

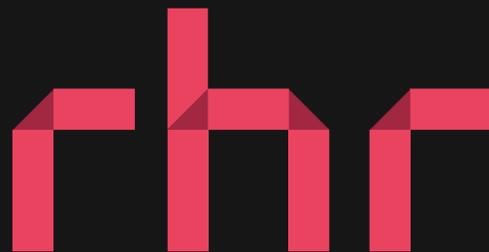
It is tension—not cohesion—that produces top team performances

Over a six-year period, RHR completed in-depth surveys of 55 leadership teams at enterprises working in a range of different industries. The surveys looked at the performance capabilities of these teams, with individuals responding to more than 110 items aimed at elements such as the team's processes, structure, dynamics, and results. Executives were asked to respond to additional items, focusing on overall business performance, revenue growth, product development, and market share.

Over the course of this research, we expected to replicate the results of years of previous research in a new context—in particular the importance of team cohesion in an enterprise setting. What we discovered, however, was that while concepts like cohesion were indeed an important factor in a team's performance, they are surprisingly not the most critical once you reach enterprise level. In this context, it is a team's ability to manage tensions and conflict, rather than a search for cohesion, that is most predictive of stellar performance.

Read the full article at Harvard Business Review:
hbr.org/2017/09/the-best-senior-teams-thrive-on-disagreement

For more information on our approach to working with Senior Teams please contact Orla Leonard at oleonard@rhrinternational.com



What are the key tensions?

We found that the highest performing senior teams were able to skilfully navigate three key tensions:



Risk vs. Reward

The highest-performing teams excel at both delivering short-term results and taking risks that pay off in the long term.

We examined what differentiated the top 25% of teams from the rest when it came to calculated risk taking:

10% greater market share achieved by the top quarter of high-performing teams

22% better performance when it comes to developing new products

These high-performing teams are able to create circumstances where risk and delivery can exist side by side. Our highest-performing teams reported:

6.5% greater profitability against their competitors

7.5% improvement in sales and revenue growth

External vs. Internal Pull

The ability of a team to look both inward and downward as well as outward and upward is an important success factor.

Our research shows that the top high-performing teams are able to scan externally for knowledge and use that to adapt, resulting in:

10.6% greater sales and revenue growth

8.2% better development of new products

The top teams are able to use external pressures, realities, and knowledge as a springboard for internal execution.

Top-Down vs. Bottom-Up Innovation

The success of any team relies on an ability to consistently innovate, but our research suggests that the top-performing senior teams successfully manage the tension between leading innovation and engaging the enterprise as a whole. We found teams encouraging bottom-up innovation benefitted from:

9.5% improvement in employee engagement

12% improvement in quality of new products

Teams who drive top-down innovation:

5.0% demonstrated better sales and revenue growth

4.5% demonstrated an improvement in market share