



## Leadership Teams and Varying Degrees of Dysfunction



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## Leadership Teams and Varying Degrees of Dysfunction

*To state it quite simply; all leadership teams have some level of dysfunction however, not all teams are dysfunctional.*

As we enter a new decade, it is an appropriate time to reflect on what we've observed – what we've learned and what we want to improve. Over the course of three decades (since 1980) of working in both sports and business, I have had the opportunity to observe, coach and measure the effectiveness of hundreds of leadership teams. I have never observed a team that was without challenges AND I have consistently observed teams that were challenged to the degree of ineffectiveness (aka dysfunctional).

What is the universal factor that contributes most to or takes away from Leadership effectiveness? **People's inappropriate behavior.**

**dys·func·tion defined:** Abnormal or impaired functioning, especially of a bodily system or social group.

The following description of Dysfunctional Leadership Symptoms and Assessment is adapted from a paper published by Med Yones, representing the International Institute of Management (IIM). "Dysfunctional leadership and Dysfunctional Organizations

"The subject of leadership has been greatly covered by scholars, academicians and consultants, yet building high-performance teams remains elusive to most companies. Leadership is the most important competitive advantage of a company, not technology, finance, operations or anything else. Leadership formulates the company's business strategy and builds its resources, including its people, finances and operations. The leadership team is the most important asset of the company and can be its worst liability.

A failed business is the result of poor performance. Poor performance is the result of an incompetent, ineffective or dysfunctional leadership team. To paraphrase Tolstoy, All successful companies are successful for different reasons, but dysfunctional companies are dysfunctional in the same way. The main reason for poor organizational performance is not the lack of business knowledge, but rather negative, disruptive people and internal politics."

**The following assessment can be used to estimate a leadership teams degree of dysfunction.**

**Dysfunctional leadership symptoms assessment:** Please rate the approximate frequency of occurrence with the following:

**(Never = 0, Rarely = 1, Sometimes = 2, Often = 3, Always = 4)**

Never	Rarely	Sometimes	Often	Always
0	1	2	3	4

**1. Dictatorial Leadership:** Management that does not allow disagreements, constructive dialog or diversity of perspective out of insecurity or arrogance.

**2. No “Multi-rater” (360 Degree Feedback):** There is limited or no leadership performance feedback or culture of coaching. If none exist, score the item a "4" (always lacking).

**3. Personal Agendas:** Recruitments, selections and promotions are based on internal political agenda.

**4. Permission – based Culture:** Decisions need “sign off” or approval from others. There is little delegation to push decision down and create ownership.

**5. An inflexible “Chain of Command”:** Decision making outside of the “Chain of command” has consequences. It is acceptable to micro manage others.

**6. Subjective Compensation:** Stock options, bonuses and perks are not fairly linked to performance.

**7. A Mindset of Entitlement:** Leaders expect rewards, perks and compensation based upon tenure rather than objective performance.

**8. Inefficient Use of Resources:** Budgets are allocated between business units or departments based on favoritism and power centers rather than actual business needs.

**9. Empire-building Practices:** Managers believe that the more people they manage and the bigger the budget, the higher the chance that they will be promoted. This results in raging battles around budgets, strategies and operations.

**10. Unequal Workload Distribution:** You'll find some departments are underutilized while other departments are overloaded.

**11. Too Much Management:** There are many management layers in the organization, thus, hindering communication, creating micromanagement and resulting in slower execution.

**12. Fragmented Organization Efforts:** Interdepartmental competition and turf wars between rival managers lead to the emergence of silos, which results in communication gaps.

**13. Ineffective and Inefficient Decision Making:** Plans are heavy on talk but light on action and even simple decisions drag on for extended periods.

- 14. Unhealthy Political Climate:** In a political corporate culture, posturing becomes far more important than actions. Politics inhibit common sense decisions.
- 15. Ineffective Meetings:** Argumentative and heated cross-functional meetings with discussion and language focusing on point scoring and buck-passing rather than sharing responsibility and collaborating to solve the problem.
- 16. Lack of Collaboration:** Every person for himself/herself. Low sense of unity or camaraderie on the team. The key criterion for decision-making is What's in it for me?
- 17. Lack of Trust:** There is a culture or element of fear with guarded communication between members of the leadership team.
- 18. A Culture of "Blame":** When something doesn't go as planned, someone has to be "blamed" (as opposed to the "team" taking responsibility).
- 19. Low Productivity:** Management wastes more time and energy on internal attack and defense strategies instead of executing the work, innovating and overcoming challenges. Critical projects fall behind on deadlines, budgets and performance targets.
- 20. Constant Crisis Mode:** Management team spends most of their time on fire fighting instead of proactive planning for next-generation products and services.
- 21. Morale Deterioration:** Muted level of commitment and enthusiasm by other teams. Even successful results cannot be shared and celebrated due to animosity and internal negative competition.
- 22. Backstabbing:** Backbiting among the executives and managers becomes common and public. There is a culture of blame when things go wrong.
- 23. Highly Stressful Workplace:** There is a high rate of absenteeism, leaders "checking out," and a high turnover rate.
- 24. Lack of Transparency:** Information is on a need to know basis and not openly shared.
- 25. Tolerated Disruptive Behaviors:** Emotional outbursts - disrespect, immature, unprofessional behavior is an accepted practice with little or no real consequences.

**Scoring:**

**0 to 25 points** = A "Functional" leadership team that has high odds of effective performance. There is constructive dialog (minor disagreement that allow for diversity of perspective), objective performance expectations, transparency, good teamwork and a healthy culture. A "Great place to work."

**26 to 50 points** = A slightly “Dysfunctional” leadership team that has good to fair odds of effective performance. There are some specific business practices that can be taking away from performance and creating an unhealthy culture. Sometimes a “Frustrating place to work.”

**51 to 75 points** = A “Dysfunctional” leadership team that has low odds of effective performance. There are several business practices that can be taking away from performance and creating an unhealthy culture. Always a “frustrating place to work.” Leaders will want to leave.

**76 +points** = A Very “Dysfunctional” leadership team that has very low odds of effective performance. There are abundant business practices that are taking away from performance and creating an extremely unhealthy culture. A “Toxic place to work.” People who stay are usually “trapped.”

I’m not sure if positive synergy is a myth or real (where the whole can actually be greater than the sum of the parts), but there is a compounding feeling of accomplishment when lofty, team goals are achieved through the collective efforts of people.

#### **Treatment Challenges and interventions:**

Why is it so difficult to treat dysfunctional teams and organizations?

- Many times the leadership team (or senior individuals), are part of the political game (part of the problem itself).
- There is a lack of consensus on the correct strategy: strong conflicting, self-serving views or conflicts of interest.
- New leaders are not able to assess who is right or wrong because of lack of information or misinformation (creating divided camps).
- Changing the culture requires performance-rewards system reengineering, which may be faced with serious resistance.
- It takes substantial time and effort to heal the wounds, to reestablish broken communications and rebuild trust and collaboration.

#### **Best Practices for Curing Bad Politics:**

Realistically, it is not possible to have a politics-free organization. The desire for power is part of human nature, our business, and our world. Seeking power and politics in any company is neither inherently good nor bad. However, successful leaders know how to leverage politics by setting performance-oriented instead of resources-oriented political goals and rewards. Successful leaders set fair rules for the political game, reward collaborative performance and penalize animosity and negative behavior. To cure the organization from bad politics, the board of directors and investors can choose from the following list of recommendations:

- The CEO must recognize the criticality of the political problem and its impact on the business performance. S/he must commit to change and be its leading champion.
- The CEO can use independent and qualified advisors and facilitators to support the change program (outsiders who have no internal agendas or biases).
- The CEO must use adequate scorecards and open employee-feedback surveys to assess the health and performance of the management team, and to identify performance roadblocks. The surveys must be anonymous and conducted by independent consultants on a bi-quarterly basis.
- For valid differences of opinions, consider mediation and arbitration. If that does not work, replace difficult and uncooperative managers.
- If the existing management team does not demonstrate a true change of heart and policy, then a new powerful leadership must be brought in.
- If a new leadership is brought in, s/he must be backed by the full support of the board of directors. The new leaders must be given the power to make decisions, hire, fire and end bad politics.
- The leader must gather the team together and be open, honest and direct about bad political behaviors and should be willing to back threats with actions. It is important to have the legal counsel be present and announce that those who continue in their negative behavior will be out the door.
- To quote Gandhi: "Be the change you want to see." The most powerful leaders are almost always the role models for the change they seek. If the CEO practices bad politics, no amount of training or coaching will change the management team.
- Do not tolerate bad behavior. Realize that both bad and good behaviors are contagious. It is a proven sociological fact that people will imitate the behavior that appears to be socially acceptable, even if it is not their normal behavior. If you allow some people to get away with bad political behaviors, other people will follow.
- Focus on building a culture of collaboration as part of the management strategy. The process of building a healthy organization starts by creating cohesive teams at all levels (top, middle and line managers). Leverage executive-coaching programs and action-learning teams to solve problems and develop strategies. Learning together helps them to work better together.
- Conduct company-wide team building workshops, educate teams on professional ethics and train them on people skills, communication, negotiation and conflict resolution.
- Communicate, educate and build consensus on strategy, direction and performance targets.
- Once a strategy is agreed upon, design a performance system to motivate and control - include both incentives and penalties. The new system must be aligned with objectives and designed to reward collaboration and penalize silos.
- Use collaboration tools (Information and communication technologies) between geographically dispersed business units and teams.



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