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Building a Better Executive Team



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"The only thing worse than being on our executive team is not being on it." This sentiment captures the ambivalence some leaders may feel about executive team membership. While being excluded obviously means missing critical decisions (and presumably a lack of career progression), holding an executive position often involves navigating complex dynamics where operational and even personal interests may compete with enterprise-level thinking. For CEOs and boards, the challenge lies in creating executive teams that are capable of rising above more narrow perspectives in order to make decisions that benefit the entire organization.

After all, the fundamental purpose of an executive team is to maintain an enterprise-level view. This requires members to temporarily set aside core, functional-area responsibilities and collectively focus on broader organizational interests—a shift that demands collaboration, trust, and collective thinking.

Can organizations measure an executive team's effectiveness within this enterprise-level perspective? And If so, what indicators signal a high-functioning leadership team?

Measuring Executive Team Performance

While business performance metrics like financial results, market share, and brand reputation provide clear indicators of success, they can also reflect factors beyond the executive team's direct control, and only look at the “what” that was achieved, rather than “how” it was achieved. A measurement that focuses on the quality of decisions made by the team—as these produce measurable outcomes directly attributable to the team's work—could be helpful.

While not a direct quantitative measure, remarkably, a powerful proxy for executive team effectiveness does exist: The quality of dialogue within the team. This metric offers real-time insight into how well a team functions before decisions even manifest as business

outcomes.

The signs of poor-quality executive team conversations probably won't surprise many who have spent any time in corporate America and include:

- Disproportionate time spent reporting individual activities rather than engaging in collective thinking;
- Passive participation from team members;
- Limited challenging of ideas and lack of open debate; and/or
- Reluctance to "speak truth to power."

Research conducted by The Right Conversation confirmed that conversation quality directly impacts organizational performance through multiple channels: decision-making effectiveness, strategy development, innovation capacity, cross-functional collaboration, and employee engagement.

The Critical Role of Dialogue

High-functioning leadership teams are distinguished by their ability to think together effectively. This collective thinking leads to stronger alignment around strategic direction and typically produces better-designed outcomes. The importance of this capability becomes particularly evident when considering strategy implementation, which rarely progresses exactly as planned.

As noted by business scholar Henry Mintzberg, strategy evolves in response to unpredictable market shifts, external events, and emerging opportunities—most of which occur outside the formal annual planning cycle. Effective real-time dialogue enables executive teams to detect threats early and capitalize on emerging opportunities, providing a significant competitive advantage.

Assessing Dialogue Quality

Measuring dialogue quality offers a practical approach to executive team development that can be implemented either as a standalone assessment or as part of a broader team development initiative. One effective tool for this purpose is the Team Dialogue Indicator™ (TDI), developed in collaboration with Ashridge Business School.

The TDI evaluates team conversation norms across six dimensions:

- Productivity: How useful and outcome-oriented are team conversations?
- Attentiveness: How present and engaged are team members during discussions?
- Structure: How balanced is the team between maintaining focus and allowing flexibility in conversations?
- Voicing: How comfortable are members expressing divergent opinions and challenging colleagues?
- Power: How do hierarchy and authority dynamics influence team interactions?

- Inquiry: How effectively do team members listen and recognize their impact on others?

The framework's strength lies in its practicality—it avoids psychological jargon in favor of observable behaviors that team members experience in meetings. Organizations of various sizes have successfully used this approach to enhance decision-making capabilities.

Creating Better Executive Teams

The quality of dialogue serves as an excellent proxy for decision-making effectiveness in executive teams. By measuring and improving dialogue, organizations can enhance collaboration among senior leaders and achieve better collective outcomes. Importantly, this process also strengthens trust within the team—a critical foundation for tackling complex challenges.

For boards and CEOs seeking to build more effective executive teams, focusing on dialogue quality offers a practical starting point. By establishing norms that encourage productive challenging, active listening, and enterprise-level thinking, organizations can transform their executive teams from collections of functional experts into cohesive leadership units capable of guiding sustainable growth and performance.

About the Author

Peter brings 30+ years supporting CEOs and leadership teams through organizational change, including CEO succession, executive development, and integration challenges.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.