



The CEO's Guide to Developing Your Executive Team:

How to Identify and Address Mediocrity in the C-Suite

By Lawrence King and Cheryl B. McMillan

Most Common Mistakes That CEOs Make: Tolerating Mediocrity in the C-Suite



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Even if you are motivated by the best intentions, tolerating mediocrity by you, the CEO, is one of the most common and devastating practices. Like a bad case of flu, mediocrity in your Executive Team will quickly spread throughout your entire organization. Here are three reasons why:

1. Poor or average performers do not hire anyone better than themselves. Better performers threaten them.
2. What you do NOT do speaks louder than your words. Your inaction broadcasts that poor to average performance is acceptable, maybe even preferred. Combine this message with an Executive who only hires people that make them look good, and you have a whole area of your business filled with poor to average employees.
3. Others lose faith in your leadership. They see the poor performance of your own executives and wonder why you are accepting it. Your best employees see this and lose their motivation.

The first step in overcoming mediocrity is for the CEO to make a commitment to stop tolerating it. Next, these steps should be followed to build a high-performing team:

1. Using a scale of 1 to 10, commit to a goal of having a "9+" Executive Team.
2. Using the same scale of 1 to 10, assess (see the sample assessments at the end of this article) each of your Senior Executives according to their technical expertise, ability to be team player, communication skills, sense of urgency and interpersonal relationships. Only evaluate the factors that are relevant to the performance in their current role.
3. Conduct a global rating of your Executive Team as a whole, using the same one to 10 scale.
4. List the strengths and weaknesses of each individual and of your team as a group.
5. Identify ways to build on strengths and improve weaknesses.
6. Coach, as needed, for improved performance.
7. Expect your Executive Team to use this same process for their direct reports.

Development Strategies

Once you have assessed each of your Senior Executives, it is time to identify an appropriate development strategy for each of them. A key role of the CEO is to coach employees so that they can grow. "As the coach you have two primary strategies," explains King, "recognition and correction."

1. Recognition for excellent and good performers.

Superstars (rated 9 or 10) deserve special recognition. Sit down with them one-to-one as soon as possible and tell them, specifically, what they are doing that makes such a major difference for your company and how much you appreciate it. For example, "When we were about to lose that major contract with a key customer, you went out there and pitched camp and didn't leave until you got the signature on the contract. That made a major difference for us." Praise them for both their individual efforts and their team efforts. However, stay away from general feedback, i.e. "You are really a good person."

All too often, the people who perform well get more work as their reward. That is not necessarily bad, but there also have to be other forms of positive recognition.

Let your best performers know that you truly appreciate their efforts, personally as well as professionally. Let them know that their contribution allows you to take some time off without being afraid that the organization is going to fall apart in your absence. Put yourself in their shoes, and realize that when people have earned this type of recognition, they need to receive it.

Good performers (rated 7 or 8) should also receive recognition along with some coaching for specific improvement. Recognize their contributions on a one-to-one basis, just as you would for your Superstars. Let them know, too, what they can do to move up to Superstar status within your company. Keep in mind that you can never give too much recognition. Although you may know your employees socially, and while they may have been with you for a long time, do not let these relationships get in the way of giving them specific input about what they can do to become an even better performer.

2. Correction for Mediocre Performers.

For Mediocre performer, rated 6 and below, give them a chance to improve, but keep your expectations structured and very clear. Sit down with each of these people and create a written, 90-day plan that states what they must do to improve. Always make sure you are very clear about their goals and objectives. People can't improve if they don't know specifically what you expect.

Commit to meeting with each Executive on a weekly basis for a short 5-10 minute "huddle." Review their plan on a weekly basis and document their progress (or lack thereof) toward their goal. Frequency of feedback is vital.

According to King, if you apply this process diligently, one of three things will happen with your Mediocre Performers:

1. You will help them become a quality contributor. "Turning around a marginal performer represents one of the great joys of leadership," says King. "In my experience it only happens about 30 percent of the time. But in today's tight labor markets, it's worth investing your time. It is amazing what kind of perceptions people carry around about what you expect of them. This type of concerted communication removes ambiguity and creates clarity. They know what you expect of them and how they are doing. The only uncertain variables, that you must assess, are their ability and commitment."

2. The Mediocre Performer will decide that this job is not for them and leave your company. Sometimes a job is just not a fit. When you set the bar higher and let someone know on a weekly basis they aren't meeting your expectations, they begin to see the writing on the wall. "About six or eight weeks into the process, they will come to you and say, 'I don't think I have a long-term future with this company,'" says King. "Thank them for their contributions and let them go with dignity and respect."
3. You will terminate the Mediocre Performer. If neither of these two things happen, then you have to make the tough decision to begin the process of replacing that person. Replace them at your discretion when it is best for the company. "Firing Executives rarely feels good, especially with long-term employees," acknowledges King. "But you don't do anyone a favor by holding on to someone who can't perform."

The Bottom Line

Hire good employees to begin with, then coach them to be even better. Recognize your high performers, help those that can be helped, and free those that can't. Your company's success depends on the performance of your Executive Team. Stop procrastinating, and start recognizing and developing!

About Lawrence King

Lawrence King is an internationally respected and award-winning professional speaker and CEO advisor. He received Vistage's Speaker of the Year award in North America in 1995, Australia in 1998 and Asia in 1999. He has given more than 1,000 seminars to CEOs on six continents over the last 12 years.

About Cheryl McMillan

Cheryl leads executive development sessions for Vistage as a Chair in NE Ohio and also leads four local peer advisory boards, comprising CEOs and Senior Executives from non-competing companies. She also blogs regularly at CherylMcMillan.com.

About Vistage Worldwide

Vistage is an internationally recognized organization dedicated to increasing the effectiveness of CEOs and business leaders worldwide. Founded in 1957, Vistage assembles and facilitates monthly private advisory groups for CEOs, senior executives and business owners.

With more than 21,000 business leaders in 16 countries, members can tap into different perspectives to solve difficult challenges, evaluate opportunities and develop effective strategies for better professional and business performance. In fact, CEOs who joined Vistage over the past five years grew their companies at three times the rate of average U.S. companies, according to a 2015 Dun & Bradstreet analysis.

Learn more about CEO peer advisory groups at vistage.com.

Individual Assessment

Here are some ideas on how to evaluate your Executive Team. Feel free to substitute your own criteria. Rate each of your direct reports on a scale of 1 to 10 (1 means they need to be fired immediately and 10 is a Superstar) on the following:

Team members:						
Technical Expertise/Effectiveness in Functional area:						
Technical expertise is important to business.						
Holds direct-reports accountable.						
Develops his/her functional team.						
Sense of urgency:						
Meets deadlines.						
Effectively prioritizes.						
Executive Team Player:						
Understands and communicates the company's vision and goals.						
Voluntarily collaborates with other Executives.						
Contributes new ideas.						
Takes appropriate risks.						
Puts company needs ahead of his/her own functional area.						
Is personally accountable.						
Communication:						
Communicates effectively up, across and down the organization.						
Interpersonal Relationships:						
People trust him/her.						
Employees are engaged.						
Other/Wild Card Factors:						
Average Score (take this number to the team assessment)						

Source: "Entrepreneurial Team Building For Strategic Success" from Vistage speaker Lawrence King, of King Strategic Alliance

Team Assessment

Write the average score for each team member in one of these boxes.
Then, summarize your developmental strategy.

Team Member Name	Mediocre 6 and under	Developmental 7-8	Superstar 9-10
Total the score in each column			
# of people in this column			
Average this column			
Overall average (add the column totals in the line above and divide by 3)			

Source: "Entrepreneurial Team Building For Strategic Success" from Vistage speaker Lawrence King, of King Strategic Alliance