

## WHAT TO LOOK FOR IN YOUR NEXT CEO: Part II

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Selecting your bank's next chief executive officer remains the board's single most important responsibility. The risk of selecting an underprepared or inadequate leader is high, and can impact the bank's strategic direction, reputation and ultimately, its viability. As highlighted last month, there are many critical banking industry skills needed in a leader today. In addition, there are intangible competencies and leadership qualities which are equally vital for the success of the CEO and the institution. Here, we emphasize ten leadership competencies and attributes which have proven vital for bank CEOs.



### **Leadership and Vision**

As the late great management guru Peter Drucker famously stated, "management is doing things right; leadership is doing the right things." CEOs must be able to set the proper course for an institution by outlining the company vision, and inspire employees to follow this mission.

### **Broad-based Communication Skills and Executive Presence**

Every board member should desire these qualities in a CEO, but they can't be taken for granted. Today's CEO must communicate through a broader array of channels than ever before, and to a wide audience beyond the bank's customers, employees and communities. When you add investors and regulators to the mix, the presence and style of communication become increasingly important.

### **Cultural Agility**

The U.S. today is a bigger melting pot than ever. As a result, a bank's customers and employees have become ever more diverse. A growing number of new businesses are started by women and minorities, so the agility to appreciate a more varied constituency is critical for banks that want to grow.

### **The Ability to Assess and Attract Top Talent**

This may be one of the most underappreciated elements of successful leadership. Stars want to work with stars, and the ability to bring superior talent into the organization has never been more important. Talented employees have become one of the few remaining differentiators between banks.

### **Adaptable and Flexible**

The banking industry continues to evolve rapidly and, at times, dramatically. Adaptability and flexibility are newer traits that successful CEOs must deploy. Technology leads the pack in terms of change, but regulatory focus and customer desires shift as well, and banks need leaders who can respond quickly and effectively.

### **Strong Execution Skills**

While having a current and well-developed strategic plan will always be important, execution is the other side of the coin. The ability to drive the plan forward is the key to enhanced performance, and the variable in successful execution always comes down to managing people.

### **Ahead of the Curve on Industry Trends**

It's not enough to know what the current trends are. Standout leaders not only see where the industry is heading, but begin formulating responses to these trends so their bank can stay ahead of the pack.

### **A Focus on Accountability**

There is little room in today's bank for complacency. In a competitive and cost-conscious environment, many banks seek a leader who can enhance accountability, and recognize and reward individual performance.

### **Builds a "Culture of Excellence"**

Excellence is a habit, as the saying goes. Banks that truly seek to distinguish themselves should cultivate a culture that practices excellence every day. Leaders who understand the need to "raise the bar" to survive and thrive will drive this focus home.

### **Knows How to Work Constructively With a Board of Directors**

One of the quickest ways for a bank CEO to falter is to lose the trust of the board. A successful CEO must appreciate the pressure that directors face, from regulators, investors and communities, and partner with the board to manage the pressures and challenges that the institution is facing almost daily. A truly constructive working relationship benefits everyone.

For banks today, the intangible aspects of effective leadership are as important as the technical skills and industry expertise. While the tangible proficiencies may be more obvious and identifiable on the surface, it is often the attributes, competencies and qualitative elements of leadership that make the difference in the success of truly great CEOs.



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