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Hiring in the C-Suite

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Leadership matters. Good leaders motivate, inspire and energize, enabling people and organizations to achieve objectives they never thought possible. Most organizations spend a lot of resources attempting to get the right senior leaders into the right roles at the right times, and the importance of this process has been heightened by the short supply of key executive talent.

Unfortunately, evidence continues to accrue indicating that at least some degree of failure in executive roles is commonplace, ranging from highly visible and public “flameouts” to relatively hidden situations in which the under-performing executive is quietly shuffled into another role within the firm.

What Can Go Wrong

People in “high-stakes” roles within organizations rarely fail primarily because of skill set deficiencies, lack of intellect or lack of performance. Typically, leaders who have ascended to the C-level have demonstrated a consistent track record of excellent performance throughout their academic and professional careers, and depending on the size of the organization, have been promoted multiple times into positions of increasing scope and responsibility. In my experience, executives most often under perform for one or a combination of the following reasons:

1. **Over-promotion:** These are individuals whose performance in prior roles ranged from merely acceptable to superb, are seen as loyal organizational citizens and good people, and are given new, bigger jobs because they are seen as “deserving” them. Often a factor that contributes to this mistake is decision-makers’ fear of being seen as not rewarding hard work, not respecting longevity and not promoting from within.
2. **Cultural Misalignment:** These are individuals who have the requisite experience, intellect and core skills to be successful in a high-stakes role, but under-perform due to a lack of fit between the individual and the culture and values of the organization. Often, these are senior leaders brought in from outside of the

organization or who have been promoted quickly from function to function within the same organization.

3. Failure to Evolve: These are individuals who either cannot or will not adapt to shifting business conditions or priorities, over-relying on their old way of doing things when new approaches, perspectives and personal behaviors may be required. They often live in the past and fail to listen to and respond to feedback.

What Must Go Right

The good news is that companies can take concrete steps to improve the efficacy of these high-stakes selection decisions. Research indicates that companies who are particularly adept at selecting C-suite personnel *consistently* do the following things:

- √ Comprehensively analyze the *context* that the person will be operating in. Many companies make the mistake of devoting too much time to evaluating the “internal” attributes of potential candidates, characteristics such as personality, experience, decision-making and intelligence, and too little evaluating the environment that the person will be operating in. A CEO whose primary strategic mandate is to restore investor and employee confidence may be different than one who needs to revive a tired brand. A 50/50 balance between time spent analyzing the “external” environment and the “internal” attributes of the candidates is a good rule of thumb.
- √ Seek a *multi-level* match. Effective executive selection decisions are complex, more like playing chess than checkers, because they assess “fit” at multiple levels, as opposed to just looking at how the candidate matches the position. Questions to ask include how well will the person fit with his or her fellow executives? With the culture of the company? With the operating environment of the country? For example, does the company promote spontaneous, autonomous decisions or does it favor collaborative and more deliberative approaches? Is the company culture “fun and flexible” or “proper and reserved?”
- √ Use a disciplined, rigorous and *data-driven* process, in which candidates are assessed using a wide variety of structured and well-validated tools. Companies get into trouble when they make decisions based on personal biases, intuition, and hearsay, as opposed to logical reasoning and objective data. Additionally, research has shown that selection decisions are more accurate when job candidates are assessed simultaneously as opposed to sequentially, and when there is consensus on what the key success factors for the role really are.

Following these guidelines should increase the odds that your next C-level hire will be a good one.

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