CEO SELECTION: A CAPITAL PERSPECTIVE

Research that recently appeared in *The Leadership Quarterly* identified seven primary skills that Chairpersons seek in selecting a CEO. These skills can be classified in three general and seven specific categories: human capital (strategy, leadership, cognitive ability, integrity, stewardship), psychological capital (self-efficacy and self-awareness), and social capital (visibility).

The research team engaged in face-to-face interviews with 30 board chairpersons, 30 executive recruiters, and 60 CEOs. The board chairpersons were from the largest 200 publicly traded companies in Australia. These interviews, which lasted an average of 50 minutes, were conducted between 2009 and 2011. Researchers found consistency across Chairpersons in terms of the qualities that they were looking for in a CEO. There was widespread agreement that a critical element of evaluating CEOs involved the relationship between the CEO and the board. The research team also found that integrity had become a much more important consideration post the great recession. In this context, “integrity comprised the ability to be open, honest, authentic, and transparent in their dealings with the board, their executive team, staff, and other business stakeholders.”

Chairpersons evaluated skills based on the candidate’s track record by focusing on the candidate’s experience running a business, understanding of the business and the industry, the breadth and depth of the candidate’s experience, and the degree of international experience.

The authors recognize that because these interviews occurred in the aftermath of the great global recession that some of the interviewees could have been sensitive to the perceived failures leading to the recession, and suggest that future research is needed to learn about the attitudes of individuals after more time has passed to determine if these concerns remain the key focus.