

## COMMENTARIES

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# Executive Selection: Yes, We Can Do Better

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We would like to expand on Hollenbeck's (2009) points in four specific areas:

1. Past executive success must be reviewed carefully. Such success is a minimal requirement, not a differentiator, and we must consider the way success was achieved.
2. Established industrial organizational (I–O) selection tools need to be adapted to the executive level; some may not work effectively. I–O consultants must focus more on managerially relevant rather than statistically significant findings.
3. An evaluation of “fit” with a job opportunity (opening fit) must become the ultimate selection criterion.
4. I–O consultants in executive selection must become part of the solution process.

Independently of the technical thrust of this paper we want to acknowledge that executive assessment has its own market. Many non-I–O players are attracted to this lucrative business and have established claims to the legitimacy of their approaches.

In this exclusive and oblique market, technical excellence is assumed, and the most market- and customer-oriented provider will win. In our view, this insight is pivotal to the success of I–O consultants in executive selection.

### **Evaluation of Past Performance Must Include the Way in Which Success Was Attained**

Hollenbeck refers to a host of examples of failed CEO assignments. Generally, there is more to executive success than the absence of failure, and a CEO's success should not be evaluated concurrently but on a three-to-five-year horizon. We also must acknowledge that company performance is sometimes based on lucky or not so lucky coincidences and is not necessarily controlled by the CEO. Executive success is balanced stewardship of the available capital, market, and labor assets. From a criterion perspective, desired outcomes are idiosyncratic, often without common metrics or shared mental models. Therefore, prior successful experience should be considered as a threshold requirement for admission but not as an effective tool to differentiate qualified candidates.

When considering an executive's achievements we must also take into account the ways in which they reached their accomplishments. We refer to this as the *what* and *how* of performance and see

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this differentiation as essential to correct interpretation of success.

Assessment centers can be effective at the executive level; other methods may be less valuable here than at lower levels.

Determining competency requirements and profiling candidates using behaviorally based competencies is an I–O contribution to executive selection that provides tremendous value. For example, gaps in the candidate's deployment of behavioral competencies are quite informative. A candidate may interview well and have the "right" traits as shown on a psychometric test, but fail to exhibit effective behaviors in assessment center simulations.

The assessment center approach at the executive level requires the inclusion of competencies that are specific to this leadership level. Well-designed, level-specific simulations create situations in which critical behaviors, specific to these competencies, are elicited. An appropriate "people leadership" competency for the CEO level could be "communicate with impact," and a fitting simulation could encompass a television interview with a business analyst.

An assessment center simulation that evokes observable behaviors relevant to the target job helps create comparable data for performance prediction even when some candidates do not have a background in the industry of the target job.

Ability tests on the other hand are often less important at the executive level than for graduate recruitment and lower management levels. We base this assertion on the restriction of range likely caused by repeated hurdle testing that may have occurred throughout the career. Multiple promotions may have created a similar effect. Trait-like performance predictors are also likely to suffer from restriction of range. Similar to our position on prior career success, high cognitive ability and desirable traits should be regarded more as a pre-requisite rather than a differentiator at the executive level.

Every I–O psychologist who has tried to conduct research at the executive level has learned that the number of

cases are dramatically reduced, further diminishing the likelihood of obtaining statistically significant evidence at this level. In addition, organizations do not wait for bad performance to occur without interfering; remedies such as coaching are applied. However, these interventions directly undermine the predictor–criteria paradigm. The goal is *success of the executive*, not just success in executive selection. A direct outcome of these limitations is that I–O consultants have less validity proof as compared with other I–O work. We would go as far as to say that in executive selection, *statistical* validity is often not a realistic goal.

### The Importance of "Fit"

Today there is no established, commonly accepted framework that defines and helps determine fit. Fit in executive selection is even harder to pin down because of the lack of uniformity in the criterion space of executive success.

We would like to consider two non-I–O groups of consultants who participate in the executive selection market and analyze how they typically define fit.

- Industry experts, such as executive search firms, consult based on their industry knowledge, and benchmark individuals according to industry standards.
- Clinical psychologists follow a personality-oriented, interview-based approach with or without the use of psychometrics.

Each area of expertise brings specific understanding to the table, and we suggest that all of these aspects should be integrated into a comprehensive judgment of "fit."

The industry experts look at *experience fit*; they have developed sophisticated specialist know-how in the industries and markets they serve. Their familiarity with industry language and prevailing views provide them with inherent face validity.

They are well equipped to describe industry trends and to evaluate prior experience; however, they are less competent in predicting how a candidate can transfer experiences between job levels and across industries.

Clinicians have been quite effective in developing systematic approaches to “understanding” the candidate, and they describe *personality and culture fit*. Their toolbox consists of a subset of clinical and psychotherapeutic procedures tuned to be effective and acceptable in a business environment. Their findings are valuable because they provide deep insight into the character and style of the executive and identify possible derailers. Hiring managers are frequently impressed, making comments such as, “You really know this person.”

As I–O consultants we typically focus on *job fit*, fit specific to a job class not specific to a particular opening. The job-class approach generalizes across and is most effective for jobs with large numbers of (almost) identical jobs.

Because of the established nature of selection at higher levels, we would like to suggest the concept of *opening-centric fit* that encompasses goals, experience, style, competencies, and skills, essentially Hollenbeck’s re prioritization of competency, competence, and character points in a similar direction.

The opening-centric approach explicitly evaluates the particular environment that exists around a specific job opening. For example, information on future bosses and their styles and expectations, or anticipated relationships with important peers and group dynamics, are generally excluded from job fit consideration but play a pivotal role in the opening-centric fit analysis.

A measure of opening fit must encompass the evaluation and interpretation of differences between the desired target job requirements and the candidate’s profile. The following themes are particularly pertinent for the executive level.

- Analysis of how experience and past successes relate to success in the job opening
- Transferable leadership skills
  - Behaviors proven in similar business challenges
  - Tacit knowledge of same or relevant industries
  - Behaviors likely to be effectively applied to the job opening
- Culture
  - Ability to be effective in corporate culture
  - Ability to be effective in micro-culture of job opening
  - Ability to communicate with populations critical to job opening
- Personal goals and motivation
  - Willingness to relocate
  - Alignment of career options
  - Motivation to succeed
- Competencies that support handling the specific business challenges associated with the opening (e.g., leading a turn-around situation, leading a start-up operation)

### Being Part of the Process

Finally, we want to point out that consultant involvement in the organization’s executive selection *process* also differs from the involvement in lower-level selection processes. In contrast to assessments at the mid-management level and lower, I–O consultants are not just guardians of decision systems, and we need to do more than let the facts speak for themselves. We need to bring our understanding of fit to life in light of a comprehensive interpretation of the situation—that is, articulate how each candidate is equipped to perform in the open job, project how they might interact with potential future peers and bosses, and

describe what could derail the candidate. We also need to point out how the company could ensure the candidate's success. The consultant is expected to produce a clearly reasoned, confident, and integrated view.

Yes, we can get and keep a seat at the table where executive selection decisions are made. Leveraging our proven technical skills and broad expertise, acknowledging differences from other selection situations,

and adopting a comprehensive opening-centric fit paradigm will enable I–O consultants to produce the straightforward, business-relevant insights that our clients have come to expect of us.

## Reference

- Hollenbeck, G. P. (2009). Executive selection—What's right . . . and what's wrong. *Industrial and Organizational Psychology: Perspectives on Science and Practice*, 2, 130–143.