

Introduction

Who's in the Room?

At the heart of every organization chart lies a myth.

At the top there's the boss. Directly beneath are the boss's direct reports—anywhere from five to fifteen people who meet regularly as the senior team. Whether at the corporate, divisional, functional, or departmental level, this team almost invariably has a name that suggests its lofty status: Executive Committee, Management Council, Operating Committee, Senior Management Team. Like the gods on Olympus, the members of this august body are presumed by most managers to spend their time together discussing profound thoughts and making all of the organization's truly momentous decisions.

The reality is that they don't—any more than they wear togas and sandals.

The senior team may be consulted or informed, but the most important decisions are rarely made by a group like this sitting around a conference table. Instead, the organization's leader typically calls in an inner core of intimate advisers—a *kitchen cabinet*—along with any other individuals who might shed light on a specific situation. It is this team with no name—ad hoc, unofficial, and flexible in makeup—that is the group in the room as the actual decisions get made. Yet we all persist in believing that the senior team should be the forum for decision making.

It can be a destructive belief.

I have spent the past twenty-nine years consulting to organizations of all kinds, from Fortune 500 companies to family-held businesses to the U.S. Department of State. I've earned over eight million American Airlines AAdvantage miles facilitating

2 WHO'S IN THE ROOM?

strategy discussions with senior executive teams in fourteen countries on five continents. Over and over during those years I have seen the confusion and conflict caused by the way decisions get made. Executives on the senior team resent the boss's end runs. They feel shut out of the big decisions, and this leads to doubts and insecurity about their own status. Will they be consulted before the next major decision is made or only informed after? Will their opinions be solicited, and how much weight will they carry?

Meanwhile, the boss is often frustrated by the apparent parochialism of individual team members and the seeming inability of subordinates to get anything done without having the boss sitting in on every discussion. The team is said to be dysfunctional. Blame is plentiful on all sides.

But this blame is misplaced. Most of the world's best executives make decisions in ways that don't show up on an organization chart or a process flow diagram. When it comes to critical decisions, they implicitly understand the inherent limitations of the formal executive team. They tacitly acknowledge that it's desirable for the boss to have the ability to vary who is in the room when major decisions are being made. And they instinctively know exactly whom they want with them in the room for each specific decision.

My purpose here is to make explicit how leaders of management teams actually work—and why they work in these particular ways. This book is grounded in a simple truth: having a small cadre of trusted advisers in the room when each big decision is made is the way most leaders run their organizations, and when the real nature of the executive team is fully understood it will also be clear that this approach is the *best* way.

Senior teams have undeniable strengths, and they are in a unique position to do things that no other group in the organization can do as well. Making big decisions isn't one of them—for very good reasons that will be dissected here. Unless the senior team's limitations are understood and its genuine strengths put to work, the blame and frustration on all sides will

continue. The organization will have the approach half right: ad hoc decision making by the few. But it will also have the approach half wrong because it will fail to fully leverage the real power and competencies of the many.

My hope is that by understanding the nature of executive decision making, executives and the members of their senior teams can stop beating up themselves and each other. They can start improving the ad hoc decision-making process that probably already lies near at hand, and they can focus the executive team on what it does best. This outcome doesn't require organizational overhauls or irrelevant team-building exercises. It requires only an acceptance of reality and a willingness to refine that reality with a few simple steps that can be taken tomorrow.

For almost three decades, I've seen company after company trying to overcome what it sees as a lack of executive team effectiveness. Days, weeks, or even months of effort are wasted with little or no result. This book is meant to help you and your executive team—and similar teams at any level of your organization—to reframe the problem, to help you to stop seeing it as an issue of individual or group behavior and to start seeing what's really happening in both your formal team meetings around the leadership table and in your meetings with your kitchen cabinet. Once you do, it's unlikely you'll look at your team in the same way ever again.

It's time to send the psychologists packing. Time to stop hamstringing yourself and selling the members of your executive team short. And time to free decision making and decision makers throughout your organization from the tyranny of the organization chart.

The organization will get faster, better decisions and a higher level of organizational alignment in executing against those decisions. Team members, and the people who work under them, will achieve new levels of effectiveness—and even fulfillment—in being unleashed to do what they do best. And you and other leaders in the organization will see a dramatic drop-off in people coming into your offices and asking, “Why wasn't I in the room?”

