



# CEO Performance Evaluation Process

One of the greatest challenges faced by Boards of Directors is the requirement to effectively assess the performance of Chief Executive Officers. Ellis Locke & Associates has developed a multi-rater performance evaluation process for Chief Executives that provides effective feedback to the CEO and conveys meaningful information for Boards of Directors to effectively evaluate executive performance.

## Program Description

**Initial Contact.** A preliminary telephone conference is arranged with the CEO to ensure a clear understanding of the process and to address any questions, concerns or requests.

**Data Collection Methodologies.** Several options for gathering performance data are available. These can be used alone or in combination with one another, and are described below.

**Structured Survey.** The most efficient and economical approach to gathering performance evaluation data involves the development of a structured questionnaire organized around competency categories (e.g., Planning, Decision-Making, Performance Management, etc.), each of which is defined by a series of behavioural items. Using a software platform called 20/20 Insight, we work with the Board or its representative and the CEO to develop a customized, web-enabled survey to be completed by appropriate individuals from the executive's "circle of influence." Respondents provide numerical ratings on a 10-point "Performance" scale and are also given the opportunity to provide comments and suggestions regarding "strengths" and "development needs." Respondents are assured their responses will remain anonymous and that their data will be aggregated with that of several other respondents in the form of average ratings. These safeguards help promote the willingness of respondents to provide balanced feedback, including constructive criticism. There is no limit to the number of raters that can be included in the data collection process.

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**Evaluation of Achievement of Mandate/Objectives.** Based on materials provided by the Board that reflect the CEO's key deliverables and business objectives, we will devise a suitable set of survey questions, to be incorporated within the web-enabled survey, to permit an evaluation of the CEO's performance against these criteria.

**Interview-Based Performance Data Collection.** As an alternative, or a supplement to the use of structured online surveys, we can also collect performance data through telephone interviews. The CEO and the Board agree upon a list of senior individuals viewed as credible sources of evaluative feedback. The assessment consultant then contacts those selected and engages in a series of one-on-one interviews, typically 45-60 minutes in length, to explore the executive's accomplishments, key strengths and development needs. Interview questions are sent to the interviewees several days in advance in order for them to consider what they may want to say during the interview. Notes from the interviews are subjected to a content analysis process to produce a narrative report highlighting themes and patterns.

**Debriefing of CEO.** This involves two interviews occurring 1-2 weeks apart.

**Presentation of Data.** In the first session, the aggregated 360° survey data is presented, along with a draft of the interview data summary. An explanation of the structure of the 360° feedback report is provided along with materials for analyzing the data to aid in the uncovering of key themes and patterns.

**Coaching Debrief.** The second session is an in-depth coaching debrief which typically lasts 1.5 – 2 hours. The Ellis Locke & Associates coach /consultant would review the 360° Feedback information with the CEO to discuss strengths, development needs, and any aspects of the feedback that may have been puzzling or confusing. The intended outcome of the meeting is a clear understanding on the part of the CEO of the major themes and messages in the report and a sense of what are likely to be the most important development objectives. It is also an opportunity for the coach to suggest appropriate developmental strategies and resources.

**Reporting of Results.** A draft report summarizing findings is then prepared. The CEO has an opportunity to provide comments on the draft report. These comments are taken into account in preparing the final version of the report. The document is then circulated to a specific and limited readership that has been agreed upon beforehand by the CEO and the Chair. The Board may wish to arrange a teleconference with the assessment consultant to discuss any issues or concerns they may have regarding the report.

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