



How Leading CEOs Nominate Their Top People

The best CEOs have a genuine interest in human beings and commit to developing them.

Russian state carrier Aeroflot was an airline that the current CEO, Vitaly Saveliev, used to avoid. Known for bad service and an aged image, it had enough money for two weeks of business when Saveliev joined the company in 2009. But after five years in the top job, he had put the airline firmly back on track.

He was an industry novice, with no aviation background. But his insatiable thirst for learning and his vision to make Aeroflot one of Europe's top carriers in customer experience, market share and profitability were crucial to the company's turnaround. Equally important was how Saveliev nominated people to top jobs.

As soon as he was appointed, he let go of many senior executives and replaced them with younger, less experienced managers. It took 18 months for his management team to stabilise and start performing. The operational and financial results followed, but he kept changing one of the functional VPs, even though each incumbent seemed to be doing well enough. When asked why, he answered without hesitation: "I have to be a hundred percent confident in every person on my team. What if a crisis strikes?" He finally found the right person... just before the crisis struck. This VP was crucial to solving it and eventually moved on to become CEO of a subsidiary.

As this example shows, the nomination role is crucial for sustainable business performance. If a CEO recognises and plays this role well, his or her organisation will end up with motivated, competent and autonomous professionals in key positions. The paradigm of "distributed leadership" creates superior human capital that – when working at full capacity – delivers superior performance.

Nominating people to key jobs is one of the four crucial roles of the CEO that we identified in a five-year research project. We interviewed a carefully assembled selection of truly international CEOs from the G20 nations. This is documented in our book ***CEO School: Insights from 20 Global Leaders***. The other roles that we found and are describing in a [series of articles](#) are envisioning, enabling and managing crisis.

Nominating your key men and women

Nominating is part of envisioning, as we described in our [first article](#). The CEOs we spoke to look ahead and build a pipeline of talent, while constantly viewing people through a lens of intense scrutiny as they develop. Successful nomination is also all about rigorous selection processes (as opposed to "gut instinct"), a genuine interest in human beings and a commitment to learning. If you invest in the right people, they will repay you many times over.

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

On the basis of the conversations with our CEO-experts, we have put together a list of “ten commandments” for effective nominating.

The ten commandments of nomination

1. Thou shalt invest time in the task and never stop looking for talent. Allocate at least 20 percent of your time to evaluating talent and making people decisions – and this doesn’t include time for developing or mentoring your staff. Keep your eyes open at work, at home, basically everywhere you go. Then remember what you saw and return to scoop up the best people when the time is right.

2. Know thy people and why they fit with the company. Be clear what you’re looking for. Define it in a few simple terms: traits, values or characteristics. Three to five specific requirements are enough, but avoid generic factors such as communication skills, general intelligence or business acumen. Concentrate on what’s unique to your company instead. And if a person doesn’t quite match your description, but you strongly feel she’s right for the job, give your instincts a chance (while also testing them for the possibility of unconscious bias). Make her an offer.

3. Thou shalt occasionally hire from the outside purely for talent (not necessarily for a specific job). Don’t worry about matching external hires with a specific job if they fit with your company and have potential for growth. When you see real talent, go for it.

4. Know thy core positions – and fill them. In most companies, the jobs that make a critical contribution to value creation are not limited to CEO –1 and CEO –2 levels, they may be deep in the organisation. Knowing and personally staffing them is an imperative for any CEO.

5. Give functional jobs to people who are stronger than thee in that discipline. Diego Bolzonello, formerly of Geox (Italy), sums this up best: “When we select people, they have a function and I have a specific rule. They must be better than me in that function!”

6. Give jobs to people who have the potential to succeed thee one day. The best way of developing leadership skills is to allow people to lead, so don’t waste any precious opportunities.

7. Always make development a part of thy nomination decision. When you promote people, define their development programme in the same way as you define their responsibilities, authority and accountability. “When we choose someone to be a top manager, we proceed with the process of training. It’s obligatory,” says Yang Wansheng,

formerly of China Machinery Engineering Company.

8. Move thy people into new jobs for potential, not for readiness. Nobody is ever a hundred percent ready for any job. Take risks by promoting people with potential. Stretching assignments are good for leadership development.

9. Keep thy people for performance, not for potential. Motivation and potential open the doors to key jobs, but it’s performance that keeps people in the room. Make this clear to your managers and act swiftly if they don’t start to perform after the entry stage is over (admittedly, the length of this period will be different for different companies, industries and positions).

10. Do not be afraid to nominate thy tricky or troublesome people. They may not be easy to work with, they may have challenged you in the past, they may not dress to your liking, but they will bring diversity, originality and dynamism to your team.

And, for good measure, here’s an eleventh commandment especially for CEOs who are moving on...

11. If thou must move to another company, thou shalt not do it alone. Research shows that changing companies when you are CEO is a very risky business. Bringing your team along is a risk-moderating factor. But what will happen to your former company in this case? Better to stay where you are and re-invent yourself, perhaps.

Now, after you have studied our commandments, take some time to think about them and your own experiences of selecting and appointing people. Here are some questions that may help you:

- Which commandments resonated with your experience and views?
- Which commandments went against your experience and views?
- Which commandments came as a surprise?
- Which commandments do you actually use?
- What prevents you from using the others? Is it about the commandments (not relevant, not effective, simply wrong) or yourself (not aware, no time, no resources, no skills)?
- Which commandments would you carve into your own stone tablets? Which would you leave out?
- Are there any other commandments that you would add to your own list?
- Think about two or three things you could start doing or stop doing to improve your effectiveness in this nomination role (even if you’re not yet a CEO)?

Visit [INSEAD Knowledge](http://knowledge.insead.edu)
<http://knowledge.insead.edu>

We don't believe our commandments are universal, exhaustive or perfectly balanced. But we believe they capture in a compact format what our experts and other CEOs say and do about nominating people to key jobs.

Stanislav Shekshnia is Senior Affiliate Professor of Entrepreneurship and Family Enterprise at INSEAD. He is also the Co-Programme Director of ***Leading from the Chair***, one of INSEAD's Board Development Programmes, and a contributing faculty member at the ***INSEAD Corporate Governance Centre***.

Kirill Kravchenko is the Deputy Director General in charge of Administrative Affairs at Gazprom Neft and is on the board of directors of NIS Gazprom Neft, Serbia.

Elin Williams is a writer specialising in business, careers and higher education. She holds a BA and doctorate from the University of Oxford.

Shekshnia, Kravchenko and Williams are the co-authors of ***CEO School: Insights From 20 Global Business Leaders***.

Follow INSEAD Knowledge on ***Twitter*** and ***Facebook***.

Find article at

<https://knowledge.insead.edu/leadership-organisations/how-leading-ceos-nominate-their-top-people-8801>

Download the Knowledge app for free



Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>