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Abstract

This paper outlines a research program designed to develop and verify the Executive Team Effectiveness (ETE) model. The authors hypothesise that maximising the Intellectual Capital of an executive team, within any given Executive Team Domain, will result in improved Decision Quality thus impacting positively on Organisational Effectiveness.

The project utilises a mixed method research design to build on published and on-going works of the principal researchers and the four phase research design includes: 1) Background Research and the Refinement of the Executive Team Effectiveness Model (Exploratory), 2) Developing the Team Intellectual Capital instrument and confirming the Team Effectiveness Domain dimensions (Explanatory), 3) Measuring Quality and developing Intervention Workshops/Training modules (Exploratory), 4) Validating the Executive Team Effectiveness Model (Explanatory).

The authors argue that insights gained from their research will allow for a better understanding of the gap between a team's potential effectiveness, represented by the TIC, and their actual performance. The authors suggest that through the application of concrete strategies in response to a TIC evaluation an Executive team's capabilities may be developed and/or adjusted and consequently leveraged to enhance decision quality and ultimately improve organisational effectiveness.

Introduction

Intensely competitive markets, calls for stronger accountability, the dictates of sound corporate governance and the cost of poor decisions are all imperatives for Executive Teams and Boards to produce timely high quality decisions. Preliminary research in this area (Klass and Quaddus 2006; Klass, Schmidenberg, and DeReuck 2006; Klass and Wood 2006; Wood 2004) indicates that it is the combined Team Intellectual Capital (TIC) made up of six key intelligences, which drives this decision quality, ultimately impacting on organisational performance.

The research program outlined in this paper is designed to refine our understanding of these intelligences, seeking to reduce the gap between a team's potential effectiveness, represented by the TIC, and their actual performance. Through the application of concrete strategies in response to a TIC evaluation, an Executive team's capabilities may be developed and/or adjusted for and consequently leveraged to enhance decision quality and ultimately improve organisational effectiveness.

More specifically, the aims of this research program are:

i. To investigate and build on the determinants of the intellectual capital of executive teams, the executive team domain, decision quality and organisational effectiveness.
ii. To develop measures for the constructs identified in (i) and further develop and validate an instrument for measuring Team Intellectual Capital.
iii. To explore the relative importance and appropriateness of the Executive Team Domain dimensions with respect to Team Intellectual Capital, Decision Quality and Organisational Effectiveness.
iv. To develop robust measures for Decision Quality focusing on three perspectives: the individual, the team and the organisation.
v. To develop/source appropriate tools, techniques and processes that will be presented within a procedural framework to augment the Executive Team Effectiveness model.
vi. To develop executive team training schemes aimed at enhancing Decision Quality based on the above research.

Following is an overview of the background to the model and an outline of the research program designed to achieve the above aims.

Background

Executive Teams and Boards are faced with making complex decisions in turbulent organisational environments (Christensen and Fjermestad 1997; Slevin et al. 1998). Growth in competition, the importance of knowledge management and networks and growing demands regarding accountability and governance are all factors coming to bear on the decision making milieu (EIU, 2006; Christensen and Fjermestad 1997; Finnegan and O'Mahony 1996; Guzzo and Dickson 1996). Driven by these concerns, contemporary Executive decision making is also complicated by a demand for enhanced decision quality, along the lines outlined by Kopeikina (2005: 14) i.e. quality of the decision making process, quality of content and quality of internal alignment with the vision.

As one way of addressing these concerns, decisions are increasingly made by teams rather than individuals (Slevin et al. 1998; Van den Honert 2001), where a real team (as opposed to a 'group') is defined as "a small number of people with *complementary skills* who are committed to a *common purpose*, *performance goals* and an approach for which they hold themselves *mutually accountable" (*Katzenback, 1997: 84).

A number of scholars suggest that an Executive *team* such as this has a positive impact on organisational performance (e.g. Edmondson, Roberto and Watkins, 2003; Guzzo and Dickson 1996). As Edmondson et al (2003: 298) state:

> *Teamwork allows the CEO to engage in a participative group process through which diverse members wrestle together with difficult issues to make decisions and build commitment to implementing them.*

Various studies look at effective executive teams as a means of coping with the perceived turbulence and complexity complicating executive leadership (e.g. Nadler, 2004; Edmondson et al, 2003; Hambrick, 1997 and Nadler, 1998). Researchers and practitioners in the field argue that effective executive teams and use of groups accrue a number of benefits in terms of contributions to decision quality including: *enhanced creativity in addressing problems* (Milliken, Bartel and Kurtzburg, 2003); *addressing complexity* - drawing on diversity in the team to deal with complex issues and generate new meaning (Griffin, Shaw, and Stacey 1998); *increased commitment to act on decisions made* (Janis and Mann 1977; Wood 2004); *shared understanding of the issues* - one of the key benefits here is to enable senior managers to interact in sharing and evaluating information in making strategic recommendations (Daft, Bettenhausen, and Tyler 1993); *diversity* - in terms of knowledge and status, but this diversity can also be a challenge (Hollenbeck et al, 1998)*; increased likelihood of reviewing more, and more pertinent, alternatives* (Murphy 1989;

Janis and Mann. 1977); *increased likelihood of implementation/adherence to the decision* (Pennington, Haravey & Bass, 1958 in Janis & Mann 1977: 180; Vroom 1964; Jones & Gerard 1967; Kiesler 1971 in Janis & Mann, 1977: 180); *increased confidence* – group decision making generally results in higher confidence in the decision compared to individual decision making (Slevin et al. 1998) and *better decisions* (Hoon, Mao, and Benbasat 1999): 137).

However, a corresponding body of research also indicates that this potential often fails to materialise (e.g. Katzenbach, 1997) and that group work is also characterised by dysfunctional behaviours, leading to process losses and lowering decision quality (Van den Honert 2001). Many executive teams are not involved in 'real teamwork' i.e. real work that offers high value, do not possess mutual goals (Katzenbach 1997) and lack the capability prerequisites to deliver on the required level of decision quality (Edmondson et al 2003).

Other dysfunctional group behaviours evident in executive teams include *groupthink/ conformance* - generally characterized by uncritical acceptance or conformity to prevailing points of view (e.g. Jones and Roelofsma 2000; Janis and Mann 1977; Mejias, Vogel, and Shepherd 1997; Straus 1996; Granstrom and Stiwne 1998); *disorganisation* - lack of an organised process; groups often fail to use key information that is held by members, often as a result of inefficient, unstructured processes (Stasser 1992; Stasser and Titus 1985; Slevin et al. 1998; van de Ven and Delbecq 1974; Vogel and Nunamaker 1990); *member dominance* - members dominate in an unproductive manner (Maier 1967; Mejias, Vogel, and Shepherd 1997; Vogel and Nunamaker 1990; George et al. 1990); *social loafing* - shy and/or lazy members make little effort to participate (Hoon, Mao, and Benbasat 1999): 139); *evaluation apprehension/social inhibition* - unwillingness of members to contribute for fear of being criticised (Straus 1996; Shaw 1981; Vogel and Nunamaker 1990; Hoon, Mao, and Benbasat 1999; George et al. 1990); *deindividuation* – essentially this is a loss of self-awareness; when a person finds him/herself submerged in a group and feels anonymous (Diener, 1977 in Peterson, 1997); *diffusion of responsibility* – this can be a problem where the individual group members are often not equally qualified to contribute equitably to the decision process, or may have different saliencies (desires) to influence the decision (Van den Honert 2001: 275); *group escalation of commitment* – commitment to a failing course of action (Bobocel and Meyer 1994; Whyte 1993) and *group polarization* – where the reactions of groups tend to be more extreme than that of individuals (Spears, Lea, and Lee 1990).

The preceding points indicate that the desire to be accepted and to be a good group member tends to silence disagreements, favour consensus and produce unreasonable social pressure for conformity (Hoon, Mao, and Benbasat 1999: 139). As a number of authors note (e.g. Slevin et al.

1998; Van den Honert 2001; Hoon, Mao, and Benbasat 1999), again inferior decision quality may result.

Also impacting on Executive team decision quality is the lack of decision making and cognitive skills required to make good decisions. Some of the pitfalls here include the logical fallacies to which argument can be subject such as errors of deduction, circular reasoning, the dogmatic convictions that accompany attitudes of infallibility, susceptibility to the guiles of rhetoric and propaganda and common cognitive biases in decision-making (Bazerman 1998; Russo and Schoemaker 2002; Taylor and Crocker 1981).

Such dysfunctional behaviour and lack of skill has very real consequences in terms of poor judgement and bad decision making, incurring significant costs for both the organisation and their stakeholders. There is ample evidence in the literature indicating the cost associated with poor quality decisions and decision processes. This includes the well known Barings Bank scandal amounting to over 1 billion US dollars (Hoch, 2001), the decision to launch the Challenger space shuttle (Vaughan, 1996) and UK research calculated that the cost of each year's mistakes for companies in their study was approximately £800,000 per person per year (Anon, 2004).

A well known example in the Australian context includes the $300 million dollar Australian Wheat Board scandal (AWB, 2006). The AWB reform agenda acknowledged that poor decision processes and subsequent poor decision quality were partly to blame (AWB, 2006). It is anticipated that this mistake will continue to impact on AWB shareholders for a number of years to come (Woolrich, 2007). Another significant Australian example is the collapse of HIH. Described as the biggest corporate collapse in Australian history with 56 possible breaches of Australian Corporations Law and the possibility of criminal charges, Justice Neville Owen pointed to poor decision making as a direct cause. In discussing the poor decision quality exemplified in this case, Long (2003) states:

> *There was a blind faith in the leadership that was ill equipped for the task, insufficient ability and independence of mind. Risks were not properly identified and managed. Unpleasant information was hidden, filtered and sanitised and there was a lack of sceptical questioning and analysis when and where it mattered.*

Some of the common elements in each of these examples include failures at multiple decision points, the involvement of teams of decision makers, poor decision processes and the failure to access or utilise the available information. Poor leveraging of the intellectual capital of those involved to ensure they had the skills, information and processes required proved costly indeed.

In addressing these issues in previous publications we have argued that, for teams involved in strategic decisions and in formal strategic planning activities in organisations, certain procedures and principles need to be attained for that team to make the very best decisions of which its members are capable at that time (De Reuck, Schmidenberg, and Klass 2001, 2000, 1999). According to the Generalised Decision Assurance Methodology (GDAM) developed in these publications, "best bet" decision making of this kind requires an environment that allows for authentic communication which in turn is promoted by such factors as the encouragement and serious examination of diverse views, respect for the individual, acceptance of the possibility of fallibility, a democratic decision-making milieu, and agreement to accept the authority of the better argument as the final arbiter in debate (De Reuck, Schmidenberg, and Klass 2000, 2001, 1999, 2003). These findings were further supported by Wood (2004).

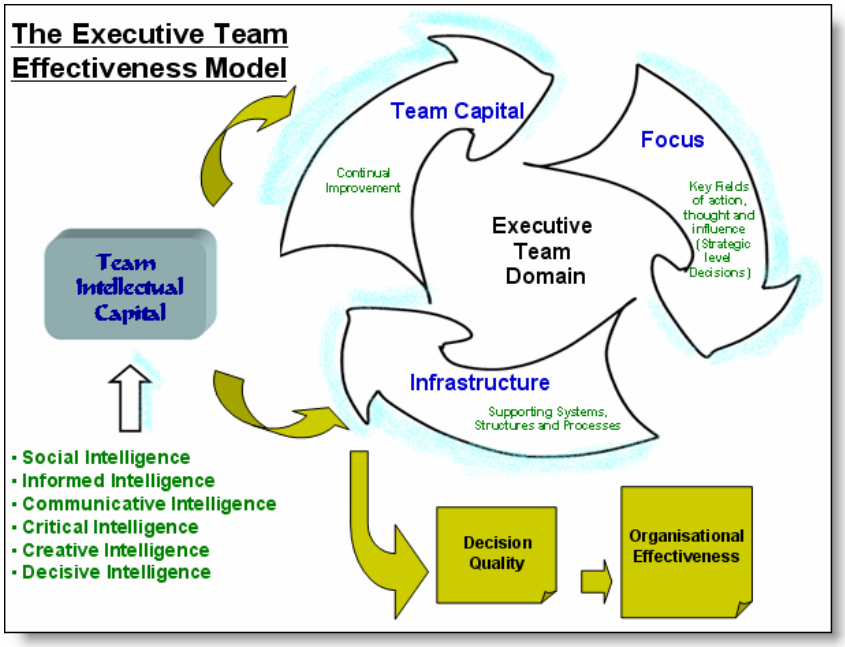
However, utilising this suggested procedure and based on initial research and experience in working with executive teams it has become evident that a wider framework addressing decision quality assurance is required. This would provide a much stronger Evidence Based Management (EBM) approach as discussed by Rousseau and McCarthy (2007), but focused more particularly on Executive level decision making. Our premise at this point is that our initial framework needs to be extended to encompass various skills and competencies ('intelligences') which should ideally manifest themselves in the team in order to maximise the team's decision-making potential and thus ensuring the quality of the decision outcomes (Klass, Schmidenberg and DeReuck, 2006; Klass and Wood, 2006; Klass, Schmidenberg and DeReuck, 2005; Wood, 2004). This, we argue, would contribute towards improved organisational effectiveness. In the proposed extended framework we conceptualise "Team Intellectual Capital" as interdependent and interactive clusters of "intelligences". The degree to which the intelligences are present in the team and how they are utilized determine the team's effectiveness in adapting to the demands of their decision-making environment (the Executive Team Domain). The intelligences thus define the conditions for the quality of the team's performance in decision-making. We hypothesise that this skill set is comprised of the following interdependent and interactive "Intelligences": Social Intelligence, Informed Intelligence, Communicative Intelligence, Critical Intelligence, Creative Intelligence and Decisive Intelligence. These are discussed below.

The Executive Team Effectiveness Model

Consideration of the above has led to the development of our Executive Team Effectiveness (ETE) model. The basic premise is that the Intellectual Capital of an executive team, within any given

Executive Team Domain will result in improved Decision Quality thus impacting positively on Organisational Effectiveness (see Figure 1 below).

Figure 1.The Executive Team Effectiveness Model



Following is an outline of each of the elements of the proposed ETE model presented in Figure 1:

(i) Team Intellectual Capital (TIC).

Our 'Executive Team Effectiveness' (ETE) model proposes that the TIC drives executive team effectiveness and argues that the presence of certain "intelligences" will enable the team to maximise its decision making potential. These interdependent and interactive Decision Intelligences include:

Informed Intelligence deals with the ability to provide, identify and match appropriate information to the decision situation. A group's core knowledge competencies represent the domain of expertise, knowledge, and technical knowledge that is unique to a particular decision group. They form the content or subject matter for the decision group (Allee 1997). Informed Intelligence is concerned with the group's ability to access strategic information, to evaluate its relevance and to utilize it in a timely manner. This competency equips the group in determining how to get the

information they need, determine what information they include and what they exclude and the ability to use that information to their best advantage (Browne and Keeley 2004; Hollenbeck et al. 1998).

Communicative Intelligence is the ability to transfer information from one source to another with minimum distortion. Communication involves the making and sharing of meanings and in this sense is not outcome but process. It involves sources and receivers working together to co-construct an understanding of what matters with regard to the issue at hand (Burtis and Turman 2006; Brown 1988). It entails understanding the many factors that lead to good communication strategies that minimise distortion and involves managing the degree of process control used in the team (Edmondson et al., 2003).

Social Intelligence refers to the ability to get along well with others and to facilitate cooperation (Albrecht 2006). It represents a combination of a basic understanding of people (i.e. a kind of strategic social awareness) and a set of component skills for interacting successfully with them. It can be perceived as an externally oriented competence—i.e*. interpersonal intelligence.* Two important dimensions of this competency include: *empathy* - the ability to be aware of, to understand, and to appreciate the feelings of others and *social responsibility* - the ability to demonstrate oneself as a cooperative, contributing and constructive member of one's social/decision group.

Critical Intelligence concerns the skills necessary for understanding the nature of argument *analysis, evaluation* and *construction* and the role of justification in group discussions. Integral to group decision-making is the quality of the discussion, debate and argument about the issues on the table – an area subject to numerous problems as discussed earlier in this proposal.

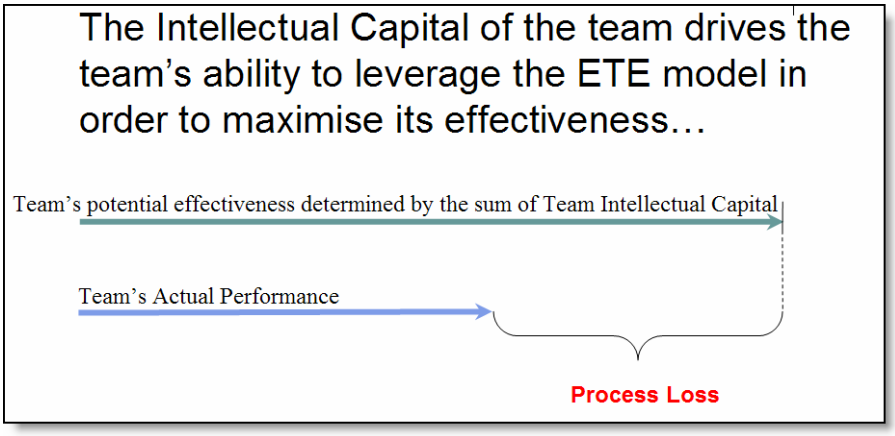
Decisive Intelligence refers to the skills necessary to support the cognitive process required when dealing with strategic decisions. Decisive Intelligence comprises the ability to effectively frame problems, make choices, utilise cognitive support tools and understand the process for optimising decision outcomes under conditions of uncertainty.

Creative Intelligence follows Drazin, Glynn and Kazanjian (1999) in defining creativity as the process of engagement in creative acts, regardless of whether the outcomes are novel, useful or

creative. Here we consider the way the individual and the team views and takes action "in situations that are complex, ambiguous and ill-defined" (Drazin et al 1999: 287). This also builds on the process view of both individual and group creativity as discussed by Amabile (1996).

We further hypothesize that the Executive Team's ideal effectiveness is determined by the sum of the Team Intellectual Capital. However the actual team effectiveness is always less than the ideal thus producing a gap (see Figure 2 below, adapted from Nicholson and Kiels' (2004) work on process loss and board capability). We argue that this gap or process loss may be minimised by addressing pertinent areas in the range of intelligences discussed above.

Figure 2.Intellectual Capital and Process Loss



(ii) Executive Team Domain (ETD)

The second element within our Executive Team Effectiveness model is the Executive Team Domain (ETD). Within the ETD we propose that three key dimensions need to be considered when dealing with the issue of Decision Quality. These dimensions as outlined in Figure 1 are i) the *Focus* or sphere of operation, ii) the *Infrastructure* supporting the team and iii) the degree of development and maintenance of *Team Capital*. We see these dimensions as interrelated and leveraged by the intellectual capital of the group. Following is an outline of each of these dimensions:

Focus: Focus represents the decision types our model encompasses. It focuses on key fields of action, thought and influence. Our model focuses on decision types and responsibilities that are strategic in nature i.e. those that are most likely to fall within the gambit of an executive team and/or Board level decision making team. This includes:

- Strategic Planning, Risk Management, Negotiations, Compliance, Resource Allocation, Strategic Choice

Infrastructure: Infrastructure encapsulates the Supporting Systems, Structures and Processes that augment the team's ability to perform effectively and ensure decision quality. Elements within the infrastructure dimension comprise:

- Decision Tools, Processes, Roles, Information Systems, Rules of Engagement, Committee Structure

Team Capital: The Team Capital dimension is to do with ensuring that the team continually builds on and improves the team's human capital. The focus is on continual learning and building strong and sustainable human capital. This encapsulates the following:

- Team Culture, Development, Training, Leadership, Recruitment and Selection

(iii) Decision Quality

The third aspect in our ETE model is the critical concept of Decision Quality. This is also one of the most difficult to define and measure. Scholars have argued that the only way to assess the quality of a decision outcome is to assess the decision process and suggest that to value-add to the decision quality we need to focus on what is actually under our control (Kopeikina 2005; Priem, Harrison, and Muir 1995; Russo and Schoemaker 2002; Schweiger et al 1986).

In most reported studies decision quality is subjectively assessed using expert panels/judges or self-reporting indicators (Amason, 1998; Priem and Harrison, 1995; Schweiger et al, 1986; Amason, 1996; Jehn, 1995). Priem and Harrison (1995) used a panel of expert judges to make holistic judgements as to the quality of the decision outcome. These authors also consider the degree of individual acceptance and member satisfaction in addition to decision quality in their study. Jehn (1995) focused on individual satisfaction as a measure. Schweiger et al (1986) also used judges rating to measure group performance and in their study used the following 3 dimensions:

1. Number of assumptions surfaced,
2. Validity of assumptions and

3. Importance of assumptions with respect to their decisions.

However, given its comprehensive nature, it is Kopeikina's (2005) three dimensions of decision quality which will be used as our base dimensions for quality, namely, the quality of the decision making process (organisation, rigour etc), the quality of the decision making content (data quality, depth and breadth of considered decision parameters) and the quality of internal alignment with the vision. Measurements will be based on self reporting and expert judgment schemes and will aim at discovering the constructed reality of Executive Teams with respect to team effectiveness and decision quality. These will be supported, where possible, with metric extracted from formal organisation performance measures.

This project will also consider decision quality from three different perspectives i.e.:

- The individual
- The team and
- The organization

(iv) Organisational Effectiveness

The final element within the ETE is that of Organisational Effectiveness. As discussed earlier, a strong connection appears to exist between Team Intellectual Capital, Executive Team Effectiveness and organisational effectiveness (Edmondson et al. 2003). For example, Hambrick (1997) argues that the way an organisation performs depends largely on the sum of characteristics, behaviours and experiences of the senior executive group and how they work together.

However, there is no single accepted definition of organisational effectiveness due to the unavoidable link with the nature and type of organisation being referred to (Cameron, 2005). Given this variability it is more common to use a proxy measure for effectiveness, linked to achievement of organisational objectives. To this end our present definition is a relatively subjective one i.e. "how *effective an organisation is in achieving the outcomes the organisation intends to produce"*. We are looking to refine this as the study progresses.

Research Plan

This project will use a mixed method research design to build on published and on-going works of the chief investigators and others (Quaddus and Hofmyer 2007; (De Reuck, Schmidenberg, and

Klass 2000, 2001, 2002, 2003; Klass and Quaddus 2006; Klass, Schmidenberg, and DeReuck 2006; Klass and Whiteley 2003; Klass and Wood 2006; Wood 2004).

The study is seen as occurring in four stages.

(1) Stage 1: Background Research and Refine Executive Team Effectiveness Model (Exploratory)

This stage will focus on background research and will involve refining and grounding the Executive Team Effectiveness model (Figure 1) using a qualitative research approach to gather appropriate data. Qualitative data collection (via interviews) and analysis methods will be adopted and appropriate tools utilised for the analysis (e.g. ATLAS.ti and Decision Explorer).

The interview protocol will consist of both structured and open ended questions covering the constructs of the Executive Team Effectiveness Model (see Figure 1). An appropriate number of interviews (i.e. Theoretical sampling) will be conducted with executive team members from the industry partners of this project. Interviews will be transcribed, categories created and concepts identified using ATLAS.ti™, software designed to facilitate the storing and analysis of qualitative data (ATLAS.ti 2003). Cognitive maps will then be created using the cognitive mapping software, Decision Explorer™ (Banxia 1993). This will be followed by detailed analysis of each of the individual maps, prior to building a composite map of each team's experience. These will be analysed and the findings written up. The ETE model will be revised based on the findings.

(2) Stage Two: Developing the Team Intellectual Capital instrument and confirming the Team Effectiveness Domain dimensions. (Explanatory)

The focus of this stage will be to develop and validate an instrument to measure the various dimensions of TIC. The TIC instrument will be validated using structural equation modelling. Here we will also confirm and refine the elements considered in the three dimensions of the Executive Team Domain. These dimensions will be explored within a qualitative framework and then verified using a positivist paradigm.

Data will be collected from the executive team members of the industry partners of this project and other private and public sector organisations. The collected data will be analysed using structural equation modeling (SEM) approach (Bentler 1989, Byrne 1998, Chin and Todd 1995). SEM is a second-generation multivariate analysis technique used to estimate the parameters of causal

models. SEM embraces abstract and empirical variables simultaneously, and recognises the interplay of these two dimensions of theory development. These second generation techniques are superior to traditional regression and factor analysis because the items measuring a construct are assessed within the context of the theoretical model. SEM calls for extensive reliability and validity tests of the model thus making the model useful for practical applications.

(3) Stage Three: Measuring Quality and developing Intervention Workshops/Training (Exploratory)

The third stage will concern itself with the development of decision quality measures appropriate for the Executive Team Effectiveness Model as discussed earlier and identify tools and processes aimed at helping teams achieve decision quality outcomes. Further, the design and development of intervention workshops/training modules to be used for the pre intervention and post intervention research design proposed in Stage Four is also included here.

It will involve an extensive literature review regarding the various approaches taken to measure quality in strategic decisions. This will be supplemented with interviews with decision makers involved with strategic decisions. Group Support Systems (GSS) technology which affords efficiency and minimises the dysfunctional effects of group work will also be used in this stage. The aim is, in the first instance, to produce a metric for "quality" to be used in our emergent Executive Team Effectiveness Model which will also be generic and robust enough to form the measurement base for future studies on decision quality.

This stage of the project will also require preparation of a well formulated intervention that ensures the key dimensions and elements of the model are understood and adopted by the decision teams involved in this research. Workshops and interventions will be developed from an evidence based perspective (based on Rousseau and McCarthy 2007) but incorporating a wider framework encompassing the various intelligences.

(4) Stage Four: Validating the Executive Team Effectiveness Model (Explanatory)

This final stage will focus on validating the emergent Executive Team Effectiveness model. The decision teams participating in the research will provide pre and post intervention data to allow for the testing of the various dimensions of the Executive Team Effectiveness Model. During this

stage, the interventions designed in Stage Three will be implemented. Workshop modules covering the practice of the Executive Team Effectiveness model will be introduced to the teams after pre intervention data has been collected. After the intervention has had time to be accommodated, post testing will be conducted. In addition to descriptive data analysis, structural equation modelling will again be used to analyse the data. The outcomes of this stage of the research will be compared and contrasted with the results from the previous stages. The implications and strategies will be written up for publication.

Significance of the Research Program

The significance of the project revolves around the following:

Understanding the details of Executive Team Intellectual Capital. For the first time a comprehensive study will be conducted to understand the determinants of executive Team Intellectual Capital (TIC). Our initial research highlighted six key intelligences which comprise the executive TIC (Klass and Wood 2006; Klass and Quaddus 2006). As argued earlier, for quality decisions a necessary prerequisite is the presence of a high level of team intellectual capital. This project will develop and validate an instrument for Team Intellectual Capital. The instrument will be grounded in data from executive teams and integrated with the findings from the literature. For the first time executive teams will be able to assess team intellectual capital and develop an understanding of any shortfall so that an appropriate intervention can be designed. This reliable and valid measure of executive TIC will also make a significant contribution to the broader literature on strategic decision making and leadership.

Understanding the dimensions of Decision Quality. As noted earlier, the literature suggests three fundamental dimensions of decision quality as being (i) quality of the decision making process, (ii) quality of the decision making content, and (iii) quality of alignment with the organisational vision (Kopeikina 2005). This research will adopt a qualitative approach to further investigate the determinants of decision quality. The decision quality construct will then be validated and tested for reliability. This comprises a significant contribution to the literature on decision making and decision support and will provide Executive teams with a benchmark for evaluating their own decision quality.

Developing and testing of the Executive Team Effectiveness model. A pragmatic approach will be taken to develop the Executive Team Effectiveness model. The initial version of the model has been developed based on an extensive literature review and partially tested in an organisation (Klass, Schmidenberg, and DeReuck 2006; Klass and Wood 2006). This model is unique and innovative, integrating various aspects of the executive team decision making process. Executive teams in various public and private organizations across Australia will be able to use the model to enhance the quality of their strategic decisions. The model will be re-developed and enhanced during the qualitative research phase of the project. To test the model a second generation structural equation modelling (SEM) approach will be used (Bentler 1989; Byrne 1998; Chin and Todd 1995).

Contribution to Theory and Academia. The development of the Team Intellectual Capital instrument and the development and validation of a model of Executive Team Effectiveness will make a significant contribution to current theory and practice in this area. The strategic link between Curtin University and the two principal participating organisations (WestTrac and the City of Gosnells) will be of additional value to academia.

Conclusion

The ETE model and its principal components of Team Intellectual Capital, Executive Team Domain, Decision Quality and Organisational Effectiveness represents an extension of the line of theory development and research which focuses on the quality of decision processes and outcomes in executive team settings. In terms of decision management, the ETE has wide practical application as an effective mechanism for providing empirical evidence to identify and address individual and team training and development needs. In addition, the measurement instrument offers fruitful possibilities for research within and between organisations. The elements that make up the ETE represent a consolidation of many strands of theory and research all of which converge in the decision quality arena.

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The primary researchers for this research program include Prof Mohammed Quaddus, Assoc Prof Des Klass and Dr Margot Wood. All three have extensive research experience and have published in the above research domain. Quaddus, Klass and Wood bring to this project prior experience in leading research teams. In addition Associate Professor Des Klass and Dr Margot Wood have developed facilitation processes and decision theoretic tools to assist executive decision teams' work through complex decision issues. They have extensive experience providing consulting support to both private and public sector organizations in strategy formulation.