

Reflections from the Lamp

Spring 2008
THE DINGMAN COMPANY, INC.

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GM for a four-star hotel in Shanghai

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Book Reviews

Reviewed by Tim Bernstein

Feature Article

Why Bad Leaders are Chosen

An article in the Winter 2008 edition of the *MIT Sloan Management Review*, called, *When Bad People Rise to the Top*, described a sad but all too often real situation. The article cites two primary reasons for a leader's failure... first, they place their own financial or psychological aspirations ahead of the organization, and second, they combine poor interpersonal skills with a large ego. But why do such jerks get chosen for leadership positions?

The article lists some excellent reasons why poor CEO choices are made, to which I add a few more:

The person is politically adroit and/or has charisma.

There is an internal champion for the person.

The board is disengaged and supervisors were unqualified.

Technical prowess or financial success is valued so highly that people skills are not considered.

There were no great choices so the organization selected the best available candidate instead of continuing the search.

And the most common in my judgment:

The board didn't really know who they were hiring.

Let's elaborate a moment on that last point, for it is so common.

A few years ago the board of our potential client was slow to hire us because of a previous bad experience. Their prior search with another consultant led them to hire a candidate who, within a few months, showed significant arrogance, was not a team builder and didn't fit the organization's culture. After a year of trying to make the



[Mastering the Management Buckets](#)

by John Pearson

John Pearson, author of *Mastering the Management Buckets*, is well known in the non-profit sector as an innovative leader and management consultant. His twenty-five years of leadership in Christian ministry includes serving the Christian Management Association, Willow Creek Association and the Christian Camp and Conference Association. John clearly knows a thing or two about leading non profits, specifically in the area of boards. For those that don't know, being an executive director of a non-profit (or, for that matter profit-oriented) board involves a delicate balance of both leading and being led by the board. While it is true that the executive director is usually subordinate in reporting to the board, a non profit board looks to the executive director to help lead them so they can lead him or her—it is an on-going, and at times, tenuous cycle.

relationship work, the board released him and hired the runner up, who did well for a decade then retired. Eleven years later, the painful memory of the prior consultant and resulting tragic experience still weighed heavy on the board. Their story resembles many others in the search process—warning other companies to really know who they're hiring. Eventually, this board considered us for their search needs and found an excellent match for the organization.

The finding of candidates is what many prospective clients consider the most important reason to use a search firm. Wrong! The pool of candidates is a crucial part, but only a part. It's imperative to match candidates who have the right experience, ability, values and vision with the specific needs of the client. A key part of making this match is the recruiter's ability to intuitively understand the candidate's heart and mind. We must see beyond their resume in order to recommend a candidate. Whenever you consider using a recruiter, ask how the search firm seeks that level of understanding, and request to see a detailed description of it in the final Candidate Profile report.

Having a Degree Can Hurt a Candidate ... If It's From a Fraudulent School

Recently a CEO from a highly respected organization sought to be a candidate for one of our searches. Listed after his two degrees from state universities was a PhD from a purported school in Amber, Alabama. The online "school" was not accredited by the regional authority of higher education, nor did it list faculty. After some research, we found that the cost for the PhD was less than \$3,000.

While having my own opinion of such "paper mills," I surveyed about twenty people including corporate CEOs, VP-human resources, university presidents and provosts, and a recruiter friend in the southeast for their reaction to an applicant having such a degree. Their reactions were fairly uniform.

One university president said, "We have a faculty member with a valid PhD who also has a bogus degree from a grad school. We asked him not to list the bogus degree on his credentials (which he agreed to). My

Mastering the Management Buckets gives a step-by-step guide to leading twenty different aspects (or as labeled by the author, buckets) of an organization. Pearson describes these points, which are categorized into three arenas including, *cause* (the mission), *community* (team members) and *corporation* (day-to-day and longer term administration), as the twenty critical competencies that, if managed well, can help contribute to organizational effectiveness. Further, each bucket is filled with two to six specific actions steps required to achieve that competency.

Where most current leadership and management books seek to simplify things to "three steps to..." in order to achieve organizational effectiveness, it was refreshing to have such a clearly defined and laid out primer that specifically gives insight to each competency. The author's style is one that uses real life snippets, humor and sound logic in presenting the material. *Mastering the Management Buckets* gives the substance and steps to implement your

advice to a person with such a degree would be to NEVER mention it on a vita. There is an immediate question raised by such a degree as to integrity and ability. Sadly, some have done these quick and easy degrees with the assurance that they are acceptable. They wasted their money and time, as well."

A CEO said, "We look for degrees from regionally accredited institutions in the U.S. as well as reputable universities in other countries (there are guidelines for evaluating overseas degrees from unfamiliar institutions). It does raise a major red flag when a person has a degree from a U.S. institution that is not regionally accredited. We would not necessarily rule out a person because he/she has a degree from a for profit institution. Degrees from 'diploma mills' would not be counted as acceptable. The questions raised by a person including such a degree on his or her resume are certainly valid and should be explored."

A corporate CEO said, "When a seemingly accomplished person puts one of these 'store bought degrees' on a resume, it makes me suspicious. It cheapens their resume and I wonder why they did it."

From the recruiter in Atlanta: "In my opinion, anyone who lists a 'diploma mill degree' invalidates their candidacy."

So...what do we think of the candidate when they list a degree from such a school? We consider their judgment to be faulty and, if hired by our client, it is assumed that they will continue to have faulty judgment. We have found that insecurity, needed credentials or ego can be a driving force behind including these degrees on a resume. But whatever the reason, we're not likely to present these candidates to our client.

Regarding the applicant initially mentioned, his track record was so substantial he did not need a PhD. However, we doubted his wisdom in including this degree on his resume, which was further complicated by a note that he had been accepted for enrollment in another questionable institution.

Multi-Dimensional Matchmaking ... Far Different Than Just Recruiting

organization's vision.



[*The Imperfect Board Member*](#)

by Jim Brown

The *Imperfect Board Member* by Jim Brown is written in the fictional style of Patrick Lencioni's books (actually the forward was contributed by Lencioni). This makes for good reading, but better yet, good learning.

The story unfolds with our hero, David, at a loss about how to manage some issues regarding his company, including board relations and the consideration of taking the company public. Concurrently, David is asked to join a local non-profit board. The two situations frequently cross paths as David applies what he learns about excellence in running a board and organization from the non-profit executive director to his for-profit issues.

Through the course of the book, David and his close confidants

Call it headhunting, executive search or recruiting. Whatever the name, when done well, it is matchmaking on a multi-dimensional basis.

Recruiters seek candidates with the right experience and education for the position. But they should also, as we do, strive to find candidates who fit the situation in leadership abilities, management style, personality, values and integrity, while also examining the compensation package to be offered and the location implications for the candidate.

So, what candidate and candidate reference questions are able to illuminate these traits?

How much does this person stretch his/her people and get them to do more than they think they can, or want to, do?

How effective are the person's people skills? How does the person's ego show itself?

What tasks does the person excel at and which tasks should not be given to this person?

Is there balance between desk and computer oriented tasks and spending time out with his/her people?

How will a move to the new location personally affect the candidate?

What, if anything, has the person done for self-improvement over the last five years?

Is the person a mentor? Can he/she point to people who've grown due to his/her mentoring?

Is the person decisive, willing to confront, etc?

A key part of understanding the candidate is not just knowing how they wish to project themselves, but whether those around them see the candidate the same way. If one doesn't accurately know how they come across, then that disconnect should be a major red flag. The person may have presented themselves well in interviews but in reality they can be quite different. We work hard at understanding a candidate's core intricacies and how they would intertwine with our client.

Founder's Syndrome

The reason there are far more small companies than medium or large sized ones is because there are "founders." They had the vision and the nerve to take

(including a local leader who serves with him on the non profit board) develop what they call the Governance Excellence Model—or G.E.M. Each aspect of the G.E.M. represents a facet of a cut stone with the two main facets either being what is seen on the top (Organizational Results, Owner Expectation and Prominent Leadership) as well as what is not usually seen on the bottom. These bottom facets provide the base or foundation for the upper ones and include Organizational Performance, Board Relations and Board-management Interaction.

The author goes into detail as the story progresses about each facet and how they apply to developing and implementing the overall strategy for success. The narrative concludes with detailing how both the non-profit and profit organizations benefit from one another. The book is an easy and insightful read, especially beneficial if your organization could use some elementary teaching and guidance as to how a more effective board can drive the vision.

Our People

the chance ... but sometimes lack the leadership, the willingness to delegate authority and perhaps the capital to grow the company to something significant.

I recall one non-profit organization with tremendous potential, but for ten years had stayed stagnant under the leadership of its CEO. Why? He freely admitted he was such a micro-manager that he did not want an organization larger than what he could get his arms around. He has since moved on and become an excellent consultant ... telling others how to grow organizations better than doing it himself. The new CEO is excellently leading the organization to its full potential.

In that case, the CEO had what is commonly called “Founder’s Syndrome.” Most founders feel that only they can truly see the vision of where the organization can go. The February 2008 issue of *Harvard Business Review* had a great article on this subject. You’ll find Dr. Noam Wasserman’s review of the “Founder’s Syndrome” online at www.founderresearch.blogspot.com.

A few years ago we did a CFO search for a founder-led organization. The founder was a charismatic person, an in-demand speaker, a successful author, and a leader of the foremost organization in their niche market. The demands on the CEO’s time were so great that when the incredibly capable CFO was hired, I encouraged the CEO to expand the role from CFO to COO after six months. Such a move would relieve the current bottleneck in the decision making process. The CFO did a superb job—even playing a crucial role in acquisitions and doubling revenue—but left after two years. He loved the vision of the organization, got along well with everyone (including the founder), but he was too frustrated by the founder’s lack of ability to let go and delegate authority. Decision making had a definite bottleneck.

While it’s tough ... if a founder wants his or her vision to be maximized, it is crucial to empower others with authority.

Three Brothers Serving in Iraq

(A Personal Note from Bruce)

Having just returned from Chile and the Penrhyn annual conference—where we had 18 executive search firms representing about 30 countries—it’s fresh in my mind

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how nationality affects one's perspective of international politics. Americans often view things differently than those from other countries. For example, while most Americans today would prefer our military not be in Iraq, we feel the U.S. went there to give the Iraqi people their own version of democracy rather than being suppressed by an evil leader. However, much of the world thinks President Bush and self-serving oil companies got the U.S. into Iraq for the oil, which is not the most common viewpoint in the United States.

But no matter the reason our military is there, most Americans dearly love and respect the soldiers, sailors and marines who are giving so much. And I am so proud of my niece's three sons, Josh, Robbie and Bryan Hill, who are all currently in Iraq. See the [attached article and picture](#) of them. It's extremely rare that three brothers are in Iraq at the same time.

We hope you benefit from this information, but if you prefer not to receive future editions, please reply with the word "Remove" in the subject line.

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