

## **‘Immature leadership teams’**

Written by Declan Woods and first appeared in CriticalEye, 24 February 2011.

This article is a response to a leadership challenge faced by a CriticalEye member who, as CEO, recently took charge of a leadership team and found that most members had been promoted above their experience and were immature as a corporate team. The CEO is deciding whether the organization should invest in them (to improve their skills) or 'get rid' of them to be replaced with managers that are more qualified.

### **The situation**

This CEO sounds very unlucky to discover at this point that her entire team is immature. However, most incoming CEOs face a phase of assessing their inherited team, deciding who is fit to stay and who may need to go, then making a plan for the right timing to address any concerns and this is an on-going part of the CEO's role. We also don't know in this scenario how the lack of experience and immaturity is showing up in or impacting upon (team and organizational) performance, what the team are actually good at despite their 'deficiencies', or what and how better alternatives are available. It is easy to imagine, when faced with this situation, that an incoming CEO might make changes in haste with longer term consequences. Answering these questions before acting will therefore provide a range of possible options to consider and help arrive at a better outcome for everyone concerned.

Any right-minded CEO will be aware that the decisions reached will have a systemic impact on performance, on the culture in the business and their personal brand and would take appropriate action to ensure they maintain balance, resourcefulness and focus on all fronts.

### **Developing the corporate team**

An often-unchallenged assumption is that the organization actually requires a corporate team (who are capable of achieving more than a group of individuals) and one that acts as such. If so, this would suggest it is worthwhile investing to develop the whole team. If not,

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one option is to target individuals for specific development (e.g. critical placements to fill gaps in experience, shadowing or mentoring).

The CEO has to balance investing to develop versus replacing the team. The literature suggests that the cost of replacing a team member can be as much as three times the annual salary at least, so the cost of investing in development seems a far more sensible financial option if other factors are equal.

Time is another key factor. If it seems that the team could be developed within the timescales to meet the objectives, then that could well be the better route. There is of course a loss in time and disruption of changing a team, which will need to be factored into the overall decision. It is a balancing act between the time it takes to get a new team up to speed to hit the objectives alongside developing a team to do the same. (Re-Building a corporate team may take 12 to 24 months and need regular inputs from external coaches. While the team's capability will increase during this period, there may be a lag between development and tangible results and setting expectations based on this is important.

Whatever the decision, it will require the CEO to exercise, and role-model, mature and experienced leadership especially because of the high symbolic weight the CEO's actions carry for the rest of the organization. In this position, some CEOs find value in working with an external coach to explore all the options as they work towards an appropriate solution. Part of this work could be helping the CEO check whether she is appreciating the diversity of the team and getting the best from it with their preferred leadership style. After all, it might be easier to change one person than several!

### **Replacing the corporate team**

The solution to this depends significantly on the CEO's objectives and specifically the timescales to achieve them. The CEO needs to have confidence that she can achieve the objectives with the current team. If she has to deliver them within a set time period and does not have the luxury of developing the team within that time, then the CEO will need to consider changing the team.

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This said, it is difficult to think of conditions, beyond corporate governance and other legal matters, where immaturity and inexperience in a leadership team would be a reason, purely in itself, for replacing the entire corporate team, and especially, one where the benefits of doing so would seem to outweigh the 'cost'. It is therefore important to balance the amount of change and disruption this would entail without disrupting the business to an unacceptable degree, particularly given the reality of changing team dynamics and the pain of the transition. For example, trust is vital for an effective team and can be an early casualty if changes are made. A key task for the CEO is to maintain these.

There are things the CEO can do immediately such as setting a clear vision e.g. the destination and direction for the organization and team is...; clarifying expectations (of individuals and the team); using a coaching style to build confidence and create early "wins"; shifting to a more "pace setting" leadership style as team confidence grows.

In my experience, people can and do rise to the challenge and results follow, which is surely the chief purpose here. There are pros and cons to the different options available and the CEO is best placed to decide which one(s) is the most appropriate in the circumstances.

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