

# Outperform: Three Steps to More Successful Leader Selection

As Boards and CEOs, the task is clear: To lead organisations that will outperform. As the success of organisations relies on effective leaders, it stands to reason that selecting them well is extremely important.

However, recruitment predictions are difficult at the best of times – research indicates that around 50% of leader recruitments fail. Fortunately, science can guide us to better understand what is going wrong – and how to fix it.

## The Way Ahead Series, by Mercuri Urval

Our team advise and support thousands of leaders across all sectors.

In this series of articles our CEO, Richard Moore, distils practical advice from real leader successes and challenges.

Advice focussed on how leaders can ensure their organisations – teams – outperform.

## Why Do So Many Leader Appointments Fail?

When it comes to leader appointment, you can dramatically increase the probability of a successful outcome. The secret is to overcome the three fundamental flaws in the common approach to leader selection, the conventional Executive Search model:

1. **Over-reliance on impression-based** considerations leads to including candidates in selection procedures based on superficial resume similarity, reputation of prior employers' firm, attractiveness of educational history (e.g., "That firm was the clear industry leader back then, they should be good").
2. **Stereotyping** because assessments are based on generic beliefs – general models of leadership or imprecise general role descriptions (e.g., leaders should be empathetic, charismatic, and good communicators, etc) – these are descriptive but not specific enough to predict success in a real-world job.
3. **Subjectivity** of involved search consultants, HR professionals and decision makers (e.g., "I know what a good CFO is when I meet them"). Random and uncontrolled errors in selection – everything from personal opinions to mood – means decisions are often very subjective and adversely impacted by irrelevant factors: "Noise".

The science is clear. Any one of impression-based inclusion, stereotyping or subjectivity will decrease leader selection accuracy. Place these errors in combination, and it is no wonder that an alarmingly high number of leaders – 50% – fail soon after appointment.

## Choose Science Over Chance To Improve Leader Appointment Outcomes

Every new executive is a very important leadership asset for your organisation. Accurately predicting whether they will succeed requires controlling the errors found in the conventional approach to Executive Search and leader appointment. A clearer picture of what is needed, a more structured approach to evaluating it and the use of a suitably experienced selection expert will dramatically increase prediction accuracy in leader selection. Guided by science, there are three steps to follow:

### 1. Step One: How to overcome impression-based decisions? *Factfulness*

To overcome impression-based considerations, use role specific criteria generated from an objective business analysis of required results. This fact-based analysis of what competencies and abilities are needed will prevent reliance on personal impressions. The more the requirements on the leader can be described in an observable and measurable way, the more factual decisions can be. Focus on a small number of the most contextually important facts to limit the amount of distracting information and zone in on the core criteria.

### 2. Step Two: How to stop stereotyping? *Relevance*

To make an accurate prediction, selection must effectively forecast a leader's behaviour and performance in relation to your precise result need, context, and leader tasks. When analysing what competencies are needed, look closely into the unique context of your organisation and determine what is required in the role now, and in the future:

- What are the immediate results and task performance that is required?
- What environment must success be achieved in?
- What future changes in the task or environment are envisioned?

Precision analysis that secures selection decisions are not based on stereotypical considerations or general models of leadership, but rather on predictively relevant specific criteria.

### 3. Step Three: How to reduce noise? *Structure*

When assessing the candidates, make sure that you are evidence-based and systematic to avoid subjectivity and "noise". In a situation like matching a leader to performance demands and context, it is necessary to handle large amounts of information. Structured methods and predictively valid tools allow for the processing of data in a way that minimises error. The data will then need to be augmented by a person able to understand it fully, weight it correctly and apply it effectively to the situation the leader will face and must perform in (as defined in steps one and two). This expert will need to perform a structured assessment and make a specific prediction. A prediction that is documented for scrutiny, transparency and follow up.

These three steps will guide you to select an effective leader with a dramatically higher probability of success. And in following them, make sure your approach avoids a few increasingly large pitfalls by ensuring your way of working is properly regulated, data compliant and ethically sound.

Whenever you need help our selection experts are at hand, delivering a proven science-based service that dramatically increases success in leader appointment – wherever in the world you need them.