



A Prime Reason Leaders Fail

By Bruce Dingman

It would seem that over the past decade or so, business leaders and investors have become so focused on short-term profits that when hiring an executive or a consultant, or even when investing in a company, they have failed to look for a crucial element when doing due diligence. They have examined with tough scrutiny past successes but often they have neglected to look at “character.” Who these days remembers the word “fiduciary?” Has it disappeared from our vocabulary? This has engendered a generation of leaders and consultants who, while they seek to produce profits at most any cost, will also seize the opportunity for personal gain. Maybe this has even produced a new word.

“Fee-ducary...the opportunity to personally profit through large professional fees while forsaking any fiduciary responsibility to protect the interests of vulnerable parties; most commonly occurs with consultants or professionals lacking character and good integrity, i.e., Enron presented a ‘fee-ducary’ opportunity.”

Simultaneously funny, painful and embarrassing, depending on one’s perspective, nonetheless it causes us to recall what “fiduciary” means and that it is a standard that anyone in a position of leadership or influence of leaders should uphold.

As executive recruiters seeking to find the very best people for our clients, we think integrity and fulfilling fiduciary responsibilities are just as needed of a leader as the ability to manage and lead well. Even when our client might not think to ask us to look for these qualities, we probe deeply in order to understand just who this person is. The person’s success, the organization’s success, and our future success depend on it.

When a board of directors or hiring supervisor considers a candidate, the primary question is, “How likely is this person to be successful in this job?” That’s the right question, but it needs a multi-dimensional approach. It requires probing in the areas of: prior experience in doing a similar job, the right education, leadership skills, people skills, growing sales and/or an organization, why the person left prior jobs, do they make good job/career decisions, and do they fit with the compensation. Secondary areas to probe, but equally important are character traits: values, integrity, what motivates the person, is the person driven yet has personal balance, how effective are they as a motivator, are they a mentor, do they continue to grow and get others to do likewise, and does he/she (including family) fit with the locale. And, lastly, if the person is to fill the position of CEO, not only is the person a visionary but does the person have a contagious enthusiasm that gets the followers to grab onto the vision?

Even if profits are the focus, secondary considerations are vital or profits may not result.

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