

IN TOUCH WITH THE BOARD

Making It to the Top: Nine Attributes That Differentiate CEOs

Becoming a CEO is the greatest leap that an executive can make in his or her career. What makes it such an extraordinary transition, of course, is the complexity of the role and the skill that is required to manage that complexity successfully. So, what exactly do CEOs have that other leaders don't?

To answer that question—and, by doing so, help aspiring CEOs optimize their trajectories and assist current CEOs and boards in making better CEO succession planning decisions—we analyzed our database of nearly 4,000 executive assessments, including over 130 CEOs. These tests measure a number of competencies, such as relationship skills, communication skills and decision-making approaches. We believe our findings will reaffirm with quantitative evidence what is perceived to be true and, more important, will provide fresh perspectives around what it takes to make it to the top.

Demographics

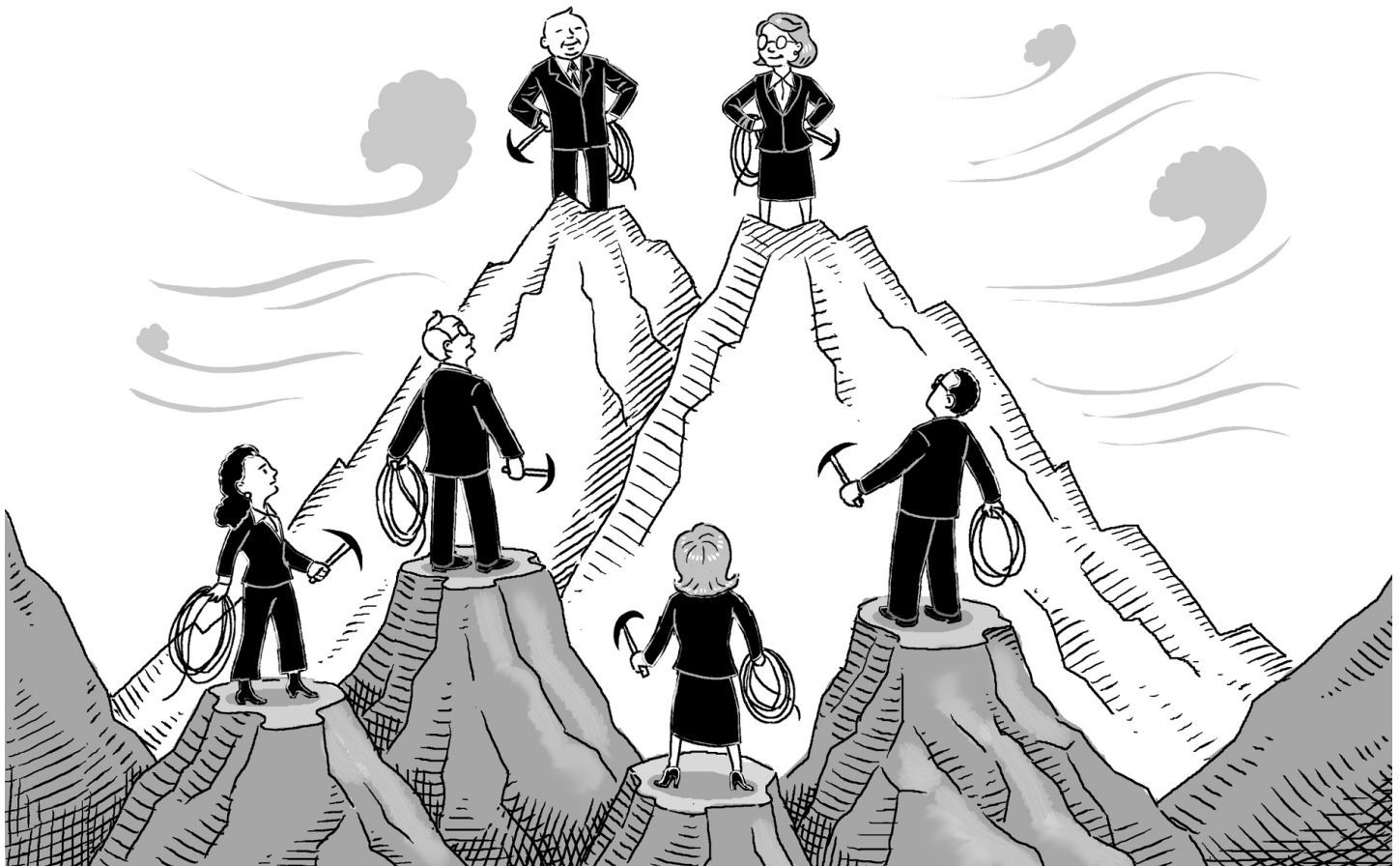
Total Respondents: 3,700+

CEOs: 134

Company Sizes: \$1 billion to \$70 billion

Industries: Consumer, Education, Financial Services, Industrial and Technology

Geographies:
North America (75%)
Europe (25%)



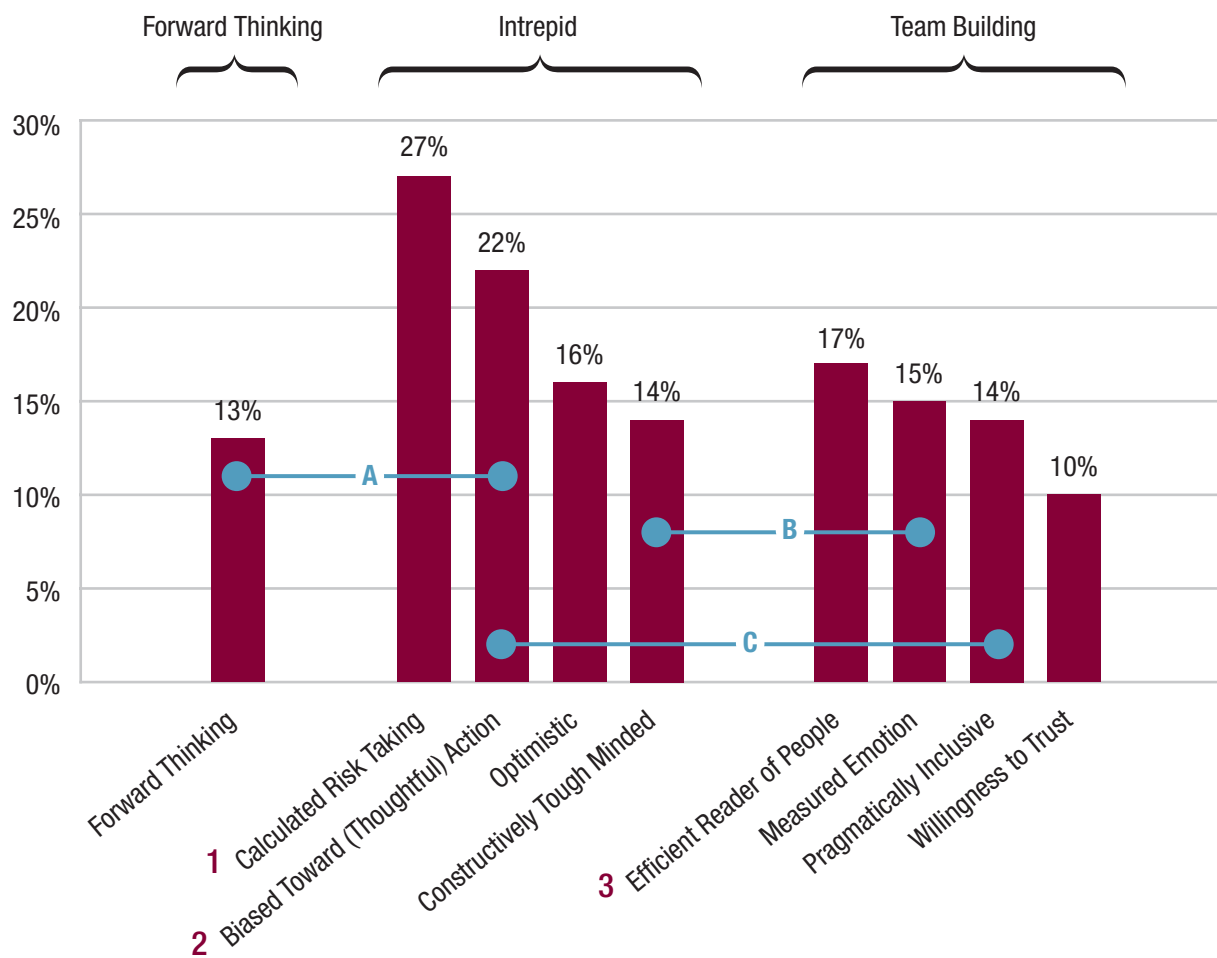
Key Findings

I. Of 60 common attributes used to assess leaders, CEOs differ from other executives in nine of them. (Figure 1)
The other 51 attributes remain important for leadership effectiveness, however, they do not differentiate CEOs from other executives.

II. CEOs differ most from non-CEOs in terms of their:

- Willingness to take calculated risks—Figure 1, Number 1
- Bias toward action—Figure 1, Number 2
- Ability to efficiently “read” people—Figure 1, Number 3

Figure 1: Percent Differences in Attribute Scores between CEOs and Non-CEO Executives



III. The nine attributes differentiating CEOs fall into three categories:

- Forward Thinking—the ability to plan for the future
- Intrepid—the ability to perform effectively in complex and difficult environments
- Team Building—the ability to achieve success through others

Figure 2

Category	Attribute	CEO Differentiator
Forward Thinking	Forward Thinking	Plans ahead and is prepared for the future
Intrepid	Calculated Risk Taking	Is comfortable taking calculated but not careless risks
	Biased Toward (Thoughtful) Action	Is biased toward execution but not too impulsive
	Optimistic	Actively and optimistically pursues new opportunities
	Constructively Tough Minded	Is thick skinned and perseverent but not insensitive
Team Building	Efficient Reader of People	Seeks to understand different perspectives but does not overanalyze
	Measured Emotion	Displays intensity/emotion but maintains control
	Pragmatically Inclusive	Involves others in decisions but also is an independent decision maker
	Willingness to Trust	Is comfortable with a variety of people but is not too trusting

IV. Analysis within and across the nine attributes reveals a number of interesting CEO profile paradoxes:

- Within attributes, note the usage of “but” within seven of the nine differentiators. See Figure 2.
- Across attributes, CEOs are: Strategic yet tactical—see Figure 1, Letter A
Tough yet emotionally sensitive—see Figure 1, Letter B
Decisive yet inclusive—see Figure 1, Letter C

These paradoxes suggest that CEOs possess a broad range of capabilities and—more important—know when to “flex” one opposing capability over another to achieve the right outcome.

Recommended Actions

In addition to highlighting the attributes that differentiate CEOs from the rest, we wanted to provide aspiring and current CEOs and board members with recommended actions that can be used to improve succession planning, leadership development and retention of top talent.

- I. CEO Success Profiles:** Incorporate the nine attributes in your CEO success profile and assess (internal and external) CEO succession candidates across the nine attributes.
- II. Individual Development Plans:** For internal CEO succession candidates, design formal individual development plans (IDP) highlighting on-the-job development activities that target specific areas for improvement. Help candidates think through the key lessons each experience will teach prior to task commencement and ask him/her to reflect on key learnings following the completion of an activity.
- III. Performance Reviews:** Periodically review IDP performance to gauge improvement levels.

Conclusion

For sitting CEOs and those who wish to become a CEO—and for boards who need to effectively identify and prepare CEO successors—knowing which skills and abilities matter most is essential for success. We hope that the findings from this study provide a useful guide for identifying and building the capabilities that differentiate CEOs from the rest.

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