

Twenty-five—Fifty—Twenty-five: Competent—Good Enough—Incompetent Leaders and Managers

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*... the base rate for managerial incompetence
in America is between 60% and 75%.*

*... the failure rate among senior executives
in corporate America has been at least 50%.*

*... incompetent management in the organization
was 60%.*

*... using data from a large aerospace organization,
estimated a 50% base rate.*

The fragmented quotation above shows parts of a paragraph from an excellent 1994 article in the *American Psychologist*, "[What We Know About Leadership: Effectiveness and Personality](#)," by Robert Hogan, Gordon J. Curphy, and Joyce Hogan. Recently, the Hogans joined Robert B. Kaiser in writing a chapter for the *American Psychological Association Handbook of Industrial and Organizational Psychology* (edited by Sheldon Zedeck; ©2010). The author's posted their book submission, "[Management Derailment: Personality Assessment and Mitigation](#)," on the Internet.

The later piece included a table listing "Estimated Base Rates for **Management Failure**" from 12 references. Studies had results ranging from 30% to 67%, with a mean of 47%, and median equaled mode of 50%. The raw data is: 30, 33, 40, 40, 50, 50, 50, 50, 55, 60, 67.

Data alone can be sterile unless it is used to provide insight into natural phenomena. Statistics should convey information beyond just providing a set of summary numbers and probability based estimates of significance. Mathematics is best used as a *tool* to provide answers and not to display esoteric mathematical elegance.

Practical questions need to be asked about numerical differences and hypotheses generated for future research to explain happenings. From the reports showing base rates of management failure, of interest is why there is a 37% spread (67%–30%) in results.

What is Leadership?

Bernard Bass stated one of the difficulties with assessing leaders and managers: "There are almost as many definitions of leadership as there are persons who have attempted to define the concept." This quote is from his *Bass and Stogdill's Handbook of Leadership: Theory, Research, and Managerial Applications* (3rd ed.; p. 11; ©1990). The last two decades has not provided further clarification.

Whatever the definition, I believe we can generally agree on ratings at both ends of the leadership and management spectrums. That is, unbiased observers can identify good and bad leaders and managers but there is a great deal of uncertainty in-between.

25-50-25 Rule of Thumb

[Wikipedia](#) defines: "A **rule of thumb** is a principle with broad application that is not intended to be strictly accurate or reliable for every situation." It is in this spirit that the 25-50-25 rule of thumb is proposed: ***Twenty-five percent of leaders and managers are competent and 25 percent are incompetent with the remaining 50 percent being somewhere in-between.***

I will borrow a phrase from the noted pediatrician and psychoanalyst Donald Winnicott and call the middle group "good enough" managers. Many between the superstars and the total disasters are sufficiently adequate in most situations. Not everyone can access or afford the best but every effort should be made to avoid the worst. To accomplish this, there needs to be an *awareness and acceptance* that a large percentage of incompetents exist.

Many people are inordinately impressed by titles, education, degree source, pedigree, present holders of powerful positions, and a host of other reasons, besides actual performance in a job. Several things provide a leg up in the hiring situation, so it is necessary to honestly evaluate actual performance on an ongoing basis.

Acceptance of the high probability of incompetence could help hiring agents more quickly admit they made a mistake. I have served with nonprofit board members who made excuses to me for CEO misfeasance because they—and I—hired the person. Hiring mistakes are made and need to be expeditiously recognized and remedied.

Awareness Is Key to Rectification

Incompetents have an ability to attain and retain high positions. There is little chance they will realize much less admit their limitations. Consider the many self-justifying books that are written by failed political, military, and corporate leaders. Unfortunately, it is not only partisans that perpetuate the myth that those in charge know what they are doing.

Supporting their delusion are the many who idolize people in special places, such as "leaders" and celebrities. The aura surrounding command mesmerizes blind followers. Many do not question competence because they operate on the often erroneous assumption that the person who occupies the position—and acts like he or she belongs there—could not be a fraud.

Service on all sorts of nonprofit boards affords many people the opportunity to serve constituencies beyond their family. This entails an individual responsibility to choose chairs and executives of organizations to direct policy, oversight, and operations. Each person has a moral duty to assure that the so-called leaders are at least not from the bottom tier.

This gets to the value of this 25-50-25 rule of thumb: ***Awareness***. Everyone is in a position to consider if a person they hire is competent, be it a lawyer, doctor, plumber, electrician, or other serviceperson. Also, in America, all citizens can vote and need to choose wisely.