The Peter Principle [1] by Laurence J. Peter was a best-selling management book in the 1970s and is still available today. You’re probably familiar with its central concept, which is based on the author’s observation that people tend to be promoted to their level of incompetence. That is to say, people who are successful tend to be moved up because they are successful, not because they are well suited for the job they are promoted into. As a result, people are elevated until they are no longer successful, and there they stay. If true, this would suggest that every manager is incompetent (which, though not uncommon, is certainly not the case with every manager).

Let’s take a look at the underlying notion—that people are promoted based on their success in their current position. In general, that still holds in most organizations. But I think that most companies are now savvy enough to consider whether the person is suited for the next higher position. There are some very talented engineers I would never promote into a management position, mostly because they aren’t well suited to manage people or projects. There are also talented engineer managers who I prefer would focus on the kinds of technical challenges that require their engineering skills. They may be able to manage a team, but it’s much more valuable to the organization for them to make technical contributions.

I once had a case where a relatively junior engineer complained that I had promoted another engineer to lead a group. The junior engineer’s main complaint was that the new manager wasn’t the most technically gifted person in the team. That may have been true. But there are a couple of things to consider. What were the added roles the new manager would need to take on? They were organizational and administrative. The new manager had those skills. I also pointed out to the junior engineer that I, as a higher-level manager, wasn’t the most technically proficient member of the team either. Fundamentally, I can say, with pride, that I want to have people cleverer than me to work for me. That gives me confidence in what they do and makes my work as a manager easier.

Outlier Cases
But what about people who go beyond the Peter Principle, people who aren’t particularly good engineers who are promoted to be managers? That’s okay, if they have the skills to be good managers. But if they don’t, the Peter Principle tells us that they will stay in their position forever—or, perhaps, until they somehow develop those skills.

What about a not very good manager who started out as a not particularly good engineer and keeps getting promoted to higher levels of management? At first, that may seem to be an example of the Dilbert Principle [2]. This theory was postulated by Scott Adams, the author of the Dilbert cartoon series. His observation is that
companies promote their least competent employees into management because that’s where they can do the least harm. I don’t think it applies in this case. After all, the manager keeps getting promoted. It certainly violates the Peter Principle. When managers are incompetent, they should become stuck at a certain level.

The answer may lie in looking at who makes the promotion decisions. Sometimes, there are close personal relationships that cloud an executive’s judgment. In this case, a senior manager may keep promoting a friend and be blind to the person’s level of ineptitude or willing to overlook the friend’s shortcomings. This reduces the effectiveness and performance of the executive’s organization and, therefore, of that individual’s own success. Despite this, the senior manager promotes the incompetent friend time and again. Perhaps the incompetence of the friend isn’t recognized, but it doesn’t seem that this could be so. The executive might bring in consultants to train and coach the manager. There may be glimmers of improvement but no fundamental change. Some people just aren’t suited for management jobs.

There are also people who are skilled at managing up. That is, they are adroit at pleasing their bosses but not at managing their employees. Take a bully. The bully berates and intimidates those in his or her charge. But the bully’s manager never sees this behavior. The bully takes credit for the workers’ accomplishments, and the bully’s manager sees only the accomplishments. The bully’s boss doesn’t notice the team’s low morale or the high rate of departures among the bully’s employees. I’ve seen a bully rise to a disturbingly high level in a corporation.

**Other Variables**

In a case that conflicts with the Peter Principle, I remember a general manager in a large organization I worked for. He had poor management skills. Prior to that job, he had been general manager with a couple of other organizations, and, after that job, he had a couple of others. He wasn’t very successful in any of these organizations. Some closed down as he left. Yet, once he had reached that level and had it on his resume, people assumed he was skilled. He was undoubtedly helped by his healthy ego and exceptional capacity to deflect blame onto others. Technically, he didn’t violate Peter’s maxim. He stayed at the same level. But I think, in spirit, he did go beyond the Peter Principle. He had demonstrated incompetence time and again, yet continued to get another chance.

Still, the Peter Principle should be taken seriously even though it’s not a hard and fast rule (perhaps it was more so in the 1970s). Today, most organizations objectively take into consideration a person’s suitability for a promotion, at least some of the time. But, as I’ve shown, some people are able to surmount the Peter Principle. They should be stuck once they’ve been promoted into their level of incompetence. Yet they manage to get promoted again and again. I suspect this was the case even in the 1970s.

If you are a manager, take this to heart. Consider a person’s suitability for the next position and don’t let friendship skew your judgment. If engineers are most valuable to the organization doing technical work, perhaps they should remain engineers and not manage. And most importantly, don’t follow the Dilbert Principle. Don’t promote incompetent employees into management thinking that’s where they can do the least harm. That’s where they can do the most harm.

**References**


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