

Not Everyone is a CEO

Bill Hozy, BBA, Director Talent Management



Recruiting excellence for the nonprofit sector

I've had the good fortune to work with, and observe, CEOs and others in leadership roles through my career. And while many of us might daydream about being the boss, few are actually cut out to be an effective CEO; even fewer develop the competencies that will actually make them a successful CEO.

There are many competency models out there applicable to the CEO position, and a lot of them come with expensive consultants attached. My preferred model is based on ideas drawn from several sources, augmented by own observations of leaders in action.

Influence

Firstly, I look at the ability of a leader to influence others and move people toward a common objective, even when he or she is not yet in a position of authority. It might be a co-worker in a unit who always puts forward common sense solutions, and is able to relate personally to each co-worker. Such people are often the ones who informally see that the important work of the unit moves ahead even when the unit manager is not present. Over time they become the go-to person, and are most likely to have important work delegated to them by the manager.

Alliances

Leaders on the way to the top understand the value of forming relationships with key individuals both across the organization and at higher levels. This not only helps them plug into the zeitgeist of the organization overall, but it creates goodwill that can be cashed in at a later time through promotions, favoured assignments, or to attract key internal talent to one's own staff.

Customers

Many companies talk loudly about the importance of customers, but a leader maintains awareness of how an organization looks from the outside. It's very easy to get lost in the daily administrivia, cost challenges, and internal politics of an organization at the expense of quality customer service. A leader on the rise understands and measures possible impact of decisions on customers and boldly brings it to the attention of decision makers.

Leading

Leadership reveals itself in different ways, but never by barking out orders that are backed by the threat of discipline or termination. A successful leader builds consensus on a plan of action that his or her charges will see as the best route forward. More than that, staff will see some of their own thinking and aspirations in the plan, which builds ownership and commitment. Leaders use their ability to relate personally to individuals in winning them over to a course of action. They also understand the complexity of relationships within the organization that affect its success.

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Strategy

It's all about what you do in the here-and-now that will bring about the desired outcome in the there-and-then. A leader understands the long-term implications of business decisions made today, and takes charge of the strategic planning to put the pieces in place that will achieve desired outcomes. Just as important, a leader continually evaluates and improves a strategic plan going forward to keep plans on track.

Manages Change

At one-time Change Management was a title on a business card or office door. Such experts dispensed their knowledge of different models to manage organizational change, survey change readiness, create supporting communications and events, and otherwise herald the coming dawn of organizational change. Managers would typically say: "let the expert manage the change, we've got our own work to do." Today, managing change has a new formula that fits every level of manager, right up to the CEO:

Change Management = Management. From new products and services to staff turnover and industry upheavals, a changing environment has always confronted organizations. Effective leaders see the opportunities in change and win the others over to those opportunities.

Pragmatic, Action Oriented, Results-Driven

CEOs who can define, communicate, and sell a great vision of an organization's future bring important attributes to the job. But CEOs who want to stay in the job must also get it done today by meeting annual objectives, making their numbers, and running the organization effectively. This requires an ability to make pragmatic decisions based on today's realities, without jeopardizing tomorrow's opportunities. It also means keeping staff aware of, and motivated toward, action plans that achieve desired results.

Entrepreneurial

Whether it's a Fortune 500 company or a startup enterprise, the CEO needs the entrepreneurial foresight and judgment to both see and seize new business opportunities. While the Fortune 500 CEO might have access to unlimited resources to realize a new business opportunity, the same principles of knowing when to go forward and when to cut one's losses still apply in a large organization.

An Eye for Talent

A competent leader understands what to look for when recruiting future leaders, one of whom may ultimately replace him or her. Rather than seeing a rising star as a potential threat, the successful CEO recruits the kinds of people who will be capable of replacing them, because on the way up, they will achieve the kind of results that look good on the CEO. And of course, there is a matter of succession that the CEO needs to take seriously on behalf of shareholders.

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The Making of a CEO

The competencies I've highlighted in this column are the most important attributes for a CEO based on my experience. However, there are potentially many more, depending on the model applied, and the nature of the organization he or she will lead.

The important thing to bear in mind is that CEOs are both born and made. Not everyone can be a CEO, but those who have some of the right stuff in aptitudes, education and experience, still need to develop the rest of their leadership kit, by adding competencies as they progress in their careers.

For organizations, it means identifying future leaders and providing developmental opportunities, such as special projects, assignments to different parts of the organization to gain a general management perspective, and of course, focused education and training. It's also recommended that the rising leader set developmental goals each year with his or her supervisor that are reviewed and updated at year's end.

If you do the math, there are relatively few CEOs in proportion to literally millions of managers and staff employed by organizations. You only need one CEO for an organization, so it's a pretty select club that is hard to join and even harder to stay a member. That's why the right competencies, applied to the development of the right people, are every bit as important as products and customers to the long-term success of an organization.