

## A PILOT STUDY OR THE ICARUS FACTOR?

**'How the hell did he get that job?'** How many times have you heard people say that or even muttered it yourself? Like a bolt from the blue, an appointment is made, the patent unsuitability of which leaves us flabbergasted. So, why does it happen and whose fault is it? Quite simply it happens because organizations all too frequently confuse technical competence with managerial potential, mistakenly believing that a demonstration of the abilities, skills or habits necessary to perform one organisational function at one level is proof positive of a latent competence to succeed at a higher level. Sadly they learn too late that it's usually only in a bottle of milk that the cream rises naturally to the top.

Whilst studying I learnt about the Peter Principle, a little gem of wisdom, which seems to have disappeared from consulting talk and corporate boardrooms yet it is as relevant and prevalent today as it was when it was identified forty years ago. Formulated by Dr. Laurence J Peter in his book of the same name, the Peter Principle means that in a hierarchy every employee tends to rise – eventually- to his or her own level of incompetence. The practical application of the Peter Principle is how staff are assessed and considered potentially good enough for promotion based solely on adequacy of performance in their current job. Basically it means that people who are performing their job competently will in all probability be promoted and keep being promoted until they find themselves in a position they are unable to properly fulfil, at which time they will have found their resting place and stay put. They have in fact climbed the corporate ladder then come to a dead stop after reaching their individual level of incompetence.

We are so advanced in human resource applications these days that I would like to think we know better but as bizarre as it may seem it still happens in far too many organisations. Consider this practical example. The pilot who is outstanding in his job gets promoted to become Chief Pilot, the person in charge of all the other pilots. Sounds logical but ironically in spite of the job title, this is a non-flying function. So potentially this results in a double whammy for the airline - it loses its best pilot and gains an incompetent manager.

It's not that the employee becomes useless, it is just that the skills that made him a success (usually technical/specialist) are no longer of use in his new function at the higher level. The real problem with this approach to management succession is that the employee's performance at one particular stratum is used to predict success at another, higher level. But while jobs higher up the ladder may not be more difficult you can bet your bottom dollar they will be more complex.

But complexity is often ignored when considering a person's fit with the job – both the complexity of the role and the person's capability to handle complexity. When discussing an executive role with an employer the tendency is to describe the job in concrete terms i.e. number of staff to manage, sales targets to meet, strategic objectives etc. The discussion rarely gets down to how much abstraction is involved, the depth of uncertainty that has to be dealt with and how many years into the future does the person have to be predicting. Answering a question correctly is one thing, knowing which question to ask is another and being aware there was a question needing to be asked in the first place is something else entirely.

Most people do not recognise the difference between difficult and complex and in fact use the two words interchangeably. The origins of the word difficult are from the Latin prefix 'di' (not) and 'facilis' (easy) whereas the root of complex can be found in the Latin verb *complecti*, which means to 'entwine' or 'twist together', subtly different. This may be interpreted in the following way: in order to have complexity you need two or more components, which are joined in such a way that it is difficult to separate them and when things are intertwined or interrelated there are multiple different permutations that offer themselves up as possible scenarios or potential outcomes, all the time raising the level of uncertainty. To understand that there is a distinct difference between complexity and difficulty lets take the pilot analogy a step further. Think about a pilot's job. There is no doubt that it is difficult and proof of this is that you have to combine years of study with hours of flying time to qualify as one. Within the job the pilot has to remember a series of instructions and procedures but let's face it operating an aircraft has a 'how to' manual and one flight is not too different from the next. The pilot comes to work, is told which aeroplane to fly, destination, altitude, co-ordinates - even the runway is selected for him. The farthest he/she has to think is probably the duration of the flight or at most the next fortnight's schedule and in terms of the people he will come into contact, they are limited to the co-pilot, stewardess and air traffic controller. On the face of it all pretty practical, predictable and concrete really. Difficult, yes, but complex, no.

By contrast the CEO of the airline arrives at work to face a very different array of tasks. With more variables, a great deal of uncertainty and little predictability he has to deal with numerous stakeholders all with multiple agendas (competitors, executive board, customers, employees, unions, business owners, peers), track and respond to events which may be happening globally and affect the business and effectively oversee the entire airline and industry function. He is not told which direction to go in - he has to make that executive decision himself after taking all the variables and uncertainties into consideration and if he is not thinking ahead at least 5 years (time frame) or if he has got his thinking wrong, then the airline will likely be out of business and himself out of a job. Overall he operates in a world of uncertainty where issues and challenges are twisted together and intertwined. And that's why you should never take the pilot and promote him to become the CEO of the airline because the skills and competencies for these two jobs are poles apart. Think of the success of Virgin Air and the function of Richard Branson – at no time was he ever a line pilot!

The subject of complexity as a competency is rarely raised by management. But it is a significant missing piece of the jigsaw puzzle when trying to understand why certain executives with an impressive career history are failing to make success at the top. It frustrates the hell out of management boards because on paper (qualifications and experience) everything suggests that CEO should produce sterling business results – alas he does not and they are left wondering why. When your executive cannot deal with the level of complexity he has in effect been promoted to his level of incompetence and it is no-one's fault but your own.

To ensure that we don't appoint CEO's who can't deal with high level complexity we have got to change our approach to the selection process. Shy away from IQ tests for a start. English Psychologist Charles Spearman says 'intelligence has become a mere vocal sound; a term with so many meanings that it eventually has none.' And what is intelligence anyway? Ask that question and you will get a million different answers. And if that's the case one would need a million different tests to assess it. In reality it is all things to all people. To an Amazonian Indian, the ability to recognise a thousand different species of edible plants is a mark of intelligence; whereas to one brought up in our business culture, the ability to succeed in educational tasks and the manipulation of a technological environment is considered evidence of a person's intelligence. But none of this guarantees successfully delivering of an organisational vision in a territory which is changing rapidly and where you can hardly predict what's going to happen in the next week never mind the next five years.

We need to stop focussing on past behaviour to predict future patterns because the skills and abilities we displayed in the past are not necessarily the ones that will be required in the future. We must find ways to test how managers cope with uncertainty by putting them in a completely foreign environment where their skills, knowledge and attitude render no value and then see how they process information and survive. But in a controlled and controllable assessment situation – not by dropping them in at the deep end of the organisational pool and letting them, and the company, sink or swim.

Success in business is not about intelligence but about how you deal with the unknown. To succeed in business today you need a magic wand and a crystal ball - in the absence of those, better have a knack for dealing with the unknown, a grasp of all the complexities of the task both in hand and ahead and the mental agility to factor everything in and make your decision accordingly. Otherwise your business may well just Peter out!