

Op-Ed: 10 Vital Questions to Ask CEO Candidates

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Leadership of American business enterprises is prized highly. The fast pace of global competition as well as the challenges posed by the recent economic struggles underscores the need for sterling business leadership. Choosing the CEO is arguably the board's most important task. But it also may be the most difficult, with high stakes and no sure formula for success.

To be sure, boards are working the task harder than ever. Many CEOs previously anointed their own successors and boards provided the rubber stamp of approval. Those days are long gone. Challenges, such as the high-profile failures of some CEOs, have focused directors' attention much more on succession and empowered boards to take charge.

Today's CEO selection process often involves a wider array of considerations than ever before. Boards aim to match a candidate's abilities, experience and skills with the company's strategy and also consider what talents are needed to implement that strategy.

Director discussions with candidates are another component that enables directors to make up their own minds. Deep background and reference checks, possibly including 360 reports and psychological profiling, also may be built into board reviews.

Still, surprises abound. We do see disappointing conduct by a CEO. Sometimes, it involves personal misconduct; other times, the problem is bad business judgment.

There are good surprises, too, as a new leader rises to an occasion, handles a crisis beautifully and exhibits a quality that we never knew the CEO had.

Ultimately, each selection process is unique because each company's circumstances are different. Looking back at my own experiences, I now see a different set of questions I wish I had asked.

To be sure, the CEO and management team should be judged on results, and so business acumen, experience, track record and judgment must be key parts of deliberations.

But equally important are the personal qualities of the leaders we select, because the way the CEO conducts him- or herself can have a bearing on the company's performance, reputation and future. Intangibles do matter. So, my 10 questions relate more to the personal attributes, characteristics and qualities of the leader. Here's what I want to know:

- Does the candidate have a vision for the company? Can the candidate inspire others? Does he or she have the ability and desire to work with the board on the strategy to implement the vision?
- What is the candidate's predominant management style? Is it a command-and-control style, or a team-building approach, or a combination?
- What is his or her approach to delegation? Is it overly controlling or does the executive delegate, monitor, and review results?
- What ethical behavior does the executive demand of subordinates? Would he or she bend the rules to enhance earnings?

- What is his or her knowledge about the current laws and regulations relating to corporate governance?
- What is the executive's capability to be innovative and to think "out of the box"?
- Can he or she be flexible when situations change?
- What is the executive's most positive characteristic as a leader?
- What is his or her most negative characteristic as a leader?
- Is there any characteristic, if magnified, once he or she becomes the CEO, that could cause trouble?

Those aren't easy questions, and getting good answers may require some ingenuity. But that's the job we as directors signed up for. We seek — and American business needs — leaders with vision, managerial talent, high ethical standards and fine personal qualities. Directors need to begin by getting the questions right.