

June 23, 2009

Hiring a CEO: How to Move Beyond the Classic Interview Script

by Les Berglass

Hiring a CEO leaves an indelible mark on any corporation. Choosing the right leader can revolutionize a company and create success for decades to come. But the wrong selection can easily take years to correct. As directors look back at their tenure serving on a corporate board, their proudest and, perhaps, saddest memories usually involve the selection of a new CEO.

How can board members ensure that the CEO selection process becomes a fond memory?

Regrettably, selecting a corporate leader has become a static process, particularly since Sarbanes Oxley has forced interviewers to be overly cautious. What's more, most CEO candidates are polished enough to present themselves in the most favorable light. Interviewers ask the same predictable questions, and oftentimes fail to expose a candidate's most important character traits.

In truth, few people are prepared to be a CEO and too many fail the first time. Yet what board of directors can afford to hire a leader on a learning curve? With this in mind, search committees must move beyond the classic interview script when they meet a new candidate, and ask themselves these ten essential leadership questions:

1. Is Your New CEO The Smartest One in the Room?

Intelligence is only the beginning of great leadership. Regardless of their educational pedigree, a leader absolutely must possess "commercial intelligence" – the ability quickly size up a company's goals, and then deliver a winning strategy in a highly-focused manner. The right candidate will not ask what the company wants to do, but will suggest what the company should do.

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2. Are They As Good As They Think They Are?

The key here: Does the executive recognize his or her own weaknesses? Does this leader acknowledge when he or she needs input from others? A CEO must welcome help, especially if it's not his or her area of expertise. The only way to become a great leader is to surround yourself with people who have strengths different from your own.

3. Can They Manage Cross-functionally?

CEOs of major companies must deal with brand building, balance sheet issues, and cross-channel distribution. They must be as comfortable in a budget meeting as in an advertising meeting. Boards can no longer hire a single skill set, but must choose a true leader - someone who runs a business by influence across all functions.

4. Can They Stay Involved Without Micromanaging?

Successful CEOs know how often unforeseen mistakes can undermine a business. Most worry all the time. However, leaders must get past the details to serve as the strategic leader of the business. At the same time, they cannot afford to grow too distant from the day-to-day business. The key is to find someone who knows how to manage the balance.

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5. Can They Fit in Culturally?

Leaders are hired for their skills and fired for their style. A major cause for early leadership failure is not fitting in with the existing culture. In fact, matching the wrong personality to an organization leads to almost certain failure. Experience can be altered, but personalities cannot. Great CEOs don't come into an organization thinking they know more than the collective wisdoms of their new companies. They find their way into the culture, establish themselves and then charter a new course for the business.

6. Can They Think Young?

E-commerce and similar advances have altered the business world at lightning speed. These technological shifts have also widened the generational gap between 55-year old leaders and their 35-year old direct reports or, in many cases, their peers. Regardless of age, true leaders must possess a gift for bridging this gap.

7. Can They Exploit Trends to Their Advantage?

Years ago, it was okay to commit to a single strategy. A factory could produce –and sell— widgets for fifteen years. However, business leaders today must adapt and discard trends quickly to keep their businesses relevant. For instance, in the 1980s, Banana Republic embodied the “safari trend,” with a jeep in front of every store. In response, Les Wexner of Limited created a popular brand called Outback Red. When the trend died, so did the label. He didn't have to rebuild 400 stores.

8. Where Have Their Former Employees Gone?

A strong mentor can both choose good people, and mold them into future leaders. Many leaders want soldiers, who simply execute their commands. The more effective leader hires people who create new ideas that propel them toward bigger jobs. Only a true leader can engender the success of his employees. By doing so, they create a stronger organization as a whole.

9. Can They Be Passionate Without Being Emotional?

No one wants to put up with emotional bosses, particularly those who get insulted and grow defensive each time an idea is challenged. It's impossible to get much work done when executives must constantly manage their CEOs' psyche. By contrast, passionate leaders care more about their business than their ego. They will listen to those around them.

10. Do They Have A Sense of Humor?

While no search committee wants to hire the class clown, a sense of humor can be an incredibly powerful tool for leaders. Humor disarms people –be it disgruntled employee, dissatisfied shareholder, or unyielding client— and forces them to consider another point of view. Leaders who can find something to smile about amid difficult situations instantly create a positive workplace. A sense of humor is one of the few qualities possessed by most U.S. Presidents –including Abraham Lincoln, George W. Bush, and Barack Obama. If Lincoln could find levity during the Civil War, shouldn't a CEO do the same during a weak earnings period?

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