SPOTLIGHT

ARTWORK Jeff Perrott, *RW76 (Semi-Automatic)*, 2011
Oil and enamel on linen, private collection, Boston

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Leading the Team You Inherit

It's not the same as building one from scratch.

BY MICHAEL D. WATKINS

David Benet had problems to solve when he came in to lead the highest-growth unit at a large medical devices company. Although sales had increased when two new products launched the previous year, the numbers still fell short of expectations, given all the evidence of unmet customer needs. The company's future hinged on the success of both products—an instrument for inserting stents into blocked arteries and an electronic implant for stabilizing cardiac rhythm.

So the long-term stakes were high, and the team wasn't exactly humming. Stories about missed opportunities and hints of a toxic culture had drifted upward to senior management.

All those factors had prompted the decision to replace the unit's executive vice president with someone from the outside, and David fit the bill. He had a record of stellar accomplishments at a rival company, where he had turned around one business unit and accelerated the growth of another. But in taking on this new role, he faced a common challenge: He didn't get to handpick the people who would be working with him. Rather, he inherited his predecessor's team—the team that had created the situation David was hired to fix.

Indeed, most newly appointed leaders have limited familiarity with their teams at the outset and can't immediately swap in new people to help grow or transform the business. Sometimes they lack the necessary political power or resources to rapidly replace personnel, or the culture does not allow it. Often, existing team members are essential for running the business in the short term but not the right people to lead it into the future.

All this highlights the importance of figuring out how to work effectively with a team you have inherited. Fraught with trade-offs, the process is like repairing an airplane in midflight. You can't just shut down the plane's engines while you rebuild them—at least not without causing a crash. You need to maintain stability while moving ahead.

There are many frameworks to help leaders build new teams. One of the best known is "forming, storming, norming, and performing," created by Bruce Tuckman in 1965. According to Tuckman's model and more recent ones like it, teams go through predictable phases of development that, with the right interventions, can be accelerated. The problem is that these models assume leaders build their teams from scratch, carefully choosing members and setting direction from the very beginning.

The whole process is fraught with trade-offs. You need to maintain stability while moving ahead.

In my work helping leaders navigate major transitions, I have found that most people, like David, instead need a framework for taking over and transforming a team. That's what this article provides. First, leaders must assess the human capital and group dynamics they have inherited, to get a clear picture of the current state. Next, they must reshape the team according to what's needed—looking with fresh eyes at its membership, sense of purpose and direction, operating model, and behavioral patterns. Finally, they can accelerate team development and improve performance by identifying opportunities for early wins and making plans to secure them.

Assessing the Team

When you are leading a new team, you must quickly determine whether you have the right people doing the right things in the right ways to propel the organization forward. From day one you will have a lot of demands on your time and attention, and those will only grow, so efficient team assessment is key.

It's important to be systematic, as well. Although most leaders inherit and size up many teams over their careers, few are deliberate about what they look for in people. Through experience they arrive at intuitive assessment criteria and methods—which are fine for familiar situations but otherwise problematic. Why? Because the characteristics of effective team members vary dramatically depending on the circumstances.

Your assessments will be faster and more accurate if you explicitly state your criteria. What qualities should people have in order to tackle the particular challenges your team faces? How important are diverse or complementary skills in the group? Which attributes do you think you can shape through your leadership? You may be able to improve people's engagement and focus, for example, but not their inherent trustworthiness. (See the sidebar "What Qualities Are You Looking For?")

Your requirements will depend partly on the state of the business. In a turnaround, you will seek people who are already up to speed—you won't have time to focus on skill building until things are more

Idea in Brief

WHAT'S WRONG
Most team-building frameworks assume that you get to cherry-pick members and set the direction and tone from day one. But leaders usually don't have that luxury; they must work with the people they inherit.

WHAT'S NEEDED
Leaders who are taking over and transforming a team need guidance on how to navigate the transition and improve performance.

WHAT'S EFFECTIVE
Here's a three-step model that works: First, assess the people you've got and the dynamics at play. Second, reshape the team's membership, sense of purpose and direction, operating model, and behaviors according to the business challenges you face. Third, accelerate the team's development by scoring some early wins.

stable. If you are trying to sustain a team's success, however, it probably makes sense to develop high potentials, and you will have more time to do so.

Your expectations for team members will also be shaped by how essential their roles are to meeting your goals. People in critical positions will be assessed with greater urgency and higher standards. David Benet (names are disguised throughout) had two sales leaders, both deemed critical because their groups had to drive cardiologists' awareness of the new products. They both needed to be immediately effective at communicating the products' benefits to opinion leaders. The head of HR was a vital role, too—serious midlevel talent weaknesses in sales and marketing had to be addressed soon. The head of communications, however, wasn't as big a priority; reviews of his work and conversations with colleagues revealed that he could be more innovative, but David decided to leave him in place for the time being.

Another factor to consider is to what degree your reports need to work as a team, and on what tasks. Ask yourself, "Will the people I supervise have to collaborate a lot, or is it OK if they operate mostly independently?" The answer will help determine how important it is for you to cultivate teamwork. Think of the people who typically report to a corporate treasurer, such as the heads of tax, cash management, and M&A analysis. These individuals should strive to operate as a high-performing group of managers who run their departments independently and effectively. Trying to turn that group into a team through classic activities like creating a shared vision and establishing common performance goals and metrics would just frustrate everyone, because little or no collaborative work needs to be done. In such situations, assessment and management would focus more on individual performance and less on ability to work together. David, however, had a team of functional leaders who were quite interdependent. For example, he needed his VPs of sales, marketing, and communications to work closely together on refining and executing go-to-market strategies for the two products. So he had to gauge their relationships and collaborative capabilities.

To conduct an effective assessment, you'll hold a mix of one-on-one and team meetings, supplementing with input from key stakeholders such as customers, suppliers, and colleagues outside the team. (See the sidebar "Sizing Up People One-on-One.") You'll also look at team members' individual track records and performance evaluations. Those didn't turn up any immediate red flags for David—but he knew the team had underperformed. His meetings helped him determine why and what to do about it.

It soon became clear that he had two significant personnel issues. The first was Carlos, the VP of surgical sales. Carlos had the longest tenure with the company and a seemingly tight connection with the CEO. However, his performance on the new surgical product had been lackluster. More important, comments from his peers and direct reports pointed to a micromanaging leadership style that undermined morale in his group and revealed a lack of collaboration with the rest of the team. For instance, he was hoarding information that could have been valuable to the interventional sales group and to the marketing people, and this was poisoning team dynamics.

Henry, the VP of human resources, presented a different challenge. He would have been a solid HR leader in normal circumstances, because he was skilled at handling typical challenges associated with hiring, performance management, and compensation and benefits. But he was not well suited to the demands of a high-growth environment. David reviewed the work Henry had done on talent appraisal and succession planning and rated it a B at best.

After completing his assessment, David decided that he would retain most of his team members, whose tenure with the company varied from five years to more than 25. But he knew he had to work on people's attitudes—especially the lack of trust between functions.

Reshaping the Team

Post-assessment, the next task is to reshape the team within the constraints of the organization's culture, the leader's mandate, and the available talent. Ultimately new leaders want their people to exhibit high-performance behaviors such as sharing information freely, identifying and dealing with conflict swiftly, solving problems creatively, supporting one another, and presenting a unified face to the outside world once decisions have been made. Leaders can promote these behaviors by focusing on four factors: the team's composition, its alignment with a shared vision, its operating model, and its integration of new rules and expectations.

Composition. The most obvious way to reshape a team is to replace underperformers and anyone whose capabilities are not a good match for the situation. But this can be difficult culturally and politically, and in many cases, it's simply not possible—leaders must work with the people they inherit. Even when employees can be let go and newcomers brought in, the process takes time and consumes energy. So doing this in the first few months should be reserved for dire business situations, for employees in critical roles who clearly cannot do the work, or for truly toxic personalities that are undermining the enterprise.

Fortunately, you can reshape team composition in other ways. For instance, you might wait for normal turnover to create space for the types of people you want. This usually takes time, but you may be able to speed up the process by signaling your expectations of higher performance—thus encouraging marginal performers to seek other roles. You can also watch for positions in other areas of the organization that might suit people who are valuable but not a good match for your team.

Another option is to groom high potentials to take on new responsibilities, provided you have enough time and other resources. If not, you may instead choose to alter individuals' roles to better match their capabilities. This powerful, often underappreciated way of reshaping teams may involve adjusting the scope of existing roles, having people swap jobs, or creating new positions by carving up the work differently. Any of these tactics can revitalize people who have become stale in their jobs, but few leaders think of trying alternative ways of allocating work.

David used a mix of these approaches to change the composition of his team. He concluded that Carlos, the VP of surgical sales, was undermining effectiveness and needed to leave. After consulting with senior management and corporate HR, David offered him a generous early retirement package, eliminated his role, and restructured the sales groups under a single VP. He appointed Carlos's counterpart in interventional sales, Lois, to lead the unified sales organization. To help Lois succeed in the bigger role, David asked HR to enroll her in an intensive leadership development program that included coaching.

David's other major move on personnel was to find a new position in the company for Henry, his VP of human resources. Fortunately, the corporate compensation and benefits group had an opening that was a great fit, and Henry gladly took it, feeling somewhat burned out from the stresses David's unit had experienced. That allowed David to search for a new VP with the talent planning, acquisition, and development capabilities needed to strengthen the lower levels of the sales and marketing organizations.

Alignment. You will also need to ensure that everyone has a clear sense of purpose and direction. Sometimes a team's stated direction needs to be changed. In other cases, it's more or less right, but people are just not pulling together.

To get everyone aligned, the team must agree on answers to four basic questions:

Sometimes a team's stated direction needs to be changed; other times people are just not pulling together.

What will we accomplish? You spell this out in your mission, goals, and key metrics.

Why should we do it? Here is where your vision statement and incentives come into play.

How will we do it? This includes defining the team's strategy in relation to the organization's, as well as sorting out the plans and activities needed for execution.

Who will do what? People's roles and responsibilities must support all of the above.

Generally leaders are more comfortable with alignment than with other aspects of reshaping, because they have well-established tools and processes for tackling it. But one element in particular tends to trip them up: the "why." If the team lacks a clear and compelling vision that inspires them, and if members lack the proper incentives, they probably won't move energetically in the right direction. Compensation and benefits aren't sufficient motivators on their own. You need to offer a full set of rewards, including interesting work, status, and potential for advancement.

This can be challenging, for a couple of reasons: It's often hard to discern when *hidden* incentives (like competing commitments to other teams) are getting in the way. And you may have limited influence on certain rewards, as is often the case with compensation.

During individual assessment interviews and in group discussions, David had discovered that people weren't as aligned on goals, metrics, and incentives as they needed to be. Specifically, the two sales forces had no incentives to help each other. In addition, the marketing teams for the two products were underresourced and competing for available funding in dysfunctional ways.

To get his team members striving for the same things, David worked with them to develop a comprehensive dashboard of metrics that could be reviewed on a regular basis. He also realigned the team with the rest of the company by raising the performance bar to match the executive committee's expectations. In the business planning process, he committed the team to achieving a higher level of growth. Perhaps most important, he addressed the issue of misaligned incentives that had created conflict between the two sales groups. With that function now unified, he and Lois restructured the sales force on a geographic basis so that individual salespeople represented both of the new products and were rewarded accordingly.

What Qualities Are You Looking For?

Like most leaders, you may have a "gut" sense of what you typically look for in people. But different situations and challenges call for different strengths. This exercise will help you better understand and articulate your priorities each time you inherit a team.

Assign percentages to the qualities below, according to how much emphasis you think each should receive, given your current circumstances and goals. Make sure the numbers in the right column add up to 100.

Those numbers will be rough, of course. For some team members (say, your head of finance), competence may be the top priority; for others (say, your head of marketing), energy or people skills may be equally or more critical. The importance of the role and the state of the business may also affect your estimates.

QUALITY	DESCRIPTION	IMPORTANCE
Competence	Has the technical expertise and experience to do the job effectively	
Trustworthiness	Can be relied upon to be straight with you and to follow through on commitments	
Energy	Brings the right attitude to the job (isn't burned-out or disengaged)	
People skills	Gets along well with others on the team and supports collaboration	
Focus	Sets priorities and sticks to them, instead of veering off in all directions	
Judgment	Exercises good sense, especially under pressure or when faced with making sacrifices for the greater good	
TOTAL		**100 percent**

When executives complete this exercise, they almost always give trustworthiness the most weight. That's because they view it as a sign of inherent character—not something that can be strengthened with good management. However, leaders do think they can help team members improve their focus and energy. So it's not surprising that they give those qualities less emphasis than trustworthiness early on.

What do your rankings say about what you value most right now and what you believe you can influence through leadership? Are any of the criteria go/no-go issues for you?

Operating model. Reshaping a team also involves rethinking how and when people come together to do the work. This may include increasing or decreasing the number of "core" members, creating subteams, adjusting the types and frequency of meetings, running meetings differently, and designing new protocols for follow-up.

Such changes can be powerful levers for improving team performance. Unfortunately, many new leaders either continue to operate the way their predecessors did or make only small adjustments.

To think more creatively about your team's operating model, identify your real constraints on how the work gets done—such as established business planning and budgeting processes for the entire enterprise—and then ask yourself how the team could operate within them more efficiently and productively. In addition, consider whether it makes sense to create subteams (formal or informal) to improve collaboration among interdependent members. Also think about whether certain activities require more-frequent attention than others. This will help you establish a meeting cadence that works, both for the team as a whole and for any subteams.

David recognized key interdependencies among sales, marketing, and communications, so he set up a subteam of leaders from those functions. To get more-focused attention and faster feedback from them, he decided to meet with them weekly, while holding full-team meetings only every other month and reserving those for information sharing and discussion of strategic issues. The subteam oversaw efforts to refine and execute go-to-market strategies for the two products—David's immediate priority. The work was done by cross-functional teams consisting of the sales, marketing, and communications leaders' direct reports. Streamlining processes, increasing collaboration, and speeding up reaction times—combined with the restructuring of the sales force and additional funding for the marketing teams—rapidly increased sales growth.

When rethinking meeting frequency and agendas, it helps to understand the three types of meetings that leadership teams typically have—strategic, operational, and learning—so that you can allocate an appropriate amount of time to each. *Strategic* meetings concern the biggest decisions that need to be made—about business models, vision, strategy, organizational configurations, and so on. Though they tend to be relatively infrequent, they require time for in-depth discussion. *Operational* meetings involve reviewing forecasts and measures of short-term performance, and adjusting activities and plans in light of those results. These are usually shorter and more frequent than strategic meetings. *Learning* meetings are scheduled on an as-needed basis, often after crises or in response to emerging issues. They can also focus on team building.

When teams try to jam all these activities into a single recurring meeting, operational urgencies tend to crowd out strategic and learning discussions. By thinking through the right mix of meeting types and scheduling each kind on its own regular cycle, you can prevent that problem. It's typically best to work out a rhythm for your operational meetings first, deciding how frequent they should be and who should participate. Then you can overlay the less-frequent strategic meetings, allowing plenty of time for discussion. Finally, you should establish what kinds of events will trigger the ad hoc learning meetings. You might, for example, decide to hold them after any major market event, such as the introduction of a competing product, or in the wake of a significant internal failure, such as a product recall.

Integration. The final element of reshaping is integration. This involves establishing ground rules and processes to feed and sustain desired behaviors and serving as a role model for your team members. Of course, the team's composition, alignment, and operating model also influence members' behavior. But focusing on those elements isn't sufficient, especially when leaders inherit teams with negative group dynamics. Those situations require remedial work: changing the destructive patterns of behavior and fostering a sense of shared purpose.

That was the case with David's team. The infighting between the marketing and sales VPs, combined with the previous leader's inability to curb Carlos's bad behavior or secure resources, had eroded members' trust. Once David restructured sales, the team realized that he was a decisive straight shooter (unlike his predecessor). He also earned respect with the changes he made in team membership and the funding he obtained for marketing. So he was in a good position to rebuild trust. He began by commissioning a more focused assessment of team dynamics; the time was right for a deeper dive on this, now that he had been in his role a bit longer and had established credibility with the group. This independent, expert evaluation included an anonymous survey of team members and follow-up interviews that zeroed in on the key elements of trust within leadership teams:

- confidence that all team members have the capabilities to do their jobs
- transparency in sharing information
- belief that commitments will be honored
- psychological safety to express divergent opinions without fear of belittlement, criticism, or retribution
- security that confidences will be maintained
- unity around decisions once people agree to them

Sizing Up People One-on-One

Early one-on-one meetings are a valuable tool for assessing the members of your new team. Depending on your style, these meetings might be informal discussions, formal reviews, or a combination, but you should approach them in a standard way.

Prepare. Review available personnel history, performance data, and appraisals. Familiarize yourself with each person's skills so that you can assess how he functions on the team and with his own unit or group. Observe how team members interact. Do relations appear cordial and productive? Tense and competitive? Explain to everyone that you will be using the meetings to assess the whole team and individual members.

Create an interview template. Ask people the same questions, and see how their insights vary. For example, What are the strengths and weaknesses of our existing strategy? What are our biggest challenges and opportunities in the short term? In the medium term? What resources could we leverage more effectively? How could we improve the way the team works together? If you were in my position, what would your priorities be?

Look for verbal and nonverbal clues. Notice what people say and don't say. Do they volunteer information, or do you have to extract it? Do they take responsibility for problems, make excuses, or point fingers at others? You should also look for inconsistencies between people's words and their body language. That sort of mismatch can signal dishonesty or distrust of management—and either way, it needs to be addressed. Pay attention as well to topics that elicit strong emotions. Those hot buttons provide clues about what motivates people and what kinds of changes would energize them.

Summarize and share what you learn. After you've interviewed everyone, discuss your findings with the team. This will demonstrate that you are coming up to speed quickly. If your feedback highlights differences of opinion or raises uncomfortable issues, you'll also have a chance to observe the team under a modest amount of stress. Watching how people respond may lead to valuable insight into team culture and power dynamics.

The evaluation revealed that transparency, psychological safety, and unity were the primary trust issues for the team. To communicate those results, David brought everyone together for an offsite. He pointed out that they would never be a winning team if the trust problems persisted. He also shared what he had found to be the structural causes (misaligned incentives, underfunding, Carlos's impact) and what had already been done to address them. Crucially, he expressed confidence that the unit could become a high-performing team—and he voiced his commitment to making that happen.

David then laid out a process for reshaping group dynamics. First, everybody would agree on certain behavioral principles: They would share information, treat one another with respect, and act as "one team" after decisions were made. Then they would approach decision making with greater transparency. For each decision, he would communicate up front whether he would make the call, open it up to a small group, or seek full-team consensus.

After the offsite, David focused on "living" these new principles and processes himself. He also reinforced desired behaviors. And when he saw any unproductive behaviors emerge, he intervened immediately—either in team meetings or privately with individuals. Although it took time, because old habits die hard, the group dynamics improved.

David was careful to revisit these principles and processes when his new VP of HR joined the team. Revisiting and reinforcing behavioral expectations should be standard practice any time there is a change in team membership or mission. It's also valuable to schedule a regular (quarterly or semiannual) review of how the team is functioning and whether the principles are being upheld.

Accelerating the Team's Development

Building on their assessment and reshaping work, leaders need to energize team members with some early wins. As David knew from experience, this increases people's confidence in their capabilities and reinforces the value of their new rules and processes. He and his team started by setting challenging goals for the next three months' sales; then they set about delivering. They specified the work involved and who was accountable for it, determined which external stakeholders' support was essential, allocated responsibility for building relationships, and developed messages and methods for sharing results with the rest of the organization. They exceeded their goals by a substantial margin.

Once the team had those successes in place, it kept building on them. The result was a virtuous cycle of achievement and confidence. By the end of David's first year, sales growth had far outstripped targets. In fact, already-ambitious forecasts had to be revised upward three times. The executive committee was understandably delighted by the progress, which created an opening for David to secure additional resources, expand the sales force, and exceed the usual salary limits to hire outstanding talent. The growth trajectory continued for the next two years, until competitors' introductions of new products began to make things more challenging. By that time, however, David's team had achieved a dominant position in the market, and it was ready to launch new products of its own.

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