



Mediation Case Study

Grimm and The Countryside Development Agency (CDA)



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General Instructions

CDA, a high profile Government Agency, required a new full-time Chief Executive. They cast their net far and wide and the search consultants came up with a candidate who had been a senior executive in a multi-national company and appeared to fit the bill – Joanne/John Grimm (JG) (53).

Negotiations took place and JG was offered the job verbally. The press had been clamouring for an announcement and the Agency released a statement confirming JG's appointment as Chief Executive of the CDA at a salary of £125,000. Soon after the announcement a member of the press discovered that JG held a position as a director of another company, based in England. It transpired that s/he was not only a non-executive director of that company but also its chairperson and that s/he held in her/his name a key licence enabling the company to operate.

After extensive press coverage of this perceived conflict of interest, the offer of employment was withdrawn by the Agency within 5 days, amidst much public concern. A spokesman for the Agency said "The holding of the licence highlighted the executive nature of her/his interest in the company. S/he was given the opportunity to relinquish her/his other duties before the offer was withdrawn but s/he felt unable to do so. It became obvious that the two posts were incompatible."

The controversy was a major embarrassment to the Agency, which had spent months searching for a private sector high-flyer to take over the post.

JG issued a statement: "I have been presented as the person to take charge of the Countryside Development Agency. I was very publicly offered this job and I expected the people who offered me the job to see it through. The role with the company of which I am Chairperson is largely a "hands-off" role. I spoke to officials at the highest level before I was offered the CDA job. I feel sure that they knew about the nature of my other role".

This assertion was rejected by the officials of the Agency who insisted that the first they knew of the nature of the other job was after the appointment had been made. The Chairman of the CDA insisted that the Agency had not been told formally about the apparently executive nature of the other job, far less the need to have JG's name on an application form for the company's essential operating licence. He said at a press conference: "The whole pack of cards fell when he told me her/his name would be on the operating licence. It is astonishing behaviour by a senior executive. There was no fault on the part of the Agency."

The current position is that the Agency has made it clear that the offer of the post of Chief Executive is no longer open. JG has referred the matter to her/his lawyers and there is widespread press speculation that JG (already portrayed as a fat-cat) will seek to receive massive compensation from the public purse for 5 days of non-work.

The Deputy Chairman of the CDA, **Wilma/William Boot (WB)**, will attend the mediation, as will JG.