

**Incompetence in management**, Henry M. Boettinger believes, is a universal problem that is rarely recognized or addressed in an appropriate manner by executives.

Commenting on the following discussion of incompetence, Mr. Boettinger wrote: "I could not have written this article as a young man. One has to meet an unbelievably strange mixture of characters in management before the truth of excessive incompetence is believed.

"This revelation makes some cynical, too many resigned, and too few willing to combat it."

His article reviews some of the characteristics of incompetent managers, discusses some causes of incompetence and provides a framework for improving the skills and effectiveness of faltering managers.

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# The Nature and Treatment of Incompetence

By Henry M. Boettinger

Improvement of materials is a major thrust of our revolution in technology. New equipments, ranging from mammoth earthmovers to complex rocket systems and intricate microchips, are now possible because of the phenomenal increases in strength, precision, reliability and purity of the basic building blocks available to designers. Yet, the users, targets, and sometimes victims of their designs remain the same: individual human beings, whose mixture of talents and weaknesses, brilliance and ignorance, courage and fears is probably little changed since Biblical times.

Like technology itself, the growth in both scope and complexity of all the tasks necessary to the daily functioning of society has been relentless, but the accomplishment of these tasks has fallen short of even a satisfactory level. It is difficult to find any sector of business, government, education or culture where knowledgeable practitioners feel that things are under control and all jobs get done with efficiency, quality, speed and economy.

Where we once expected routine performance on demand, we now expect errors or delays of infuriating variety, often accompanied by excuses which shift the blame to other mysterious functions, or to outworn policies. To ask

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for non-routine, even when cost is of secondary importance, is to set out on an adventure of the unknown.

The consumer movement and associated species of ombudsmen have grown in fields richly manured by the frustrations and anger of those who feel themselves powerless against breakdowns in products and services now considered necessities of modern life.

What it all adds up to is a failure of organizations, large and small, public and private, to meet the ever-increasing demands placed on them. Since an organization exists solely to meet such demands, a chronic propensity to break down signals organizational incompetence. And since organizations are collections of human beings oriented to some purposeful achievement, we can infer that the failure of the whole organization to perform springs from deficient competence in the individuals who make up the organization. This diminution or lack of competence need not be solely the fault of the individuals themselves, but can be caused by absence of a supportive working environment, weak or perverse incentives, obsolete division of labor and functions, irrelevant selection and promotion criteria, poor supervision, inadequate training or preparation, outmoded tools and equipment and well-intentioned personnel programs whose results have been counterproductive to development of individual competence.

The following sets out aspects of the nature, causes and effects of incompetence which must be addressed by those leaders, at all levels of any organization, who are both concerned about the decline in performance and who are willing to take measures to arrest and reverse it.

Rewards can be great. While others continue to flounder, those who succeed in improving the responsiveness, operating efficiency and financial soundness of their organizations will become the new leaders. The others, disabled by complacency or inability to cope, will be condemned to diminishing roles in the economy and society.

### The Appearance of Ability

When we say people are "competent," we mean that they can meet the demands placed on them by their occupation, profession, position or trade. (Victorians expressed this as "a concordance between their responsibilities and their qualifications.") To practice some trades, a license from government is required as a guarantee to the public, at least of initial competence. In the performing arts, an audition assesses current suitability. Other occupations, including sports, which consist of highly personal craft skills, demand practical demonstration by candidates of their abilities to perform.

Wherever possession of requisite skill can be demonstrated on demand, there is little difficulty in distinguishing between the competent and the unqualified: set them a tough problem and watch what they do with it.

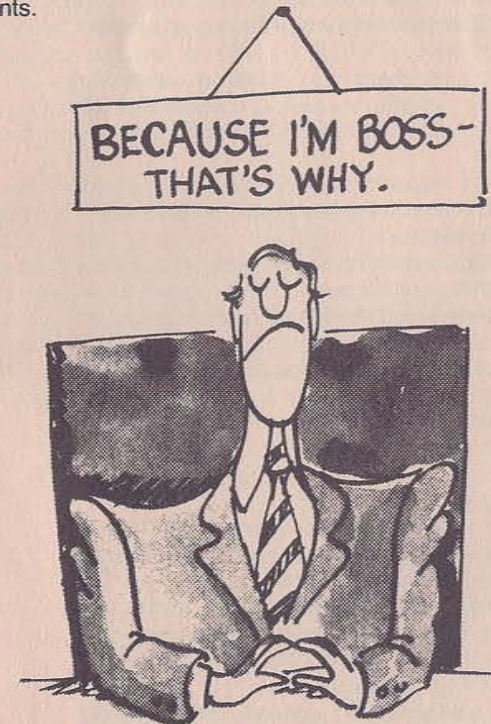
This is not so in many other fields where practical

demonstration of skill is impossible at the outset. Nearly all management, political, administrative and service jobs fall into this category. Here, references, paper qualifications and interviews are used for initial selection and furnish far less reliable indicators of true qualifications than those available to "demonstration" sectors of employment.

As persons in this area (and in the initially-licensed trades) make their way in careers, at some point many of them suffer a serious mismatch between their work assignment and their ability to do it. Here lies the genesis of incompetence. But failure is rarely recognized at this stage because those afflicted can camouflage their disability — even from themselves.

Also, there are now so many legitimate safeguards to protect all employees from arbitrary treatment and dismissal, that even when discovered and obvious, incompetence is difficult to prove (in a legal sense), or to correct by removal, demotion or forced retirement.

Incompetence can also be injected into an organization when a person is appointed for reasons other than ability to do the work, such as through favoritism, nepotism, "old school ties" and social affiliations outside the organization. These appointees not only mishandle the job and corrode the morale of other employees, but also enjoy immunity from the type of discipline that purges an organization of incompetents.



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### **Some Attributes of Incompetent Managers**

Characteristics of incompetents are usually quite obvious and are frighteningly familiar. They include:

- Constant emphasis on preserving the *status quo*: seeing every innovation or challenge as a disturbance to be resisted.
- Unwillingness to listen to any intelligence or information which runs contrary to existing prejudices.
- In confrontations, retreating to precedent, together with reliance on rank or position to overwhelm opposing views.
- Polarized attitudes: "Whoever is not *with me* is *against me*."
- Doctrinaire approach to matching individual cases to overall policy and, in general, a vehement adherence to "standard operating procedures" and reporting structures.
- "Courtier" behavior to superiors and tyrannical behavior to subordinates including calculated efforts to remain insulated from work forces.
- Refusal to deal with those of inferior rank from other organizations in solving problems.
- Keeping distance between themselves and projects of high risk.
- Avoiding controversies by appointing subordinates to deal with contested issues and hostile parties.
- Production of "covering" documents which can place blame on others in case of failure.
- Preoccupation with perquisites of rank at expense of performance.
- Appointment of persons most like themselves, rather than those best fitted for tasks, and subsequently, inability to admit mistakes in appointments.
- Assessment of highly competent people as more of a personal threat than a help to achieve group objectives.
- Tendency to recount accomplishments of *past* career when faced with *current* problems.
- When asked about performance, reporting instead good intentions and the expenditure of time and effort.

### **Persistence of Incompetence**

Once pockets of incompetence become lodged in an organization, they are surprisingly hard to eradicate. The incompetent have strong survival skills, and exploit sympathetic aspects of human character in their colleagues. They know toleration of incompetence often springs from inability to resolve conflicts between sympathy and duty to the organization.

When a once-effective colleague becomes incompetent, we may avoid dealing with his shortfalls, hoping that he will bounce back, or that similar indulgence will be shown to us if we suffer the same fate. This is especially so when illness is the cause. Loyalty to an associate also can mobilize efforts to cover up his failures.

It is extremely difficult to get fellow professionals in all occupations, except politics, to condemn or give evidence against one of their own number. Witness the reluctance of physicians, lawyers and other licensed groups to appear in malpractice or negligence suits involving a fellow practitioner — even one they may despise. Pressures to close ranks exist, one of which is the often-justified feeling that public exposure of one incompetent diminishes the reputation of the profession as a whole.

At higher levels, the exposure of incompetence is embarrassing. High interest throughout the organization puts it in the spotlight. Harmful publicity lowers morale. Most institutions, therefore, prefer to reshuffle the inept to positions of minor influence without demotion. Such appointments, however, merely shift the forces of incompetence. A new post, though hollow in content, can be used by the resentful to exploit privileges of rank to the point of nuisance and delay.

In the alternative, accelerated retirement and "golden handshakes" or "buy outs" of large magnitude can lower morale of subordinate forces and trigger media interest.

Another contributor to the persistence of incompetence is the massive inertia of reputation. Persons — and organizations — enjoy (or suffer) reputations built up over many years that are based on genuine past accomplishments or failures. Reputation changes very slowly, except in cases of widely publicized scandal.

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Thus, a person of repute may gradually become incompetent from obsolescence of skill, physical deterioration, diminished intellectual vigor or avoidance of risk, but his previous reputation will hide the truth from most who have known him over the years. As with certain schools, doctors and actors, people will still respect them because of myths, nostalgia or hearsay based on their past contributions.

When an eminent person or organization continues to make authentic contributions and enhance a deserved reputation, we witness one of the glories of our civilization, because it requires the highest competence to remain at the top.

In these manifold ways, the human virtue of sympathy, of gracious tolerance carried to excess, creates an atmosphere conducive to incompetence. On the other hand, ruthless elimination of incompetents, harshly administered, destroys morale by creating a fearful and insecure working environment. To reconcile the two drives of sympathy and duty is a never-ending challenge to those responsible for the continuous vitality of their institutions.

***The toleration of incompetence often springs from inability to resolve conflicts between sympathy and duty to the organization.***

#### **Incentives, Criteria and Incompetence**

To manage any organization, three fundamentals are needed: (1) determination of the purpose of the organization, (2) selection of criteria of effectiveness to judge how well the purpose is being carried out, and (3) arrangement of incentives which can motivate the organization's personnel to achieve the criteria.

If any of the three is deficient — or missing — there is no hope of managing effectively. In fact, such deficiency preordains mismanagement. Sophisticated methods put to the service of a trivial purpose produce management "kitsch" — all technique, no vision.

Even with a valid purpose, the criteria and incentives management selects are critical. How well they are designed and put into practical use determines an organization's performance throughout its life.

Consider this example of a perverse criterion of effectiveness or power. Assume the level and salary of a specific position is determined primarily by the number of people supervised. In this circumstance, any idea for improving productivity by using better tools and methods with fewer people obviously will be resisted. Managers' responses to suggestions for restructuring will divide those who stand to gain people against those who will lose them under the rearrangements.

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Similarly, we are familiar with the resistance of union leaders to technological change or restructuring if overall employment is reduced. This attitude is understandable because the flow of union funds comes primarily from members' dues. But farsighted union leaders, recognizing that artificially inflated employment levels could allow more efficient competitors to bankrupt their industry or firm in the longer run, tolerate productivity programs designed for survival. Such tolerance is most likely to develop in areas where competition is operable — both for unionists and the managers in general.

However, where competitive forces are minimal, as in civil service unions, resistance to improvement programs which reduce employment is pervasive. This problem has not yet been solved anywhere, and may account for the decline of productivity characteristic of our era.

While one can understand the union attitudes, resistance to improvements by managers would be irrational, except for the existence of perverse criteria for conferring salary, level and status. Thus intelligent action by managers under irrational criteria leads to irrational behavior. To the extent that status and pay are determined by size of work forces, we should expect resistance to any programs that diminish them.

A corollary to the number of people criterion is the prestige associated with the amount of budget allocated to an organization. If status declines with funds controlled, such a manager will greet with horror a suggestion from his staff that "We could do this job with half the money if we make some changes." He *should* resist, until his incentives are altered.

This suggests that it is far easier to alter behavior by altering criteria and incentives than by exhortation. To ask for improvements and keep rewards geared to measures contrary to the desired future course is mindless.

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**Since competence is defined as the ability to cope with assigned responsibilities, clear articulation of those responsibilities is essential.**

### Inspiring Excellence from the Competent

Every organization has variability among its components. Some areas are working well, others are in trouble. Some people are more competent than others. Organizational effectiveness requires that the more competent should be assigned to the areas of difficulty to challenge them according to their ability.

For first-class people to seek and take on troublesome areas requires powerful incentives indeed. Without such incentives, most will prefer to stay in the high-performance sectors, where average skill may be all that's needed for a satisfactory level, and where outstanding competence is wasted.

If appraisal is geared to simplistic rankings of performance, such as raw productivity and profitability measures, the best people will seek assignment to the front runners and avoid the problem sectors.

In this process, an extraordinarily competent manager of a component can become a menace to overall performance if his appraisal and incentives are geared solely to how well he runs his particular operation, with little regard for its effects on the rest of the organization. If senior management selects "every man for himself" criteria, *internal* competitive incentives receive excessive emphasis, and all energy for rivalry goes to beating colleagues. Should the organization face *external* competition, there will be little energy left from the internal battles.

In such cases, incentives must be altered to elicit internal cooperation that produces an overall competitive competence, the prime goal of senior management.

At the lower levels, incentives to produce growing individual competence in the relevant crafts and skills are required since they are the foundation of daily, operational excellence. Provision of training is a management responsibility, but how natural talent and experience are blended with training depends a great deal on individual effort.

Unfortunately, methods of compensation which uniformly treat everyone who reaches a satisfactory minimum level of achievement have replaced, to a great extent, older methods of recognition and compensation based on individual performance. Admittedly, there were many evils associated with the old "piece-work" compensation, but in curing those abuses with uniform pay scales, we now discriminate against the excellent and kill their desire to become better at their jobs.



### The Apotheosis of the Average

In the 1920s and '30s, a reaction against competitive modes in many aspects of Western civilization occurred. It perhaps derived from dissatisfaction with what has come to be known as "elitism," the system whereby those in command of the various sectors of society secured their positions by possession of certain privileges based on inherited wealth, birth in "ruling families," expensive or exclusive education or specialized training. Age-old resentments of the elitist system led to reforms aimed at opening up the "glittering prizes" of society to all members on an equal basis. The overall movement was labelled "egalitarianism." It remains the most powerful political and social philosophy of our time.

Over the years, the movement's goal has shifted from equality of opportunity to equality of rewards and conditions of life.

We pursue this goal by giving everyone the same education, by hobbling the gifted to the pace of the average and by making great efforts to remedy the deficiencies of the unfortunate. Inherent in this design for the "good society" lurks a hostility toward those with outstanding natural advantages (except in sport and entertainment). Extraordinary talent is seen somehow to be unfair to the ordinary majority and it is felt that were such gifts allowed free rein, we would end up with a "meritocracy," with all of the arrogant powers of the old aristocrats.

This is a true dilemma for those who want a society that's egalitarian but which is also a leader in economic and scientific progress. For egalitarianism in the extreme breeds mediocrity.

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Today, in a variety of ways, we use the average as our standard of performance. Since most people are near the average (by definition), real political power must be based on appeal to that average. Serious candidates for office seek identification with the average.

The rise of the anti-hero in literature and the commonplace in art reflects the rejection of character and taste too far above the average. Merchants of every commodity, from television shows to tea, know that commercial success is most likely to be found when they conform to the values of the mass markets and their trends.

There is nothing to quarrel with in this, since a people can build their society on any basis they like. But when they make a god of the average, they are discouraging the formation and growth of excellence and high competence. A society produces what it inspires. If we value conformity and conventional attitudes more than originality and creative risk taking, we will get them.

The inculcation of rigid regulations, procedures and practices in the minds of all recruits to any organization is designed to produce a reliable, average performance for the organization's routine work — an admirable aim. The danger of training for average performance of the routine is that the more competently the routine is handled, the less competently will the unexpected be dealt with.

Under modern conditions of technological and economic change, development of organizational competence requires flexibility, intelligence and judgment on the part of everyone involved, because *no one can think of all the possible demands, opportunities and events the organization will face*. If everyone must wait around until every deviation from expectation is sent back to the "geniuses" at headquarters for production of a new "rule," the organization as a whole must be judged as incompetent, whether it be a business, a church or an army.

Thus, anyone serious about improving the competence of both the people and the organization in his charge must first abandon faith in the false god of the "average." Dogma based on that faith can only produce mediocre management and average performance. Edward Gibbon once wrote, "The winds and waves are on the side of the ablest navigators." The winds and waves of a competitive environment, whether in markets, international relations, education or military affairs, demands that we secure and develop the ablest person for every job.

If management fails in this job, it fails in everything.

### **A Consensual Approach to Competence**

Information and thought are prerequisites of any program to improve competence.

Since competence is defined as the ability to cope with assigned responsibilities, clear articulation of those responsibilities in practical terms (not abstract aspirations) is essential. Consider this approach for successive layers of any organization.

First, explain that the program aims to encourage all involved to increase their personal abilities for the benefit of both them and the organization. Then, have all your subordinates privately write down what they believe the current mission and responsibilities of their jobs are. Write these down yourself, independently. (Show no patience toward the old-timer who says, "Everyone knows what I do — why should I waste my time on this?" If it is so well-known, it should only take minutes. If it is *not* well-known, the exercise justifies itself.)

Compare the two write-ups in personal discussion until all differences are reconciled.

Then ask for a write-up of the criteria or measures they would use to judge whether they are doing a superior, average or inferior job on those tasks. Again, do the same yourself, and compare your criteria and theirs in another personal discussion, securing agreement on how performance should be appraised. Next, ask for the incentives which motivate them to achieve the appraisal measures and *most importantly*, those which inhibit or prevent progress. Compare again with your own. Finally, ask for those obstacles, practices, policies, personnel or organizational weaknesses which stand in the way of needed improvements for carrying out their tasks and responsibilities, and compare with your own list.

When this process is complete (perhaps in a month or two), you will have an excellent framework of facts, beliefs and attitudes on which to build. In addition, the intense one-on-one involvement will furnish an unshakable base of knowledge for use in presenting programs for competence improvement to higher management.

To those who feel this process is all too time-consuming, the response must be that a highly competent organization could do it quite rapidly, while an incompetent one could never do it at all. To carry it out quickly requires good communications, mutual trust, shared purposes, positive morale and at least a latent desire for improvement. If any of these is missing, the exercise will indicate problem areas and reinforce the need for constructive action.

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### Some Guideposts to Success

With this map of "where we are" in hand, thought can begin on developing various alternatives of how to get to "where we want to be."

In this part of the program, the following ideas may be helpful. The greatest ability necessary to building competence is the ability to recognize ability in others. To sharpen this awareness, one can give great weight in appraisal to whether the manager (at any level) has at least one subordinate currently qualified to succeed him. The ultimate incentive is to forbid promotion of anyone who has none, showing the importance placed on continuity of competence. One attribute of incompetents is their fear of being displaced by someone below them. They take care to ensure that their groups contain only those content to be "under their thumbs," a recipe for the third-rate.

In general, people get promoted either by being "pushed from the bottom" or "pulled from the top." The first are more likely to be competent, as their reputation is built on the loyalty and performance of the people they lead. Those "pulled from the top" can include some fraction of sycophants, cheerleaders, or imposters who are despised by those below, but whose courtier skills have misled higher management. It is a rare organization which is innocent of such lapses in judgement.

Attitudes to initiatives taken by subordinates are indicators of competence. A wise manager once remarked, "There are two kinds of people I can't use: Those who can't do what I tell them to do and those who can't do anything else."

Discipline and initiative may appear contradictory to the incompetent, but they are actually complementary in the first-rate. To reward only those who "keep their noses clean" by avoiding all risks is to kill the impulse toward innovation and improvement.

Competent managers uniformly show great interest in the quality and character of those recruited at the entrance levels of their organizations. They know such youngsters are the prime source of talent for the management of the

future. Indifference to the future characterizes the incompetent, who usually delegate recruiting as a routine function beneath their concern.

An old maxim for management is: "You get what you measure," because the reports of performance measures indicate higher management's interest. If measures and reports do not exist for things said to be important, little effort will be expended on them until reports are initiated.

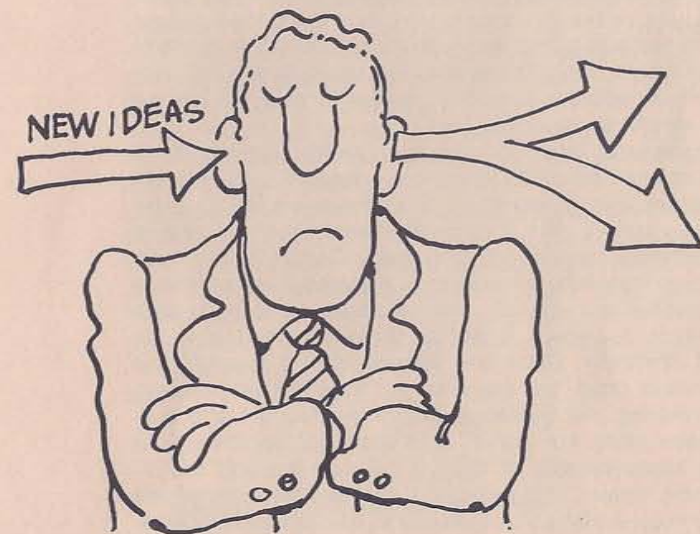
From excellent people, "You get what you recognize," and three powerful recognition symbols are pay, promotion and publicity. How these are distributed — and for what — broadcasts higher management's concerns and priorities throughout the organization.

Pay's importance lies far more in its recognition value than in purchasing power, as the timing and magnitude of increases are directly translated into relative appraisal of performance by all concerned.

Promotion sends signals of the types of behavior, attitudes and performance currently in favor by superiors. Appointment of those seen by the rest of the organization as unfit is the most severe setback for the development of competence that management can perpetrate.

Publicity covers all other forms of recognition, including medals, handshakes and news stories. Accomplishments singled out for articles in house organs, invitations to make presentations, television and film reports and visits by higher management or officials to the locations where superior performance is taking place rapidly communicate objectives and goals to everyone in the organization.

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### **The Triad of Improvement**

To improve performance in any organized effort, there are only three basic categories of action: (1) better training, (2) better leadership and motivation, and (3) better tools, equipment and facilities. Competent managers use all three continually.

Regarding training, people are usually capable of far greater things than they perform, and it is the function of training to turn latent capacity into practical ability.

As for leadership, the difference in performance between a group headed by a tired or cynical incompetent and an inspiring, supportive *leader*, sometimes seems miraculous. Spinoza's observation that "As long as a man imagines that he cannot do a certain thing, so long is it impossible for him to do it," applies to organizations. A competent leader has a vision of success, deep understanding of the skills and aspirations of his followers, and ability to combine them into purposeful activity. All organized accomplishment requires a vision of possibility shared by those who make it an actuality. True leadership lifts the sights toward new peaks of performance, and convinces people in the organization that they are capable of far more than they previously thought. Every area of history bears witness to the explosive power of creative leaders, and to the misery which attends their lack.

Improvements based on supplying better tools and techniques account for much of our past economic and scientific progress. But to transform new discoveries and knowledge into constructive forces for improving life is one of management's most demanding tasks. Competence in carrying it out requires simultaneous knowledge of what current activities are ripe for new methods, and up-to-date information on which potential developments could be applied effectively. Once new techniques are selected, the organization must be prepared to accept them through proper training and guidance during the troubles of transition. Reconciling the human and technical imperatives in making improvements of this kind is well beyond the incompetent. In fact, attitudes and responses to new methods and techniques furnish an acid test of management competence.

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### **The Drive for Excellence**

The task of increasing organizational and individual competence is a major challenge of our time. In achieving it, we will need to elicit and reward its emergence in every area of human affairs, and deal with incompetence wherever and whenever it holds us back.

It is a task not confined to those who head large organizations, though they will set the tone and atmosphere either hostile to or supportive of its realization. Every person who is responsible for the work done by other people has a contribution to make.

We cannot be content to bask in the glory of a predecessor's achievements, nor "rest on the oars" of our own past accomplishments.

Whether history records our era as one of renewed vigor, or as feckless and weary, overwhelmed by complexities, is in our own hands. The story will unfold through countless acts of managers, workers and organizations in every sector of society. Rediscovery of the ennobling energy which attends the drive for excellence could make all the difference.