



Contrarian **Edge**

Confidently Incompetent: Why Smart People Do Dumb Things

The question of why smart people do dumb things becomes critical when it comes to organization leaders. From the Challenger disaster to Enron, from Martha Stewart to the subprime mortgage mess, we see how “the smartest guys in the room” might as well be living on Pluto. Why do some leaders, perhaps even on your team, act with confidence, yet haven’t got a clue?

Research by Dr. David Dunning, professor of psychology at Cornell, showed that most incompetent people do not know they are incompetent. I call this *confident incompetence*.

People who perform poorly are often extremely confident of their abilities, more confident than people who do things well. And it gets worse: the ignorant that are so blissfully self-assured not only lack the skills required for competence, it’s these same skills needed to recognize competence in others. A confidently incompetent manager will likely not recognize strengths in his/her staff. Not only is their own thinking screwed up, they fail to develop competency in the brains around them.

Being aware of this research, the FAA requires pilots to listen more closely to others in the cabin during difficult situations. Medical schools are picking up on this model, training physicians to be less godlike and more inclusive of the thinking of others on the surgical team or nursing unit.

Rules to avoid confident incompetence:

- **Groups tend to make better decisions than the smartest individuals in the group 85% to 97% of the time. Thus, the physician who asks on which side**

the mastectomy is to be performed does a better job of protecting the patient.

Groups in total have more knowledge, facts, a broader perspective, and consider more alternatives than do even the smartest individuals.

- **Top-performing groups encourage everyone’s input. Says the Italian proverb, “the Pope and the peasant know more together than the Pope alone.”** McDonald’s Ray Kroc put it this way: “None of us is as smart as all of us.”
- **Create a climate that is genuinely open to new/different points of view.** Recognize that people outside the group have valuable input and that open systems avoid not-invented-here thinking.
- **The smarter you are, the more you will ask questions.** David Packard, inventor of the phrase MBWA, made it a daily practice to check his thinking by asking around.
- **Force high-functioning individuals to slow down their thinking; focus their attention on the process of thinking.** In places where physicians are using computer-assisted diagnosis, they are being forced by a system to re-examine and rethink alternatives.
- **Because high achievers (and that includes most health executives) tend to be blindsided by their success, feedback on actual performance becomes essential (e.g., 360-degree evaluations).** When people can safely tell the emperor he has no clothes, he might be saved from embarrassment.
- **Always ask where the sure thing would fail if the impossible happened.** The story

of Achilles’ heel was an illustration of hubris, often the core of ancient Greek tragedies.

- **Require a pro/con discussion format in meetings, and assign the role of devil’s advocate.** Beware the trap of groupthink. Encourage risk-free exploration and thinking outside the box.
- **Adopt an approachable style—make it easy for those around you to “speak truth unto Caesar.”** Work on a first name basis, reward for those who catch errors, and ban barriers.
- **Smart people should s-l-o-w down their thinking and recognize the magnitude of the problem they are solving.** Can I reposition quickly/easily if I’m wrong? If not, slow waaay down. In healthcare, lives depend on it.

So what does all this have to do with running a health organization? The caveat is clear: The human condition is that all of us are both competent and incompetent. All of us know a lot about a little bit, but we are 99.9% ignorant. As I write this, I realize that my last 20 years of work resides on a single small hard drive containing less than 100 GB of data, and things I didn’t create occupy most of that space. So be both proud of how smart you are, and aware of how tremendously vulnerable your decisions.

Clay Sherman, drclay@GoldStandardManagement.org, is the author of Gold Standard Management and Creating the New American Hospital. Clay provides extensive free resources of organization high performance materials at www.GoldStandardManagement.org.