

Which Professions Provide the Best CEOs?

Author: Memory Nguwi . May 2020

There has been raging debate on which professions provide the best CEOs. I think to some extent this argument is based on a misunderstanding of what the role of the CEO should be. The CEO as the head of the organisation is a leader who must drive the organisation towards its vision and mission. Therefore as executives move to the top of the organisation, their technical expertise becomes less and less a factor in determining success. However, what is required is for the person going to a CEO role to have the ability to understand the industry quickly even if they are coming from a completely different industry.

Historically people from the finance background have been elevated to the CEO role. The reason for this trend in my view is not necessarily competency in all cases. If you look at it the finance role is the only role, according to most corporate governance statutes that must be in the board as a board member beside that of a CEO. Naturally, this has given finance people a head start in terms of understanding the business and leading the organisation. They have an opportunity to learn from the board members as they create strategies for the business. All the other roles attend Board meetings by invitation.

Slowly we are seeing a change in trend, as more and more non-finance people are being appointed to CEO. With time as more data is gathered on the performance of non-finance CEOs, comparisons can be objectively be made and inform policy direction going forward.

While my view above is, yet to be tested extensively there is already **evidence on** what works when it comes to selecting CEOs. In an article in the Harvard Business Review by [Art Markman](#) { Can You Be a Great Leader Without Technical Expertise?} **he pointed out that new evidence shows that great leaders have technical domain knowledge for the sectors they are leading. He argues that** “For example, [hospitals managed by doctors](#) perform better than those managed by people with other backgrounds. And there are many examples of people who ran one company effectively and had trouble transferring their skills to the new organization.”

While he says technical sector-specific competencies are key, he also acknowledges there are other board competencies required for a person to succeed at that level. According to him “ These factors include: The ability to motivate self and others, effective oral and written communication, critical thinking skills, problem solving ability, and skills at working with teams and delegating tasks.”

For company Boards, I would say look at trends and do not over-rely on people who have a finance background and leaving out other talented individuals. Look across all professions and hire the CEO on the basis that they have leadership capability and not necessarily technical domain knowledge. Industry-specific knowledge can be easily acquired if you hire the person with the right leadership qualities. You want to hire CEOs who will prioritise culture and performance. CEOs who know that sustainable business performance is only possible if the culture is aligned with the vision and mission of the organisation. Many CEOs have failed because they have failed to grasp the important role culture plays

in the success of the organisation. Look the most successful organisations and you will notice that, they have their organisational culture as the anchor point.

The most successful CEOs in my view are likely to be those who have the capacity to open outside doors for the business. Their role is to create opportunities for the business by engaging key external stakeholders. These opportunities from outside are handed level 2 executives to exploit. It is very likely that CEOs who have an internal focus may end up failing. The reason for the failure is that they are likely to miss important opportunities outside of the organisation. There is also a high likelihood that internally focused CEOs end up creating tension within the team, as they compete for internal attention with their subordinates. They end up doubling in politics within the organisation.

The board must be able to assist the CEO to refocus. This is easy if the board is not too operational. Unfortunately, in situations where the Board is also too operational and internally focused, there is likely to be tension between the CEO and the Board. These are issues that can be resolved easily if both the CEO and the Board were appointed on merit.

Memory Nguwi is an Occupational Psychologist, Data Scientist, Speaker, & Managing Consultant-Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm. <https://www.linkedin.com/in/memorynguwi/> Phone +263 4 481946-48/481950/2900276/2900966 or cell number +263 77 2356 361 or email: mnguwi@ipcconsultants.com or visit our website at www.ipcconsultants.com

<https://thehumancapitalhub.com/articles/Which-Professions-Provide-The-Best-CEOs>