

# 6 Critical Questions for Evaluating CEO Candidates



Hiring the right CEO is one of the most important value creation levers a company has, given that person's ability to affect up to 45% of company performance, per [McKinsey](#). The CEO's role and decision-making approach is pivotal to ensuring a company's business success.

Yet, 63% of senior executives, including the CEO respondents from our sample size, have either resigned or considered resigning from a job because of dissatisfaction with how decisions were made in their organization's. In fact, our research conducted with FT Longitude, revealed that only 36% of senior executives felt their personal style of decision making aligned with their organization's style.

Our guide aims to equip interviewers, investors and board members, with insights and CEO interview questions to assess a candidate's decision-making skills effectively, a core competency for any successful chief executive officer.

In the following sections, we'll provide a set of CEO interview questions that are specifically designed to assess a candidate's decision-making approach. These questions will help you to discern between potential leaders who will merely maintain the status quo and those who have the ability to propel your company to new heights.

## The Significance of Decision Making for CEOs

[Harvard Business Review](#) succinctly captures the essence of a CEO's role: "In many companies, the top management team is officially responsible for helping the CEO make a company's big decisions," and "Chief executives are responsible for guiding corporations, so the role inevitably requires making many decisions." From strategic pivots to crisis management, a CEO's decisions shape the company's future.

### The Gap in Typical CEO Interviews

Our research also reveals a startling gap: 25% of senior executives, including CEOs, weren't explicitly asked about decision-making in their interviews. This omission highlights the need for candidates to be proactive in addressing their decision-making prowess. As an interviewer, you have the unique opportunity to assess a candidate's decision-making ability and potential fit for the CEO role.

## Assessing Decision-Making Skills in CEO Interviews

Here are some tips to help you effectively evaluate a candidate's decision-making skills:

- **Understand their decision-making process**

**Approach Inquiry:** Delve into the candidate's decision-making methodology. Inquire about how they gather information, consider diverse perspectives, and ultimately arrive at a conclusive decision.

**Significance:** This exploration not only reveals their critical thinking abilities but also sheds light on potential biases, offering a holistic view of their decision-making approach

- **Probe for past decision-making experiences**

Scenario Exploration: Encourage candidates to recount challenging scenarios from their professional past. Understanding how they navigated complexities, provided insights into their problem-solving abilities, resilience, and adaptability.

**Key Indicators:** Look for indications of strategic thinking, learning from mistakes, and a capacity to make informed decisions under pressure.

- **Assess their risk tolerance:**

**Direct Questioning:** Given the inherent connection between decision making and risk, directly inquire about the candidate's risk tolerance. Explore how they weigh potential outcomes when faced with decisions that involve varying levels of risk.

**Strategic Alignment:** Assess whether their risk tolerance aligns with the organization's risk appetite and strategic goals.

- **Evaluate strategic thinking:**

**Long-term Vision:** CEOs play a pivotal role in steering a company's course. Probe into the candidate's long-term vision for the company and inquire about the strategic initiatives they would implement to achieve those objectives.

**Alignment with Organizational Goals:** Evaluate the alignment between their vision and the company's overarching goals.

- **Consider ethical decision making:**

**Ethical Framework:** Given the far-reaching consequences of a CEO's decisions, explore the candidate's ethical framework. Understand how they balance the interests of the company with those of its stakeholders.

**Stakeholder Consideration:** Assess their awareness of the impact their decisions may have on various stakeholders, from employees to shareholders..

- **Assess decision making in a team setting:**

**Collaboration Exploration:** CEOs seldom make decisions in isolation. Inquire about the candidate's experience working in a team setting and their approach to making decisions collaboratively.

**Leadership Style:** Assess how they leverage the collective expertise of their team in decision-making, showcasing their leadership style and ability to foster consensus.

Remember to look beyond their qualifications and experience, and delve deeper into their [decision-making style](#), experiences, risk tolerance, strategic thinking abilities, ethical framework, and teamwork skills to get a comprehensive understanding of their decision-making capabilities.

## 6 Key Questions to Help Identify the Best CEO Candidate in an Interview

When it comes to conducting CEO interviews, asking the right questions is crucial for gaining valuable insights. In this section, we will explore key questions that can help make CEO interviews more effective and informative. By delving into various aspects of leadership, strategy, and decision making, these questions can provide a deeper understanding of the CEO's role and their impact on the organization. Let's dive in!

## **1. Can you share an instance where you had to make a difficult decision with limited information? What was your approach?**

This question goes beyond general decision making and focuses on the candidate's ability to make informed choices under uncertainty – a common scenario in the C-suite. Pay attention to their thought process, whether they emphasize gathering relevant data, consulting key stakeholders, or relying on experience and intuition. An ideal CEO candidate should showcase adaptability and a rational approach to decision-making in ambiguous situations.

## **2. How do you handle disagreements or conflicts within your executive team, especially when major decisions are at stake?**

Conflict resolution and collaborative decision making are key aspects of effective leadership. This question uncovers how a candidate navigates complex interpersonal dynamics at the executive level. Look for responses that highlight diplomacy, active listening, and the ability to foster a collaborative team culture. A successful CEO should demonstrate the capacity to turn conflicts into constructive discussions that contribute to the overall decision-making process.

## **3. Describe a time when you took a significant business risk. What led you to that decision, and what was the outcome?**

This question addresses the balance between risk and reward, an essential aspect of strategic decision making. Look for candidates who can articulate a clear rationale for taking risks, showcasing a thoughtful evaluation of potential benefits and drawbacks. An effective CEO should be willing to take calculated risks aligned with the organization's goals and possess the resilience to navigate and learn from both successes and failures.

## **4. How do you ensure that your decision-making process is inclusive and considers diverse perspectives?**

Inclusive leadership is vital for fostering innovation and maintaining a healthy [organizational culture](#). This question assesses how a candidate values diverse inputs in their decision-making process. Look for responses that emphasize creating an environment where different perspectives are not only welcomed but actively sought. A strong CEO should demonstrate a commitment to diversity, equity, and inclusion, ensuring that decision-making reflects a broad range of viewpoints.

## **5. In what scenarios do you rely on data versus intuition in your decision-making?**

Understanding a candidate's approach to balancing data and intuition is crucial for effective decision-making. Look for responses that showcase a thoughtful and adaptable strategy, demonstrating the candidate's

ability to leverage both data and intuition based on the nature of the decision at hand. A strong CEO should exhibit flexibility in their decision-making approach, aligning it with the demands of diverse situations while maintaining a commitment to inclusive leadership.

## 6. How do you prioritize tasks and projects when everything seems urgent?

This question probes the candidate's ability to manage multiple priorities, a daily reality for CEOs. It's crucial to understand their strategy for task management under pressure. Look for responses that demonstrate a systematic approach, such as prioritizing based on strategic goals, resource allocation, and a keen understanding of what truly matters in the given context. An [effective CEO](#) should showcase the ability to stay focused on long-term objectives while handling immediate challenges.

## The Link Between Decision-Making Discussions and Job Satisfaction

Statistics indicate that when [decision making](#) is explicitly discussed within organizations, job satisfaction among executives increases significantly by 1.4 times. This finding highlights the crucial importance of understanding and evaluating a company's decision-making environment, not only for the prospective candidate but also for the overall success and well-being of the organization. By fostering a leadership style that embraces open and transparent decision-making, companies create an empowering and engaging work environment. This approach promotes trust, collaboration, and employee satisfaction. When employees feel involved and valued in the decision-making process, their motivation, productivity, and commitment to achieving organizational goals naturally increase. In essence, the link between decision-making discussions and job satisfaction is undeniably strong. By actively promoting and encouraging open dialogues regarding decision-making, organizations can create a positive and fulfilling work environment that benefits both the people and the collective success of the company.

## Preparing for Success when Interviewing Your Next CEO

In conclusion, this article emphasizes the importance of asking key questions during a CEO interview, particularly regarding the candidate's decision-making skills. By focusing on these aspects, interviewers can gain valuable insights into a potential CEO's abilities and make [informed hiring decisions](#).

Our expertise in identifying top-tier leadership talent can enhance your journey towards organizational excellence. By centering decision making as the primary lens for identifying, evaluating, and selecting outstanding executive leaders, we ensure that your organization's success remains our key focus.

With a track record of successfully assisting over 1700 client organizations in hiring and onboarding decision-making executives across diverse industries, functions, and markets, Kingsley Gate has consistently demonstrated the ability to identify exceptional leaders who drive performance. Headquartered in New York and operating globally since 2015, our consultants bring a wealth of experience and insights to the table, ensuring that organizations can attract and retain the best talent for their leadership positions.

Learn more about our solutions. [Talk to one of our experts today!](#)



**Kingsley Gate**

