

CEO Talent Management Essential to the success of the company

Abstract

In this technical note, we examine the complex process of the development of individuals occupying senior operating positions in companies. They are those who manage their current situations and take responsibility for the future of the organizations and their employees. Selection, training and assessment are responsibilities of the highest governing body of the company: the board of directors.

This text has been developed into four points and a conclusion. The first point briefly explains some of the characteristics of the career paths of individuals who go on to become CEOs. The second examines how the DNA of the CEO shapes the development and evolution of the company. The third point describes the three dimensions of the CEO's talent, characteristics and developmental processes. The fourth point addresses who should be responsible for these developmental processes. The case study ends with a conclusion.

1. The Career Path to Becoming a CEO

We have looked in depth into the careers of managers who aspire to be CEOs and, even more so, into those who become CEOs.¹ As a result of this study, it seems clear that a substantial amount of effort, significant perseverance, a business vision, policy-making capabilities and integrity are required to be a good CEO. If any of these qualities are missing at any stage, the climb to becoming CEO may be cut short.

¹ G. Stein and J. R. Pin, *CEO: Carrera y sucesión. Escalando la cima* (Madrid: Pearson, 2010).

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Therefore, reaching the top is not an easy feat. Nor is it necessarily satisfying from a personal, professional or family standpoint. Professional success may even require sacrifices in other areas of life. Being aware of these offsets is one of the considerations upon which the candidate ought to reflect – particularly early on, but also throughout his or her career.

If the candidate carries out this analysis and decides to move forward in the effort to become CEO, he or she will most likely experience periods of stability and periods of crisis. The periods in which he or she feels comfortable with the tasks and problems that arise are ones of stability. This comfort does not require solving the problems, but, rather, having reached a degree of maturity that allows for peaceful coexistence with them.

Periods of crisis are those that involve facing new problems, bringing about the discomfort of uncertainty. The crisis is, consequently, a learning opportunity; it allows transition from one period of stability to another while learning to cope with new problems. When this doesn't happen, he or she embarks on an unhealthy course, an ongoing crisis. In reality, this is not a crisis, but rather a period of stability in which some of the new challenges are not met, leading to failure.

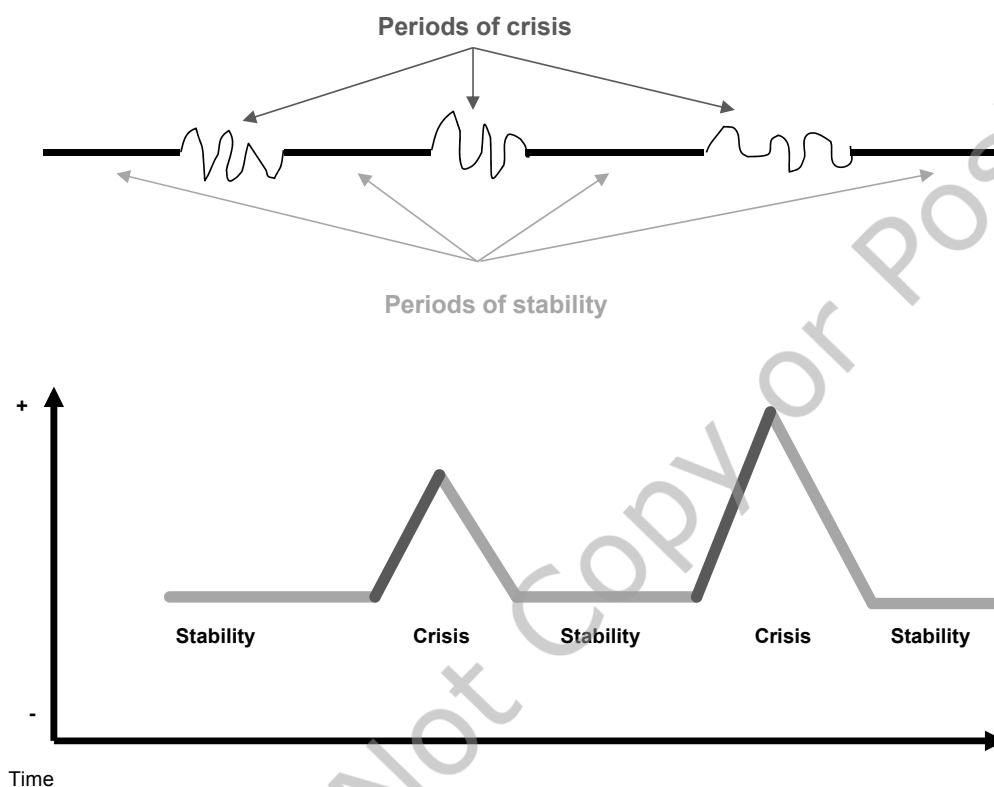
Crises produce inner tension. This leads to a sense of dissatisfaction and, in its acute processes, stress. The manager who has become CEO needs to have addressed such challenges and overcome them in a reasonable manner. Otherwise, the candidate may very well not reach the level of CEO or, after having done so, he or she may have a high probability of failure.

Some of the crises that the CEO, or those aspiring to become CEOs, must go through are:

- Learning to delegate, taking responsibility for the work of others. A CEO cannot come up with all the answers and must rely on the right contributors. Learning to select and position them where they are most effective is an immense task.
- Learning to remove those parts of the team that are not suitable for undertaking the new tasks. Knowing how to disassociate people from the organization properly is not easy, technically or emotionally. It's a hard lesson. It is also important to let go of employees who wish to develop their careers elsewhere, maintaining personal relationships and overcoming the sense of betrayal and ingratitude.
- Learning to juggle a demanding professional life with family and personal life, including taking care of his or her physical and mental health.
- Learning to create a close-knit, strong network of relationships both within the organization and externally. Its effectiveness will depend largely on the intelligent management of these relationships. The political skills that this learning curve requires are very important.
- Learning to overcome “bad luck.” Being consistent and getting through times of adversity. Throughout his or her career, he or she will experience derailments due to circumstances outside of work. Being able to recover from these is a lesson to be learned.
- Learning to use various types of management styles and, most importantly, to use them effectively. Leadership styles may be authoritarian.

Figure 1 depicts the development stages of periods of crisis and stability and how they relate to inner tension.

Figure 1
Periods of stability and crisis and the evolution of tension throughout a career



But these periods do not end when the top of the organization is reached. Upon reaching the top, one has to maintain the capacity to learn, quickly overcoming crises. This is CEO talent management: “To be ever more effective and efficient in overcoming crises and getting as much as possible out of periods of stability.”

Today there is a great deal of information on this topic: self-help books, coaches with extensive experience in accompanying CEOs, academics and scientific investigations. However, it must be said that all of this is personal development. You can find a considerable amount of help, but it is ultimately a personal endeavor, a craft, upon which a person is built, his or her DNA.

2. The Company, a Reflection of the CEO's DNA

Why care about this construction? Because the company is largely a reflection of its management. Its real strategy is based more on the natural tendency of the CEO than on thorough studies. If the head of a company is a technologist, the strategy will slide perceptibly or imperceptibly towards the sophistication of product or technological processes. If he or she is a CEO with a business background, the strategy will be aimed at the marketing