It was mid-1986, and I was about to attend a very important meeting in Zurich. Over the course of the previous four days, I had made stops in London, Paris, Copenhagen, and Brussels. In each city, I sat for interviews with consultants from Egon Zehnder International (EZI), the international executive search firm. I had already completed some 30 such conversations, including sessions with a great variety of partners in the firm as well as its full Executive Committee.

But now, here in Zurich, I was about to meet with Egon Zehnder himself—the firm’s founder, and at that time its chairman. I was keyed up, to say the least. (Even today, I can still summon up some of that long-ago nervousness.) I was well aware of the stature of the man in front of me who—having graduated from Harvard Business School the year that I was born—launched the executive search profession in Europe in 1959, and in 1964 started his own search firm, which he immediately began expanding internationally. He was, simply put, a legend.

I’m embarrassed to say that I don’t remember many of the questions he asked me that day. For some reason, though, I do remember some of the questions I asked him. In particular, I remember asking him a question that went something like this: Based on your experience of more than 25 years of executive search practice, meeting with both successful clients and candidates for high-level positions, what makes a person successful?
I guess I was expecting him to respond with an elaborate success theory. After all, he was enormously successful himself. Already, I could see that he was a man of strong convictions and great integrity. So what did the great man say, in response to my question?

“Luck!”

I admit it; I was taken aback—luck? He continued along these lines:

Of course, all the successful people I have met are highly intelligent. They are also hard workers. They believe in preparation. They relate very well to others. But if you ask me to point to the most important reason for their success, I believe it is luck. They were lucky to be born into certain families, and to be born in certain countries. They were lucky to have some unique gifts. They were lucky to be able to attend good schools and get a good education. They were lucky to work for good companies. They were lucky to stay healthy. They were lucky to have opportunities for promotions. So, in answer to your question, the number-one reason for individual success is luck.

If I had been a little quicker on my feet (and perhaps a little braver) I would have regrouped and asked him what the second most important reason was. But the moment passed, and we moved on to other topics.

Since that long-ago meeting, I’ve had countless opportunities to revisit my question, and Zehnder’s answer. Many times, I’ve had to grant the wisdom of our founder: Luck certainly played a role in lots of people’s careers, including my own. But I’ve also tried to find some more systematic answers that might help someone take action. (Telling someone to “be lucky” is not enough, obviously.) So, when interviewing great candidates for a search assignment, when meeting impressive clients, when having conversations with executives who want to choose a new career path, when giving speeches to students at Harvard Business School, when looking at my own children, I’ve continued to ask my question: What, exactly, accounts for compelling career success?
It's now more than 20 years since that first meeting with Egon. In those intervening two decades, I have conducted close to 20,000 in-person interviews (about a thousand a year, or four per working day, throughout most of my career as an executive search consultant). I have traveled all over the world, whether to work on client assignments, train our colleagues, attend our executive committee or partners meetings, or give speeches. In the course of those travels, I have had thousands of personal, deep, touching conversations with managers and executives, discussing their careers, their lives, their glories, their dramas.

I have witnessed great success, but also dramatic pain. I got to know some outstanding examples of career and life management. Sadly, I also got to know a few wonderfully talented people who killed themselves—literally.

I admit that it's become something of an obsession for me. *Why do certain people succeed, and others fail?* I think I have an answer.

### The Success Formula

First, as noted earlier, I don't disagree with Zehnder about luck. Luck can come to bear in all the ways he enumerated, and then some. In the extreme, bad luck can terminate your career, through death or other tragedies.

I believe, though, that the formula for career success includes at least four other factors. They are:

1. Genetics
2. Development
3. Career decisions
4. People decisions

I am convinced that these factors reinforce and build upon each other, and create a multiplier effect. I also believe that most of these
factors have different weights at different stages of our life. The exception, of course, is your genetic inheritance, which, like your luck, remains relevant from birth to death. Development is also important throughout life, but it is particularly critical in the early stages. Career decisions become important when we reach our early twenties. Last (but not least) is what I call "people decisions."

I'll give you the punch line first: I am absolutely convinced that, once you have completed your formal education and embarked on your professional career, people decisions are the single most important contributor to your career success.

Now let's run through each of the factors in a little more depth.

**Genetics** play a big and continuing role. Your genetic makeup explains (for example) why some things are easy for you to learn, while others are extremely difficult. Genetics set limits on you, even as they open doors for you. But they are not exactly static. While until quite recently genetics were assumed to be a constant in the success formula, current research is showing that even one's genetic legacy can be considered dynamic. As Matt Ridley demonstrates in *Nature Via Nurture*, your day-to-day experience partially determines which genes switch on, which in turn determines which proteins are manufactured, which in turn shapes and reshapes the synapses between your brain cells.¹ In the debate over nature versus nurture, it appears that both sides are right.

**Development**, which is my shorthand for the formal and informal learning that occurs over one's lifetime, can be a powerful force for career success. Your ability to learn also depends in part on your career choices: What kinds of learning opportunities are put in front of you in the workplace? Do new things keep coming at you?

Obviously, a wise investment of time and effort in professional development can significantly enhance your level of competence, and therefore increase your chances of success. The best development experiences can have enormous impact.

But there are clear limits on the potential of development. As noted earlier, your ability to learn depends in part on your genetics. In addition, much as it pains me to say it, the ability to learn decreases with
Yes, you can teach an old dog new tricks; it just takes longer, and maybe not the entire trick is retained. So the costs and benefits of training shift in subtle ways over the years.

I'll let my friend Lyle Spencer summarize the potential of development, in his pithy way (he is a world authority both on selection and development): “You can train a turkey to climb a tree,” Spencer says, “but I would rather hire a squirrel.”

The impact of career choices on personal success should never be underestimated. For much of my working life, I’ve been struck by the dramatic differentials in the achievements of individuals who embark on their respective careers with roughly similar talents, but who choose very different work environments. My undergraduate classmates, for example, include a number of truly bright and talented people who made the mistake of joining unprofessional or intensely bureaucratic organizations; today, in professional terms, they are miles behind our similarly gifted classmates who took much better career paths and happened upon more enlightened employers. Simply put, good career choices multiply the fruits of your own development efforts, and therefore are a key factor for outstanding career success.

In her book, Career Imprints: Creating Leaders Across an Industry, Harvard Professor Monica Higgins tells how the “Baxter Boys” built the biotech industry in the United States. Based on her study of 300 biotechnology companies and 3,200 biotechnology executives, Higgins concluded that a single firm—Baxter Labs—was the breeding ground for an astonishing number of successful biotechnology spinoffs and startups. This phenomenon—of one organization spawning leaders across a whole sector—has also been seen in other industries, such as Hewlett-Packard and Apple in high-tech hardware, and Fairchild in the semiconductor field. Obviously, putting yourself in a hotbed of innovation is better than putting yourself in a backwater, in terms of long-term career success.

For most of us, people decisions become important sometime in our twenties. In our personal lives, we make lifelong friends—at college, in graduate schools, and in church and neighborhood settings. We meet
and marry our life partners. And, in the workplace, we start making decisions about people. We start deciding things about colleagues, clients, and vendors.

Once you become a manager, you start working through others, and therefore your people decisions become essential for your own unit’s performance. As you take on larger responsibilities—from running the shop to running the ship—the stakes get higher, because the only way that you can exercise control is through the team of people you’ve put together. As you move from manager to senior executive and eventually to CEO or company chairperson, people decisions are both your highest challenge and your biggest opportunity.

Now I’ll restate my punch line: After 20 years of practice, research, and reflection, I am firmly convinced that the ability to make great people decisions is the most powerful contributor to career success, as illustrated in Figure 1.1. And note that the farther along you get in your career, and

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**GREAT PEOPLE DECISIONS**

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**FIGURE 1.1  Impact on Career Success**
the higher up the organizational ladder you climb, the more important these kinds of decisions tend to become—both in absolute terms and in relation to all other factors.

### How to Get Honored by the Harvard Business School

Let's look at an example of this “success formula” in action. I don’t think Egon Zehnder will mind if I scrutinize his own career in terms of this formula—even if I wind up suggesting that there was more than simple luck at work.\(^4\)

In 2002, Zehnder received the Harvard Business School’s Alumni Achievement Award—one of its most important honors. Established in 1968, this award goes to a very small number of distinguished graduates (one or two a year) who, throughout their professional careers, “have contributed significantly to their companies and communities, while upholding the highest standards and values in everything they do.” According to then-Dean Kim Clark, the award winners “represent the best in [the School’s] alumni body. Exemplary role models, they inspire all those who aspire to have an impact on both business and society.”\(^5\)

Exactly how did Egon Zehnder achieve this success? I think if you looked at the evidence, you’d have to conclude that genetics played their part. Zehnder has the genetic good luck of being tall, handsome, articulate, and intelligent in the traditional (IQ) sense. (In the sweepstakes of life, never underestimate the importance of a commanding physical presence!) At the same time, at least in my own experience of him, Zehnder is also a master of what is often referred to as emotional intelligence. (This concept will be expounded upon in Chapter 5.) Although one might debate which of these characteristics are determined in large part by genetics (I’d say many of them are), Zehnder is self-aware, full of integrity, and a man of amazing commitment, initiative, and optimism. He is a “natural-born leader,” with all the attendant genetic implications. And as highlighted by Jim Kouzes in *The Leadership Challenge*, he is also a master
at encouraging the heart. I have no doubt that Zehnder’s genetic makeup is privileged.

Reinforcing his God-given talents, Zehnder has also worked hard on his own development, literally throughout his life. His formal education ended with an MBA from Harvard, but he has remained a constant learner. An avid reader, and an astute reader of people, he learns from all kinds of characters and situations.

Development is also about finding ways to put what you’ve learned to work—for your own benefit and for the benefit of the organization. Zehnder worked hard—always six long days a week—and prepared himself with amazing thoroughness for every single event, meeting, or speech on his busy schedule. Maybe a personal anecdote is in order here. Before delivering a speech, he would practice for endless hours in front of a mirror, tape record it, and time it. I remember asking him once how much time he really needed for his speech at one of our new consultants’ orientation sessions. The schedule allocated him one hour, but perhaps he wanted a little more time, or a little less. He looked at me in surprise. “I have one hour,” he replied, “so it will be one hour.” And it was one hour: not 59 minutes, not 61 minutes—it was exactly 60 minutes.

Let’s agree that genetics and personal development got Zehnder into the game, and helped keep him there. I’d also argue that his career choices allowed him to jump to the next level of the success curve—first when he decided to move from law to business, and then again when he moved from advertising into the executive-search arena. In fact, he personally introduced this profession into Europe, launching his firm with a unique vision, comprising both an original consulting approach and exacting levels of professionalism.

You could also make the case that some of Zehnder’s subsequent business decisions were also “career choices,” including the decision not to go public, as well as the creation of a unique form of equal partnership, collaboration, and compensation system. He summarized this approach, which is still the envy of many professional service firms globally, in a Harvard Business Review article entitled “A Simpler Way to Pay.”
Yes, these were all wise (even brilliant) career choices. But (and you can guess where I’m going with this) the most important factor in Zehnder’s personal success has been his ability to make great people decisions. Simply put, he built a great firm by being personally involved in the hiring of every single consultant, all around the world, for the entire 36 years of his full-time work in the firm he founded. That’s why I was in Zurich, that nerve-wracking day in 1986. He was making a people decision, and to him, nothing was more important.

I was the rule, not the exception. In fact, Zehnder permitted no exceptions to the mandatory round of interviews by multiple people, in multiple countries. Even today, the firm requires that all consultant candidates be interviewed by dozens of colleagues from several different offices, in addition to the chairman, to make sure that they meet the firm’s exacting global standards and represent a good cultural fit.8

To recap, yes, Zehnder has been a lucky guy—luckier than most. His luck extended to his genetic inheritance. He built on his luck and genes through development and hard work. He made great career choices (and even got to invent his own career, which is nice work if you can get it). Most important, though, is that he turned himself into a master at making great people decisions.

Note the active voice: turned himself into a master. How did he make great people decisions? In part by inventing a structure that drew upon the smarts and experiences of many of the brightest people in his organization. Yes, he had innate gifts when it came to dealing with people, but he also came with techniques for leveraging those gifts.

Making great people decisions is a craft, and it can be taught and learned.

What Successful Managers Look Like

Let’s dig a little deeper into how individual success is defined.

In my view, one of the best analyses of individual success comes from researchers associated with the Greensboro, North Carolina–based
Center for Creative Leadership. Having analyzed hundreds of executive selection situations, they concluded that executives are perceived as successful when they (1) deliver strong organizational performance, and (2) build good relationships, particularly with subordinates.

By this definition, at least, strong organizational performance (the subject of our next chapter) is a necessary component of personal success. But where does this strong organizational performance come from? It comes from people inside the organization having the ability to make great people decisions, one great person at a time. Yes, strategy counts for a lot, great products and services are key, and money in the bank is a great asset. But behind each of these assets—behind their creation and deployment—are great people.

What else can we learn from the management literature about what makes for great leaders and personal career success? One of the most significant studies of successful managers is summarized in First Break All the Rules, by Marcus Buckingham and Curt Coffman. Based on in-depth interviews by the Gallup organization of more than 80,000 managers in over 400 companies, this was one of the largest studies of its kind ever undertaken. One of the key conclusions of First Break All the Rules is that—contrary to our own opinions of ourselves—none of us has unlimited potential.

What’s the logical extension of this insight? I argue that if you can’t count on personal development alone, then you have to hire and promote people who have the right stuff built in. You have to get the best people on board in the first place, and make sure that they are in positions where they can grow and develop, and then help them do so.

In his follow-up book, The One Thing You Need to Know . . . About Great Managing, Great Leading, and Sustained Individual Success, Marcus Buckingham discusses the four skills that you have to master if you are to succeed as a manager. He starts by emphasizing that managers must first select good people.

After discussing the four basic skills of good management, Buckingham moves on to define the “one thing you need to know about great
managing.” And what’s the single most important imperative in great management? In Buckingham’s words, it is *Discover what is unique about each person and capitalize on it*. In other words, first you hire great people, then you assign the right person to the right job—both fundamental kinds of people decisions.

Buckingham’s final prescription in this book concerns the “one thing you need to know about sustained individual success”: **Discover what you don’t like doing, and stop doing it.** Well, in order to stop doing what you don’t like to do, you have to be able to delegate, which means that you have to have good people in place around you. And let’s suppose that you have liked what you’ve been doing, but the years have gone by, and now you’re getting bored. How are you going to move up? Again, you have to have good people in place behind you, in order to move up. Developing good successors is, in many cases, a prerequisite for promotion. For this reason, too, you need to become a master at hiring and promoting the best people.

**Going Beyond the Obvious**

Great people decisions, therefore, are extremely important in large and traditionally minded hierarchies. But even in companies where professionals manage a very small staff (as has always been my own case), the impact of great people decisions on personal effectiveness can be spectacular.

About a year after I joined EZI, I started looking for a new assistant. I decided that since I was an executive search consultant myself, it made little sense to hire an executive assistant employment agency. I would do it myself.

My first step was to sit down and think very carefully about what I really needed, rather than just assuming that I needed someone similar to the person who had occupied the post previously. I also discussed with some experienced colleagues what the ideal assistant should look like,
and modified my thinking based on that input. In the back of my mind, too, was the example of Egon Zehnder, who hired his wonderful assistant Brigitte Jentsch when he founded the firm 43 years ago, and still works with her today.

So I undertook a search for my new assistant as if it were my most important client assignment. I didn't limit myself to people who were looking for a job. Instead, I investigated the best target companies and positions, and ended up considering close to 40 potential candidates, none of whom were looking for a change. I personally interviewed them, and secured references for the very best potential candidates from people I could trust. I agonized over the final decision, because I did not want to get it wrong—not only for myself, but also for the sake of the person whose life I would be disrupting in such a significant way.

As a result of this process, I hired Joanna Eden, who has been an outstanding assistant for the last 19 years, and has become a true corporate asset in our firm. She has dramatically improved my productivity and quality of life, while becoming at the same time a valued professional partner and a wonderful friend.

So literally every working day of my life, thanks to Joanna, I have been reminded that I have to focus with great discipline on the key people decisions. This has pertained not only to hiring from outside, but also to the internal deployment of resources. For example, whenever it fell to me to staff one of our internal teams, which in many cases are short-term, project-based affiliations, I tried to think very carefully about the skills and complementarities that the project called for, to research my available options, and to interview and check references in depth.

It was the same thing when it came to assessing external partners, such as training organizations. It was the same thing, quite frankly, when it came to choosing which clients to work for.

And it was the same thing in the nonprofessional aspects of my life, as well. I have tried to choose nannies and gardeners just as systematically. (What people decision is more important than the nanny decision?) When asked, I help other people apply this same kind of discipline.
in their own lives. A friend of mine suffered unnecessary pain and anguish for almost a full decade due to bad medical care—inaccurate diagnosis, and therefore inappropriate treatment. I helped my friend find the right doctor, with the right skills, and she’s now on the road to recovery.

I like to think I’m good at this, but the truth is that I’ve simply learned a craft, over the years. You can learn it, too.

Forget the Myth: You Can Learn These Skills

“It’s all in here.”

I’ve heard this phrase far too many times, over the course of my career. Maybe you’ve heard it, too. It usually involves some self-satisfied person pointing at his or her stomach while he or she talks about people decisions. The implication, of course, is that great people decisions are based on one’s “gut” instincts.

Lots of people believe that the ability to determine whether someone is a good candidate for a position is an art: the result of an instinct, an intuition, a gut feeling; something that you can’t clearly explain; a talent that only some people possess, leaving the rest of us clueless. Curiously, lots of people who have no clear reason for believing in their gut still do so; that is, they think they are intuitive experts at making people decisions. I’m reminded of the fact that when surveyed, 65 percent of all drivers in the United States report themselves to have above-average skills. Even worse, studies of several hundred engineers at two high-tech companies found that 32 percent of the engineers in one company and 42 percent in the other rated their own performance in the top 5 percent! This is what’s known as “optimism bias.”

Besides this being a mathematical impossibility (4 out of 10 engineers can’t be in the top 5 percent), there are three things wrong with this thinking. First, there’s that notion that we are good at assessing. (We are not. For example, people’s beliefs about their ability to detect lying among others correlate only .04 with their performance.) Second,
there's that notion that it's *instinctive*. (It's not.) Third, there's that notion that you don't have to work at it, because either you've got it or you don't. (In fact, you *do* have to work at it.)

Let's dig a little deeper.

**Amazing Experts!**

Wait a minute (you may be thinking)—aren't there people who are *really good* at people decisions? Aren't there people experts out there?

Yes, some people are truly expert at assessing people. Not surprisingly, some of them work in executive-search firms. Our firm offers a case in point. (Other search firms would point to similar data, I'm sure.) In a recent study of internal candidates who were promoted at a number of our client firms, we compared actual people outcomes with our predictions about those outcomes, and also with the company's *own* predictions about those outcomes, where available. (In other words, we took our assessment of Internal Candidate A, the client company's assessment of Internal Candidate A, and the data about Promoted Person A's success or lack of success several years into his or her job, and compared the three sets of data.) It turned out that in those specific studies, the company's ability to assess its own people in terms of managerial competence and potential for further development was in some cases as low as 30 percent, while our comparable rate was about 90 percent.

In other words, we were *three times* as likely to be correct in our assessments of the firm's own people as they were, even though they had known them for years and they were dealing with them every day.

Some people are *much better* than others at assessing candidates. While there is significant research on the accuracy of different assessment techniques (from astrology and graphology to different types of interviews, reference checking, assessment centers, testing, and other techniques that we will discuss in a later chapter), there is little research about the various levels of accuracy of different individuals applying the
same technique. The limited research on this last point, however, sug-
gests that some people are in fact significantly better than others even
when applying the same assessment technique—and, of course, are much
better when applying the best techniques. *The Employment Interview
Handbook*, by Eder and Harris, looks at the question of whether some in-
terviewers are better than others. Five out of the six studies reviewed
confirm this hypothesis. In some of those studies, the best interviewers
had predictive validities 10 times better than the worst interviewers.\(^\text{15}\)

In fact, expert assessments (aimed at diagnosing present conditions
or predicting future performance) are indispensable in countless dimen-
sions of life and work. Choosing investments, diagnosing medical condi-
tions, assessing legal risks, predicting candidates’ performances—these
are just a few examples of the kinds of things that experts can and should
weigh in on. In *Blink: The Power of Thinking Without Thinking*, Malcolm
Gladwell writes about John Gottman, an expert in predicting the success
or failure of a given marriage. If Gottman analyzes an hour of conversa-
tion between a husband and a wife, according to Gladwell, he can pre-
dict with 95 percent accuracy whether that couple will still be married
15 years later. If Gottman observes a couple for only 15 minutes, his suc-
cess rate is still around 90 percent. Sybil Carrère, a professor who works
with Gottman, told Gladwell that if she and Gottman observed a couple
interacting for as little as three minutes, they could still predict with fair
accuracy who was going to get divorced, and who was going to make it!\(^\text{16}\)

So, yes, there are experts; but no, they’re not simply acting “from
the gut.” They are highly trained and deeply experienced people (more
on this later).

**Forget Delegation**

You might be thinking, *If these experts are so good, maybe the best strategy
would be to simply delegate the job of assessing people to them.* (Have a tough
people decision to make? Call in the experts!)
There are two problems with this strategy. First, it is in our nature to judge and classify people, even in cases where we are unprepared, and where we may make bad “snap judgments.” It goes back to more than half of us being better-than-average drivers: When it comes to judging people, we want in. Most of us would hesitate to make a complex financial decision or a major technological investment based on inadequate data and without the right advice; but when it comes to people, we’re less humble. This is a reality that has to be recognized and dealt with.

Second, while many organizations boast people who are better prepared than others and more experienced in making people decisions (including many Human Resources managers), senior executives often want to be personally involved in these decisions. And rightly so: You shouldn’t delegate these key people choices any more than you should delegate your marriage choice. As Larry Bossidy and Ram Charan have stated it, “Having the right people in the right place is the job no leader should delegate.”

In many cases, though, this means that those who have the knowledge don’t have the power to make people decisions, while those who have the power may not have the knowledge. That’s not a good formula!

Knowing What to Look For

For many years (longer than I’ve been in the field), human resource decisions have been considered a soft, elusive arena. This is closely allied with the notion of the “gut”—either you’ve got it, or you don’t.

This is simply wrong. People decisions, like many other assessments, can be systematically analyzed and greatly improved. To achieve his remarkable level of accuracy, for example, the abovementioned John Gottman (a psychologist by training, who also studied mathematics at MIT) has painstakingly analyzed in depth the predictors of marriage success or failure for three decades.

The first step is to focus on the relevant things to watch, which in
Gottman's case means what he calls the "Four Horsemen": defensiveness, stonewalling, criticism, and contempt. And of those four emotions, he explains, contempt explains most of it: the higher the levels of contempt being expressed between man and woman, the lower the likelihood that the marriage can succeed.

Malcolm Gladwell also tells the story of Brendan Reilly, who in 1996 was the chairman of the Chicago-based Cook County Hospital's Department of Medicine. One big issue that Reilly had to deal with was improving the hospital's ability to diagnose whether a patient was actually having a heart attack, or merely exhibiting (or reporting) troubling symptoms. This, of course, can be a matter of life and death, and a medical staff can err in either direction. According to Gladwell, between 2 percent and 8 percent of the time, a patient having a genuine heart attack in a U.S. hospital gets sent home.

There are also cases in which a patient appears to be having a heart attack, but isn't—a less life-threatening problem, but still troubling, since it ties up vital resources. Meanwhile, according to Gladwell, the threat of malpractice has made doctors less and less willing to take chances with a patient, with the result that only about 10 percent of those people admitted to a hospital on suspicion of having a heart attack are actually having a heart attack.

Faced with this situation, Reilly made an effort to isolate the few indicators on which the doctors should be focusing. This actually meant analyzing less information—but focusing more intensely on the most useful information—than they had in the past.

According to Gladwell, Reilly concluded that doctors ought to combine the evidence of the ECG with only three urgent risk factors (pain felt, fluid in the lungs, and systolic blood pressure). This simpler decision rule significantly reduced both types of errors: sending home those with a heart attack, or admitting those who were not having a heart attack.18

The point should be clear: These experts aren't checking their guts; they're identifying and checking the key indicators. You can do the same thing with people decisions.
Becoming Conversant

It turns out that it's not enough simply to figure out and check those indicators. Once you know what to focus on, you need to assign appropriate weight to those different dimensions. And after that, you still have to have the right vocabulary to discuss diagnosis and prognosis with others, in order to make a good collective decision. What if Brendan Reilly spoke no English, and the Cook Country Hospital staff spoke only English? It wouldn't matter how good his indicators were, or how effectively they were weighted.

Moving to a much less dramatic area of expert judgment—food tasting—Gladwell discusses how most of us, when presented with a very simple test such as tasting three glasses of cola (two of them from one brand and the third one from a second brand), would not be able to identify the odd duck. An expert food taster, of course, would always pass that test, and then some, being able to identify very minor differences from product to product, and even predicting how different consumer segments might like or dislike each product, and why.

Along the way to earning their status as experts, these food tasters have acquired an enormous competence at knowing and grading different dimensions of taste. They learn a very specific vocabulary that allows them to describe precisely their reactions to specific foods.

According to Gladwell, mayonnaise, for example, is evaluated along 6 specific dimensions of appearance, 10 dimensions of texture, and 14 dimensions of flavor. Each one of those specific factors is in turn assessed on a 15-point scale.¹⁹

Mayonnaise is no exception. Every product on the market can be analyzed along these lines. Over time, thinking and talking like this becomes second nature to expert food tasters. Once again, you can guess where I'm going with this. When making people choices, experts follow (at first consciously, and later more or less unconsciously) a process where they analyze the challenges at hand, identify the key competencies required in the candidate, measure them accurately, predict perfor-
mance, and are able to properly discuss and decide on a hiring or promotion decision.

At the risk of stating the obvious, aren't people decisions more important than mayonnaise decisions?

A Little Learning Can Take You a Long Way

The point about all of this discussion is not to scare you about the complexity of assessing people. In fact, you don’t need a deep expert knowledge about competencies and competency scales in order to become much better at your people decisions.

Going back to the marriage example, Gladwell tells how a group of psychologists took some of Gottman’s couples videos and showed them to nonexperts. Not surprisingly, the ability of the nonexperts to predict outcomes was very limited. Then the psychologists asked the same nonexperts to try again, this time providing them with just a little help by giving them a list of the relevant emotions to look for. They cut the tapes into 30-second segments, and asked the nonexperts to look at each segment twice: one time focusing on the man, and the other time focusing on the woman.

“And what happened?” Gladwell asks rhetorically. “This time around, the observers’ ratings predicted with better than 80 percent accuracy which marriages were going to make it.”

Time and time again, I personally have witnessed how just discussing with managers and executives a few basic concepts about people assessment has allowed them to become much better at it. But you don’t have to take my word for it. There is ample evidence that you can learn a lot in this field, and apply that learning successfully. For example, an acquaintance of mine, Oscar Maril, enjoyed a very rewarding career as a senior Human Resources (HR) manager with Citibank, working in the United States, Europe, and Latin America, followed by an interesting stint in Saudi Arabia. Maril attributes his
long and successful career in large part to his skill at helping CEOs make the right people choices.

He also emphasizes how helpful his initial HR training at Citibank proved to be. Several decades down the road, he still remembers some of his earliest training sessions. In those sessions, he interviewed a professional actor (playing a job applicant) and his trainer (talking to him through a tiny earphone plugged in his ear) instructed him in the techniques of behaviorally based questioning and probing.

If you can get better at assessing people, shouldn’t you?

A Life of Focus Will Make You a Star

Sometimes we are tempted to write off great success to God-given gifts. But the truth is that even the great get much better with practice. In his book, *Winning*, Jack Welch tells that as a young manager he would pick the right people just around 50 percent of the time, while 30 years later, he had improved to about 80 percent.21

I believe Jack Welch is probably conservative in estimating his later-life accuracy at 80 percent. I have no doubt, though, that he not only achieved a high level of accuracy, but had the emotional strength to acknowledge when he had made a mistake, and then act decisively to deal with the consequences.

Let’s look once more at the example of my firm. Egon Zehnder International is one of the largest and more respected executive search firms.22 Our work is almost 100 percent focused on the myriad challenges associated with assessing people. So whom do we hire to perform these assessments—many at the highest levels of an organization? The answer may surprise you. The people we hire *never* come from an HR background, or from any other executive search firm. Never! Instead, we typically hire people from management consulting, or from a hands-on managerial career, on the assumption that they can understand the strategic issues and managerial challenges at hand.23
Yes, they always have a graduate—or professional—level degree, and the benefit of some rich international experience, and they tend to be highly competent along multiple dimensions. But my point here is that we hire people who have absolutely no track record at assessing people. We hire them and train them, and—based on this model—we have created an organization that succeeds solely due to its ability to assess people.

So these are learnable skills. I learned them, and you can learn them. And if you do, your career prospects will be immeasurably enhanced.

The Great Paradox

Great people decisions lie behind individual success, and ultimately, behind organizational success (the subject of our next chapter). Isn’t it strange, therefore, that this is an area where very few people get any formal training at all?

As mentioned in the introduction, business schools, especially at the graduate level, tend to downgrade Human Resources Management (HRM) issues in general, or at best focus on HRM as just a minor one of a half-dozen functional areas; they rarely get down to the level of skill building that is required.

No wonder there is such a poor track record at making people decisions! How can we expect people to solve enormously important—and sometimes very difficult—organizational problems, if they don’t have reliable tools to call upon?

In the introduction, I talked about wanting to invest like Warren Buffett without actually having the benefit of Buffett’s wisdom and experience. That’s impossible! Think about all the training we get in order to make financial decisions on behalf of our organizations. How many courses of accounting and finance do we take? (Answer: probably too many.) How much do we practice with exercises, cases, and simulations, in order to be able to master those decisions? (Answer: probably too much.)
Aside from the off-center emphases at business schools, there are at least two reasons for this strange situation. First, people-related skills become critically important only long after your formal studies have ended and you’ve become a manager. While you are studying, you may not be aware about the fundamental importance of people decisions. Why study something when there is no urgent need to know it? Later on, unfortunately, you will have even less time to learn, and you will be less disciplined about learning. Many of the bad habits you’ve picked up along the way, probably including the tendency to make snap judgments and indulge your unconscious psychological biases, will be deeply ingrained.

Second, as discussed earlier, people believe that this is an art, an area that still remains soft, rather than one in which you can get much better by learning and following best practices. That’s not true, as we’ve seen. But here’s the hard truth: There is no other area where you will get a higher return on the investment of your development time and effort. As Harvard professor Linda Hill explains in her book, Becoming a Manager, developing interpersonal judgment is an essential task of self-transformation, if you want to succeed as a manager.24

Here’s another challenge: You don’t necessarily learn from your experiences with people decisions, at least at the outset. In many cases, there’s a lack of immediate and clear feedback on your people decisions. When you appoint someone to a position, his or her performance can be affected by many external factors, including macroeconomic and technological events, competitors’ actions, and so on. In addition, it usually takes a long time to assess performance in a complex and senior job, where changes can’t be designed, implemented, and assessed overnight. For these reasons, most managers don’t learn much from their own experience in making people decisions—unless they also get some formal training and education in the basic tools of the trade.

While we may not learn from our experience, we still believe we are pretty good. In fact, we are not, and we are not even aware of our deficiencies. The best studies about self-perceptions show a very low correlation with reality. In the realm of complex social skills, where feedback
tends to be occasional, delayed, and ambiguous, that correlation becomes extremely low (e.g., .04 for managerial competence, and .17 for interpersonal skills).25

In summary, we get little formal training in making the right people choices, both because of a lack of initial awareness about its importance and because of the false belief that this skill is not learnable. Then, when we’re in a position to learn from experience, we often can’t learn from that experience. And to top it all off, we think we’re far better at people choices than we really are.

From Success to Happiness

Up to this point, I have tried to appeal to your calculations of self-interest. I have tried to explain why mastering great people decisions is almost certain to have an enormous impact on your own chances of career success. I hope you are now convinced that stellar managerial careers are built not only on luck, genetics, a constant development effort, and good career decisions, but also (even mainly) on great people choices, beginning with your first managerial assignment and growing in importance as you grow in seniority. I hope you also believe by now that these are learnable skills. That’s what most of the rest of this book is about.

But the following few paragraphs aim at a different part of your brain—or maybe, your heart. I want to explore something far more fundamental than simple career success: personal happiness.

Philosophers from all cultures, across all ages, have concluded that happiness is the ultimate goal of existence. Aristotle called happiness the *sumnum bonum*—the greatest good. Yes, we desire other things, such as money, power, health, or career success. But we desire them not for their own sake, but because we believe that they will make us happy (or content, or satisfied).

Happiness is a subject that has come under increasing scrutiny in recent years by people like Mihaly Csikszentmihalyi,26 Dan Baker,27 and
Martin E.P. Seligman, former president of the American Psychological Association, is the leading proponent of the Positive Psychology movement, which focuses on mental health rather than on mental illness. In his book *Authentic Happiness*, Seligman presents a deceptively simple formula for achieving an enduring level of happiness. According to him, while genetic factors may bound the range of your potential happiness, the remaining factors are very much under your control. Most important among these, he says, are your personal relationships and your level of satisfaction with your work.

And here’s my final punch line for this chapter: Mastering great people decisions will do both. It will enhance and improve your personal relationships, and increase your professional satisfaction.

Making great people decisions is an essential life skill. It is the most decisive skill in determining your career success, and also your personal happiness.

Great people decisions are essential not only for personal success, but also for sustained organizational success—and this will be the subject of our next chapter.