

The Most Common Executive Hiring Mistake Made Today

With unemployment levels high today many people are focusing on specific industry and domain experience with the idea that a large pool of candidates means they can write a very detailed list of experience and still get good candidates. This tends to create a process which ignores the overall quality and ability of the candidates in favor of a simple checklist of very specific experience. A person's broad experience, attitude, abilities, intelligence, work ethic and other factors are much more important by a factor of ten for most managers and senior executives. The truth is that a high quality executive can learn a new industry very quickly from the existing management team, but a lower quality executive with specific domain experience may NEVER become a high quality executive! Which do you prefer, a high quality executive or a short learning curve? Sure there are positions where 10 years industry or domain experience will help, because of experience, contacts and industry specific idiosyncrasies, but few industries are so complex that a few months will not get a really good person 80% up to speed in terms of learning the differences. Specific domain expertise becomes much less important as you climb the corporate ladder and specific contacts and knowledge mean less, and overall experience, creativity, management skills and other abilities become far more important. At the CEO level 90% of the job is generic, not industry specific and many others on the management should bring the domain expertise.

Often the excuse that there are so many candidates available is used to demand the "square peg in a square hole" phenomenon. Hiring executives create a long list of requirements only met by a very few people, who are not necessarily the best executives.

Executive recruiters often fall victim to this phenomenon when very specific but unimportant things are requested by the client company but with little to no understanding of the weighting of certain skills. I suppose that sometimes they are reluctant to provide negative feedback on this due to fear of losing the contract or the inability to weigh relative importance of factors. Many of the truly great turnarounds have been executed by executives brought in from other industries entirely who come with fresh ideas and fewer preconceived notions. One of the most famous turnarounds of all time was done by Lou Gerstner at IBM. He came from the consumer and packaged goods industries (RJR Nabisco & American Express) to run the biggest technology and computer company in the world, at the time doing \$65 billion in sales. Jack Welch started as a Chemical Engineer and many, many CEOs who came from within the industry, or even the company itself, failed miserably to create new shareholder value.

The best executives are going to ask GREAT questions that cause change and innovation, not just do it the way everyone else does. They may not even ask these questions if they grew up with the "way things are always done" and have learned to live with these things even though they may be narrow thinking or obsolete today. There is no better way to guarantee mediocrity than to not introduce new blood on a regular basis, and this means people from other industries, who will look at things differently, bring new ideas and provide a perspective that gets everyone to think some more. This square peg, in a square hole phenomenon is often sending away the very best executives in a search in exchange for a little domain expertise that might actually be a liability sometimes! Don't fall into this trap.

For instance why would you not demand a CEO for instance who had a list of three or four very specific skills and experiences like: "middleware", or a "BS degree in mechanical engineering"

or even experience with "radar systems". Because these things are far too granular and will exclude the majority of high quality candidates who are better at the more generic business and leadership skills (90% of a CEO's job) for the less important very specific and smaller knowledge set (5%) that other people should already have at the company. In other words you will be predisposing your filtering process to reject superior candidates before they get to the right person. This makes the search easier, for recruiters and resume screeners anyway, but dooms the process to a short list of highly specific candidates, instead of a broader list of high quality candidates. In other words, when you do this, you are not really weighting the importance of each factor, but doing a binary (yes/no) exclusion on enormously less important criteria!

Don't get me wrong I think selling to the government and B2B versus the consumer markets are very important (macro level stuff). I just do not believe that the level of granularity I see today in searches (i.e. "middleware", a specific degree 15+ years ago, specific product experience) adds value, so much as distracts from the most important criteria in executive selection. After all "middleware", for example, is just a type of software and has the same technology/R & D, economic characteristics, sales process and marketing challenges as any software product targeted at businesses and MIS types. Recruiters who allow clients to do this are doing a major disservice to their clients by statistically excluding the best candidates every time!

Too Many People Ignore Behavior In The Selection Process Because It is Hardest To Discern In An Interview Process -
But It is By Far The More Important Factor Affecting Long-term Employee Performance and Results.

Broad experience, intelligence, adaptability, work ethic, self-motivation, ability and desire to learn make great long-term employees.