



## Inside the Mind of the COO

## EXECUTIVE SUMMARY

Are you grooming a COO for the CEO role?  
Our research uncovers personality differences  
that should be reflected in their coaching and  
development plan.

The COO role is making a comeback, as more companies add a COO to their C-suite. The role has become bigger and more strategic than ever before, emerging as a top contender for the CEO position. With proliferation of [digital technologies](#) and increased [sustainability](#) expectations, we expect the role to continue expanding.

At Russell Reynolds Associates, we have seen these changes in our search and consulting client executions, which prompted us to deepen our understanding of the personality, values and interests of these leaders. To accomplish this and help boards, CEOs and HR leaders better understand these executives, we analyzed the Hogan psychometric test scores of nearly a thousand COOs with focus on common personality traits and values, learning that:

- COOs tend to have six characteristics in common
- There are several notable differences between COOs based in Europe and those in North America
- The biggest difference between COOs and CEOs is their preference towards creative and innovative working environments



# The fluid nature of the COO role



How to best describe the COO? It's not easy, as the role has variances between industry, organization, and need. That said, we've identified five COO archetypes from our client executions, illustrating the variations that can exist

from one position to another. Furthermore, these real-life examples exemplify the range of operational, commercial, strategic, risk management, sustainability, and technology responsibilities the role can encompass.

**Figure 1: COOs across five different organizations**

<b>COO for a Fortune 500 industrial manufacturing company</b>	This role reports to the Chairman & CEO and holds responsibility for the firm's integrated supply chain, including oversight for global procurement, planning, manufacturing, and logistics functions, as well as global quality, manufacturing strategy, and environmental, health and safety.
<b>A country COO for one of the largest banks in Europe</b>	This role reports to the country CEO and manages the bank's technology and operational needs. The role also covers all activities associated with defining and delivering on the bank's transformation agenda, owning business strategy development and delivery initiatives across the organization.
<b>COO for an American luxury goods company</b>	This role reports to the President and has direct oversight for the end-to-end supply chain, including sourcing, manufacturing, planning, distribution, and logistics. In addition, this leader has direct responsibility for enterprise information technology (IT), product development, and real estate operations.
<b>COO for a large integrated health delivery system in the Americas</b>	This role reports to the President and CEO and is responsible for leading the operational transformation of the health system enterprise. The COO has broad responsibility for the operations of the organization's hospitals, regional medical foundations, system-wide service lines, home care business, nursing, and ambulatory surgery centers.
<b>COO for one of the largest asset management firms in the Americas</b>	This role reports to the CEO and leads corporate real estate & workplace services, change management, risk management, client account services, investment operations, and technology.

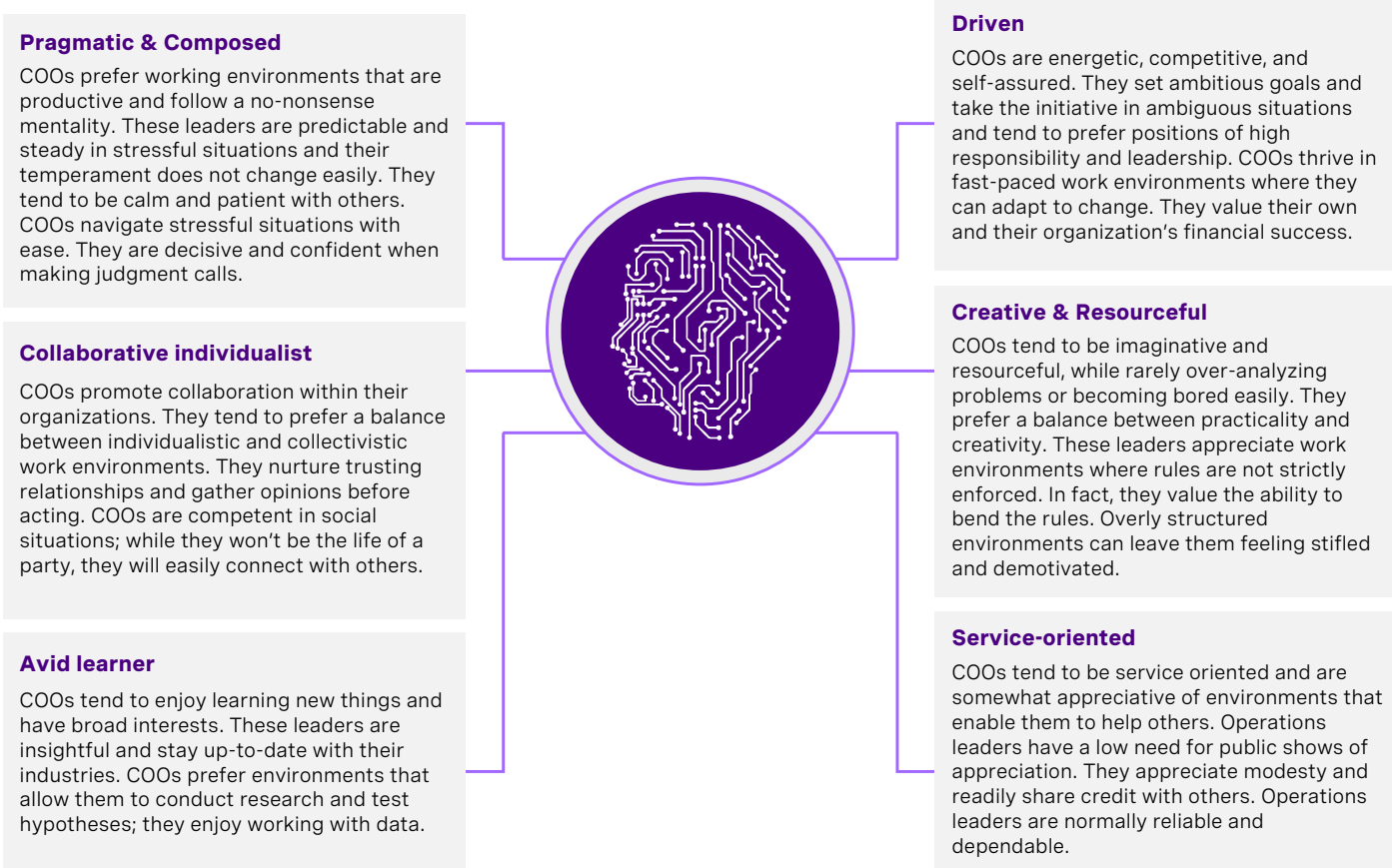
# Insights from Hogan psychometric analysis: Six common COO characteristics



To profile this versatile C-suite leader, we analysed the Hogan psychometric data of 979 COOs, with the majority hailing from North America and Europe. The assessment scores individuals across 28 metrics—from their day-to-day behavior, to how they perform under stress and external pressures. Furthermore, they provide insights into a person’s core values, goals, and interests.

While there are clearly several COO archetypes, our analysis uncovered six common psychometric characteristics among the COO population: **pragmatic and composed, collaborative individualist, avid learner, driven, creative and resourceful, and service oriented** (Figure 2).

Figure 2: Common COO characteristics



Source: Russell Reynolds Associates proprietary analysis of Hogan psychometric data. N = 979 COOs.

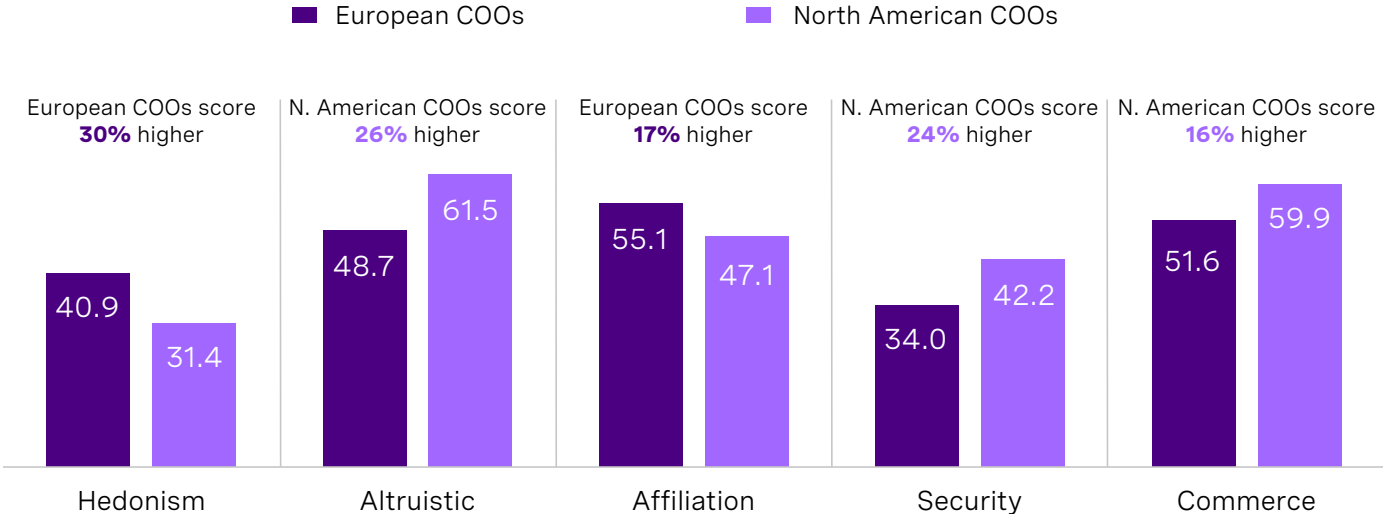
# A regional comparison between European and North American COO profiles

The COO profile doesn't just vary across industry and organization, but also across regions. This is evident in the notable distinctions between COOs based in Europe and those in North America (Figure 3).

While COOs from both regions typically prefer working environments that are productive and follow a no-nonsense mentality, North American COOs tend to prefer this more, scoring 30% lower on the "hedonism" measure. Additionally, North American COOs tend to be slightly more service oriented and appreciative of environments that enable them to help others (altruistic). While North American COOs tend to prefer a balance between individualistic and collaborative work environments, European COOs have slightly higher preference for collaborative environments (affiliation).

While COOs in both regions generally thrive in fast-paced work environments where they can adapt to change, the inclination towards such environments is slightly more pronounced in Europe compared to North America (security). North American COOs, even more than their European counterparts, appear to value their own and their organization's financial success (commerce). Recognizing these regional differences helps guide talent mobility, recruitment, attraction and development efforts, and provides areas to probe when assessing COO candidates.

**Figure 3: Differences between North American and European COOs**



Note: **Hedonism** - higher scorers derive motivation from working in environments that place a premium on having & creating opportunities for fun. Lower scorers prefer serious, productivity-focused environments. / **Altruistic** - higher scorers derive motivation from providing service to others in a hands-on manner, while lower scorers don't derive motivation as a service provider. / **Affiliation** - higher scorers derive motivation from working in roles that provide them considerable opportunity to build relationships & network. Lower scores are content to work independently. / **Security** - higher scorers derive motivation from working in secure, predictable environments that minimize risk & ambiguity. Lower scorers prefer fast-paced environments in which they have to quickly deal with & adapt to changes. / **Commerce** - higher scorers derive motivation from making money for themselves & the organization. Lower scorers can be better motivated via non-financial rewards. Figure uses mean scores across the sample of COOs. Figure highlights some of the statistically notable differences between COOs and CEOs with emphasis on motives, values and preferences.

Source: Russell Reynolds Associates proprietary analysis of Hogan psychometric data. N = 753 COOs (432 from Europe and 321 from North America).

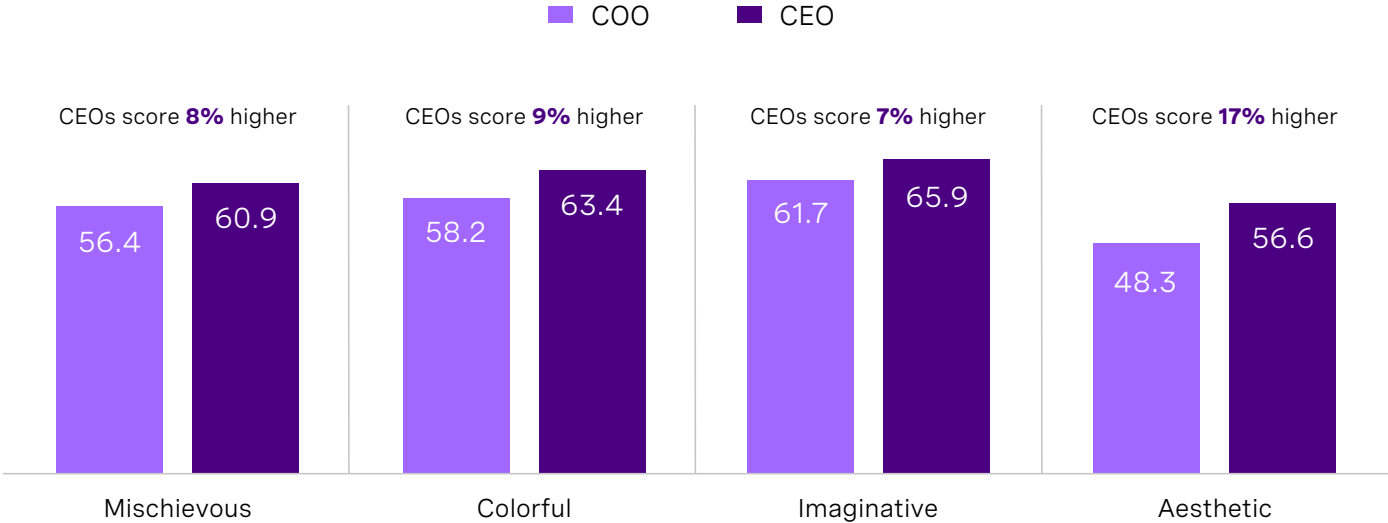
# The rise of COOs to CEOs: A comparative analysis of leadership profiles

In 2022, RRA research found that 43% of CEOs in the Fortune 250 companies had been promoted from the COO position, making it the most commonly held internal role prior to taking the top job. A 2021 McKinsey study of Fortune 500 and S&P 500 CEO promotions corroborates our study, finding that 27% of CEOs held a COO role prior.<sup>1</sup> This is because the COO role provides critical experiences that are important for CEO development. Interestingly, we are also seeing some organizations use the COO role to groom potential CEOs who have more traditional commercial or financial background.

To understand the personality differences between COOs and CEOs, we analyzed Hogan psychometric assessment scores of 979 COOs and 1,109 CEOs. The results show only a few differences between the two leaders (Figure 4).

While both COOs and CEOs may test limits and take risks, CEOs typically exhibit a higher propensity for doing so (mischievous). While both cohorts rely on their charisma in high-pressure situations, COOs often exhibit a less dominant approach in doing so (colorful). COOs have a tendency to share their ideas before fully vetting them, but CEOs are even more inclined to do so (imaginative). Lastly, CEOs tend to have a stronger preference for creative and innovative environments while COOs usually prefer a balance between practicality and creativity (aesthetic). When grooming a COO for the top job, their coping strategy in response to pressure may impact the perception of that individual's performance as a CEO, and should be reflected in their coaching and development plan.

**Figure 4: Differences between COOs and CEOs**



**Mischievous** - Higher scorers tend to test limits, take risks, and push boundaries. / **Colorful** - higher scorers tend to dominate interactions and over-use their charisma. / **Imaginative** - higher scorers tend to share their ideas before fully vetting them. / **Aesthetic** - higher scorers derive motivation from creative and innovative environments. Figure uses mean scores across samples of COOs and CEOs, and focuses on differences that are statistically significant.

Source: Russell Reynolds Associates proprietary analysis of Hogan psychometric data. N = 979 COOs, n = 1,109 CEOs.

<sup>1</sup> Darryl Piasecki. October 31, 2022. Stepping up: What COOs will need to succeed in 2023 and beyond. McKinsey. <https://www.mckinsey.com/capabilities/operations/our-insights/stepping-up-what-coos-will-need-to-succeed-in-2023-and-beyond>

# Leveraging COO assessments for effective talent development and CEO succession planning

Although the COO role can be as unique as the individuals who occupy it, understanding common personality traits, values, and interests within the COO population helps organizations recruit, retain, and develop COOs. To act on these learnings—and support the COO to CEO succession pipeline—leaders should:

- **Consider utilizing common COO characteristics as a reference point when recruiting or contemplating development opportunities:** Not only do they help CEOs and HR leaders better understand the COO population, these characteristics also shed light on the environments and situations preferred or disliked by COOs, thereby guiding retention efforts.
- **Recognize regional differences:** When recruiting across regions or considering internal transfers, understand the differences between European COOs and their North American counterparts.
- **Reflect on COO and CEO distinctions when planning CEO succession:** Understanding these differences can guide the development and coaching of internal candidates. While comprehensive CEO succession planning involves multiple aspects, the insights from our study can help better understand the behavioral disparities specifically in high-pressure situations.
- **Consider investing in assessments provided by an external advisor:** There are seven steps to successful [CEO succession](#) and the assessment of internal leaders is one of them. Our [Global Leadership Monitor](#) found that, while psychometric assessment is best practice when evaluating potential CEOs, only 20% of organizations routinely include it in their succession planning. By adding scientific rigor to the assessment process, better and often less obvious potential successors can emerge, improving leadership diversity and organizational performance.



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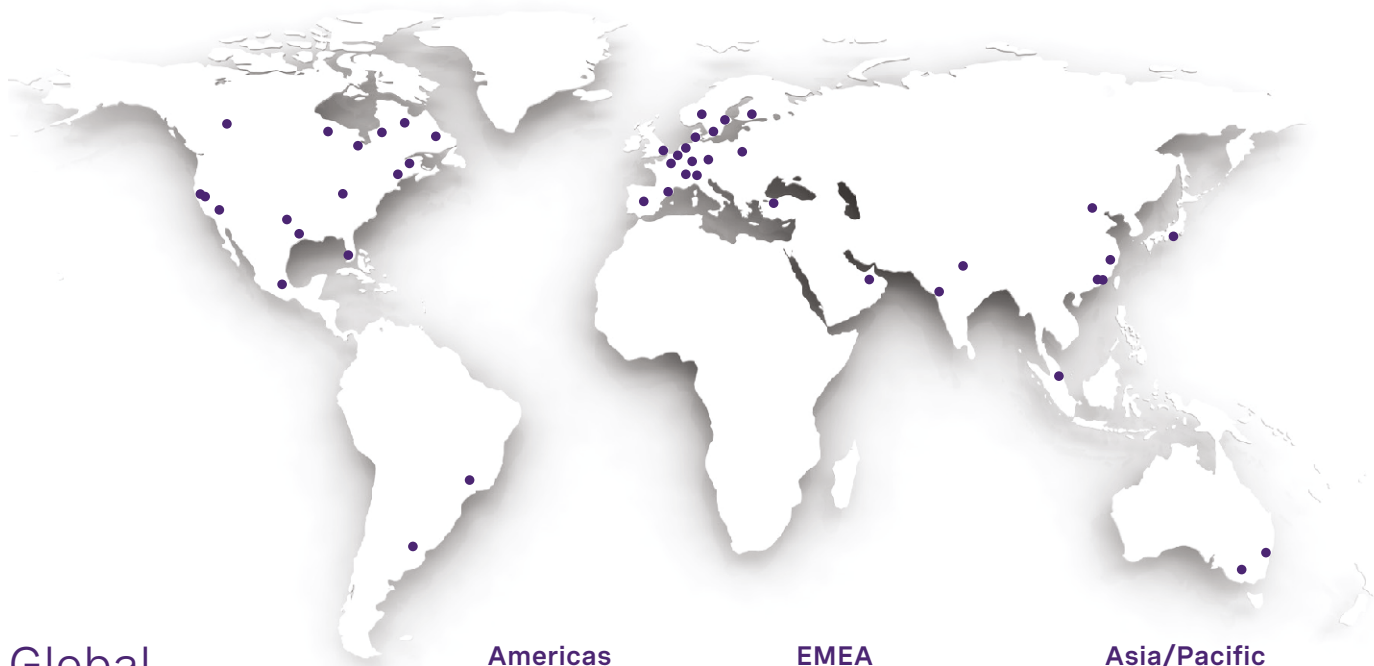
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# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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