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## Mis-hiring at top management levels on the rise globally

By [Namrata Singh](#), TNN | Updated: Oct 26, 2016, 10.51 AM IST

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MUMBAI: The Tata-Cyrus Mistry episode has brought to the fore the bitter truth about mis-hiring, or wrong hiring, especially at leadership levels. A lot of resources were put behind finding a successor to Ratan Tata -something not many companies or even groups can afford. However, four years down the line, the Tata Group appears to have found Mistry, an otherwise highly competent leader, lacking on certain aspects, according to speculation in the industry.



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Hiring experts said despite the best of efforts put in by organisations, mis-hiring as a phenomenon has been on the rise globally. Ronesh Puri, MD, Executive Access India, said, "According to research, mis-hiring at leadership levels has gone up from as much as 50 per cent some years back to 66 per cent, globally. At times, the management doesn't even know they have hired the wrong person, and so it becomes disguised mis-hiring."

According to Puri, mishiring can cost a company 26 times a candidate's package and this can even go up to 100 times.

While speculation is still rife over what led to Mistry's replacement as chairman of the Tata Group, experts said mis-hiring is largely seen among younger leaders. Considering that the age bracket of CEOs is reducing globally, mis-hiring should be a wake-up call for corporates.

"Team dynamics are more important than competencies. Candidates' ability to adjust to the ecosystem of the company and key stakeholders is critical. These softer aspects are important aspects on which mis-hiring can happen if companies don't pay enough attention while hiring," said Puri.

Experts believe this will increase the usage of HR analytics, which purely relies on data and not individual or emotional perception for hiring leaders. Inherent attitudes and demeanour of an individual can be easily spotted through analytics.

Vinaya Bansal, co-founder, The Predictive Strategy Group, said, "Mis-hiring has only increased in the corporate world. It's not that Cyrus Mistry was incompetent by any standards. But it could be that he did not fit well into the culture. With HR analytics, companies can cut down the emotional and subjective perceptions about people, which can lead to mis-hiring."

After hiring a CFO, an automobile ancillary company recently realised, though he was well qualified to do the job, he was a misfit from cultural perspective. "The company is now on the lookout for a candidate who would be behaviourally a right fit for the role, along with being qualified and having requisite experience," said Bansal.