



## CONVERSATION STARTER

### **Personnel Management: Who Goofed, Obama or Gregg?**

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by Ben W. Heineman, Jr.

It is rare in business that an applicant withdraws his position after accepting the job and before its start date. It is even rarer in politics for a person to accept a President's offer to serve in the cabinet, announce that nomination in the White House and then withdraw within weeks, prior to any confirmation hearings.

But that's precisely what happened with Judd Gregg, erstwhile nominee as Secretary of Commerce.

So who goofed on this personnel decision? The Obama Administration, for not appreciating the discontinuity between Republican Judd Gregg's life-long fiscal conservatism and his new role as in an Administration forced to Keynesian measures by economic peril? Or was it Gregg, the on-again, off-again seeker of the Commerce Secretary position--put down in Washington as "ambassador to the business community" (as Labor Secretary is "ambassador to labor").

Some in the media and in the Congress have said Gregg's act was one of courage, to preserve his integrity. To the contrary, the blame here rests squarely on him.

Consider that he knew all critical facts before he accepted the President's offer. Commerce secretary is a peripheral post--never at the center of economic policy-making. (Gregg himself tried to abolish the department in the '90s). He knew who the key Administration appointees were because he was nominated so late. He had seen the House draft of the Stimulus bill, which was even more loaded with spending than the final product. He knew that, subject to economic conditions, core priorities of the Administration--health care reform and climate change legislation--were going to have high price tags in the short term. (Proponents will still argue that there would be system savings--in the long term). He knew that the 2010 census would be a contentious issue (reviving a long fight between Republicans and Democrats on how to count--and then reapportion congressional seats). He knew that this important call would never be left in the sole province of the Commerce Secretary. Almost no critical issue, in any modern administration, is left to the Cabinet Secretary alone.

In short, he knew up front that his voice would be heard but rarely heeded.

So, what changed in the short time before he withdrew? Only his mind. It seems that Gregg just concluded that he wouldn't be comfortable in this Administration. But if that's the case, what was he thinking just days before when he accepted? A courageous decision as some say? Hardly. It seems to me something closer to stupidity--failing to do due diligence in his own head before accepting--and insensitivity to the tough times facing the Executive Branch and the nation. Or, it was an act of cowardice because he wasn't prepared to face consequences and party pressures he well understood would bear down on him when he said "yes" (before he said "no").

A profile in courage? No way. But certainly better to pull the plug sooner rather than later. The Obama Administration was taking a chance with Gregg, in the good cause of bipartisanship, and had a right to think he was a person of his word once he accepted.

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But, to be even-handed, the Obama Administration (and almost surely President Obama himself) appears to have goofed badly, and in much the same way as Gregg, with its first Commerce Secretary nominee, Bill Richardson.

That Richardson was involved in a grand jury investigation was known before his announcement. While it's still unclear whether Richardson has any culpability, it was clear when he was nominated that the mere existence of a pending criminal matter would raise significant doubts about his candidacy, doubts that could

not be resolved before confirmation hearings, much less in the hearings themselves.

An understandable desire to have a friend and ally in the Cabinet should have been doused with the cold water of political and legal reality. Who in business would hire someone involved in a criminal investigation unless the facts clearly acquitted the person--and the facts are almost never that clear.

Obama's problems with his nominees resonate in business hiring. Applicants attracted by employer glitz, may repress the negatives and delude themselves in taking a job that doesn't work out. Employers fall in love and ignore unpleasant facts about applicants, with sad results. The Gregg, Richardson, and even Tom Daschle (different circumstances, same result) nominations dramatized on a world stage the importance of careful diligence and balanced judgment on both side of the hiring relationship and the pitfalls of romance in what must be hard, realistic governmental (or business) decisions.

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