

FORETHOUGHT ALIGNMENT

CEOs Misperceive Top Teams' Performance

by Richard M. Rosen and Fred Adair

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New research suggests that CEOs have a rosier view of senior management's performance than other top team members do. In a global survey of 124 CEOs and 579 other senior executives at large and midsize firms from a range of industries, 52% of the non-CEOs said that their teams were doing poorly in critical areas such as thinking innovatively, cross-marketing, leading change, overseeing talent development, and building a company culture. Just 28% of the chief executives reported problems in these areas. Rating their teams' overall effectiveness on a seven-point scale (seven being the best), the CEOs gave an average score of 5.39, whereas the other executives gave an average score of only 4.02. (See the exhibit "Performance Scores Diverge.")

Statistically, these ratings are worlds apart, and it seems that CEOs are the executives who need a reality check. The research, conducted jointly by the Leadership Consulting practice of the executive search firm Heidrick & Struggles and the University of Southern

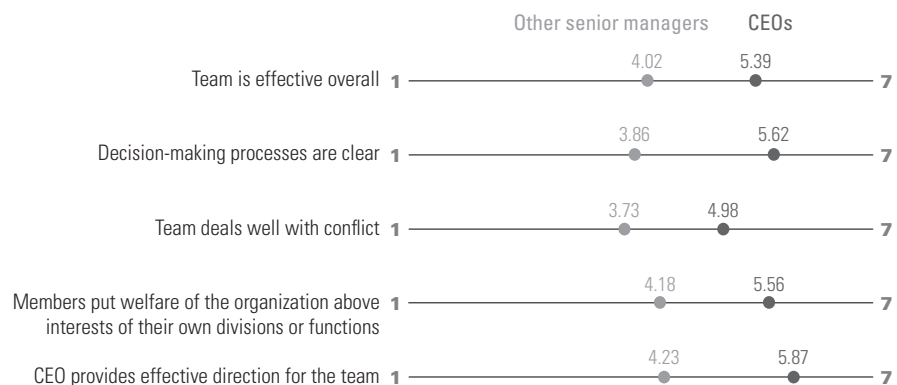
California's Center for Effective Organizations, also included a survey of 60 top HR executives from *Fortune* 500 companies, only 6% of whom reported that "the executives in our C-suite are a well-integrated team."

To figure out if they and their teams are seeing performance the same way, CEOs could try turning to their colleagues for candid assessments. But without the anonymity of a large-scale survey, people may just tell the boss what he or she wants to hear. A simpler, more reliable test is for CEOs to ask themselves the following three questions. Those who answer no to any of them probably perceive team performance as better than other team members do—and, by extension, better than it actually is.

1. Does my team make decisions in meetings? Some CEOs prefer to weigh their options in private or to act on their own after having group discussions or one-on-one meetings with team members. Confident that such counsel has helped them make

Performance Scores Diverge

In a recent survey, 124 CEOs and 579 other senior executives rated several aspects of their top management teams' performance on a scale of one (lowest) to seven (highest). As the scores here show, the CEOs thought things were going better than the non-CEOs did.



good choices, they may fail to see that their teams have been left out of a key part of the process: the final deliberation. Feeling powerless, the other executives understandably give themselves low marks for performance and for their ownership of team outcomes.

2. If we do make decisions in meetings, are they implemented shortly thereafter? The failure to move on an idea right away often indicates a team's lack of commitment to it. Since everyone has ostensibly signed off, the CEO assumes that the entire group is on board and that progress is imminent; meanwhile, silent dissenters let the idea wither through inaction.

3. Do meetings allow for lively conflict? Where there is no conflict, there is no passion. Avoiding disagreement means avoiding the really tough discussions, which almost inevitably require a higher level of engage-

ment. In an always placid meeting room, a CEO may see consensus where a more objective observer would see conformity.

After reflecting on these questions, a chief executive will have a better sense of whether he and his team view their performance differently. If they do, management can get started on the hard work of true alignment; it will then become clear where performance really stands and what needs improvement.

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