

## When promotions can be harmful

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The phenomenon where an employee reaches his/ her ineptitude level after a series of elaborate promotions is known as Peter Principle. Managers with exceptional managerial skills may lack even the basic leadership skills. Therefore, when they get promoted to leadership roles, they fail to perform.



Pallab Mishra (name changed) had been a consistent performer for most part of his career. This ensured him promotions at regular intervals and he was moving-up the hierarchy fast. Then it happened! He reached a position where he could not perform well anymore. He reached his ineptitude level.

This phenomenon, where an employee reaches his/her ineptitude level after a series of elaborate promotions is known as the *Peter Principle*.

Peter Principle was formulated by Dr. Laurence J. Peter and Raymond Hull in their book called "The Peter Principle" in 1968. This principle says, "Employees tend to rise to their level of incompetence." Based on a common observation in organisational hierarchy, this principle states that most employees get promoted till the time they perform, eventually reaching a position where their skills are rendered redundant.

Managers with exceptional managerial skills may lack even the basic leadership skills. Therefore, when they get promoted to leadership roles, they fail to perform. A common problem faced by a number of organisations. At one of the recent panel discussion organised by TimesJobs.com called 'TimesJobs Conversations', Richard Rekhy, CEO, KPMG, highlighted the similar issue "We build great managers who are very good at doing their jobs but they are not good leaders."

In an exclusive interview with TimesJobs.com, Aditya Narayan Mishra, President - staffing and marketing director, Randstad India Ltd, highlighted some of the sectors and functional areas prone to this phenomenon. "There is a higher probability of this phenomenon happening in functional areas where assessment is based on qualitative measures rather than hard facts.

Also, this principle is also prevalent in organisations following a hierarchical model and firms where promotions are given based on parameters like tenure, academic qualifications, loyalty, rather than their competency and achievements."

According to **Bhavishya Sharma, Founder, Athena Executive Search & Consulting**, this kind of phenomena happens mostly in elaborated and large hierarchical organisations. It cannot be witnessed in flat or smaller organisations. This principle is more prevalent in industries like consultancy, financial services agency firms, service sector and media, where the frequency of promotions offered is very high.

Mishra also shared some of the strategies implemented by their organisation to overcome this phenomenon. "Our people assessment is based on robust processes and objective targets. As a healthy practice, we enable employees to have internal mobility, where upon they can take up new roles. Apart from providing these opportunities, for them to perform well, required training is also provided. Through these initiatives, we can keep Peter Principle at bay. Talent review and development is a very critical piece in our HR strategy."

Sharma highlights an interesting strategy implemented within their organisation to curb Peter Principle. They try to provide their employees with a wider play within their organisation. "We try to identify their strengths and create a role and develop new set of KRA's that are in line with their skill sets, rather than breaking our heads over the fixed roles and existing KRA's. Novelty is the factor which keeps us going forward."

Incompetent employees, posted at high-ranking profiles can prove to be highly detrimental for any organisation. Neither can they be further promoted, nor can they be pulled down to a lower profile. This creates a plug that blocks the upward hierarchical flow. Candidate with the right skill-set to handle such high ranking profiles are denied promotions he/she deserves because of an incompetent employee blocking that position. This dampens their morale and kills their motivation to perform. Although, this phenomenon occurs at higher positions, its effects can percolate down as well, unless countered effectively.

