



# **Technology is the Tool—Humans are Required**

## **“It Needs Human “Friction”**

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AI moves fast. Human judgment is what makes the investment pay off.

Author -Stephanie Henderson – Organizational & Behavioral Leader  
Prepared by Level 5 Partners  
Chicago, IL

[info@level5partners.com](mailto:info@level5partners.com)

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## Technology is the Tool—Humans are Required

A technology company hired a leader to build their internet presence. On paper, the choice made sense. The candidate came from a rival firm with a strong digital track record. The hiring committee looked at performance in one organization and concluded it would transfer to theirs.

### **It did not.**

Within nine months, the new leader had been counseled, coached, and exited. The organization spent the better part of a year absorbing the disruption — to the team, to the initiative, to the momentum they had been counting on this person to build.

### **What went wrong?**

Not the candidate's capability. Not the technology. Not even the hiring process in any conventional sense. What went wrong was the conversation nobody had before the offer was made.

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### **The Assumption That Costs Everything**

The organization assumed that strong performance in one context would predict strong performance in theirs. It is the most common and most expensive assumption in leadership hiring — and it has nothing to do with the candidate's résumé.

What the hiring committee did not think through — could not think through, because they had not asked the right questions — was the organizational architecture that success required. The supports that would need to be in place for this leader to deliver. The constraints that would prevent delivery if left unaddressed.

Both the supports and the constraints live in the same place: organizational culture and human behavior.

The rival firm had a different market strategy. A different culture. Different unwritten norms about how change happens, how decisions get made, how new leaders earn the right to move fast. None of that was visible on the candidate's track record. All of it was invisible until the leader arrived and began operating as if the culture were the one they had just left.

This is not a failure of intelligence or ambition. It is a failure of alignment — between what the organization said it needed, what it was actually prepared to support, and what it honestly disclosed to the candidate before they accepted the role.

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## The Question Before the Question

Before any hiring process begins — before sourcing, before assessment, before the first interview — there is a set of questions that most organizations never ask out loud.

### **What does success in this role actually require from us? Not from the leader. From us.**

Imagine a leader who walks in having been told the role is about transformation. The organization actually wants stability. The culture has always rewarded consensus over speed, and the informal power structure belongs to people who have been there for decades. Nobody said any of that out loud. The leader finds out at the 90-day review — when the feedback arrives that they are moving too fast, disrupting too much, not reading the room.

### **The room was never described to them.**

What organizational supports does this person need to deliver — and do those supports exist today? What constraints in our culture, our decision-making structure, our informal networks will work against them — and have we been honest about that with ourselves, let alone with them?

The candidate cannot close that gap alone. The organization created it.

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## The Insider Assumption Trap

If you believe the problem described above is primarily an external hiring problem, consider this: internal moves are often more dangerous, not less.

When an organization promotes from within, the assumption compounds. We know this person. They know us. The culture is already familiar. The transition will be smooth because the relationship already exists.

What the organization fails to account for is that the relationship was built in a different role, under a different set of expectations, and with a different kind of authority. The leader stepping into a new role is not the same leader the organization thinks it knows. They are entering a new system — with new stakeholders, new accountabilities, new informal dynamics, and a culture that will respond to them differently now that the title has changed — while everyone around them assumes the old map still applies.

The result is a specific and painful kind of isolation. The new leader cannot ask the questions an external hire would ask, because asking them signals that they do not already know. The organization does not provide the cultural orientation and support an external hire would receive, because it assumes none is needed. Both parties are operating on an assumption that nobody has tested — and by the time the gap is visible, the cost is already accumulating.

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## The Organizational Obligation

Here is the uncomfortable truth underneath every leadership transition failure: organizations are not passive observers of the outcome. They are architects of it. The candidate exited within nine months did not fail in a vacuum — they failed in a system that withheld the cultural context they needed, skipped the supports the role required, and called that a hiring process.

Organizations have a practical and a moral obligation to support new leader success. Practical because the cost of a failed leadership hire — in productivity, in team disruption, in cultural momentum — is significant and measurable. Moral because a leader who accepts a role deserves an honest picture of the culture they are walking into and a genuine organizational commitment to their success.

**One-day orientations, a round of meet-and-greets, and a wish of good luck are not that commitment. They are the appearance of it.**

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## What This Actually Costs: Putting a Number on the Risk

Most organizations treat the cost of a failed leadership hire as a narrative — a difficult chapter, a disruption absorbed, a lesson learned. What they rarely do is calculate it.

Here is what the research says — and what your own numbers are likely to show.

Leadership IQ's landmark study of more than 5,000 hiring managers across 312 organizations found that 46% of new hires fail within 18 months. The University of South Carolina's Center for Executive Succession places the external executive failure rate at approximately 40% within that same window — with internal promotions failing at roughly 30%, a figure that challenges the assumption that internal moves are the safer choice.

The cost of those failures is not abstract. Research from the University of South Carolina places the total cost of a failed senior leadership hire at 2 to 5 times annual compensation for VP-level roles — rising to 10 times or more for CEO-level exits. That range accounts for eight distinct cost categories that most organizations never formally calculate.

**Direct costs** — the search fee paid for the failed hire, the severance negotiated on exit, the legal counsel engaged, and the search fee paid again for the replacement. For a senior leader earning \$250,000, the search fees alone across two searches can exceed \$150,000.

**Productivity costs** — the weeks the role sat vacant, the ramp-up period during which the leader was building toward full productivity, and the underperformance during a tenure that ended in exit. Harvard Business School research finds it takes six months or more to break even on a new hire. Every week of vacancy and every month of underperformance is a direct financial loss.

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**Strategic costs** — the initiatives delayed, the decisions deferred, the momentum lost while the organization absorbed a failing hire and restarted the search. This is the most underestimated category because it never appears on a balance sheet. It appears in the strategies not executed and the revenue not generated.

**Human costs** — the direct reports who left, whose departure the failed hire catalyzed. Gallup research finds that one in two employees have left a job specifically to get away from a manager. In a team of eight, a failed leader who drives two departures generates \$200,000 to \$400,000 in additional direct replacement costs alone — before cultural recovery is calculated.

For the organization in the story that opened this article — a conservative calculation across all eight cost categories would likely yield a total between \$500,000 and \$1,200,000. The search fee was paid twice. The role sat vacant for months on either side of the hire. The internet presence initiative was delayed by the better part of two years. The team absorbed the disruption.

**None of that appeared in the annual report as the cost of an alignment, a gap that was never addressed before the hire was made.**

I built a working cost calculator to accompany this article — it calculates your organization's true cost across eight components automatically, using research-based defaults. It is not a static worksheet. You enter your numbers; it does the math. Request it at the link in the post — it takes thirty seconds to fill out the form. Then complete it with your CFO. The number you arrive at is not a hypothetical. It is the current carrying cost of one alignment gap that was never closed before the hire was made.

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## What This Has to Do With AI

Everything — and not in the way most people frame it.

AI did not create alignment gaps. Organizations were making this mistake long before any algorithm touched a hiring decision. But AI accelerates every element of what is described above — the speed of sourcing, the volume of candidates assessed, the pace at which a decision is reached and executed.

When you accelerate a process that has alignment gaps and cultural blind spots built into it, you do not get better outcomes faster. You get the same outcomes faster — with less time to catch the gaps before they become consequences.

But here is what changes when the discipline is in place.

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When leaders are aligned on what success requires before the search begins — when the culture is disclosed honestly, when the organizational supports are committed and not assumed, when the transition is treated as the ROI realization phase it actually is — AI becomes exactly what it is designed to be. A powerful tool in the hands of people who know what they are building toward.

**Human judgment in the loop does not slow the process down. It makes the process worth running.**

Technology is the tool. The alignment, the cultural honesty, the organizational commitment, the human wisdom to know what the data cannot tell you — those are what make it work.

**That is what this series is about.**

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*This is the first article in a six-part series on the human discipline that makes human capital investment work — starting with the hiring decisions that determine whether that investment pays off. Next: why the full cost of a mis-hire belongs in the CFO's conversation — not just HR's.*

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**Stephanie Henderson** is a Senior Leadership and Organizational Adviser with 20 years of experience inside Fortune 200 organizations, complemented by an extensive external consulting practice. She is the co-author of *The Myth of Fit: Unlock New Leader Success with High-Impact Onboarding* and serves as Senior Leadership and Organizational Adviser at Level 5 Partners, a consulting-first executive search and leadership advisory firm.

**Contact:**

Level 5 Partners

[Info@level5partners.net](mailto:Info@level5partners.net)

[www.level5partners.net](http://www.level5partners.net)

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