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COMMENTARIES

The Executive Job Is Kaput

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My intent here is not to quibble about Hollenbeck's claim that the executive selection decisions made by psychologists are more often, if not usually right, as compared with the ''often, if not usually, wrong'' decisions made by managers (Hollenbeck, 2009, p. 131). I think he is ''right.'' My aim is to side with ''others who may hold that the high failure rate reflects the fact that executive jobs have become so complex that success is hardly an option'' (Hollenbeck, 2009, p. 141). I believe executive jobs in most large organizations, and especially the ones that compete globally, have become not only too complicated but also obsolete. In addition, I believe the situation is going to get worse. The traditional executive role in big organizations is becoming too hard for mortals, and improved selection will not solve the problem.

I should also point out at the start that this is a performance issue that cannot be mitigated with customary executive coaching, training, and educational solutions. A survey conducted by Development Dimensions International shows that the development programs in most organizations are simply not effective (Howard & Wellins, 2008; see also Kramer, 2008). One might assume these findings are consistent with Hollenbeck's contention that character is a primary factor in executive success. Because character is composed of stable characteristics that are ''stamped'' in, episodic training and education will do little to change what has already been ingrained. However, one can also conclude executive jobs are becoming so complex that no amount of education will ever be sufficient. Khurana's (2007) extensive research suggests the problems of management may also be beyond the solutions that university-based business programs can provide in their current forms.

Consider the issue of complexity. Because good judgment is the basis for good leadership (Tichy & Bennis, 2007), it follows that good knowledge is the foundation for good decisions. Looking over any collection of reported organizational successes and failures, it seems clear that executive decision making is always a key determining factor. In the face of highly demanding situations, executives are inclined to adopt tried-and-true heuristics, tactics, and strategies instead of solutions that are more pertinent to the actual problems they face (Hambrick, 2007). I don't think low or moderately demanding situations exist anymore, and simple methods are not adequate for complex problems. In truth, the actual complexities of managing worldwide using traditional models are probably beyond the character, competencies, and competence of the more progressive managers as well—''it's virtually impossible for a small cadre of senior executives to accurately estimate the true costs and benefits of any complex strategic decision'' (Hamel, 2007, p. 201). Knowing

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what to do is deceptively difficult (see also Ansoff & McDonnell, 1990; Bossidy & Charan, 2002; Davenport & Prusak, 1998).

Improved knowledge and skill in the use of problem-solving tactics, however, is not enough. The bigger concern is the correct identification of strengths, weaknesses, opportunities, and threats at all levels. Hollenbeck acknowledges the ''flattening'' of the world (Friedman, 2007; Smick, 2008) is making situations more challenging for executives. Surely, anyone who has been reading popular business books and periodicals over the past several years has seen the recurring comments about globalization, the speed of change, decreasing product life cycles, increasing commoditization, escalating market segmentation, rising consumerism, burgeoning technological advances, and so forth. Competitive advantages are eroding more quickly than ever before, and most companies, as evidenced by pervasive financial and trade reports, are struggling to keep up. At the same time, the amounts, types, dispersion, and accessibility of business and technology information have grown enormously, and when these changes are joined with the other factors cited above, one can see that the circumstances for the top leaders in competitive organizations (and other institutions) have, indeed, become very difficult.

Executives are figuratively immersed in a turbulent sea of data and information, and largely because there is so much of it, they cannot grasp it adequately. And, because their resulting knowledge (i.e., understanding) is not sufficient, the strategic decisions they must make are too often not effective, perhaps ''dumb'' to some (Hambrick, 2007; Icahn, 2008). Admittedly, organizations have always required their executives to assess situations and make business decisions even though the complexities of their challenges are not sufficiently understood or appreciated. After all, being effectively decisive in the face of ambiguity is ''why they get paid the big bucks.'' Ambiguity, however, is a matter of degree and it may now be approaching the level of chaos for most executives in the large-cap global organizations in particular. Organizations in the context of the global environment are not simple ''linear systems,'' and as such they are subject to perplexing disproportionate effects (i.e., butterfly effects; Schneider & Somers, 2006) of a myriad of factors that simply cannot be grasped effectively by any executive or executive team.

As Brazil, Russia, India, and China continue to emerge, the sea will surely grow larger and become even more agitated. It appears the problems of just surviving are a supreme test for even the best executive teams. Sustainable success, therefore, is probably only a top manager's pipe dream in a complex, traditional organization, ''hedgehogs'' notwithstanding (Collins, 2001).

A few scholars have contended since the late 1980s that new models of managing were needed (Grant, 2008). It was recognized then, and it has become much more broadly evident now, that the traditional efficiency-oriented, hierarchical, top-down management practices formalized by Taylor, Fayol, and Weber nearly a century ago are neither adaptable nor innovative enough for contemporary business challenges. Over the same period, the Wright brothers' airplane has advanced to vehicles that can exceed the speed of sound several times over and transport probes to other planets. This discrepancy between the progression rates of the management paradigm and everything that must now be managed is putting executives in worsening maladaptive situations, and the extent of the dysfunction likely increases as one proceeds up the hierarchy in most large organizations (Daft & Lewin, 1990, 1993; Everybody's doing it, 2006; Hambrick, 2007; Walsh, Meyer, & Schoonhoven, 2006). Some observers have suggested contemporary business and people management have devolved into practices that lack sufficient coherence to even be called a paradigm (cf. Daft & Lewin, 1993; Khurana, 2007; Kramer, 2008).

If we look at this situation through the lens of systems theory, it simply does not

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make sense to take an individual with character, competence, and competencies (to use Hollenbeck's recommended approach) and put a psychological seal of approval on placing that person in a role in which he or she is bound to do little more than get by. Moreover, if psychologists continue to take this tack while the gap widens between the management paradigm and the real-world challenges of managing and leading, the failure rates of the executives that psychologists endorse are sure to rival the current dismal results Hollenbeck attributes to managers, while the managers, in turn, see their results decline even further. If psychologists get a seat at the table, I doubt we will be allowed to keep it. In fact, there might not be a table much longer in many of the organizations that we call, our clients. The United States is gradually losing its competitive edge against the rest of the world (The Task Force on the Future of American Innovation, 2005).

Hollenbeck (2009) states we should make character our first priority in executive selection. Indeed, that approach should reduce the number of executive failures, but I doubt it will significantly improve the success rates of organizations or the country's overall competitiveness. Aside from CEOs, executives with character problems are usually readily observable and their toxic effects can generally be contained and corrected, or at least worked around. The performance of executives in obsolete roles, however, is a much more insidious issue. The impacts of their performance are much less noticeable (no individual stands out when the entire C-suite is involved), and their consequences are usually not evident for several months if not years. When these conditions are aggregated across several organizations, the impacts become detrimental at the macro level. According to the President's Council of Advisors for Science and Technology (2004, p. 6), ''in the face of global competition, U.S. information technology manufacturing has declined significantly since the 1970s, with an acceleration of the decline over the past 5 years.''

In considering the larger goals of executive selection, it would seem our profession is *obliged to treat* the problem of executive performance holistically. That necessarily entails making some long overdue contributions to the development of a Management 2.0 paradigm and new organizational models (Daft & Lewin, 1990, 1993; Hamel, 2007) while we scurry about and try to buy time with new and improved assessment and selection practices. No one knows with certainty what the next paradigms will entail, but early indications from case studies provided by Hamel (2007) suggest the successful organizations and management teams of the future will be designed to:

1. instill a shared sense of purpose and community centered on constant innovation—a sense of mutual obligation and dependency for continuous adaptation and improvement;
2. leverage and exploit, rather than control, the innate/inherent collective wisdom of employees; and
3. enable influence (power) to move quickly to, and be exercised by, whomever has the best ideas, the best potential contributions, to the ongoing survival and effectiveness of the organization.

These certainly are not new ideas. Deming (1988), for one, was espousing similar ''points'' based on his work with Japanese manufacturers beginning in the 1950s. Anyone familiar with Toyota Motors Corp. will recognize the three points above are highly consistent with the way that company is organized and managed. The approach certainly loosens the ''coupling'' between executive and organizational performance (Hollenbeck, 2009, p. 149), but it also improves organizational performance. History shows the Japanese managers *understood* the *information* Deming and others (e.g., Shewhart) provided; most U.S. manufacturers ''didn't get it'' until their market shares were significantly eroded.

At the risk of sounding shrill, let me iterate that I agree psychologists are, indeed,

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better than managers at identifying individuals who can satisfice the demands of traditional executive roles. I am also optimistic executive selection decisions will improve in the isolated instances in which psychologists are involved and aided with the advanced procedures that Hollenbeck recommends. However, if trends continue, I suspect these successes will be short lived and certainly not optimal against any ultimate criterion such as ensuring consistent long-term returns for stockholders, much less the greater challenge of ensuring sustainable contributions to society. No amount or combination of character, competencies, and competence will be sufficient to enable executives to thrive in increasingly maladaptive and obsolete roles.

I hope more scholars become interested in this issue. We need more research on organizational design, and we need to fix executive jobs.

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