



SOCIETY OF ACTUARIES

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What Would You Do?

Responses to "Do You Make the Offer?"

By John West Hadley

In the February issue of *The Stepping Stone*, I posed the question "What would you do?" to the interview situation below. Here is the situation, your responses, and the real-life conclusion of the situation. Send your own ideas for situations to pose in upcoming issues to SteppingStone@JHACareers.com.

DO YOU MAKE THE OFFER?

Tim interviewed Joe for an officer-level role within his Actuarial operation. Tim and his boss (the chief actuary) were equally impressed with Joe, and were discussing what offer to make him, when the CEO stopped by. He had also interviewed Joe, and said that while he agreed that Joe was top-notch, he was concerned that he might not fit in with the company's "old guard" leadership. He didn't say not to hire him, just expressed a concern, and Tim's boss left the decision up to him.

Would you extend Joe an offer?

Actuary #1

First, I would be thankful that the CEO provided a candid assessment. It is not uncommon that folks couch their concerns in such veiled language that it is often difficult to decipher. Obviously, the CEO's perspective is valuable and (s)he will have great bearing on your career, so any feedback from above you in the chain of command is to be seriously considered.

Second, I would discuss the CEO's comments with my boss, who likely has worked longer and more directly with the CEO. That perspective on the context of the CEO's remarks will be valuable. Having the CEO's support is important to my boss as well.

Third, I would seek out the CEO, with my boss's permission, of course, since I am skipping him in the chain of command, to further explore the concerns. What is the significance of the "old guard" in the company? Is the CEO part of this group?

Fourth, I would analyze the situation. What is the culture of the company? Has the CEO/your boss/others railed against the old guard or tiptoed around them? What is the power base of the old guard? Does the CEO like to surround himself with people who agree with him/her or does he invite constructive dissonance? Some of these questions have implications for Tim's career at the company as well as his decision.

Finally, I would make the decision and talk to my boss, framing it as a recommendation, unless I've decided to go hell-bent-for-leather (not recommended), in which case, I would inform my boss of the decision. If I do decide to hire this person, I would talk to both my boss and the CEO about the steps I will take to ensure that the CEO's concerns do not materialize.

Actuary #2

I would follow up with the CEO to determine if there was a strong opinion on hiring. The last three CEOs I have dealt with all have made comments along these lines in various situations, and usually with a follow-up question or two, I have been able to find out if they have a strong opinion, or just casual concern.

If that wasn't possible, I'd go with the hire. A top-notch candidate gets the work done, which generally makes my life easier. As Joe's boss, I feel I could manage the situations where Joe interacts with the "old guard," and could work with Joe on learning the corporate culture and how best to work with management until he can build his reputation.

Actuary #3

There are so many possible details in this scenario that might tip the scales either way. It seems clear that a job offer was going to get made and any second thoughts are only as a result of the CEO's comments. So first, Tim and his boss should discuss



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whether they agree with the CEO that Joe might not fit in with the leadership, and what is the likelihood of that assessment being accurate?

If they disagree, then I would proceed with an offer and also let the CEO know that we did not agree with the CEO’s assessment.

If they agree with the CEO’s assessment, the next question is whether that will actually affect Joe’s duties:

- Will Joe initially be impacted by the leadership?
- What is the chance that the leadership style will change by the time Joe will need to work with the leaders? What is the chance that Joe will have changed?
- If Joe does challenge the leadership, how will the leaders react?
- Do they welcome challenges and differences in opinion or do they demand sycophantic behavior?

(In my career, I only worked with three leaders who welcomed challenges. With the rest—the vast majority—I found it best to just stay quiet. But it took me a long time to learn that behavior.)

If the style of leadership is considered to play a small part in Joe’s work, I would still make the offer. Otherwise, I would consider asking Joe to return for another interview that would focus solely on how he would deal with the leadership style.

Actuary #4

Everyone agrees that Joe has the skills level to do the job. The misalignment comes from a culture fit. There are a few things to clarify before making a decision:

- What matters most to the company, culture or skill? Based on the CEO statement, I think he/she wants to make sure there’s a culture fit.

- Does the company want to keep the “old guard” mentality or not?
- Based on the CEO’s statement, there could be a major clash between Joe’s style of leading and the company’s culture.

At the end of the day, skills are not what determine success, but rather the person’s ability to connect with the people in the company and the culture.

In this case, after getting clarification from the CEO, I would most likely make the offer with the condition that Joe will have to work at finding alignment between his views and the company’s vision.

A fresh set of eyes can make a difference in a company that has stuck to its “old guard” mentality. The new generations are changing the way business is done. Companies need to adapt and fresh blood may be the way to blend the old and new.

In general, a culture fit is much more difficult to manage than skills. It’s more difficult to change behaviors than to train skills. If for whatever reason the company doesn’t think Joe will align, and they want to stay the same “old guard,” then Joe will not be the best choice.

Actuary #5

It takes courage to put the merits of a person or situation before the ill-considered opinions of people in positions of authority. The CEO, however, is owed the respect of his position. From the sound of things Tim and his boss don’t plan to make an on-the-spot offer to be able to gain an extraordinary candidate before someone else steps up to employ him. If time permits, then, common courtesy would be to send the CEO a memo telling him that you plan to hire Joe and explaining why.

Frankly, though, if the CEO’s “old guard” thinking is indicative of the organizational leadership, then it’s time for Tim and his boss to be looking for new employment. In business competitors are

always innovating, seeking to surpass the “old guard” and to better meet human needs. Tim and his boss should want to be in the vanguard of visionary thinking for the future. It sounds like they are trapped in a stuffy “old guard” enterprise that will give them little job satisfaction and is likely to falter and lag, caught up in the cobwebs of the CEO’s conventional thinking. Time to bail out while it’s still possible.

If time is of the essence, then I’d go ahead and make the offer and let the chips fall where they may. If the CEO is displeased with the decision, then this is not an organization in which people are going to thrive. Cronyism is not a good approach to business leadership. It’s time to move on and to find new opportunity. Talent can always find a home.

Actuary #6

The CEO has to know his comment is likely to discourage an offer to Joe, so I would look carefully to see if the CEO had a personal friend or other candidate he strongly favored, or some other personal criteria in mind (church activity, etc.). Unless Joe committed some professional offense unlikely from the write-up (e.g., deliberately insulted the CEO’s secretary), the CEO seems to be looking for someone else for personal or style reasons. If Joe is superlative, or there is an urgent need and a lack of similar candidates, I’d get my boss’s agreement and make the offer anyway, recognizing the need to justify it to the CEO.

Actuary #7

The CEO’s comment about the “old guard” might be significant or it might be nothing to worry about. Since the CEO is responsible for the culture of the company, it is strange that he used that expression. Was it used in a pejorative sense, or in a comradely manner? If the CEO was indicating he considered the leadership to be calcified, then I would examine whether and why I myself “fit in” with the “old guard.” Maybe it’s time to take a hard look at my own situation.

But if the CEO used the expression “old guard” in a friendly, brother-in-arms manner, then I would proceed with the hire. Presumably the chief actuary, Tim’s boss, is part of the old guard, and she was fine with Joe’s “fit.”

Actuary #8

The “old guard” comment from the CEO sounds highly discriminatory and the company could be sued if it didn’t make an offer. And since both Tim and the chief actuary (the two that would actually have day-to-day contact with Joe) were impressed with Joe and ready to make an offer, I think they should follow that course.

HR needs to be aware of the CEO’s comment so that they can review the company’s hiring and promoting practices. If Joe takes the offer, he may find it difficult to be promoted, and thus the company is still vulnerable to being sued.

Actuary #9

I would call Joe back in for a final interview to explain more about the company’s leadership culture. I would share my experiences within that culture and ask for Joe’s comments. I would then discuss these comments with my boss. I would lean toward extending the offer unless there was a clear sense that the leadership culture would negatively impact Joe’s performance.

Actuary #10

I’d review my notes one more time with cultural fit in mind, as well as demonstrated ability to work successfully with different types of people. If my boss and I were comfortable with Joe’s fit within the Actuarial department, both short and long term, I’d move forward with an offer, but plan to provide coaching regarding interactions with other senior leaders. I’d also ensure Joe had an accurate picture of the organization and its current culture to help him with his acceptance decision. Given that Tim and his boss both wanted to hire, and certainly were aware of the “old guard” situation and challenges,

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they likely already considered any development needs before the CEO offered his thoughts.

In general, I believe cultural fit is extremely important for a successful hire, but may not get enough attention in the interview process. Many of us find the demand exceeding supply for our senior actuary roles, so when we find someone with the right technical skills and experience, we may gloss over the less-tangible soft competencies and fit for the role and future roles. We do ourselves and the candidates a great service if we improve our interviews and hiring decisions to focus as much or more on non-technical experience and potential, and personality fit within the department and organization, built on the base of technical expertise.

Actuary #11

I don't think Tim has enough information to make an appropriate decision. Knowing that both he and the chief actuary were impressed, he has solid grounds to make an offer. However, Tim needs to have a meeting with the CEO to better understand his concerns. His wording of the “old guard leadership” is quite concerning and these concerns need to be answered. I would delay the decision

until I can have a good discussion with the CEO to understand the motivations behind his concerns.

Actuary #12

I would not decide against an offer solely on the CEO's comment, unless the CEO is passive/aggressive and I knew from experience that this is his way of expressing disapproval.

I would reconvene with the chief actuary to evaluate the merit of the CEO's assessment. If we agreed that fit is a concern, then I would continue the search. Otherwise, I would hire Joe.

Determining the importance of fit is challenging. Much of that assessment will depend on the nature of Joe's prospective role:

- How much interaction and collaboration with the old guard leadership is required to be successful in the role?
- Does Joe need to be liked to be productive?
- Does he have an independent streak, or does he have to be on the right team to leverage his top-notch strengths?

Complicating this assessment further is what is needed immediately versus longer term in the role, and Joe's ultimate career aspirations. The fit issues may be less concerning early on because the role is more technical or directly managing a group of students with little interaction with leadership. However, two to three years down the road expectations may ramp up and leadership feature more prominently. If that's the case and I had concerns about Joe's fit, I might still hire him and spend time early on coaching Joe about how to best work with leadership. It's hard to turn down top-notch talent and I would want to make sure that the fit issue was one that had significant risks about it before passing on Joe.

Actuary #13

The CEO's concern about the applicant not fitting in with the company's “old guard” leadership could be extended to other business situations where the CEO's direction and opinion are not clear to the employees. Tim and his boss owe it to themselves and the company to get a clearer understanding of

what the CEO is intimating and need a sit-down with the CEO to better understand his concern. This should give them a chance to appreciate the CEO's views. If a clearer perspective around Joe's shortcomings arises, from the CEO's viewpoint, and they don't agree and can't convince him otherwise, Joe should be taken out of the running.

Perhaps for another day, Tim and his boss need to figure how they can live with the CEO. I know people who do this all the time!

Actuary #14

If I thought Joe would fit into my team, I'd give him the job. I struggle to envisage a situation where I liked someone who would upset the old guard and where I approved of the old guard. So if he would upset the old guard and fit into my team, I imagine I would have already upset the old guard at some point.

The phrase "old guard" is also quite leading—that makes it sound very much like something that should be upset. I wouldn't employ someone that I knew would have a personality clash with someone they work with every day.

Actuary #15

Make the offer to Joe, and if he takes the offer (or asks for more details about the management situation), try to head the issue off as early as possible ... or at the very least, let Joe know what he's walking into.

There may be unavoidable conflict, but it would be a good idea that Joe not be blindsided by the "old guard" problem. In addition, given Joe would be your hire, it would be your responsibility to protect/defend Joe, at least initially.

It seems to me that it's more likely the "old guard" wouldn't like Joe if one thinks Joe will try to change things. So many people don't like substantive change. And even inconsequential change.

Actuary #16

Seeing how the CEO and hiring managers in the actuarial department all think he is "top-notch," I would say there is little risk of him actually upsetting management.

Actuary #17

Make the offer, ask the CEO what exactly he meant and tell him that you plan to "develop" Joe to fit in.

Actuary #18

Dealing with current management is a pretty crucial part of job performance at the officer level. It all depends on whether I like the direction management is going currently and how long it would take to find someone of the same caliber. If I think change is needed fast, then I'm not worrying at all about this. If I generally like what management is doing, then I would not hire Joe if we could reasonably expect to find someone of the same caliber within three months.

WHAT REALLY HAPPENED?

Tim and his boss talked through the situation, and agreed that they could not afford to pass on as good a candidate as Joe. Joe accepted the job, and Tim and his boss worked with him on navigating the company leadership. Joe did an outstanding job, gained wide respect at the company, and fostered needed change. To this day, Tim considers Joe one of his best hires. ●

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