the pilot stuff', if you're not made of 'the right stuff', the dream stops right there at the selection centre.

The key word here is potential, and that is what negates the nature over nurture argument. Probably not everybody has it is in them to be a Churchill, a Mandela, a Geldof, or a Gates. Equally, there are almost certainly people who are destined to be leaders, and will achieve greatness irrespective of formal development. Sometimes this will be through their own desire and ambition; more often it is likely to be situational, rising to a challenge or opportunity – the right person at the right time. However what of the rest of the human race; can they not be great leaders? Of course they can, however the door has to be open. With the right basic attitudes already in place, the military and many other organisations have been very successful in developing generations of leaders, taking what's there already and making it better. My own experience absolutely aligns with this argument. When I joined the Army for a year aged 18, on a Short Service Limited Commission, I had no prior military experience of my own or in any of my near family. My first month, at the Royal Military Academy Sandhurst, was an eye-opener to put it mildly. However the values, professional standards, and attitudes that I learnt in that first 4 weeks have probably influenced me more than any development I subsequently did over the next 25 years; the door was open.

So if you want leaders, you need to recruit against leadership potential, not just against functional expertise. Nature may well bestow advantage on some individuals, however with the right basic attitude, nurture will empower many many more people to become highly successful leaders.

***You get the behaviour (performance) you train for***

Several years ago, Mission Excellence ran a whole series of team development workshops for the field sales force of a major pharmaceutical company. The challenge identified by the senior management was getting the sales reps to buy in to the fact that success within the geographical sales teams was actually ‘a team game’.

This concept of ‘a team game’ is itself worthy of comment. In ‘The Wisdom of Teams’ (McGraw-Hill, 1993), Katzenbach and Smith identify an importance difference between ‘teams’ and ‘working groups’. To paraphrase their idea, a working group is a group of individuals for whom the output is simply the sum of the efforts of the individuals. If all the sales reps work completely independently, and the total output is simply the combination of their individual outputs, then there is no point pretending that they are a ‘team’. They may well have common ground and some shared vested interests, but there is no significant degree of interdependence between them. The advantage of this approach is that you do not have to invest time and resources in team meetings, resolving conflict, and organisation and alignment of effort. If however, the task can only be achieved through cohesive effort, with individuals and sub-elements of the team highly dependent on each other, then you need to make ‘the team work’. The lesson here is not to pretend to be teams, or try and force a team solution on a problem or environment which doesn’t require it. Team working is a lot harder than just adding up the individual inputs, so there needs to be a clear benefit in going down this route.

Back at the pharmaceutical company, as part of the preparation for the workshop programme, I spent a day with a sales rep out ‘on the road’, after which the senior training manager asked me for my perceptions of the working practices I saw. I think that she was slightly disappointed that my feedback ran to only 3 comments:

- You get the behaviour (performance) you train for
- You get the behaviour (performance) you reward
- Teams need leaders

In common with many pharmaceutical companies, this organisation ran an induction programme which was primarily based on developing professional knowledge (dominated by efficacy of branded drugs compared to the competition), and sales skills. Reps were then delivered into a relatively complex team environment, to start work. My point was that you wouldn’t dream of sending reps out to talk to doctors without equipping them with the professional knowledge and sales skills to do the job, so why would you expect them to be any good at team-working (another critical aspect of the role) without any training? However behavioural development barely figured in the functionally dominated training programme.

Variations on this theme are manifold. I don’t know how many employee feedback surveys we have seen which are coloured green all the way down from the top to first- or second-line management, and amber or red below. First-line manager is again and again the point where things break down. Why is that? It’s back to the same problem of functional competence vs behavioural attributes. That first critical promotion to manager is almost invariably based on functional performance – before you make

first-line manager, there is often little or no opportunity to demonstrate management or leadership competency. However, the skills to lead the team are clearly different to the skills to be on the team. Why would the best engineer make the best team leader? The problem becomes particularly acute in professions which require high levels of specialist skill or intellectual ability, or where professional competence carries high kudos.

A client who developed specialist software approached us on this exact issue. Not only were the best software developers not great team leaders, they didn't particularly want to be. The catch-22 of this situation was illustrated to me by the head of trading at a Scandinavian bank. Not wholly seriously, he described his best trader as a psychopathic aggressive nightmare. This combination of personality and attitude, he pointed out, did not necessarily make that individual the best manager of others. However if he promoted other 'better rounded' individuals to management roles, they did not carry credibility (due to being less successful) with the people they managed, so the very successful traders on the floor simply paid lip service to management (see the next section for further development of this sort of problem).

However, perhaps the best examples of the issue of competence vs behaviour are in professional services and healthcare. Spending your life as a medical student, and then doctor, always coming near top of the class, and never really failing at anything, with significant social proof and reinforcement of your superior academic status, is not always conducive to a humble participative leadership style – exactly what I might want in the surgeon operating on me (as well as very high skill levels!!). We have done quite a lot of work with law firms, which also face a similar issue, compounded by the organisational set-up of many partnerships. People become lawyers for a myriad of reasons, but almost certainly including a natural interest in the area, enjoyment of intellectual challenge, and attraction to the financial rewards. Junior lawyers want to become partners because then they get the biggest meatiest most challenging cases, the role carries a lot of kudos, and you get the highest remuneration. They don't often want to be a partner in order to take on a wider management or leadership role, which is exactly what comes with the territory. In fact, we have seen more than one example of that wider responsibility simply being abrogated. It's your software developer problem taken to a whole new level. Add to this a scenario where all the major shareholders come into the office every day (imagine running GE like that), the Managing Partner is often a first amongst equals, and major decisions all require committee endorsement. This environment is going to have some leadership and management challenges.

The military solution is simple: to train future leaders from day 1, and to regard high levels of functional competence simply as an essential requirement – something which goes with the territory. An individual may join because she wants to be a fighter pilot, but whether she likes it or not, she gets a thorough and career-long grounding in leadership and followership, and high performance against these criteria is essential for advancement. Officer first; pilot second.

Now I don't pretend for a second that the military offers any perfect solutions and that there haven't been spectacular examples of poor military leadership over the years. And I also note that the various non-military sectors have produced some exceptional leaders who could have held their own in multiple fields, including the military. However, given the challenges of the environment, and the task, and having observed many commercial organisations over the last 7 years, it is my belief that there are certain aspects of the military approach which deserve deeper consideration.

When I joined the RAF, my only ambition was to be a fighter pilot. But first I had to ‘jump through this hoop’ called Officer Training. Now at the time, Officer Training was, in my mind, basically about polishing shoes, saluting, marching and running around carrying pine poles for 4 months (it has since been extended to 8 months). It was simply something to be endured until I got to start my flying training. However, I now rationalise it rather differently in hindsight. Before I ever got my hands on an aircraft, I had to do this course on brand values, organisational history, the role of air power, leadership and teamwork. And only if I pass that course, will I get to learn any functional skill. As officers, leadership is what we do; that IS what the job is. It doesn’t matter how functionally brilliant you are, if you don’t demonstrate the right behaviours, and leadership potential, you never even get beyond first base.

And this theme of cross-functional non-role-specific training continues throughout your whole career. Junior officers must attend a 4-week course prior to further promotion. At Squadron Leader level, the first above junior officers, there is a similar 8-week course, and at Wing Commander level (the level at which one might command one’s own squadron), there is a full year of further leadership development at Staff College to prepare officers with both the functional skills and the leadership competencies for higher command. And it goes on through the more senior ranks.

Before summing up, one should note one critical aspect of this continuous leadership development: it’s experiential. The vast majority of leadership training I have seen in the non-military world involves some combination of study and improved self-awareness, for which there are a vast number of case analyses, courses, books and psychometric tools available. Although the self-awareness aspect is in some senses a form of development, I am not sure you can call any of these things leadership development in the most literal sense. Learning more about leadership is not the same as becoming a better leader.

This fact is highly relevant to business education. I was fortunate enough to attend an MBA programme at one of the world’s top business schools, which was a fabulous experience in terms of the average quality of classroom instruction, the breadth of the learning opportunity, and the people I met on the course. The first few days of the course were almost all about personal development and leadership. The last 3 days were all about reflection and where you go from here. The 2 years in the middle were almost exclusively about functional competence. Even an (excellent but optional) course on Leading Teams and Organisations, included only 10 minutes in which you were actually assessed as a leader, and that was merely by a couple of your classmates on how well you managed a role-play meeting scenario. The absence of practice, feedback, reinforcement, and further practice simply cannot be called development. Leadership development training must simulate the stresses and decision-making of real-world leadership situations in order to be effective. And performance must be assessed and accompanied by high quality feedback in order to deliver real value. Leadership is not a theory; it is a practice. Even outside the training environment, the same principles still hold with regards to development, the evidence of leadership performance possibly coming from executive coaching or 360 degree feedback. Of course, if you are an expert in the practice of debriefing, you will be getting this sort of high quality feedback every day without resorting to external facilitation.

MBA courses and the like can clearly add hugely to the inventory of skills and experiences of the developing manager. However, what many schools claim, is to be developing future global leaders. Can that really be true when there are few stretch experiences other than workload management and occasional intellectual challenge, no assessment of team performance other than output produced, and no feedback on team dynamics or leadership of group tasks (and I have every reason to believe that my

experience was far from unique) . Ironically, the un-backed up claim to be developing leaders has created a rod for the collective business school back, as they are now tarnished with having produced the people and behaviours which precipitated the global financial process of 2008-9. This is clearly ridiculous. You wouldn't blame a university for Hiroshima because it taught the physicists who went on to develop the bomb. Business schools would do better (and be more accurate) to claim to teach business skills. What you do with those skills is up to you. If business schools genuinely want to develop future global leaders, then a paradigm shift is required to an approach where leadership potential is as important as GMAT score in selection, the 'how' is as important as the 'what', the analysis and the recommendation are the start point, not the end point, there is a singular focus on what it actually means to be an executive and a leader, and the highest standards of functional expertise are simply a pre-requisite for the primary job of leadership. Leadership is not a theory; it is a practice.

### ***You get the behaviour (performance) you reward***

Simply equipping managers with the right behavioural traits and skills ultimately achieves no more than exactly that. As to what actually happens subsequently, you get the behaviour (performance) you reward, or to put it another way, what gets measured gets done. This alignment of incentive with desired output seems so blindingly obvious, it's almost inconceivable that anybody could get it wrong. However as pointed out by Stephen Kerr in his seminal paper, 'The Folly of Rewarding A, While Hoping for B', (Academy of Management Journal, Dec 1975), organisations of every sort have been getting this wrong for a very long time (and continue to do so!).

The most common dichotomy is between performance and behaviour. Investment banking is generally a good source of examples where an organisation puts a heavy emphasis on the team franchise and a certain set of values in all its marketing promotion and recruitment, but ultimately only rewards financial performance. I remember a class discussion at business school dissecting a (true) case study issue faced by a managing director at one of the major investment banks. The problem was whether to promote a high-performing individual who was acting in a way in direct contravention of the values and behaviours espoused by the institution. I was forthright in my opinion that, the individual having had several warnings and chances already, the only credible answer to the promotion dilemma was an unequivocal 'no'. I was pretty surprised how many of the class held a more equivocal position. What was more telling was that after the debate, a colleague on the course who I had a lot of respect for, and worked in an investment bank, came over to chat about my comments. It wasn't so much that he disagreed; he simply didn't understand my perspective, and said that in his experience, the individual would be promoted every time.

The problem with this is two-fold. If the values and behaviours that you are espousing as a senior leader really are that important, then the individual who is failing to adhere will ultimately drag the team down. Perhaps more importantly to you as a leader, he will also drag you personally down. The words coming out of your mouth will be seen to be meaningless, when someone who acts in direct contravention still gets promotion. In order to embed the 'right' behaviours, they must be routinely and consistently demonstrated by senior management, role models must be deployed, and there has to be public reward and recognition of those behaviours. You get the behaviour you reward.

Note that I am not saying that the investment bank is necessarily wrong to promote the individual. It may be that behavioural issues are not that important, in which case let's not pretend otherwise and let's just revert to survival of the fittest and promote the winners; as long as you are honest about it, there's nothing fundamentally wrong with this. However, if behaviour is important, then as a leader,

not only must you lead by example, you must also walk the talk when it comes to reward and recognition.

Jack Welch, a clear thinker of the highest order, brings some valuable insights to this subject in his book 'Winning' (Harper Collins, 2005). He identifies 4 categories of performance:

- Hits the numbers; right behaviours
- Misses the numbers; right behaviours
- Hits the numbers; wrong behaviours
- Misses the numbers; wrong behaviours

Dealing with the first and last options in the above list is pretty easy; promote and sack respectively. The second option is also not too demanding; that is somebody you want on your team so you will invest some time and effort in coaching and developing that person to improve their performance level. The tricky one is the third option: somebody who is delivering results but not in the right way. Again, there is a case for coaching and development, but what to do if that fails? Sack a sure fire winner? As we have seen above, the answer is an unequivocal 'yes'.

For a common practical example of this misalignment of reward and behaviour, we return to the pharmaceutical sales teams described in the previous section. Whilst senior management placed great store by the importance of team performance, bonuses were paid primarily on individual performance (it was actually subtly more complex – see further below). So if I am a very successful individual sales rep with years of experience, what incentive do I have to buy in to this 'team game'? My time would be better spent looking after my own interests. Katzenbach and Smith identify 'mutual accountability' as one of their core pre-requisites for high-performance teams. I couldn't agree more with this; many times military and sports teams are held up as examples of great teamwork, however one thing which generally differentiates those teams from others is this issue of mutual accountability. Either everybody wins, or everybody loses. We are only measured by collective performance. Individual expertise is irrelevant if not translated into collective excellence (with apologies and thanks to Michael Thirkettle at McBains Cooper for blatant reworking of his strapline).

Of course, the corporate world is often not as neat and tidy as a football team or a military operation in measuring success. If mutual accountability is not intrinsic to the modus operandi, one easy way to generate it is through both financial reward and other measures of recognition, being tied to measures of performance apart from individual results. However, the complexities of large organisations, the inherent preference of individuals and organisations for individual, rather than team, accountability, and the misalignment of management's (short-term) interests with shareholders' (long-term) interests, make alignment of effort and reward somewhat more complex than meets the eye.

I used to think that the pharmaceutical company had actually done quite well in their bonus scheme. Although it didn't incentivise team performance, it was more complex than simply rewarding individuals. Any one rep's bonus would a function of both her individual performance and the company's performance. The company bonus level would define maximum bonus levels for the year, whilst the percentage of that which an individual actually received was defined by their annual assessment. If the company had a bad year, then no-one got anything; if the individual performed badly, then they got a reduced sum, whilst other higher performers reaped greater rewards. I kind of liked this combination of individual and corporate assessment – you need to do a great job, but also, we're all in it together. The fallacy was punctured for me by Warren Buffet in Cunningham's 'The

Essays of Warren Buffet' (John Wiley & Sons, 2009). Buffet brings his usual clarity of thought to the issue of corporate reward and whilst being a fan of collective performance assessment, believes that the principle only holds good to the level at which the individual can influence collective performance. Why should a team which has done brilliantly not reap the rewards, just because another part of the organisation, over which they have no influence, has dragged collective results down? As an aside, Buffet also has some interesting thoughts on reward for the top team, focusing in particular on long-term performance metrics (other than share price), the impact of retained earnings, and the alignment of the issue of stock options with desired performance.

Another nice example we saw of misalignment was in a company which operates in the charter and sales of luxury transport. The MD described to me the difficulty in getting people to buy into the 'one team' concept. 'Charter' were very keen to keep charter clients; even where clear buying signals were being given off, they were reluctant to hand them off to 'Sales' – they might get another year of charter out of them, at the risk of their making an outright purchase elsewhere. When asked about how 'Charter' is rewarded for generating sales opportunities, the answer was along the lines of 'well they know I have always done something – a bonus or a present or something'. So the MD wanted to maximise TOTAL lifetime value of a customer, but rewarded only short-term divisional performance, other than a non-specific promise of 'a present'. I know where my loyalty would lie.

The RAF solution to reward and recognition is of course, also imperfect, not least through low levels of personal recognition – it's almost expected that you'll always do a great job to the best of your abilities. However promotion (the most obvious form of recognition (and reward) in the military) is consistent with the philosophy underpinning recruitment and training. There is a heavy emphasis in all flying operations on leadership and the 'one team' aspect. In fact the latter is so deeply embedded, that it would be alien for an aircrew officer to think about it any other way. It's not about how good can I look, but all about delivering the external task. The forces operate no form of financial reward or bonus, and so the incentives are really around professional pride, personal satisfaction, and peer group credibility. Where these become somewhat more objective is in individual annual assessments, where in order to be in the bracket for promotion, one must be assessed as 'above average' both in professional competency, and in leadership attributes. It is simply not possible to get promoted on functional competence alone.

So having trained in leadership and behavioural traits, in order to embed them as a reality in the organisation, we need to reward and recognise the right behaviours. The issue of financial reward for business performance is probably the easiest example of misalignment to understand. There is however, a wealth of academic evidence which indicate the limitations of financial reward as a motivator (see for example, 'Why Incentive Plans Cannot Work' by Kohn, Harvard Business Press, Sep 1993). If you get a big pay rise, it's a big hit for a few months, after which it's just what you get paid. Other forms of recognition may be equally or even far more effective. Whatever form of reward and recognition is used, some things will always be true. You will get the behaviour you reward; what gets measured gets done.

### ***The problem with senior leadership teams***

If we refer back to the concept of the fighter mission, one interesting factor highlighted in that discussion was the issue of who leads the mission. You have all these different elements all operating under their own line management, often with a multinational makeup, where individuals often have limited or no formal rank authority across national boundaries. This is clearly a pretty complex messy

scenario in the context of the legacy system of command and control. However the answer to the leadership question was remarkably simple. The person who leads is the person best equipped to lead. What happens is that a lead element will be nominated dependent on the nature of the mission; normally that element will be chosen from one of the mission critical sections. Within that element, a suitably qualified and experienced individual will then be nominated as the mission commander. The interesting thing here is that the mission commander will not necessarily be the most senior person. So I can be flying as leader on this big mission as a junior officer in the British Forces, with a Saudi general and an American colonel on the same mission, but in the context of the mission they defer to me. Once again, we organise ourselves according to the external task, and are not limited by internal structure, or in this case hierarchy.

This might not sound such a big deal, and largely makes a lot of sense. However think about the reality. My boss might be flying as ‘number 4’ in my formation. Nothing changes the fact that he’s still the boss and is the senior line manager. However in the context of the mission he defers to me – something fairly extreme would have to happen for him to utilise his seniority whilst operating in the subordinate role. So the boss might arrive in at work and come to ask me what needs doing. And I reply that everything’s under control. Basically as number 4, he only has some minor responsibilities within the formation and is the ‘gofer’. With nothing specific to do, the boss might then just revert to making coffee or bacon butties for the rest of the formation.

There is some interesting fallout from this concept: the boss gets regular practice at being in a subordinate role, at being *on* the team, rather than *leading* the team. Contrast that with the concept of a senior leadership team. People form the senior leadership team with 2 hats on. On the one hand, team members are generally some sort of functional head; they are present due to their role and responsibility as a functional leader. However as senior leadership team members they also have a collective responsibility for the performance of the whole business. The challenge herein is that the leadership role and the team player (or ‘followership’) role require a different set of behaviours; it’s about *choosing a behaviour* appropriate to role.

Now the reality is that apart from the CEO and perhaps one or two others who have a true organisation-wide responsibility, those senior leadership team members spend about 95% or more of their working days doing their leadership role in charge of their function; they’re not getting a whole lot of practice at the team player role. Compounding this lack of practice is the fact that those people who made it that high in the organisation are often alpha types who far prefer the responsibility of leadership to the subjugation of personal interests and ego required of the team player. It’s like politics – the traits you want in your ideal prime minister are almost the opposite of the sort of traits it generally takes to get you there.

What’s the output: a dysfunctional senior leadership team. I have seen more than a few examples of senior leadership team meetings where individuals are clearly more interested in defending their own turf and scoring points at the expense of other functional heads, than they are in collectively owning and addressing the wider business issues.

It takes a particularly high level of emotional maturity and intelligence to be able to take a purely objective perspective on what would be best for the organisation, without reference to, and indeed perhaps at the expense of, any personal agenda. Ironically when one sees issues (relating to the team dynamic and team performance) in a senior leadership team, the root causes are rarely more difficult or complex than in teams at any other level; you just tend to be dealing with some bigger egos. Of course

it's easy for me to sit here and pontificate from the sidelines, however the solution is no different from above – you get the behaviour you train for, and you get the behaviour you reward. I would refer you back to Buffet on the issue of appropriate performance measures for senior leaders; what is clear though is that such measures must capture collective (long-term) performance of the top team, and that that element should be a significant factor in determining reward.

### ***Team Banking – a case study***

Our client was a wealth management company. The structural set-up was that private bankers (PBs) were formed into both client sector and regional teams, with each PB having their own client list. When a new MD took over the role, the business was clearly living on past glories and significantly underperforming against its potential. Before describing any further detail of the actions taken, I should point out that we can take only very limited credit for the success described below – the key elements of the development strategy were already worked out by the MD before we were engaged to support it.

The first step taken by the MD was to introduce formal performance management for PBs. That alone produced a marked improvement, but with bonuses ultimately capped, its effect was finite. So he uncapped bonuses. This had a predictable motivational effect, but with only 24 hours in the day, and 7 days in the week, again the effect was finite. And as pointed out above, a pay rise simply moves the expectation bar. Furthermore the MD started to wonder if fundamental concept of a 'sole trader' model with PBs running individual client lists might be flawed.

Firstly he wondered if a well organised team might be able to actually service more clients than the sum of the individuals; not least it would introduce redundancy and mutual cross-cover e.g. for leave and sickness. Secondly financial services products have become increasingly complex in recent years, and so it was near impossible for any one PB to have in-depth expertise across all relevant professional areas, but since his bonus was determined largely by funds under management from his clients, there was little incentive for him to introduce one of his colleagues with more relevant professional expertise for a particular issue, or for the colleague to offer her time for that purpose. Finally when a new PB joined a team, there was little incentive for PBs to spend time developing the new team member or to transfer any high quality (valuable) clients to the new team member.

So the MD decided to introduce 'Team Banking'. PB teams would share a common client list across the team in order to address all of the above. The initial reaction of many PBs was extremely negative. A few 'stars' immediately jumped ship to competitors, who they thought would better compensate their individual talents, whilst many of those remaining were vociferous in their opposition. However, even a pilot scheme gave grounds for optimism. And 2 years down the road, the system is fully embedded, with PBs increasingly committed to the team ethos, client feedback has been extremely positive and funds under management have actually increased.

Why did it work? Key to success was overt and proactive executive sponsorship. Team Banking became the common theme in all internal communication, providing constant positive reinforcement. Most importantly though, Directors and Senior Managers were trained in leading teams, whilst PBs and Private Banking Assistants (PBAs) were trained in team working, including facilitation of individual team effectiveness workshops. And the reward system was changed to recognise the importance of team-based behaviours. The legacy sole trader system of individual bonuses was replaced by a bonus system based on individual performance, team performance and the results of 360 degree feedback. It

would perhaps have been a step too far to completely remove the individual element, however one should not underestimate exactly how big a change it was to have any element of collective performance and behavioural assessment in the bonus calculation. The use of 360 degree feedback in this context is actually fairly contentious – the use of development tools for assessment purposes is strongly discouraged in HR circles (the impact of feedback on pay is highly likely to skew the objectivity of the process, and therefore dilute the value), however it did make a clear statement of intention; what gets measured gets done.

The MD deployed some other trump cards during the change process. One was to put one of the loudest cynics in charge of the pilot scheme. When this proved a great success, the former cynic was then utilised as a highly credible and influential internal champion. And the MD also included PBAs within the reward scheme. The effect of the latter was immediate and dramatic. During the pilot scheme phase, when the MD visited the legacy teams, it was business as usual with PBAs simply getting on with the job as normal. When he visited the pilot scheme teams, he noted that when a PB came into the office, the reaction of the PBA was to kick her back out. The PBA now had a far higher vested interest in the PB's contribution to the team effort.

It is difficult to accurately portray the scale of cultural and organisational change which occurred in this client; it had been doing business using the sole trader model for more than a hundred years. However a combination of executive sponsorship, 'over-communication', deploying of role models and most importantly, training and rewarding the right behaviours, produced a dramatic transformation in less than 18 months. The core lessons apply across the spectrum from the development of first line managers and teams, to the dynamics of senior leadership teams.

### ***Summary of Key Points***

- Nature vs nurture
  - Nature bestows advantage on some people in the leadership game
  - However nurture can take just about everybody to a higher level of leadership competence
- You get the behaviour you train for
  - Training only in functional competence will not deliver team players or leaders
  - The best functional performers will not necessarily make the best managers and leaders
  - Train in leadership as well as specialist skills from day 1
  - Leadership development should be experiential; leadership is not a theory, it's a practice
- You get the behaviour you reward
  - What gets measured gets done
  - As a leader, you MUST reward and recognise the right behaviours; AND deal with the wrong behaviours
  - If it's a team game, make the team mutually accountable
  - Reward collective performance only up to the level at which it can be influenced
  - If promotion means wider management responsibility, then make leadership performance a pre-requisite
- Senior Leadership Teams
  - Leaders must choose a behaviour appropriate to role
  - Instill objectivity and collective responsibility in top teams

## *About the author*

Justin is Managing Director of Mission Excellence, an organisational performance consultancy specialising in execution. It helps clients to deliver operational change through embedded personnel, development programmes and consultancy with 2 key areas of focus: Operational Excellence and Risk and Safety Management. Methodology is based on consultants' personal experience of delivering results in complex high-pressure environments. The company works with some of the world's most successful organisations including global corporations (e.g. 3M, Accenture, IBM, Procter & Gamble), professional sport (e.g. premier league football, F1, British Cycling), not-for-profit (e.g. NHS, County Councils) and on academic programmes (e.g. 'Masters in Major Programme Management' at Oxford University and 'Executing Strategy for Results' at London Business School). Justin built Mission Excellence from a zero base, managing both business growth and overseeing the development and delivery of consultancy and training services for clients throughout Europe, the Middle and Far East and Africa.

In addition to core Mission Excellence activities, Justin is a renowned presenter. He has addressed Europe's biggest gathering of business leaders, the Institute of Directors' Annual Convention at the Royal Albert Hall, and the Middle East's premier leadership forum, 'Leaders in Dubai', alongside Kofi Annan and Sir Richard Branson. He is a seed investor and founder partner in a retail fashion business, in particular advising on marketing and finance, and is a non-executive adviser on organisational performance and risk management to Inox Global Capital Management, a long/short equities emerging markets hedge fund. Justin previously helped 2 doctors to establish Europe's premier international trauma conference for clinicians, profitable from the first event with negative working capital, achieved by exploiting corporate sponsorship, a flexible fee model and distribution via internet and social media. He also helped develop strategy and operating models for aviation and internet start-ups and mentors the founder of a community interest business.

Prior to Mission Excellence, Justin's first career was in aviation. He joined the RAF aged 23 and during officer training, was awarded the Wilkinson Sword for outstanding leadership and graduated as top cadet of his entry. After completing flying training, Justin went on to fly the Tornado F3, a front-line air defence fighter aircraft. He has taken part in both training and operational deployments all over the world, including in UN peacekeeping operations in Bosnia. On the Tornado he was qualified to lead any scale of mission in any theatre, and was subsequently selected for the Red Arrows. Justin served for 3 years on the Team performing over 250 displays worldwide including 3 international tours. He was Deputy Team Leader and Executive Officer, responsible for operational day-to-day management of the team, a hand-picked group of 9 elite pilots and 90 support personnel.

He has an MBA with Distinction from London Business School and a BSc (Hons) in physics from the University of Bristol.

For more details see [www.missionexcellence.com](http://www.missionexcellence.com) or call 020 3207 9533.