

# CEO SELECTION IN FINANCIAL SERVICES



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## The average CEO tenure has declined.

Boards in financial services must stay ahead of this challenge by developing a well-structured CEO selection process, coupled with an effective internal CEO candidate succession strategy. We recommend the following approach:

1

### Establish the CEO Search Mandate

Determining a consensus around the required experience, expertise, functional skills, and behavioral attributes of the future CEO will be critical, and should be informed by the board's existing three to five year strategic plan. Early consideration and contingency planning regarding compensation will have significant benefits.

2

### Determine the CEO Selection Committee

Whether a standing selection committee exists or not, the board Chair should carefully review the composition of the selection committee to ensure that there is balance within the group.

3

### Stakeholder Consultations & Communication

Stakeholder consultations are especially effective in a consensus-driven leadership culture. The Chair, the board, and the incumbent CEO (where possible) should work together to identify the appropriate messaging and stakeholder communication plan prior to going to market.

4

### Select an Executive Search Firm

A balance of IQ and EQ enables search partners to provide competent and candid advice to internal executives and to candidates. An engaged search partner should bring financial services sector expertise, relevant experience, and an established network of C-suite contacts.

5

### Assessment & Onboarding

Assessment methodologies used to evaluate other levels within an organization may not be appropriate in a CEO selection process. Onboarding discussions and planning (e.g., potential mentors, 90 day milestones) need to occur early in the selection process.

## ADVISORY BOARD INSIGHTS

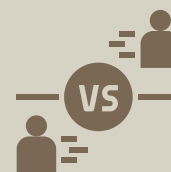
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*CEO selection and succession planning in financial services requires boards to develop a well-structured and forward-thinking approach.*

*Working with Michael Henry and his team, I've seen first-hand the benefits of adopting a long-term strategic planning process when identifying and onboarding key executive leaders.*



**Susan Doniz**  
Global Chief Information Officer and  
Data Analytics Officer  
**Boeing**



### Internal vs. External Candidates

The absence of any “ready” internal candidates is often related to the efforts made by an organization to develop its senior executives, or to source potential CEO successors three to five years in advance of a CEO's decision to retire.

To read the full report, visit: [www.masseyhenry.com/insights](http://www.masseyhenry.com/insights)