

Assessing People for Senior Jobs

“Most organisations spend far less time and money recruiting and assessing senior executives than they do on capital investments of a similar value. It is almost impossible to quantify the cost of a poor senior selection decision – or the benefit of getting it right.”

Jon Lurie, report author and partner, Jon Lurie Associates.

Executive Summary

Appointing a senior executive is one of the most important decisions a company takes and the individual's subsequent performance can have a dramatic effect on motivation, morale – and even the share price. Yet the decision is often made without sufficient due care and attention, leading to an unacceptably high attrition rate among newly-appointed executives.

Almost 50% of management appointments fail and this is often due to poor selection and inadequate on-boarding. There is much scope for improvement.

Research questions for this report

- How has the role of a leader changed?
- Why is it so important to understand the organisational context, culture and job requirements?
- What are leaders really like?
- What criteria should be used for assessing them?
- What assessment tools and methods do organisations use – and how helpful are they?
- What are the major causes of early career derailment?
- What approaches can companies adopt to improve their on-boarding?

How has the role of a leader changed?

The world is becoming smaller, the pace of change is faster and relationships are more fluid. Effective leaders need to manage this ambiguity, which requires them to:

- think globally
- appreciate cultural diversity
- demonstrate technological savvy
- build partnerships and alliances
- share leadership and work collaboratively.

The way leaders lead needs to reflect generational and cultural differences, which impact on attitudes, motivations and how we want to be managed.

Why is it so important to understand the organisational context, culture and job requirements?

Organisations seldom put sufficient effort into understanding the context within which a newly-appointed leader has to work and what it will take to succeed. This is in spite of the fact that senior selection failure is common and is almost always due to some aspect of cultural or personal fit. The right leader is context-specific and assessing the contextual and cultural fit should be a critical part of the assessment process.

What are the real characteristics of leaders?

Although there are many different types of leaders, research indicates that successful ones tend to display certain common characteristics, such as:

- low neuroticism
- high conscientiousness
- hardiness
- social and emotional intelligence
- self-awareness.

There has been an increasing amount of research on the 'dark side' of personality which, at an extreme, can lead to derailment. Organisations need to be aware of these risks when assessing individuals.

What criteria should be used for assessing leaders?

Competency models, which specify the desired skills, knowledge and attributes, are normally used as the basis for assessing candidates. They range from company-specific frameworks to generic ones. These competencies are often clustered, either by category such as collaboration, or by type, such as transactional or transformational.

“Organisations spend very little time and effort on selection in spite of the considerable return on investment and the consequences of getting it wrong.” **Jon Lurie**

Recent research suggests that the focus should be more on assessing character than behavioural competencies. The fact that individuals do not manage in isolation and that success is dependent upon others is increasingly recognised.

What assessment tools and methods do organisations use and how helpful are they?

There are a wide range of measures for assessing candidates. Competency-based interviews are the most common, but extensive use is also made of ability and personality tests and, to a lesser extent, business simulations. The most widely-used assessment tools in the UK are:

- Big Five (NEO-PI-R).
- 16PF.
- OPQ.
- Personal DISCernment Inventory (DISC).
- Hogan questionnaires.
- Wave.

The most effective approach is to use a combination of assessment tools – drawing data from different sources and using a number of assessors to test and validate data. Yet, organisations spend very little time and effort on selection in spite of the considerable return on investment and the consequences of getting it wrong.

What are the major causes of early career derailment?

It has been estimated that 40% of new C-level hires who departed within two years did so because of integration difficulties. Although there are many reasons for this, the most common are:

- not being clear about what is expected and what success will look like
- not understanding the nuances of the context and culture – and how to work within them

- not managing key stakeholder relationships, particularly with one’s boss.

What approaches can companies adopt to improve their on-boarding?

On-boarding should be seen as part of a formal process that helps the newly-appointed leader understand and negotiate the often unwritten organisational norms and influences. Integration should begin with the candidate’s initial experience during the attraction phase and continue for 12-18 months.

Much work remains to be done to demonstrate that people are indeed a company’s greatest asset, as so many organisations state. Recruiting the best person for a senior job is a critical business decision – and once the person has joined, every effort should be made to create the conditions for their success.

Ten good practice lessons

- Be honest about the culture and what it takes to succeed within it.
- Be very clear about what success in the job means and how it will be measured.
- Assess candidates against the context, culture and job requirements.
- Assess character as well as performance.
- Use a range of assessment tools and techniques.
- Assess how individuals can use their strengths to be successful in the role.
- Make the selection process part of the integration into the culture.
- Think of on-boarding as an integration process, not just a briefing activity.
- Act quickly in providing feedback.
- Ensure that the effort put into selection and on-boarding reflects its importance.

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