



January 10, 2012

## **Tensions with the Board Not the Norm, say 98% of CEOs in RHR International Study** *Relationships and Communication Break Down During Succession Planning*

**CHICAGO** -- (BUSINESS WIRE) -- Despite the prominence of headline-making Fortune 500 boardroom clashes in 2011, 98% of U.S. CEOs report having good relationships with their boards of directors and 95% say they believe their board supports them in the majority of decisions they make, according to a just-released survey from RHR International, a global executive talent development firm.

"While some CEOs have poor relationships with their boards, it's clear the majority don't fall into this category," said RHR International Chairman and CEO Dr. Thomas J. Saporito. "The ones who do are simply the ones that make for good press."

This groundbreaking survey of CEOs, who lead companies with annual revenues of \$50 million to \$2 billion, provides a thought-provoking and rare look inside the mind of chief executives. It also examines the psychological nuances that underpin C-suite dynamics in the boardroom.

Though these middle-market CEOs represent companies that make up a wide swath of the American economy, their perspectives have seldom been examined. The CEO Snapshot Survey, based on responses from 83 CEOs at public and private companies, delves into their perceptions on board relationships, succession issues, their own leadership effectiveness, and the resources they need to improve their performance.

### **Key Findings**

#### **-- Boards Provide Positive Support**

Boards are a fruitful source of feedback and support for CEOs, with 96% saying they can speak honestly with certain directors about their performance and the impact of their decisions, and 59% citing the board as their most helpful source of feedback. Fifty percent of CEOs say the lead director serves as this key board confidant, indicating the growing importance of finding the right person for this board position.

#### **-- Succession Planning Causes Breakdowns**

From the CEO's perspective, board relationships and communications begin to break down during the succession planning process. Seventy-six percent of CEOs believe they should be more involved in planning their own succession, and many CEOs report that miscommunication with the board about selection decisions and responsibilities is the most difficult part of this process. "Succession planning is full of complex psychological nuances, such as the incumbent CEO's readiness to step down, that can make it a very difficult process," said Dr. Saporito. "Earlier RHR research also shows CEOs need more clarity from and alignment with boards during transitions into and out of the C-suite."

#### **-- Complexity of the Job Surprises CEOs**

There is a disconnect between CEOs' self-proclaimed preparedness for the job and what they experience when they assume the role. Eighty-seven percent of all CEOs felt prepared for the job, yet of that group, 54% say it was different from what they originally expected. When looking at first-time CEOs only, both percentages rise: 91% felt ready for the job and 72% report it was different from their original expectations. "This is not uncommon," said Dr. Saporito. "Stress, pressure, and loneliness all combine to create a job unlike any other they have previously had."

### **-- Isolation Hinders Performance**

The intensity of the CEO's job, coupled with the scarcity of peers to confide in, creates potentially dangerous feelings of isolation among chief executives. Fifty percent of all CEOs report experiencing loneliness in the role, and of this group, 61% believe that the isolation hinders their performance. First-time CEOs are particularly susceptible to this isolation, with nearly 70% of those who experience loneliness saying it negatively affects their ability to do their jobs. Nearly half of all CEOs estimate that most other leaders experience similar feelings of loneliness.

### **About the RHR International CEO Snapshot Survey**

The CEO Snapshot Survey data collection was conducted online in October and November 2011 by Harris Interactive Service Bureau. It examines the opinions of 83 U.S. chief executive officers.

### **About RHR International**

We are a firm of management psychologists and consultants who work closely with top management to accelerate individual, team and business performance. We focus on five key areas of client need -- Executive Selection and Integration, Accelerated Executive Effectiveness, Senior Team Effectiveness, Management Due Diligence and CEO Succession. We have been proven difference-makers for more than 65 years, unique in our combination of top management focus, psychologists' perspective and high-level business acumen.

RHR International has offices in Belgium, Brazil, Canada, China, France, Germany, Italy, Switzerland, United Kingdom and United States. The company is headquartered in Chicago, Ill. For more information, please visit [www.rhrinternational.com](http://www.rhrinternational.com) or follow us on the [RHR blog site](#), [Facebook](#) and [Twitter](#).

SOURCE: RHR International

**Contact: Siobhan Ford, BlissPR**  
**212-584-5474 or [siobhan@blisspr.com](mailto:siobhan@blisspr.com)**