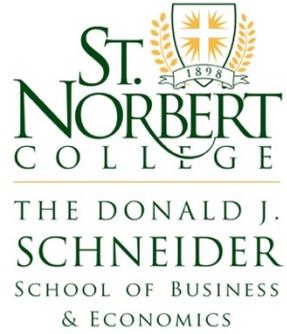


CEO LEADERSHIP MODEL: KIMBERLY CLARK

By Nicole Kozlovsky, CBEA Research Analyst



Eleven good-to-great Fortune 500 companies all had one thing in common: a leader with a unique combination of professional will and personal humility.

This assessment comes from a 2001 study by Jim Collins, an expert in company sustainability. He calls these executives Level 5 leaders. While professional will might seem obvious, personal humility tends to be harder to come by.

Collins' study looked at companies with average industry stock returns for 15 years, followed by 15 years of returns at least three times the market average. Only 11 companies met these terms, one of which was Kimberly-Clark, the world's largest tissue manufacturer.

Shortly after becoming CEO of Kimberly-Clark and being diagnosed with cancer, Darwin Smith made a difficult strategic decision to shift out of paper products and into consumer products, selling some Kimberly-Clark mills and investing the proceeds in brands such as Huggies and Kleenex. Twenty-five years later, Kimberly-Clark was at the top of its industry.

Smith and each of the other Level 5 leaders examined in Collins' study displayed similar characteristics and traits that contributed to the successes of their companies.

They exhibited a fiery work ethic and willingness to make risky decisions to further benefit their respective companies. When their decisions led to success, Level 5 leaders tended to cite the work of their colleagues or good fortune. When the company fell under hard times, they accepted blame and looked for the next breakthrough idea.

On the other hand, Collins argues, Level 4 leaders have a tendency to lack the ability to deflect praise and accept blame. Level 4 leaders can lead very successful Fortune 500 companies, but not quite to the extent that Level 5 leaders can, according to Collins.

“A leader with a unique combination of professional will and personal humility”

Finally, Collins found that Level 5 leaders put their company's success above all else. When selecting their own successors, they choose a replacement that will continue their success with a new chapter of their own.

Unfortunately, the humble, reserved nature of Level 5 leaders does not always win over a board of directors like a larger-than-life, outgoing opposition. I believe more than 11 Level 5 leaders exist, but many of them are still in nonleadership positions within their organization.

Consider this study the next time multiple candidates are running for the same position. Smith is a model Level 5 CEO, who surrounded himself with the right people to make a world-class organization.

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