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Bad Decisions

- An Abstract

By **Aaron Mitchell Finegold**
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It's no secret that decision making is important ([95% predictive correlation with financial performance](#)), challenging ([the typical Fortune 500 company wastes an average 500,000 days per year on ineffective decision making](#)), and the bread and butter of what senior executives are asked to do. But [new research](#) from Kingsley Gate, published with FT Longitude of the Financial Times Group, reveals further insights about the role decision making plays in executive hiring, satisfaction, and success - and what companies can do about it.

This groundbreaking research comprised a quantitative survey of 400 senior executives (C-suite, C-1 and C-2) from large enterprise companies across 5 countries and 12 industries, plus qualitative interviews with subject matter experts across a variety of fields.

63% The number of senior executives who have either resigned (34%) or considered resigning (29%) from a job because of dissatisfaction with how decisions were made¹.

This finding reveals the extent to which executive hiring may end up being low ROI unless companies either have great decision making practices in place, establish expectations with executive candidates early on, or both. Alternatively, companies looking to attract dissatisfied executives from the outside can use superior decision making as a part of the pitch, as long as it's realistic.

36% The number of senior executives who feel their personal style of decision making aligns with their organization's style².

This finding reveals a potential driver of the above-described resignation tendency. Organizations haven't traditionally had useful language tools to describe their decision environment and assess how incoming executives might align well with, or challenge, the dominant style ([until now](#)).

25% The number of senior executives who never had an explicit discussion about decision making prior to taking their current role (i.e., neither in the interview stage if external or the promotion/ transfer discussion if internal)³.

This number was surprisingly high, given decision making is absolutely fundamental to senior executives' remit (i.e., a result of "0%" would have been very plausible).

Bad Decisions: Why companies miss the most important factor in executive hiring.
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¹Question asked: "Please indicate whether the following statements are true or false. 'I resigned from a job because I was dissatisfied with the way the company made decisions', 'I did not resign but considered resigning from a job because I was dissatisfied with the way the company made decisions' (n=400)

²Question asked: How would you describe your organization's dominant decision-making style? 'Conflicts with your own style of decision-making', 'Aligns with your own style of decision-making' (n=400)

³Question asked: "Please indicate whether the following statements are true or false. 'During the job interview or performance review that took place prior to my appointment or promotion to my current role, my decision-making experience, capability and/or potential was explicitly discussed.' (n=400)

1.4x The delta in job satisfaction between executives who DID have the decision making conversation prior to starting in their current role and those who did NOT.

The fact that this conversation predicts executive satisfaction means that about a quarter of organizations are missing out on a crucial step in the hiring/selection process, and most likely paying the price for doing so.

**48%,
44%** The number of respondents who told us that improved decision making was attributable to “company leadership” and “new employees”, respectively. The fact that these factors rose to the top, well above items like “technology”, “process”, or “data” improvements (34%, 31%, 31% respectively), was surprising but indicated that people play an outsized role in shaping any organisation’s decision-making culture, effectiveness, and quality.

How Kingsley Gate Hires the Most Effective Decision Making Executive

In conclusion, it is clear that effective decision making is not only critical for business performance and progress, but for executive satisfaction and success. And not only that, but executives themselves hold a significant amount of power over the outcomes - they themselves can change the way an organisation navigates this often-challenging but essential terrain.



Bad Decisions:
**Why Companies Miss
the Most Important Factor
in Executive Hiring**

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