



Genetics of a Family Business CEO

May 30th, 2017

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Methodology of the Family-Owned Business CEO study

- ✓ 37 CEOs participated in our study, completing the Occupational Personality Questionnaire (OPQ-32), which measures management and leadership style and behavior, including how people try to influence others, their approaches to innovative thinking, and their self-motivation. Almost all of the data was collected in the first quarter of 2017.
- ✓ The study participants represented a wide range of industries and geographies. 15 were CEO of Consumer companies, 15 from Industrial and Natural Resources, 2 from Financial Services, and 1 each from Healthcare, Non-Profit, Real Estate, and Technology. 22 were from the Americas, 13 from Europe, and 2 from Asia Pacific. The average age of their company is 69 years old.
- ✓ The data was analyzed in multiple ways. First, the Family-Owned Business CEOs were analyzed as a full group, then subdivided and analyzed by geography, industry, company age, company size, CEO family relationship (or lack thereof), and similar criteria.
- ✓ The Family-Owned Business CEOs (as a full group) were then compared to Russell Reynolds Associates' database of executive psychometric data, including comparing them to a broader pool of global CEOs (approximately 900), and a broader pool of all executives (approximately 9000).
- ✓ Lastly, the psychometric data was combined with qualitative data and published studies from academic researchers and family-owned business consultants and advisers, and that data was used to validate or better understand the psychometric data findings.

CEOs: a breed apart

CEO essence (statistically significant differences of highest magnitude)



INITIATIVE



Six other groups of traits also distinguish CEOs from their executive peers on a statistically significant basis:

Driven and resilient

Ambitious, intrepid, resilient

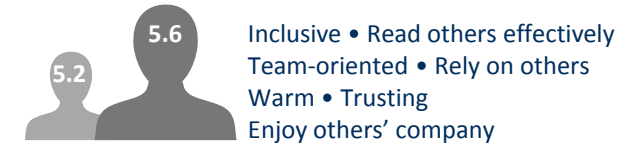


INITIATIVE



Team builders

High EQ; read, engage, and organize others

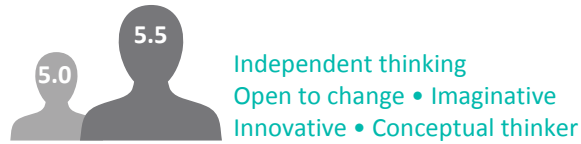


INFLUENCE



Original thinkers

Curious, develop a unique point of view



INFERENCE



Send clear messages

Communicative and open



INFLUENCE



Visualize the future

Forward-thinking, forward action



INFERENCE



Catalyze others

Set the agenda



INFLUENCE



Senior Executive Average (1–10 scale)

CEO Average (1–10 scale)

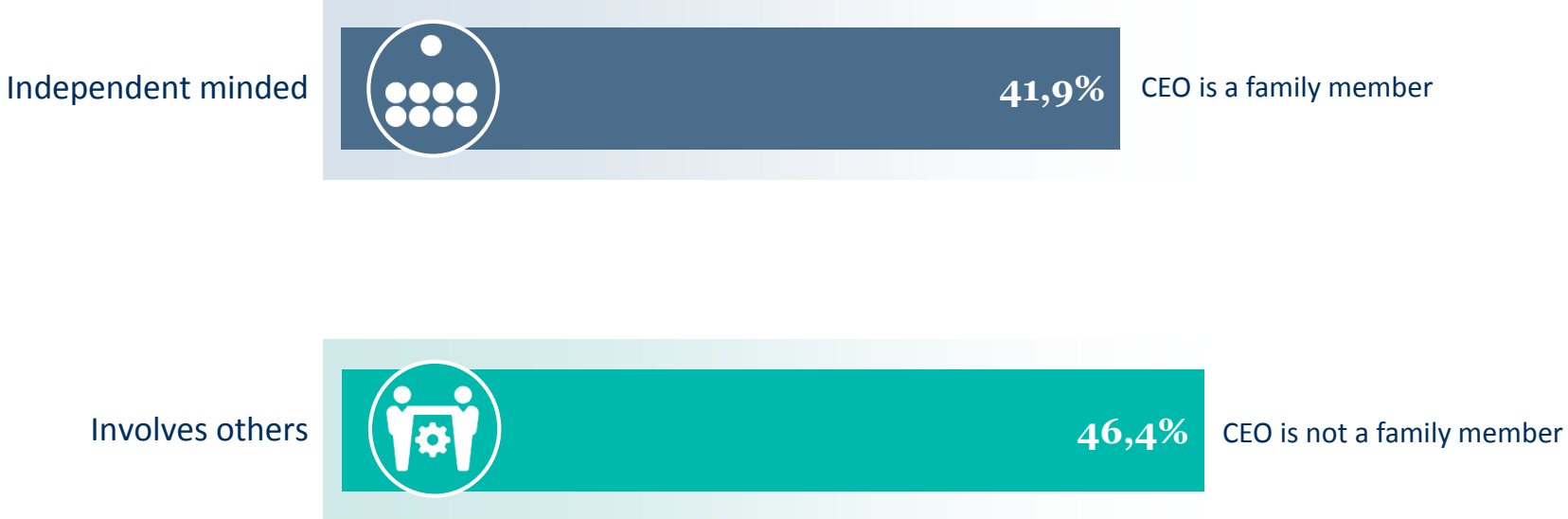
Overall psychometric differences between FOB CEOs and other CEOs

FOB CEOs are higher in the following areas:



(Percent difference in psychometric means)

Psychometric differences based on whether CEO is a family member

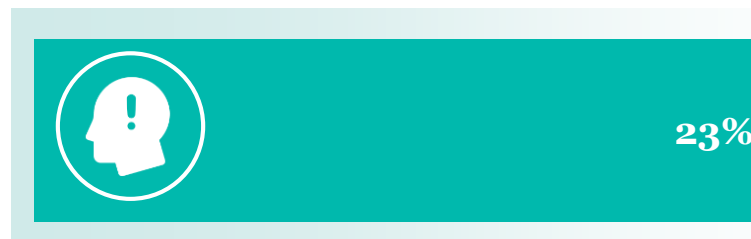


(Percent difference in psychometric means)

Psychometric differences based on amount of family ownership

CEOs in which there is a higher degree of family ownership (76-100%):

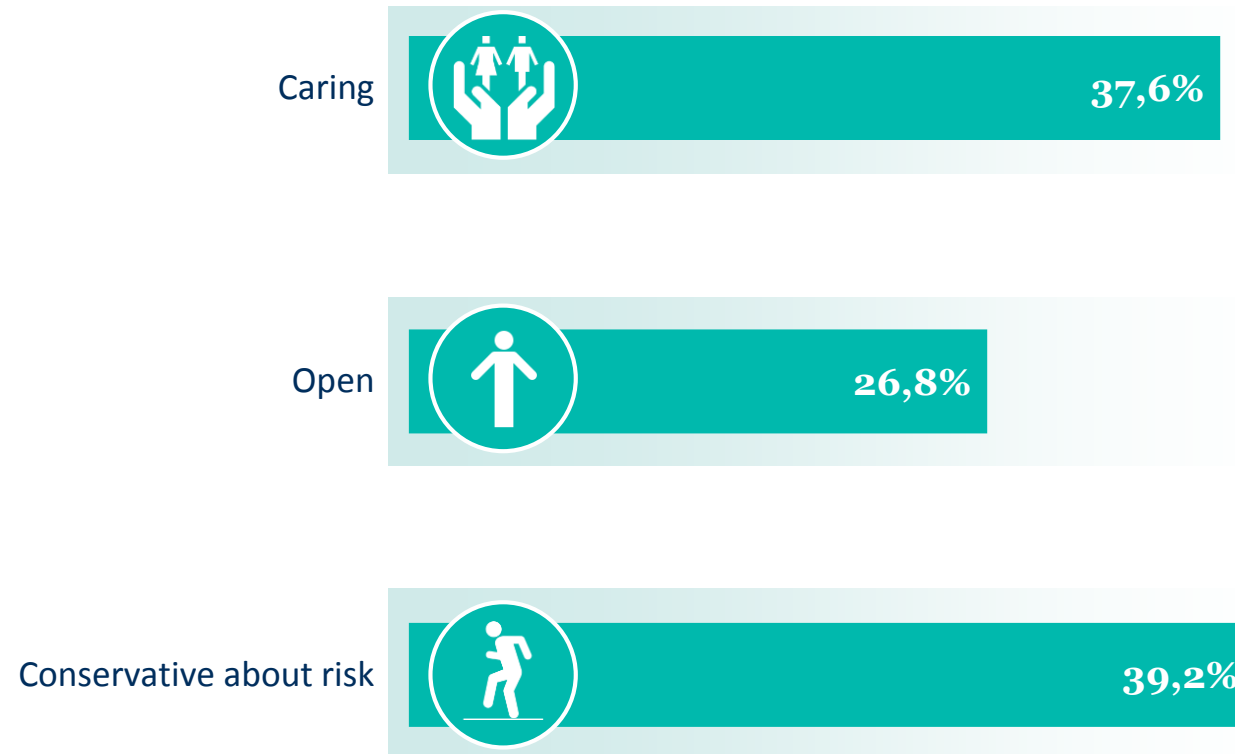
Forward thinker/long-term thinker



(Percent difference in psychometric means)

Psychometric differences based on revenue

Smaller family-owned business CEOs (less than \$1B USD):



(Percent difference in psychometric means)

Psychometric differences based on age of company

Younger companies (1-50 years):



(Percent difference in psychometric means)

The ideal CEO

CEO is a non family member leading a smaller and younger company with high degree of family ownership

