

COMMENTARIES

It Is Not All Our Fault They Don't Invite Us to the Party

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Hollenbeck (2009) has written a thoughtful and wide ranging analysis of what industrial–organizational (I–O) psychology can offer for better executive selection and why we may not be a more significant part of that process. However, in my judgment he has omitted a powerful reason for us not being invited to take part more often. Namely, that the process of executive selection is highly politicized and most of the decision makers are unwilling to have their personal judgments challenged by more objective and accurate data.

I would like to offer two examples from my own experience. The first was the adamant opposition I encountered from a top human resources executive in a large firm to the use of “assessment centers” for selecting middle managers in his own (or any other) function. Despite clear-cut evidence of assessment center effectiveness in his own and other firms, this executive refused to consider the technique. He weakly explained that the first groups of candidates might be talented but future attendees were much less likely to be so.

No matter that we countered that the number of assessment centers could be adjusted to the number of promotional decisions being made, he would have none

of it. In reality, I believe he just wanted to be able to make the final decisions based on his own preferences without being forced to consider any contrary information.

Another example concerns the use, or one might say the lack of use, of “peer evaluations” despite their outstanding record of powerfully predicting executive success. An impressive meta-analysis by Schmidt and Hunter (1998) showed that peer ratings have a validity of .49 in predicting overall job performance. (This was higher than for assessment centers [$r = .37$], and almost as high as the vaunted General Mental Ability [$r = .51$].) Despite this high level of prediction, peer evaluations are hardly used at any level of industry.

The rare, and informal, use of peer ratings for executive selection is illustrated by a story about Reginald Jones when he was the CEO of General Electric (GE) in 1978 (cited in Sonnenfeld, 1991). He asked many of its key executives, “Suppose you and I were killed in a plane crash this week. Who should be the next chairman of GE?” Many of the answers came back “Jack Welch.” That led to the process in which Welch was later named CEO: he went on to be extraordinarily successful.

My own research in one large company shows that a formal peer assessment among executives is a very effective predictor of later success (Kraut, 2005). However, even after this study was known in the company where the research was done, the peer rating process was dropped. Again, I believe

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it was the discomfort of the decision makers with data that might be contrary to their own feelings that led to the discontinuance of the peer evaluation process.

By Hollenbeck's definition of an executive, we realize that for most large companies it refers to about the top one-half of 1% of all employees. At this rarified level, the political aspects of decision making about successors cannot be denied. A major reason that I–O psychologists are not part of the executive selection process is that the decision makers do not want us there. The evidence I cite above may be anecdotal, but it is a reasonable explanation.

I doubt that executive decision makers are merely unaware of our availability or feel that our methods are not effective. Instead, I submit that most decision makers are more comfortable making this decision according to their own preferences. Egoism based on their own success and their self-convinced perception of subtle factors in the corporate environment help to persuade them that they personally are the optimal selection devices.

One can only hope that such rejection of what I–O psychology can offer will be less common in the future. As Hollenbeck suggests, there is more we can do in terms of

the concepts we use and what we measure to predict executive success, and we should bring that to decision makers' attention more effectively. But we should also recognize that no matter how much we can improve the selection process, top decision makers are not at all sure they want to risk knowing, for fear that we may challenge their own notions about whom to choose for top executive slots. As we go forward, we I–O psychologists should not burden ourselves with thinking it is all our fault that we are not invited more completely into the executive selection process.

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