



Managing incompetence (in yourself and others)

By Pierrette Desrosiers, psychologist and coach

When we ask for advice we assume that the person we are asking is knowledgeable because of the position they hold. This should be all the more true because the higher this person is in the hierarchy, the more competent they should be. After all, weren't they promoted into this position?

What, however, if sometimes we're wrong about that assumption?

The Peter Principle holds that employees tend to rise through the ranks until they reach their ultimate levels of incompetence, and that, over time, every position will be filled by someone who is incompetent to carry out those duties.

But does this well-known management principle apply only to employees, or are entrepreneurs also victims?

Statistics show that 70 per cent of family businesses do not survive into the second generation and 90 per cent do not make it into the third.

This phenomenon could be partly explained by the Peter Principle. But how? Two important points show how those running a business may, theoretically, eventually reach their levels of incompetence.

1. The Peter Principle as it applies to consultants: If we assume that certain "experts" have reached their level of incompetence and that these same experts have advised entrepreneurs on their development, it is easy to understand how they have contributed to entrepreneur incompetence and have led them to make poor business decisions. I have met entrepreneurs who have been told by "experts" what they should do, or what would be good for them. These experts, however, miss many pieces of the puzzle. For example, they could tell you that you should expand because you have

the equipment, the land, or because it is the future, without knowing anything about your tolerance to stress, your health, or the skills that you need in order to be successful with that new business model. Or they could be completely unaware that your partner suffers from bipolar disorder and how that affects every aspect of your life. Finally, many "experts" may have financial interests in your business development.

2. The Peter Principle as it applies to the entrepreneur: The director of a business will also tend to rise to his level of incompetence, because it is human nature. We humans suffer from an "egocentric bias," a concept that makes us think we are better than we actually are. In order to feed and protect the ego, humans generally tend to overestimate their skills and, at the same time, underestimate their weaknesses.

Anyone who starts a business is convinced that it will succeed, just like 100 per cent of the people who get married are also convinced of the success of their marriage. To succeed, some self-assurance is needed, but when it becomes unrealistic, it leads inevitably to a fall. A balanced assessment of strengths and weaknesses is indisputably the best measure of success.

What is the secret to protecting yourself from the Peter Principle and controlling the damage it can cause?

- Surround yourself with devil's advocates, people who are able to confront you and challenge your ideas.
- Regularly ask for feedback on your strengths and weaknesses.
- Accept constructive criticism.
- Limit the amount of risk in a project.
- Have a plan B.
- Ask others: How can I be a better manager, leader, boss or associate?
- Accept that you cannot know every-

thing and that, from time to time, you need people who are more experienced and stronger than you in other areas.

- When you are convinced of something, ask yourself what the consequences would be if you were wrong. Could you live with this consequence?

Peter Principle protection for consultants includes:

- Use advice from consultants in moderation. Take some and leave some.
- When a decision is important, consult with more than one expert.
- Keep an open mind but think critically.
- Ask what the consequences would be if the other consultant was wrong. Could you live with this consequence?

Remember:

- What works for your neighbour may not work for you.
- There is often more than one solution, and none are perfect or miraculous.
- When you meet experts who say they are the only ones with the truth, or that they know what is good for you, avoid them like the plague!
- Relying solely on consultants or solely on yourself inevitably has risks. Once again, the key is avoiding extremes. If you doubt the Peter Principle, just look at the way our managers manage us, how our politicians make seemingly good decisions, and how highly placed bureaucrats operate.

Then think about taking a peek at your neighbours. You will probably find several little "Peters."

Enjoy this food for thought! **CG**

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