

The Life Cycles of Executive Teams

Work with nature, don't put senile teams on life support

Do you really want a highly cohesive and highly effective management team? Sounds logical, is taught in MBA programs, and is sought by Organizational Development specialists. However, it isn't strategically viable or productive! Read on to find out why.

The P4 Group

In 1984 I was invited to speak at a management workshop conducted by the business school of Santa Clara University. During my talk the subject of "P Groups" came up—because I had unknowingly contradicted what had been taught about P groups earlier in the day.

P Groups were someone's way of describing the characteristics of a management team in terms of the team's effectiveness and cohesiveness (See Fig. 1). That is, one team might be low in effectiveness and low in cohesiveness at one extreme, and another team high in both characteristics at the other extreme.

I was informed that the ideal team is highly effective and highly cohesive, a P4 group. After some three microseconds consideration, during which I compared this hypothesis to my own intuition, I delivered my usual, highly rational response: "*bullshit*." A heated discussion ensued for the next two hours during which I developed the concept of the Life Cycles of Teams to explain what my experience told me was more accurate.

A Team is a living organism

I've heard it said that one of the great breakthroughs of the 1950's was that management consultants became aware of management teams as entities. Since then, managers and Organizational Development professionals have devoted enormous efforts to develop healthy, effective teams and to help team members work smoothly together.

My own association with team dynamics has been intensely practical. I've been involved with several social movements, several project teams, and many business organizations. In the process I have participated in the birth, growth, maturity, decay, and death of many teams. Birth, growth,

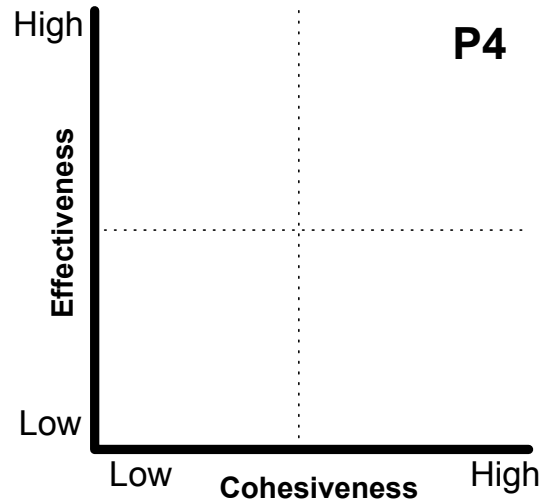


Fig. 1: The P4 group is highly effective and highly cohesive.

maturity, decay, and death serve vital purposes in our individual lives and for the entire human species. They have similar values in the lives of management teams. No condition is superior to the others, and only death is permanent.

Without decay and death, our world would overcrowd yet more quickly and our social systems would ossify. Those in power would remain in power decade after decade while the rest of us followed orders. Everyone would eventually be bored to death with life. Just look at China's government where the people who governed it in the 1940's are still in control fifty years later. China waits for Deng to die so that it can begin to renew its stagnant political life.

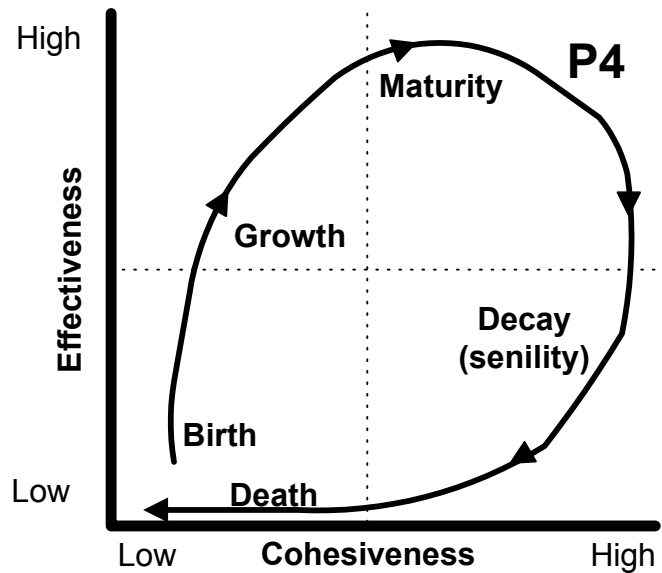
Death is nature's way of making room for the new and innovative and for keeping life interesting! The prospect of death instills in many of us an entrepreneurial sense of urgency about life.

Likewise, the birth, growth, decay, and death of an executive team serve critically important functions for the business as a whole and for team members as individuals. I will describe the values and drawbacks of each phase of the life cycle to corporate vigor and to individual growth. I will show

A team's birth, growth, maturity, decay and death serve vital purposes

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Fig. 2: *The life cycle of executive teams. The period from Birth to Maturity is typically two to three years. Maturity to Decay may take two to twenty years. Decay to Death is rapid and is usually triggered by a catastrophe the team produces...but blames on external events.*



how attempts to maintain a highly effective, highly cohesive management team undermines both the health of the company in which it operates and the personal growth of the individuals who are part of that team! It would be better for all concerned to hasten the death process rather than fight it!

An overview of a Team's Life and Death

With the help of Figures 2 and 3, I'll briefly describe an overview of the Life and Death of a typical management team.

An executive team is usually formed to achieve a specific strategic objective within the next few years. When it is first formed (Birth in Fig. 2), its cohesiveness is low and its effectiveness is low. There is substantial uncertainty and anxiety among team members. They are barely committed to the team, and are still strongly immersed in their external environments (Fig. 3A). The team faces numerous challenges and healthy doses of the unexpected and fun. Team members aren't certain that the team will succeed. The team's energies are concentrated on future. Each team member contributes the stimuli of his person and information from his reality outside the team. This is the team's childhood, a time of maximum learning by team members, and maximum sensitivity to the world outside the team.

As team members learn from one another and take successful actions together, the team's effectiveness and cohesiveness increase. This heightens the members' enthusiasm and commitment to the team. During the growth phase

(Fig. 2) there is a positive feedback loop in which success increases cohesiveness, which increases effectiveness, which generates more success. This is the team's adolescence (Fig. 3B).

Eventually, the successful team accomplishes the strategic objective for which it was formed. Now the team is considered to be highly cohesive and highly effective, a P4 Group (Fig. 2). But success and cohesiveness have a dark side: lack of openness to the world outside the team or to new team members (Fig. 3C). The team's attitude to the outside world changes. It succeeded, therefore it has the formula! It loses the very anxiety and sensitivity to the external environment which contributed to its success.

The team develops a team memory based on past successes and previous communications. The team memory now defines each member's role, the team's knowledge of the outside world, and how the team operates in that world. The team memory enables the team to perform like an experienced adult, able to quickly handle challenges in previously learned ways. But the team succeeds only as long as the team memory of how things *were* accurately reflects how things *are*. When the outside world changes, for example the markets, competitors, or technologies, the members of a highly cohesive and highly effective team usually don't respond. They continue to see the world through the team memory and act accordingly. After all, that behavior was successful! The decay process has already begun!

After the team becomes highly effective and

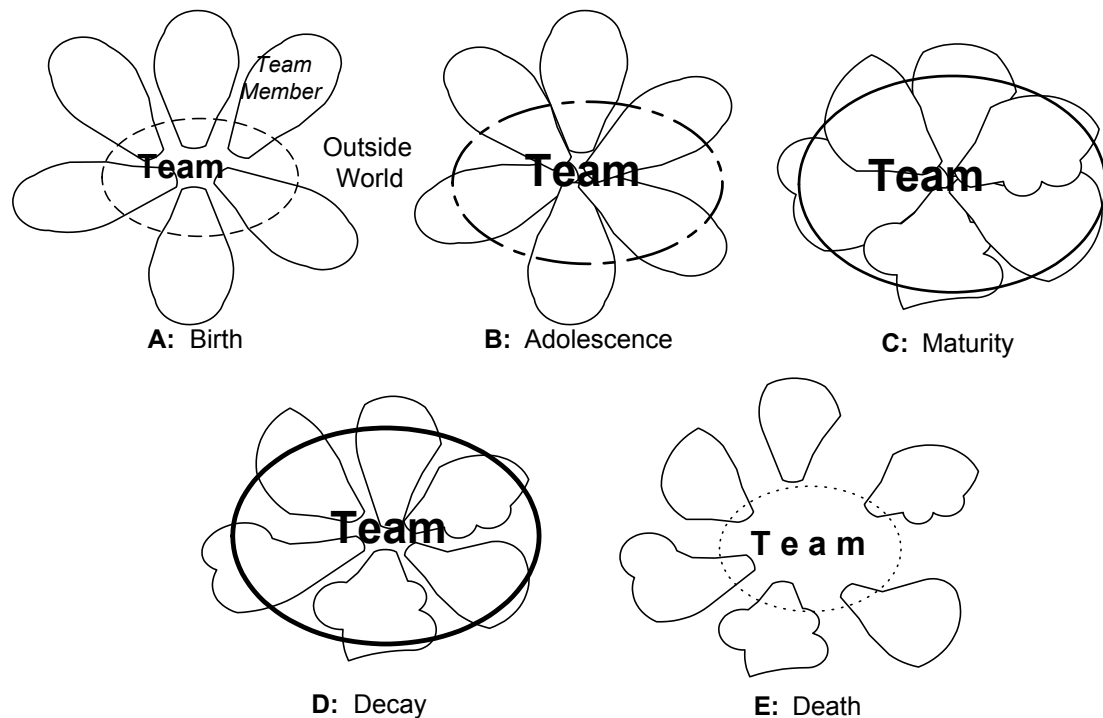


Fig. 3: Representations of the relationships among team members and their immersion in the team at different points in the team's life cycle. The ellipse represents the team boundary and its penetrability by the outside world.

Success
has its dark
side... it
shifts a
team's
focus from
the future to
the past!

highly cohesive, the communication of new information between the outside world and the team and among team members deteriorates (Fig. 3D). The team memory freezes and becomes increasingly detached from reality. Team members no longer listen to one another because they already know what to expect. They put each other in boxes and simultaneously become increasingly bored with their own predictable roles. Sooner or later, the team makes decisions that fail to meet members needs or fail in a changed external environment. This is often the time when a CEO brings in an OD specialist to help regain the team's peak performance. The team members are highly sensitive to their own isolation within the team, and remember a *team past* in which things were much better. Consequently, the organizational effort tends to focus on "communication" and team cohesiveness. Sometimes these efforts manage to temporarily slow the decay process.

Loss of effectiveness (typified by one or more failed decisions or projects) eventually overcomes the exaggerated management energy committed to cohesiveness, and the team disintegrates (Fig. 3E). Disintegration (death), frees team members to participate in new teams where they can renew their enthusiasms and their atrophied learning processes. Disintegration of the old team also

makes room for a new leadership team; one that can start out anchored in the "real world," ready to deal with things as they are, not as they used to be.

Project Teams and Executive Teams

A project team and an executive team start life in much the same way. The significant difference between them is that a Project Team is disbanded when it achieves its strategic objectives. Project team members are rewarded, but not with continued employment. Executive Team members automatically get continued employment in return for past success.

Comments

Here are just a few of the thought provoking observations that logically flow from an executive team's life cycle:

1. **When a team is formed, it focuses on the future. Once it succeeds, it focuses on the past.** Team members (of potentially successful teams) are selected based on how they will contribute to achieving the teams' strategic objectives. Once the team attains its strategic objectives, team members remain on the team as their reward. They may not be the best people for the next challenge. (An executive team has to fail repeatedly and miserably

Term limits for executives would dramatically improve their companies.

before team members are disenfranchised.) For example, IBM lost most of the PC market (new challenge) because its key business decisions were made by people who succeeded with mainframes (past successes).

2. Success breeds failure.

In business and in sports it is difficult for a team to repeat its success. A study of management teams found that most successes are followed by major failures. For example, the IBM PC (success) was followed by PC Jr. (abject failure). Apple II (success) was followed by Lisa (failure)! Apple MacIntosh begat Newton! There are almost no "three-peats" in sports or business. The key reason is that an "old" team focuses on the past to memorialize its success.

3. Failure can breed success.

Norman Schwartzkopf and Colin Powell endured the failure of Vietnam. They learned from that, and fought Desert Storm with the wisdom and anxiety that Vietnam fostered. However, I wouldn't select Norman Schwartzkopf to lead another battle, simply because he succeeded in the last one. He would tend to repeat his past actions with too little sensitivity to changed circumstances.

4. Limit the terms for executives and executive teams.

Term limits would improve the strategic effectiveness of top management more than any

other single action. In another essay I'll show why a leader can only lead change in the first two years of his tenure. After that he or she can only maintain a past direction, regardless of any change in personal vision! If your management goal is to produce predictable, consistent responses to a changing world, leave a team in place indefinitely (The Pope and his Cardinals, China's leadership, Judges). If your goal is to produce innovative change and maximum success in a dynamic environment, then change CEOs and their executive teams at least every 10 years!

We have been politically wise enough to place an 8 year term limit on the President of the United States (and his cabinet). We haven't done so for Congress or business executives yet. An opportunity awaits us. Of course I'm not holding my breath.

Conclusion

A highly effective, highly cohesive team is a transitory state in a dynamic process. Business management will improve significantly when executives respect the values of that process and work with its dynamics.

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