

A
GUIDE
TO
ASSESSING
EXECUTIVE
CHARACTER



OVERVIEW

Organizational psychologists acknowledge that there are no foolproof methods to reveal one of the most important human qualities – integrity.

This guide is intended to provide some practical suggestions for evaluating executive character and decision-making. The goal is to reduce the risk of hiring an executive who should not have been selected.

The key is a thoughtful selection process. It can be simple and effective, if a conscious effort is made to follow certain basic principles.

Most critical is to distinguish between *values* and *ethics* because the difference weighs on what to look for during the interview. The Josephson Institute of Ethics (www.josephsoninstitute.org) defines the difference as follows:

Ethics: Standards of conduct that indicate how one should behave based on moral duties and virtues, which themselves are derived from principles of right and wrong. As a practical matter, ethics is about how we meet the challenge of doing the right thing when it might cost more than we want to pay.

Values: Values are core beliefs and desires that guide or motivate attitudes and actions. They also define the things we value and prize most, and therefore, provide the basis for ranking the things we want in a way that elevates some values over others. Thus, our values determine how we will behave in certain situations.

Values vs. Ethics: The terms Values and Ethics are not interchangeable. Ethics is concerned with how a moral person should behave, whereas values simply concern the various beliefs and attitudes that determine how a person actually behaves. Some values concern ethics when they pertain to beliefs as to what is right and wrong. Those are called “ethical values,” as opposed to personal values (e.g. happiness, pleasure, being liked and being respected, personal fulfillment, etc.)

An executive’s personal values are critical to his/her leadership style, a key determinant in the all-important “organizational fit” for the candidate to succeed with any given company. This Guide is concerned with detecting an executive’s “ethical values,” which may influence his/her behavior and decision-making regarding right and wrong.

GUIDANCE

Red flags may rise at any point in the executive selection process. The key is to follow a thorough, disciplined approach to identify signals and to trust your intuition when something may not seem to ring true. A Behavior-Based Interviewing approach will help you get at the essentials. The basic premise behind behavioral interviewing is that the most accurate prediction of future performance is past performance. By asking a series of questions designed to engage a candidate in describing how he/she behaved in past situations, you will learn far more about the candidate's values than from a "traditional" interview.

Specifically, consider the following at each stage of the candidate evaluation process:

Before the Interview

Review the resume, formulate your overall impression and evaluate "big picture" with your own assessment.

- Does career progression make sense? Any chronological gaps?
- Are achievements believable and verifiable?
- Do you personally know executives whom you might confidentially call as references at current or previous employers?

Ask your Human Resources executive for his/her assessment of the candidate before your interview and know the depth of his/her screening at that point. Often, the highest executive in the selection process mistakenly believes that a candidate has been fully evaluated; so, he/she thinks their interview is less critical, more conversational and focused on "selling" the candidate on joining the company, when it should be another hard-hitting interview.

During the Interview

Ask the candidate self-descriptive questions.

- "Take me behind the decisions for your career moves." Do you sense discomfort when the candidate shares why he/she made certain changes?
- "Describe yourself." If the candidates sprinkle the conversation

with how honest they are, beware. Generally, people who are honest do not talk about it repeatedly.

- “Who is the best CEO you have ever worked for and why?” This will give you insight into the candidate’s own values (both ethical and non-ethical values). Listen to what is said and be alert to what is not.

Ask tough questions - venture outside the “comfort zone.”

- “Have you ever been fired? If so, tell me about it.”
- “Is there anything missing from your resume that I should know? Is there work related information that I should learn from you now rather than from someone else later?”

Get to the heart (for ethical values).

- “All of us are different and desire different things from life. What drives you?”
- “Tell me about a major decision you faced with others, one that would impact customers, employees and/or shareholders in a significant way. Were there philosophical differences among the decision-makers? If so what were the issues and how were they resolved? Did you agree with the outcome?”

After the Interview

Gather input from others whom you respect and compare notes:

Typically, a company will invite a candidate back for a second or third visit to meet several persons with whom he/she would work, including peers, direct reports and perhaps board members. For these sessions, consider adding the following to the process:

- ***Include an independent executive whose judgment you respect and value***, even if he/she is not officially on the “selection team.”
- ***Give each person on the interview schedule an assignment.*** For example: ask one person to concentrate on the candidate’s functional knowledge and skills; another to explore leadership style and organizational “fit,” and ask your most trusted interviewer to probe for the candidate’s ethics and values. Provide each person on the panel with this Guide as a primer.

- **Consider engaging an organizational psychologist for a complete assessment** of the chosen candidate. (In the state of California, this can only be done after an employment offer has been extended.) For the best result, the consultant should be very knowledgeable about your company and leadership team. If the candidate is tentative or apprehensive about the prospect of meeting with a psychologist, this could indicate an underlying issue.

Ultimate Reference Checking

All too often, by the time a company is ready to check references, the decision-makers are so enthusiastic about the candidate (and ready to hire) that reference-checking is cursory and relegated to a formality. In fact, this duty is one of the most important elements of the entire candidate evaluation process.

Again, thoroughness will be rewarded. The questions you ask, and, of whom, can make all the difference in getting to the essence of a candidate's ethical values. For now, consider the following:

Compare the list of references provided against the resume:
Are there omissions that concern you?

If you are not satisfied with the reference list, ask the candidate to provide more, including persons to whom they reported, peers, direct reports, customers – whoever makes sense based on the career history.

Tell the candidate that you may contact others whom you know at his/her past employers (respectful of confidentiality, you won't ask for anyone at his/her current employer at this point, but inform the candidate you will do so after an offer is extended and accepted). Take advantage of the fact that people you know personally who also know the candidate are most likely to be helpful and forthcoming to you about the individual.

When you speak to a reference, ask if there is someone else at the company whom you should contact for more insights. Your goal is to talk to several references in addition to those provided by the candidate.

Be sure that Human Resources has done the basics: verified education; checked public records for criminal and civil litigation; ordered a personal credit report, if appropriate; and paved the way for income verification.

Especially for senior-most hires, *personally meet with one of the references* to get the full benefit of a face-to-face discussion.

Wait to ask your toughest questions about ethical behavior and values until after you establish rapport and credibility with the reference. Begin by asking: "What were the candidate's most important achievements at the company? And, what was the person's role in each?" Compare the answers from the reference to what the candidate reported in the resume and shared in your personal interview. Is there alignment?

- "What was your personal experience in working with this executive?" "Could you count on this individual to follow through on commitments?" "What happened when things between you didn't go as planned?" "How were your commitments renegotiated?" "Were you satisfied that the result was fair and reasonable?"
- "Tell me about a time when everyone's back was to the wall - when the stakes were high and alternatives difficult." "How did he/she work through it?" "Would you rely on this person in the future to do the right thing when the chips are down?"
- "Do people trust him/her?"
- "How does he/she relate to people?" (e.g. open/direct or illusive?)
- "Is there anything else I should know about the candidate that we have not discussed?"

Some Final Thoughts

By collecting input about a candidate from several persons, including your most trusted interviewer, professional references, and perhaps, an organizational psychologist, you will likely have all the information you need. If there are issues, some of the signals will be obvious but some may be subtle. As for the latter, consider the following in your final analysis:

- *Was the candidate open* and comfortable when discussing disappointments or failures as well as successes? If so, this should weigh positively in your overall evaluation.
- *Was there solid evidence of “managerial courage?”* Such as, taking a stand on important issues, when it was appropriate to do so, and following through, even in the face of adversity? The more instances shared, the better.
- *Was there evidence that the candidate values “balance” in life?* If not, blind ambition can be dangerous. Behind such ambition may lurk unchecked drive for power and/or greed and the need to win at practically any cost, which may indicate willingness to cross the line between right and wrong.
- *Did you hear what was “not” said?*
- *Bottom Line: What is your comfort level? After a thorough evaluation using these guidelines, your best judgment will prevail.*

Fred J. Clayton
© Berkheimer Clayton, Inc.