TFK LEADERSHIP INTELLIGENCE SERIES

The Misdiagnosed Hire

When the problem was never a leadership problem - and the hire made it worse

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"At times, there can be a reflex to hire as a solution to what you are facing when, in reality, you have other problems you should be addressing."

- Ted Kummert, Venture Partner, Madrona

Abstract

The Misdiagnosed Hire is a diagnostic failure. The founder looked at a business problem - stalling revenue, product delays, cultural friction - and concluded that the solution was a person. A new VP of Sales to fix the pipeline. A CPO to fix the roadmap. A COO to fix the operations. The hire was made in good faith. The diagnosis was wrong.

When the problem is structural, operational or strategic - and a leadership hire is the response - the hire does not solve the problem. It inherits it. And within six to twelve months, the executive has failed, the problem remains and the organisation is now managing a failed hire on top of the original difficulty.

This is TFK's most distinctive intellectual contribution: the question of whether a hire is the right intervention at all.

1. What Is Actually Happening

Founders are action-oriented by design. When something is not working, the instinct is to move - to make a decision, to change something, to bring someone in. That instinct is usually right. It is wrong when the action chosen does not correspond to the problem that actually exists.

The Misdiagnosed Hire happens when a founder reads the symptoms of a business problem - slowing growth, execution failures, team friction - and concludes that the root cause is a leadership gap. That conclusion feels logical. The organisation is struggling. The person responsible for the function is struggling. Therefore: replace the person.

> *The problem with this logic is that it assumes the struggling executive is the cause of the problem, not a casualty of it. In a significant proportion of executive failures, the dysfunction preceded the hire. The executive did not create the conditions they walked into. They were placed into them - and then measured against outcomes that the conditions made structurally unavailable.*

Over 50% of startup executive hires fail within 18 months. This statistic is almost always read as a talent problem or a culture fit problem. It is more accurately read as a diagnosis problem. The organisation keeps hiring people and the performance keeps not improving - because the problem being solved by the hire is not the problem that actually exists.

2. What Is Driving This

The leadership attribution bias

When a function underperforms, the human instinct is to attribute it to the person leading it. This is attribution bias - the tendency to explain outcomes through the actions of individuals rather than the systems those individuals operate within. In an organisational context, it is the most expensive cognitive error a founder makes.

Hiring as the most available action

Founders have more direct control over hiring than over product-market fit, pricing architecture or process design. When something is not working, a hire is the most immediate, most visible, most controllable response available. It feels decisive. It communicates to the board and the team that something is being done. What it does not do is interrogate whether the hire is the right response.

The problem was never named

In most cases of the Misdiagnosed Hire, the root problem was never clearly articulated before the search began. The founder felt that revenue was not growing as expected - but had not diagnosed whether that was a sales execution problem, a product positioning problem, a pricing problem or a market timing problem. Without that diagnosis, the hiring brief defaults to a title. And a title is not a problem definition.

3. Where This Shows Up

Revenue not growing - hire a VP Sales

The real problem is that the product has not found its positioning or the CAC is structurally too high for the sales model being used. A new VP of Sales inherits a broken motion, cannot change the inputs they were not hired to own and fails against a number that was never achievable in the first place.

Product delays - hire a CPO

The real problem is that engineering and product have no shared prioritisation framework or the founder is still making product decisions that belong to the team. A new CPO arrives to find the roadmap is already owned and the decision rights they need do not exist.

Culture problems - hire a CHRO

The real problem is that the leadership team models behaviours that contradict the stated values or that accountability is applied inconsistently from the top. A new CHRO can build programmes and policies. They cannot change the behaviour of the executive team that hired them.

The pattern that identifies a Misdiagnosed Hire: the same role has been filled twice in 18 months. Different executive, same outcome. The organisation concludes it keeps hiring the wrong people. The more precise conclusion: it keeps hiring people for a problem that a person cannot fix.

4. What Leaders Are Struggling With

- How to distinguish between a function underperforming because of the person leading it and a function underperforming because of the conditions it is operating inside.
- How to make the case to a board or investor that the right next step is not a hire but a structural, product or process fix - when the board is already asking why the role is not filled.
- How to know what the actual problem is when the symptoms are visible but the root cause is not.

- How to avoid the compounding cost of a second misdiagnosed hire - placed into the same broken conditions as the first - when the pressure to make a decision is intense.
- How to run an honest post-mortem on a failed executive hire that examines the diagnosis, not just the executive.

5. Key Insight

Every executive search begins with a problem. The question TFK asks - before sourcing a single candidate - is whether that problem is a leadership problem. If the revenue is not growing because the product does not fit the market, no sales leader will fix it. Hiring is a powerful instrument. Applied to the wrong problem, it is one of the most expensive mistakes a scaling company makes. TFK's value begins at the diagnosis - not the search.

> *विवेकः प्रथमाम् साधनम्*
> *Vivekaḥ prathamaṁ sādhanam*
> Discernment is the first instrument. Without it, every action is misdirected.

6. Implications for TFK

The Misdiagnosed Hire is a structural feature of how TFK runs every engagement, embedded in two named interventions.

The Problem Diagnosis Session

Before TFK accepts any search engagement for a role that has previously turned over or any role where the founding brief is vague, it runs a Problem Diagnosis Session: a structured 90-minute conversation with the founder and, where relevant, the functional leadership team. The session maps the presenting symptoms - what is not working - against four diagnostic categories: Is this a people problem, a process problem, a product or market problem or a structural problem?

If the diagnosis reveals that the root cause is not a leadership gap, TFK says so. The engagement shifts from search to organisation consultation - and TFK begins the work of fixing what a hire would have inherited. This is the most commercially distinctive thing TFK does. It is also, in the Indic tradition of viveka - discernment - the most honest. The organisation is not served by a hire it does not need. It is served by the truth about what it actually requires.

The Root Cause Brief

For every search engagement TFK runs, it produces a Root Cause Brief before candidate sourcing begins. The brief answers four questions: What is the specific problem this function is experiencing? What has already been tried to address it and what was the outcome? What conditions would need to be true for a new executive to succeed in this role that are not currently true? And what is TFK's assessment of whether those conditions can be created before or alongside the hire?

The Root Cause Brief is shared with the founder and, in most cases, with the incoming executive as part of their onboarding context. It does two things: it ensures the search is for a genuine leadership solution rather than a leadership proxy for a structural problem and it gives the incoming executive an honest picture of the conditions they are entering - so they can make an informed decision about whether to take the role and so they arrive with the right expectations rather than the ones the pitch deck created.

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