



## The Big Blue Box Ltd

### In Hindsight...

In the space of a few days, in three separate organisations, I had conversations with the executives who had the final decision on external hires for board level appointments.

In each organisation, around a year after their appointment, a 'senior hire' had failed, spectacularly.

Whilst identities and some details are disguised, the descriptions are as close to the facts as possible without breaching confidentiality.

In 'one to one' discussions on the emerging storylines, each decision-maker was surprisingly open, honest and reflective. In the first such conversation I asked the decision-maker the question:

*'As you reflect now on the moment of your decision to appoint this person, what was your gut feeling telling you, what was your intuition or instinct at the time?'*

As coincidences concerning 'gut feeling' at the time became apparent, in conversation with the second executive I took the opportunity to ask this question of them, and again in conversation with the third.

I was surprised by the replies I received which were respectively:

*'The process and my gut were correct all along – I just ignored them both because it suited me and I was in a hurry.'*

*'It was about 60/40 that it would work.'*

*'It was only ever about 50% likely [that the appointment would succeed].'*

I was immediately struck by the degree to which, in hindsight, none of these decision-makers believed that they had made the right decision, but had allowed other factors to sway their decision making, and had ignored their instincts that the decision was incorrect.

Across each of the appointments there were several similarities.

The appointments were to fill essential professional leadership skills gaps where the organisations' current staff and possible successors were thought to be under-skilled.

Could the internal candidates' skills gaps and known weaknesses have been overcome?

In appointing internal versus external candidates what is the relative cost of getting it wrong?

All candidates were recruited from outside the business. The candidates offered skills and experience in comparable industry sectors, indeed that diversity seemed to offer real advantage to the hiring organisation.

Was that diversity *truly* more valuable than the proven capability to manage and thrive in the existing culture offered by internal candidates?

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Contact: 1 The Laurels, Oatlands Drive, Weybridge, Surrey. KT13 9LF

Tel: voice/fax: 01932 843933 [www.thebigbluebox.co.uk](http://www.thebigbluebox.co.uk)

Registered Office: Suite 1, Concept House, 23 Billet Lane, Hornchurch, Essex, RM11 1XP

Registered in England No: 4401635

## In Hindsight...

Candidates were subject to a rigorous recruitment process. Recruitment consultants or advisors were involved and the processes were competitive. There were numerous stages including psychometric tests, interviews with potential peers and direct reports, with stakeholders and other advisors. References and recommendations were received. This gave credibility and authority to the process and would have taken some courage to overrule.

Was undue weight given to the credibility of the process, advisors and the candidates' 'presentation'?

Looking back one decision maker commented:

*'That strong [recommendation] did partly move me - "I think you'd be crazy not to take him" type of stuff. I wouldn't normally accept life advice from [that source].'*

And other comments included:

*'The candidate met [the team], their peers and direct reports, we had psychometrics... several interviews...they met the [Stakeholders]... it was a very thorough process... I guess that shows I wasn't sure!'*

From first identification of the vacancy all the way through to the moment of effective accession into the role, a moratorium had been placed on planning, new activity and decision making in the function. This created a backlog of decisions which increased any sense of urgency in the appointments. As one recruiter put it:

*'I needed someone fast.'*

Some appointees relocated. *'The candidate moved their family closer'* and another *'We've paid for their relocation'*. The cost and investments in the recruitment were considerable.

Yet there was an assumption in each case that the appointee would 'fit-in' immediately so no significant 'on-boarding' orientation or personal support was available, except for one of the appointees where I was asked to provide coaching support, 9 months after their appointment.

*'We appointed [the coach] too late in the process... we needed to stabilise it but realistically it was never going to work... I can see that now... I'd already realised that before [the coach was] involved...'*

Whilst 'on-boarding' expenditure was avoided in the short-term, the evidence of each failure was accumulating - clients and stakeholders had commented. The effect upon the existing staff was considerable, not just because it was an external appointment and people might have felt 'passed over' but also because the emerging evidence of the poor fit questioned the judgement of the decision-makers.

*'We'd lose [our key potential talent] if we didn't act... there were growing problems within [the appointee's] direct reporting team... and other issues came to light after they left...'*

In some instances, a deputy and natural successor had not been considered for the role, or had discounted themselves, believing that their skills were not sufficient.

In one case that natural successor was subsequently appointed to fill the vacancy, any professional skills gap was now deemed less critical when compared with their cultural and interpersonal skills, experience and immediacy.

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One recruiter commented:

*'[The deputy] didn't want the job at the time despite being a natural successor... but [they] have really stepped up, if reluctantly – they didn't feel that they had all the skills!'*

Recognising that managing such professional skills gaps is possible, coaching support is being offered to them; for confidence, and the subtle cultural and personal challenges that come with promotion.

These situations arose because the decision-makers overruled their gut feelings that the external candidates 'would not fit in with the 'culture' – not because of a lack of professional competence.

During the recruitment process candidates' career and industry sector experience indicated a good fit.

Unfortunately, professional competence did not prove to be a good indicator of the individual's cultural and interpersonal sensitivity and leadership skill. Those early 'gut feeling' warning signs were ignored in the interests of expediency. This was compounded by support not having been available, other than in one case, when it was already too late.

The recognised skill shortages at the time of the recruitment counted against the internal candidates, trumping their known cultural and personal capabilities. Yet it was those cultural sensitivity and personal effectiveness skills shortages that caused the failures for the external appointees.

The decision-makers each chose to downplay the intuitive indicators of potential failure, yet their intuition was perhaps the only tool available to accurately judge that cultural and personal 'fit'.