The 5 Deadly Fallacies of Executive Selection

and what to do about them

by John Wareham

"It aint the things you know
that get you into trouble
— it's the things you know that aint so!"
—Will Rogers

APPOINTING KEY PLAYERS TO A MANAGEMENT TEAM is a lot like moving chess pieces: one blunder can cost you the entire game. And bear this in mind: *virtually every gaff springs from faulty evaluation of the candidate at the time of appointment.*

Realizing the stakes, some people make a determined effort to recruit 'clear winners.' Paradoxically, however, even this apparently positive approach can get just about anybody into serious trouble. Otherwise intelligent hirers get so hung up on hiring winners that they put charisma before honest-to-God competence. Consider:

A major heavy construction firm poached a competitor's second-in-command to become CEO. He looked great — immaculate and commanding, proud and patrician — had a wonderful resume, and came highly

recommended by a prominent headhunter. The new CEO's first decision, however, and just about the only one he ever made, was to erect an exorbitant private office suite and instal a Caligulan lavatory setup. He then disappeared into that sanctum for hours at a time, emerging mostly to head for the first tee at his golf club. His reluctance to make any kind of executive decision sent the company to the brink of bankruptcy.

Whatever was the fellow's problem? His hidden flaw lay in his inability to make an executive decision in the absence of the security blanket of his former CEO.

> *He could proffer the soundest of advice to a chief, yet still lack the inner resources ever to become one.*

Such tip-of-the-iceberg cases (I can think of many more, and I'm sure you can, too) highlight the fact that:

> Successful hiring is less a matter of spotting vaunted winners—the authentic of whom usually have a panoply of offers to choose—than of dramatically improving the risk/reward ratio on every hire by means of *negative selection.*

It is vital to systematically scrutinize every serious contender—especially the charismatic favorites—in order to identify—and likely appoint—the candidate *least likely to fail.* This might not sound like heroic advice, but believe me, those who ignore it do so at great peril.

THE 5 FALLACIES OF EXECUTIVE SELECTION

Unfortunately, even though they may grasp the importance of a hiring decision and the relevance of negative selection, most hirers still fall prey to five pervasive fallacies of management evaluation. Let's briefly consider each:

1. The Fallacy of Interviewer Insight.

An old saying has it that "every man complains of his memory, but no man complains of his judgment." This is nowhere more true than in an interview situation, where even sophisticated executives tend to vastly overrate their ability to interrogate a candidate and reach valid conclusions.

The simple fact is that when it comes to conducting employment or evaluatory interviews most managers simply do not know what *qualities* they are looking for. And, in consequence, they seldom have any clear idea of what *questions* they should be asking. Thus, even if they should happen to ask a pertinent question, they rarely know how to *interpret* the answer given.

2. The Fallacy of Continuing Success.

Conventional wisdom has it that "Successful people go on being successful." While this sounds like good common sense, it is actually the very nub of the Peter Principle, which you'll remember says that managers inevitably rise to their "levels of incompetence."

In fact, people who rise beyond their competence are almost

always promoted on the basis of their past successes.

What is overlooked in considering such successes, however, is that they are often *totally irrelevant to future promotion*.

The key point to note is that a record of prior success may well have already brought the candidate to his "incompetence threshold"—the point beyond which he or she will be *destined* to fail if further promoted.

3. The Fallacy of Group Insight.

It is often believed that errors of hiring or promotion may be minimized by subjecting candidates to interviews by many people, or even to group interviews. The rationale is that if two heads are better than one, then many heads may result in ultimate wisdom.

How much value there is in this approach depends upon the qualification of the members of the committee. Mere size means nothing, for as Emile Zola once noted, "Even if fifty million Frenchmen say a foolish thing, it is still a foolish thing."

Unless at least one of the interviewers is blessed with special insight, the whole exercise is likely to resemble the blind leading the blind. Experience reveals that the combined judgment of lay interviewers is often *worse* than the individual opinions of the members.

A further point to note here is that group interviews, "beauty contests" as they are sometimes called, heavily favor extroverted candidates. They tend to be highly adept in such encounters, winning approbation and praise for imagined personality strengths, while actually diverting attention from indices of personality weakness.

4. The Fallacy of Objective Reference Checking.

References proffered by a job candidate are suspect for at least several reasons. First, such references are always likely to be biased in the candidate's favor. Obtaining accurate references from past employers has also become increasingly difficult because fewer past employers are willing to disclose adverse information concerning any prior employee. This is nowhere more true, of course, than with a candidate suspected of being willing to cause trouble.

It must also be remembered that, even with the best will in the world, *most referees are inadequately qualified to form an opinion as to the likelihood of a candidate's success in a new and more demanding role.*

A referee may be trusted to verify the facts of a candidate's past employment. Beyond that, however, most opinions usually need to be discounted.

5. The Fallacy of Scientific Testing.

Psychological testing has a very real part to play in management evaluation. However, it has failed to provide the panacea promised in its 1950's heyday.

The problem with most popular forms of psychological testing offered to industry, is not merely that the results are unreliable, but that some decidedly iffy executives become sophisticated test-takers, adept in faking "correct" answers, thus attaining so-called "executive profiles." In consequence, such tests tend to be poor predictors of executive success.

Are *any* tests reliable? Yes. *Projective* tests like the famed Rorschach Inkblot, or the Wareham-McMurry Incomplete Sentence Blank. In these tests multiple-choice answers are not provided. Neither is any other clue as to a 'best' answer. To cite a response the candidate has to dig into his own psyche. He is forced to reveal personality by psychological projection. Of course, such tests have to be administered and analyzed by a qualified practitioner. Because these tests require skilled interpretation the cost of bringing them to the screening process is higher that for simple-to-score questionnaires (though still a pittance compared to the cost of a mishire).

It is also well to note that some personnel psychologists are more skilled interpreters than others, just as in medicine some doctors are better diagnosticians than others. In all, testing is an art and a craft rather than a science.

The only reliable way to evaluate a person for employment or promotion is to *appraise the whole person*. This entails collecting key biographical data and full details of relevant work history talking to and evaluating the comments of past superiors, administering and interpreting valid psychological instruments, and obtaining measures of values, goals, work-habits, judgment, people skills and leadership, as well as maturity and ability to function under pressure. Remember:

> *The more information you collect, the more accurate your evaluations will be — and vice-versa.*

You must collect sufficient information for your unconscious to flesh out a vivid portrait of the candidate. You do not have to eat all of an egg, however, in order to know that it is rotten—so it is in fact possible to catch the scent of smelly issues earlier in the examination. Let's think about that.

TAPPING INTO FIRST IMPRESSIONS

What inferences might I draw from the fact that the immaculately presented forty-something male executive appearing for a screening interview also happens to be sporting a shaven bullet head and one gold earring? Well, quick inferences can lead to long-term trouble, so I suspended judgement but remained alert to the possibility that some related clue might subsequently surface. As happened, for example the case of a supposedly "truly outstanding candidate" referred by an enthusiastic headhunter to one of my corporate clients, who in turn sent the fellow along for my evaluation:

> That particular candidate stood six feet three inches tall, had an imposing demeanor, a rich voice, and a fine tailor. He also held an MBA and a Ph.D. from the finest of colleges. He looked like something of a shoo-in for the job. I nonetheless set out to probe the fellow fully. A few minutes later he suddenly leaned forward on my sofa, and gazed at me dolefully: "Would you mind if I remove my shoes?" he whispered. I restrained my surprise and nodded assent. He removed his shoes and

the interview proceeded. Then, moment by moment, he proceeded to stretch himself out along the sofa. Finally, he curled himself into the fetal position.

The irony is that this incredibly childlike individual actually confirmed my initial hunch—which was that he seemed, right from the outset, too good to be true. So, when it comes to making judgments from a first impression, there are some tricks of the trade. Let me share a few.

"Careful. He attaches significance to everything you say."

Contemplate the 'hidden flaw'. According to the Roman Catholic doctrine of original sin, each of us is imbued with some kind of specific, unique inner failing. Perhaps that's why most executives have a "hidden flaw". For example, the hidden defect of one of the most intelligent and talented United States presidents ever, Bill Clinton, lay in his apparent inability to check his lust—and the consequent ingrained need to engage in ongoing deceit. Similarly, Winston Churchill's hidden flaw–along with, his greatest strength as a war-leader–lay in his vindictiveness. His decision to bomb Dresden, precisely because it happened to be an incredibly beautiful, unprotected, civilians-only city on February 13 1945—when the war was effectively over—was unconscionable. As soon as we know

a person's hidden flaw, we suddenly have a much sounder grasp of his personality. The conundrum of the employment interview is that by definition the interviewer sets out with no idea of what the hidden flaw might be—and a candidate who of course inevitably wants to conceal it. In fact, virtually all mishires happen because that hidden flaw was not revealed prior to appointment.

Spot the Vital Clue. Uncovering the hidden flaw is something of a catch 22. The interviewer is akin to Patrick Fitzgerald, the prosecutor responsible for investigating White House Big-Wig, Scooter Libby (or (perhaps Kenneth Starr in pursuit of Bill Clinton). The prosecutor has a very definite putative criminal in mind, but, alas, no obvious crime in clear sight. The interrogator has to spot what I call "the vital clue"—but he doesn't know where to look because the hidden flaw is, by very definition, still hidden. A candidate for an important job interview is expected to put his best foot forward. A reasonable working assumption, therefore, is that he chose his clothes and accessories in order to make a good impression—and that he was more careful upon this day than upon others. He is accordingly revealing something about his own sensibility and role awareness. A paradox here is that the very attempt to conceal the hidden flaw can help the interrogator to spot it. Apparently minor quirks of presentation commonly herald major personality dimensions, including, one hopes, the hidden flaw. Hence the need to analyze out-of-the ordinary scraps of information no matter how apparently innocuous.

Distrust positive first impressions. Wareham's principle of the opposite image says that the true person is often the precise opposite of the image he or she takes the greatest trouble to project. United States President Richard Nixon proclaimed himself "not a crook," yet clearly was. He projected a pious, goody-two-shoes image to the public, but in fact was coarse and foulmouthed in private. In fact, many of the worst candidates make the best first impressions. For them, creating a great first impression becomes a prime survival skill. They hone it to conceal their problems and to disarm would-be critics and interrogators. Appearance becomes a potent weapon. They evoke a suspension of

disbelief in the mind of the interviewer. They look so good that interviewer's comes to feel that asking difficult questions might seem tacky or tasteless. One lesson of the unhappy Clinton impeachment saga was that this particular United States President could make an adroitly honed piece of sophistry seem like a spontaneous nugget of charming common sense—a magnificently maddening gift, as so many opponents came to learn.

Heed negative hunches. A hunch might be defined as the unconscious perception of unconscious responses. Something is wrong but on a conscious level you can't quite put your finger on what. In my book the onus is on the candidate to dispel this feeling. He needs to leave you believing that all has been revealed and that there are no closeted skeletons. I'd want to try to assure myself that my bad feelings didn't just spring from simple prejudice, of course. So I'd be especially slow to form negative judgments of minority candidates. I'd also want to feel that I could respect sincerely held beliefs that might not accord with my own. At the end of the day, however, even if meant missing out on the occasional outstanding candidate, I've learned to follow my intuitions. To which end, here's a listing of what in the past, anyway, turned out to be vital clues.

A Handful of Vital Clues

1. *Failure to comply with procedure.* Candidates who insist on receiving "special treatment" or who get antsy about completing paperwork reveal contrarian tendencies that seldom make good team players—and this personality dimension usually proves to be even more pronounced, and even more ingrained, later.

2. *Sheep dressed up like lamb.* There's a lot to be said for striving to remain youthful. Just the same, middle aged men and women who dress themselves up in the high fashion of their children signal more than concern with aging. They may also be revealing narcissism, lack of mature self-acceptance and shaky self-esteem. The same might be said concerning face-lifts and toupees, along with attention-getting clothes and accessories—rings, bracelets, chains and all that.

3 *Studied sartorial elegance.* An immaculate, flawless turnout and presentation may signal perfectionist tendencies. A perfectionist by definition however is a person who takes great pains and gives them to others. Perfectionists are neurotically driven to show no error. They have difficulty seeing the wood for the trees. They make good engineers and accountants but—with notable exceptions—poor executives.

4. *Offbeat demeanor.* Demeanor is highly revealing. The person who insists on wandering around your office when you invite him to sit down is possibly evidencing power or control needs. The person who insists on "selling himself" to you over and again—holding your eye, squeezing your hand, showing you his too-bright pearly smile—reveals overweening approval needs. The person who curls up upon your sofa like a frightened child probably is one.

5. *Hostility.* Note well any expression of criticism, negativity or hostility. No matter whom it is directed against, such spite inevitably reflects a person not at peace with himself. Tomorrow, if you hire that individual, the ill feelings will likely be displaced to your own good self.

So what about that fellow with the shaven bullet head and the discreet gold earring? Did I happen to mention, by the way, that he was also black? Probably not. Such flourishes are not uncommon among upwardly mobile minority achievers, so the presentation is often a hopeful omen. I'm never keen to jump to conclusions, but I do like to pursue a hunch. "Ever have any trouble getting along with authority," I casually queried. He paused. I said nothing. Then he grinned. "Funny you should mention that," he ruefully replies. "I served in the army—and got myself court-martialed twice." ■

A One Minute Primer on Psychological Testing

PSYCHOLOGICAL TESTING is regarded as indispensable by some human resource people, yet as hokum by others. Why the disparity? Why does testing "work" for some organizations but not for others? And how effective is it in spotting the emotionally maladjusted?

In a nutshell, the success or failure of psychological testing turns upon the instruments used, and the experience, insight and skill of the practitioner who administers and interprets them. The instruments themselves break neatly into two categories, *objective* and *projective*. Let's consider each.

Objective Tests. So-called objective tests are usually a series of questions with fixed multiple choice answers, hence the notion (if not always the reality) of the test being "objective" A typical question and "objective" responses might be:

Do you suffer a sense of impending doom?

a) Often.

b) Sometimes.

c) Never.

Such questions offer the benefit of easy computerization and *actuarial* validation. In others words, it is easy for a statistician to identify mathematical trends in responses.

At the extreme negative end of the emotional intelligence scale, some people believe that feelings of omnipresent calamity are entirely normal, and therefore, within the framework of an objective test, record higher levels of apprehension than the general population

Test-savvy strivers, on the other hand—especially imposters—tend to be circumspect. They're less inclined to reveal feelings of underlying depression—and highly likely to "fake" what they believe are appropriate multiple choice responses. In fact, most serious objective tests are more subtle than most people realize, and very difficult to second-guess. Such tests also calibrate the extent to which a subject is attempting to "fake good." But not all fakers trigger the faking scale. Instead they merely return invalid results, and some of them seem to "pass the test" with flying colors.

The bottom line is that objective tests do have a role to play in executive evaluation and development, but cannot be relied upon to be a perfect prophylactic or panacea.

Projective tests. Projective tests, such as the famed Rorschach Inkblot or the Wareham Incomplete Sentence Blank, are another matter again. Here the subject doesn't have the benefit of multiple choices to guess at, and must instead "project" his or her own personality into an entirely neutral inkblot or incomplete sentence, thereby making it virtually impossible to fake "correct" answers

The problem with this open-ended approach, however, is that it has formerly been impossible to quantify the apparently endless variety of responses obtained, so the assessor had to possess great expertise and experience and render an *inferential* judgment—or best guess.

Testing the Tests

In the 1970's, a survey was undertaken to establish which of the above— objective tests or projective tests—were the better predictors of success.

To most everyone's surprise—and the confoundment of many so-called experts—the objective / computerized / actuarial approach seemed to prove more accurate than the projective / expert / inferential.

But, hang on a minute . . .

I was puzzled by these results, for I had never known my late Chairman, renowned Chicagoean psychologist, Dr Robert McMurry, to make a significant error in evaluating anyone on the basis of his projective questionnaires (supplemented with bio-data).

Beginning in 1985, my own company did something new. We undertook the massive task of analyzing, computerizing and objectifying all possible responses to a *projective* instrument, the *Wareham Comprehensive Leadership Opinion Questionnaire (CLOQ).* The CLOQ consists of a series of 100 incomplete sentences, each of which is completed by the executive subject. Sample incomplete sentences include:

When I give orders_____

After I tell them twice I _____

I persuaded him to change his mind by _____

Most people don't know that I _____

Responses are all over the lot, making them both a rich source of information, but complex to quantify. What makes the CLOQ such a great tool, however, is that each question offers the opportunity for a subject to say something entirely out of the ordinary—and therefore highly revealing. For example, one potential executive responded: Most people don't know *that I masturbate*.

One of Dr. Kinsey's revelations was that such behavior is perfectly normal, so some might argue that nothing can be gleaned from this forthright response. What my firm can add to the Kinseyan insight, however, is that only one executive in ten thousand or so bothers to confide such conduct when applying for a job, so it does not seem unfair to infer iffy judgment, and, perhaps, poor impulse control. (A more typical striver might say, "Most people don't know that I *used to be an outstanding athlete*", thereby revealing achievement orientation.) Now, my firm has a massive database of information on executive candidates, including bio-data as well results of both objective and projective psychological testing. We've sifted, correlated, and analyzed more than a hundred thousand responses to the incomplete sentence blank form and brought actuarial effectiveness to a process that formerly called for expert inferential judgment. We've also been privileged to see how the actual performance of candidates who made the cut panned out. Better than 95 percent of the time, things our predictions proved accurate. If a failure occurred, however, we reexamined the data, tweaked our assumptions and refined our process. It is impossible to predict success with absolute certainty, but, as you see, the risk -reward ratio can be dramatically improved.

The Expert Interpreter

The interpreter of personality tests usually has psychological training, often a doctorate. This means very little, however, if the "expert" is awed by the statistical output of an "objective" computer test, or lacks the real-world experience to make an accurate assessment of an executive's responses to a projective instrument.

Thus, in the 1970's experiment mentioned above, a loose cannon on the deck was the lack of authentic executive evaluation expertise among the participating academics. What renders an authority truly expert is:

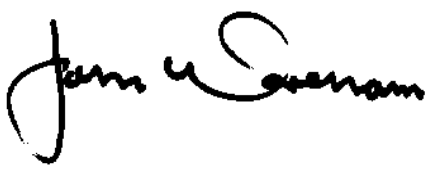
- A career in executive selection.
- A mental library of case histories and executive styles.*
- A deep understanding of a battery of instruments.
- A significant database of responses.
- The capacity to establish an empathetic dialogue
- A touch of paranoia.

The Bottom Line

In the real world, the gift of the fatally flawed upward striver is all too often the ability to charm even experienced interviewers into a fast hire on the basis of incomplete information.

That's why the only reliable way to evaluate a candidate for employment or promotion is to *appraise the whole person*. This entails collecting key biographical data, full details of relevant work history, talking to and evaluating the comments of past superiors, and administering and interpreting valid psychological instruments that plumb values, goals, work-habits, judgment, people skills and leadership, as well as maturity and ability to function under pressure.

Remember: the more information you collect, the more accurate your evaluations will be—and vice-versa.



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- My book, *Wareham's Basic Business Types* (Scribner's) details twenty-two such styles.

Author Profile

John Wareham, principal of Wareham Associates, leadership psychologists, is author of several best-selling books on the human side of management, including *The Anatomy of a Great Executive*, the 13-language reference classic. His novel, *The President's Therapist*, released on Inauguration Day 2009, became an instant national bestseller. An award winning speaker—former national oratory champion, and "hands down winner" among business communicators according to the *Financial Times*—John has led symposia for corporate leaders throughout the world. He also applied the leadership principles he teaches to ocean racing, skippering his own yacht to win class and division in the 650-mile Sydney to Hobart race. In addition to his corporate work he created and leads a rehabilitation program for inmates at New York's toughest prisons.