TEAM EFFECTIVENESS AUDIT AT TOP EXECUTIVE LEVEL

Nicole Fabig-Grychtol and Ralf Hendrik Kleb

Objectives & Approach of Team Effectiveness Audit | Assessment Methods & Toolbox | Challenges of the Top Executive Team | Effectiveness of the Top Executive Team | Individual Feedback in Detail
The vast majority of Supervisory Boards of listed companies in North America and Europe undergo a Board Effectiveness Assessment. In particular, the following aspects are considered:

- Supervisory Board structure (composition, committees)
- Dynamism and cooperation in the Supervisory Board,
- Influence on the business strategy,
- Financial reporting, internal audits and risk management,
- Monitoring corporate policy, strategy implementation and systems,
- Supporting and advising role as well as
- the special role of the Chairman of the Supervisory Board.

The work of the Executive Board and the management is "monitored" by the Supervisory Board, but also "evaluated" by shareholders, investors and the media. In addition, the results of regular employee surveys reveal strengths and areas of improvement to which the top executives devote themselves as part of targeted follow-up initiatives.

While management assessments and 360° feedback processes are now widespread among managers, comparably detailed and regular feedback processes are often still lacking at board and management level.

The assessment of the effectiveness of the board of directors or the management (Executive Board, Top Executive Team, C-Team) is usually based on an evaluation of the strategy and financial performance as well as the achievement of qualitative objectives, e.g. socio-political and personnel policy goals.

OBJECTIVES OF THE TEAM EFFECTIVENESS AUDIT

Now that many Supervisory Boards are subject to an annual Board Effectiveness Assessment, however, Top Executives often lack feedback from colleagues and direct reports.

The vast majority of Supervisory Boards of listed companies in North America and Europe undergo a Board Effectiveness Assessment.
LEADERSHIP TEAM EFFECTIVENESS AUDIT | Whitepaper

APPROVED APPROACH OF THE TEAM EFFECTIVENESS AUDIT

Project Example: Executive Board Members reflect on their work and get feedback from their colleagues and management as a team and as individuals.

<table>
<thead>
<tr>
<th>planning</th>
<th>Executive Board Effectiveness Assessment</th>
<th>feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Detailed briefing: clarification of the initial situation and focus on the objectives</td>
<td>• Invite all peers and direct reports to participate in the multi-rater feedback process (online)</td>
<td>• Consolidation of all results</td>
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<tr>
<td>• Determination/adjustment of the procedure</td>
<td>• Execution of a self-assessment (online, incl. external benchmarks)</td>
<td>• Summary of the results for the CEO</td>
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<tr>
<td>• Selection of assessment tools</td>
<td>• Survey of CVs and future-oriented job profiles, including special challenges</td>
<td>• Drafting individual feedback reports for the individual board members / MDs</td>
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<tr>
<td>• Preselection of topics for in-depth interviews</td>
<td>• Customizing of in-depth demand-specific interview guidelines</td>
<td>• Presentation of results/feedback discussions</td>
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Individual Member of the Executive Board
Executive Board Team & Top Management Team

Assessment/Feedback refers to:

- Individual Member of the Executive Board
- Executive Board Team & Top Management Team
ASSESSMENT METHODS & TOOLBOX

**Toolbox:** Assessment of the effectiveness of the cooperation between executive board members as well as with their management team (Direct Reports)

<table>
<thead>
<tr>
<th>Executive Board Effectiveness Dimensions</th>
<th>Input/Feedback Sources</th>
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<tbody>
<tr>
<td></td>
<td>Self</td>
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<tr>
<td>Challenges of the C-Team</td>
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<tr>
<td>- Mission, Vision, Responsibilities, KPI</td>
<td>Survey By Mail/Supplementary Interview</td>
</tr>
<tr>
<td>Effectiveness of the Executive Team</td>
<td></td>
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<tr>
<td>- The distribution of roles in the C-Team</td>
<td>Structured Interview</td>
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<tr>
<td>- The transformational Leadership</td>
<td></td>
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<tr>
<td>- Competencies des C-Teams</td>
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<tr>
<td>- The effectiveness of the C-Team</td>
<td>Structured Interview</td>
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<tr>
<td>- The effectiveness of the top management team</td>
<td>Structured Interview</td>
</tr>
<tr>
<td>Individual feedback in detail</td>
<td></td>
</tr>
<tr>
<td>- Personal role(s) in the C-Team</td>
<td>Structured Interview</td>
</tr>
<tr>
<td>- Personal competencies and characteristics</td>
<td>Psychometric Online Test</td>
</tr>
<tr>
<td>- Personal competencies and behaviours</td>
<td></td>
</tr>
<tr>
<td>- Personal communication and interaction profile</td>
<td>Structured Interview</td>
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</table>

Online Tools
- Personal Interviews (structured questionnaires alternatively also as online version possible)
CHALLENGES OF THE TOP EXECUTIVE TEAM

Preparation for the assessments: Mission, Vision, Responsibilities, KPI

The main tasks of the C team include developing visions and strategies, inspiring managers and employees and coordinating the implementation of strategic initiatives.

The assessment is based on an examination of the corporate strategy and the personal challenges of the C team members.

**Mission**
*Who we are and what we do*
- Why are we here?
- How do we earn money?
- What’s our job?
- How do we want to be seen in the market?

**Vision**
*Where shall we go?*
- How do we see ourselves? where do we stand in the future?
- What do we want to achieve?

**Mission Statement and Values**
*Which principles shall guide us on our way?*
- What drives our daily actions?
- On what basis do we deal with each other?
- What can all partners/stakeholders rely on?

**Strategy**
*How do we get there?*
- How will we achieve our goals?
- What business do we want to do?
- What business segment strategies are we pursuing?

**Corporate Mission**

[Diagram showing Mission, Vision, Corporate Mission, Strategy, and Mission Statement and Values]
Effective teams are characterised in particular by a complementary distribution of roles, whereby a team member can assume other roles in addition to his main role.

In a personal interview, the members of the C team assess their roles in different team situations on the basis of 56 behavioural anchors corresponding to eight different roles.

Distribution of Roles in the C-Team

1 = little pronounced role
2 = moderately pronounced role
3 = strongly pronounced role
4 = very strongly pronounced role
5 = extremely pronounced role
While the different role profiles describe the interaction in the C team, special aspects of "transformational leadership" are at the forefront of the analysis.

In dynamic environments in particular, "transformational" leadership, which changes goals and values, is seen as having advantages over transactional leadership approaches.

The assessment of the individual board members/managing directors takes place within the framework of an interview with their direct reports. A total of 7 dimensions are described by five behavioural anchors.
Effectiveness of the C-Team

The C-Team undergoes an effectiveness assessment regarding the cooperation in the Executive Board. It serves the critical self-assessment of the function and task fulfilment as well as the organisational structures and decision-making processes in the C-Team and enables their targeted improvement.

In a personal interview, the members of the C team assess their effectiveness of cooperation within the C team in six areas on the basis of differentiated criteria.
EFFECTIVENESS OF THE EXECUTIVE TEAM

Effectiveness of the Top Management Team (C-Team and Direct Reports)

A competent and well-functioning C-Team alone does not make a company successful yet. This requires a powerful and effective Top Executive Team (C-Team and Direct Reports).

In a personal interview, the members of the C team and at least their direct reports make a self-assessment of the effectiveness of cooperation in top management.

The items in the areas of communication and information, teamwork, technical and methodological competence, productivity and goal orientation, as well as values and attitudes, correspond to the content of the items for the C-Team. In addition, an aspect was included here that considers the management of the Direct Reports by their responsible C team member.
INDIVIDUAL FEEDBACK IN DETAIL

Personal role(s) in the C-Team

In a personal interview, the members of the C Team assess their roles in different team situations on the basis of 56 behavioural anchors corresponding to eight different roles.
INDIVIDUAL FEEDBACK IN DETAIL

Dimensions of a Self-Assessment for the Top Executive Team (Example 1)

Effective leadership and support of the following hierarchy levels

Consulting: How effective does the consulting (coaching) of the following hierarchical levels work by providing own experiences, competences and information?

Relationship management: How well do personal relationships and networks mobilise important external resources for the company (politics, media, associations, key customers)?

Participation: How effective is the integration into strategic decisions and measures to secure competitive advantages in the long term?

Behavioral control: Constructive feedback up and down to ensure compliance with corporate principles and values.

Performance monitoring: economic performance (key figures) and fulfilment of the expectations of all stakeholders

Strategy control: Assessment and monitoring of strategic decisions such as investments, portfolio, positioning, acquisitions, financing, technology, budgeting, etc.

Diversity: Contribution to the success of this body (enrichment through diversity of functional, professional and professional experiences and competences as well as personal characteristics).

Commitment: Willingness and willingness to prepare as intensively as possible for meetings and commitment during meetings, e.g. by using additional sources of information, points of view and relationships.

Constructive willingness to engage in conflict and criticism: questioning decisions, critical discussion of issues such as strategy, commitment, working style or effectiveness of cooperation.

Effective control of results and behaviour

Constructive cooperation in management team

Source: Pelz, W.: Board Effectiveness Feedback; Online Self-Assessment, Test Duration: approx. 10-15 minutes
Dimensions of a Self-Assessment (here incl. cognitive component) for the Top Executive Team (Example 2)

Dimensions

Logical Reasoning
Extraversion
Emotional Stability
Conscientiousness
Professional Performance Motivation
Confidence In One's Own Performance
Social Competence
Appropriateness Of The Leadership Behaviour To The Situation
Degree Of Participation
Flexibility Of Leadership Behaviour

Source: Online Self-Assessment "Manage", test duration: approx. 60 min.
INDIVIDUAL FEEDBACK IN DETAIL

Dimensions of Multi-Rater Feedback for the Top Executive Team

This 360° feedback process provides each C team member with the following results:

- Meaning/importance of own competences from own point of view
- Own assessment of his competences
- Assessment of own competences by C-Team colleagues
- Assessment of own competencies through Direct Reports
- Own strengths and fields of development

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Manager</th>
<th>Expert</th>
</tr>
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<tbody>
<tr>
<td>Vision &amp; Strategy</td>
<td>People Management</td>
<td>Analysis &amp; Judgement</td>
</tr>
<tr>
<td>Initiative &amp; Responsibility</td>
<td>Staff Development</td>
<td>Professional Adeptness</td>
</tr>
<tr>
<td>Business Development</td>
<td>Micropolitics</td>
<td>Innovation</td>
</tr>
<tr>
<td>Focus On Results</td>
<td>Execution</td>
<td>Communication Effectiveness</td>
</tr>
<tr>
<td>Influence</td>
<td>Work System</td>
<td>Team Contribution</td>
</tr>
<tr>
<td>Networking</td>
<td>Sturdiness</td>
<td>Self-Development</td>
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Communication and interaction behaviour in the C-Team and Top Management

It is particularly important for a C-Team member to understand his or her relationships with colleagues and Direct Reports and the impact of his or her behaviour on others.

Typical communication and interaction situations are described in an interview. Two behavioural alternatives are offered for each situation, for each of which a self-assessment is requested.

The answers are evaluated using a four-field matrix with different spheres, which characterise the effect of communication and interaction behaviour.

For the interpretation of the result, size and form of quadrant A "publicly known sphere" are decisive. It shows how effective the exchange of information with employees or C-team colleagues and how good the relationship is with them. Ideally, quadrant A is square and covers at least 50% of the total area of the four-field matrix.

### Four Spheres of Communication and Interaction Behaviour

<table>
<thead>
<tr>
<th>C: Intimacy and privacy</th>
<th>D: Sphere of the unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>His behaviour is known to him, but not to his employees and C-team colleagues. These include the value system, the political convictions and religious convictions - but also the &quot;sensitive points&quot; and weaknesses.</td>
<td>Neither he nor others are directly aware of his behaviour. Hidden talents and unused talents, for example, lie dormant here.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A: Sphere of public knowledge</th>
<th>B: Sphere of the unconscious</th>
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</thead>
<tbody>
<tr>
<td>His behaviour is known to him and also to his C-Team colleagues and employees. He acts largely authentically.</td>
<td>He himself is not aware of his behaviour, but his employees and colleagues perceive it quite clearly. These include thoughtless and unconscious habits and quirks, prejudices, likes and dislikes, gestures and tone of voice to communicate with others.</td>
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</table>
EFFECTIVENESS OF THE TOP EXECUTIVE TEAM

Recommendations for project implementation

- The procedure and mix of instruments are agreed on a customer-specific basis.
- The use of online tools should be complemented by personal interviews to capture nuances, better interpret the results and better argue recommendations.
- The personal interviews should be conducted by independent, highly experienced external consultants with proven expertise in the following areas:
  - own management experience as top executive (meeting at eye level)
  - Experience in assessment of top executives (Business Administration and Psychology)
  - Experience in the development of top executives (Talent & Performance Management)
  - methodological expertise
- CHANGELEADERS has such competencies and consulting profiles.
- Since we are not active in the field of personnel search/placement, there are no potential areas of conflict in this respect.
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Consulting Boutique for Transformation & Change

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- STRATEGY & MISSION PROCESSES
- STRATEGIC MARKETING EXPERIENCE
- WORLD-CLASS PRODUCT MANAGEMENT
- CUSTOMER TOUCHPOINT MANAGEMENT
- B2B SALES OPTIMIZATION
- IBM WATSON TALENT
- OKR SOFTWARE & TOOLS
- ENTERPRISE GAMIFICATION
- DIGITAL TRANSFORMATION
- HR-IT SYSTEMS SELECTION & IMPLEMENTATION SUPPORT
- HR GOES CLOUD
- CHANGE COMMUNICATION
- INTERNAL/HR COMMUNICATION
- EMPLOYER BRANDING
- IBM WATSON TALENT
- OKR SOFTWARE & TOOLS
- ENTERPRISE GAMIFICATION
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- INTERNAL/HR COMMUNICATION
- EMPLOYER BRANDING
- DIGITAL LEADERSHIP
- LEADERSHIP EFFECTIVENESS
- CHANGE COACHING
- MY TALENT CANVAS
- TALENT EXPERIENCE RADAR
- CAREER MODEL DESIGN
- SUCESSION PLANNING
- YOUR RISK MANAGEMENT
- AGILE ORGANIZATION DEVELOPMENT
- JOB ARCHITECTURE DESIGN
- JOB CATALOGUE OPTIMIZATION
- JOB FAMILY CONCEPT DESIGN
- JOB LEVELING INNOVATION
- DIGITAL LEADERSHIP
- LEADERSHIP EFFECTIVENESS
- CHANGE COACHING
- MY TALENT CANVAS
- TALENT EXPERIENCE RADAR
- CAREER MODEL DESIGN
- SUCESSION PLANNING
- YOUR RISK MANAGEMENT
- PROFILES
- Established in 2018
- Team of renowned thought leaders and experts in their professional disciplines
- Well-rehearsed team working together in different set-ups since many years
- Most of our projects have an international scope
- Many of our consultants work on projects abroad - globally
We want to contribute to driving innovations and improvements forward. Our clients are all those who want to change something in their organizations and are interested in sustainable, future-oriented solutions - whether in corporate, divisional or regional management or in specialist areas such as development, operations, procurement, sales, finance, IT and human resources.

We accompany our clients not only in dynamic growth phases, but also in difficult merger and restructuring situations. We contribute our experience from working with global players, large multinationals and hidden champions as well as with start-ups, medium-sized companies and public sector organisations.

Most of our customer projects have an international reach. And in many cases, our internationally experienced consultants or long-standing network partners also support local implementation on site.

**WE SHAPE THE FUTURE**

Together with our customers, we develop visions and align business models, strategies, organizations, processes and systems with a view to the future.

**WE MOVE PEOPLE AND ORGANISATIONS**

The focus is on people with their ideas, skills, potential and needs as well as their interaction within the framework of modern work organisation.
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HOLISTIC VIEW
Experts with proven strategy, organizational, HR, communications & digital expertise

INTERNATIONAL EXPERIENCE
Worldwide deployment of highly experienced professionals with global leadership and project responsibility

DOER MENTALITY
Entrepreneurial focus on sustainable results in growth, merger and restructuring phases

INNOVATIVE SPIRIT
Solution-oriented Game Changer with great passion for innovation and desire for digital future

BEST PRACTICE RESEARCH
Evidence-based work based on trend analyses, smart practices and scientific findings

SMART METHODS-MIX
Intelligent combination of agile and classic methods with digital and analog collaboration formats

PERFORMANCE PARTNERSHIP
Excellence, diversity, transparency, trust and appreciation in internal and external cooperation

PEOPLE FIRST
Managers and employees at the center of digital transformation and agile organizational development
CHANGELEADERS CONTACTS

Place and date of publication
Stuttgart/Frankfurt, 05/2019

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