

# The Power of Stupidity



by Giancarlo Livraghi

## Chapter 6 – The Peter Principle

Another basic text on organization problems (or, as the author called it, “the salutary science of Hierarchiology”) is *The Peter Principle – Why Things Always Go Wrong*, published in 1969 by a Canadian sociologist, Laurence Peter. After the success of this book, he wrote three more on the same subject, expanding the concept and also (ironically but not unreasonably) suggesting solutions.

Forty years later, his observations are still as useful as they were. Not only for studies of “hierarchiology” and organization diseases, but also for all people who wish to have a better perspective in their work and life. As well as, of course, whoever is trying to understand human stupidity.

*The Peter Principle* is so widely known that it is included in dictionaries as part of the English language.<sup>1</sup> But, proverbial as it may be, it is poorly understood, and even less applied, in the practical running of organizations.

Peter’s books, like Parkinson’s, combine an intriguing sense of humor with sound and serious thinking. They are as much fun to read as they are thoughtful, interesting and useful.

The Peter Principle says that people in an organization, if it’s driven by meritocracy, will advance to their highest level of competence and then be promoted to, and remain at, a level at which they are incompetent. When they are good at doing something, they are moved to something else, for which they are inadequate or unqualified.

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<sup>1</sup> It’s mentioned in many collections of “quotations”, with added variations and corollaries. It has been included (with hardly any practical effects) in some business administration teaching. In 1981 there was a board game called *The Peter Principle Game*. From 1995 to 2000 *The Peter Principle* was a television show, a BBC situation comedy. Etcetera.

Though this sounds a bit simplistic, it can be summarized as «*the cream rises until it sours.*» But while sour cream can be quite tasty, and healthy, this sort of “rising” is a recipe for poison.

It happens that a person, who isn’t stupid in a specific task, is moved to a situation where he or she becomes “stupid”, not in a general sense, but because of “incompetence” in a new role.

The result, as such moves multiply, is a continuing growth of incompetence (or *injelitance*) at all levels in the organization. And the competent people, who haven’t yet been promoted to their level of incompetence, are hindered in their work by reporting to those that are already there.

In one of his books, *The Peter Prescription*, in 1974, Laurence Peter re-examined the problem and suggested solutions, that of course are humorous, but may have some uncanny practical value. For instance he suggests that, when someone is getting close to the risk of incompetence, the way out could be some whimsical or unconventional behavior, disturbing enough to avoid promotion, but not so serious as to risk being fired (or “demoted.”) And so remain happily in the right place. <sup>2</sup>

Is it a joke? Yes. But it could actually work – and some lucky people enjoying their jobs may have done so without even being aware of it. Is this why many of the best people in all sorts of places have unusual (and often quite interesting) personalities?

There can be other complications in the reasons why people may want to refuse, or avoid, “promotion.” They may be afraid of, or embarrassed by, co-worker’s jealousy (this is almost a reverse case of *injelitance* as discussed in the context of Parkinson’s Law – chapter 5.)

There are also people who simply don’t want to be burdened with responsibility. That can be, according to the circumstances, wisdom or cowardice. But it has little, if anything, to do with the Peter Principle and with “why things go wrong.”

Peter’s teachings are often ignored, not only because they are uncomfortable, but also because people at the top of organizations don’t like to be told that they have been wrong in promoting their staff – or, even worse, that they are the ones who have reached the fatal level of incompetence. <sup>3</sup>

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<sup>2</sup> This is sometimes (rather improperly) quoted as *Peter’s Rule for Creative Incompetence*: «*Create the impression that you have already reached your level of incompetence.*» But that would be destructive, encouraging people to deliberately do bad work. In addition to a depressing decrease in job satisfaction, such behavior could lead to worse than “not being promoted.”

<sup>3</sup> A peculiar case is that of so-called “innovation.” In many businesses the most competent people were placed in “traditional” areas, where competition was more aggressive, while it was felt that in “innovative” sectors growth would be so fast that it would take care of everything – and as, anyhow, nobody really knew what was going on, they could be managed by less reliable people.

In February 2000 I wrote a short article on this subject: *Do androids dream of electric money?* [gandalf.it/offline/androids.htm](http://gandalf.it/offline/androids.htm) (if someone thinks that I was mimicking Philip Dick – yes, of course, I was.)

Have things changed much in following years? Not really. In some ways, they are getting worse. On the stupidity of technologies (and of the way they are understood and used) see chapter 19.

“The Peter Principle” has generated a number of “corollaries” and variations. Such as *The Dilbert Principle* by Scott Adams (1996) «*The least competent, least smart people are promoted to where they can do the least damage: management.*»

A few years ago there were quotations of something called “the Natreb Principle”, but it seems to have faded into oblivion. It said that «*people gravitate to the professions where their incompetence is most obvious*» or «*every profession attracts the least fit.*» That, of course, is an exaggeration. But things of this sort are happening on a distressing scale. The real question is: why are tasks, including some very important ones, assigned to people who are inept for the purpose?

The situation today is worse than it was when Laurence Peter defined his Principle. The concept of “merit” is more and more confused. People are “promoted” (or chosen) because of protection by oligarchic power, superficial appearance, intrigue and other reasons that have little, if anything, to do with “competence.”

Incompetence is promoted also by the overwhelming dominance of financial manipulation that rewards cunning trickery – or maybe a stroke of luck in riding the tide when the stock market is driven by a twist in large scale gambling.

The results are quite dismal for whoever is left with the task of picking up the pieces and trying to “put Humpty together again.” But in the meantime the lucky gamblers (when they don’t simply run away with the money) can be “promoted” far beyond their ability to manage a business or produce results in a real market.

To try to solve high-level incompetence problems, some management consultants are suggesting quaintly named maneuvers, such as *percussive sublimation* or *lateral arabesque* – that can be boiled down to an old notion, much more clearly defined in Latin: *promoveatur ut amoveatur*.

Incompetent people at the top, or high in the hierarchy, are “moved up” (or laterally) to roles of mere appearance, so that actual management can be left in the hands of those who have not yet been promoted above their competence. But this sort of expedient is only one of several reasons why stupid people are in important and “highly visible” roles. They are often placed at the top of the hierarchy by criteria that have little to do with merit and competence.

There are cases, unfortunately not uncommon, that go beyond the Peter Principle – such as promoting to a higher level people who were already incompetent in the role they had.

Another problem is the impact of mergers, acquisitions and concentrations, causing the loss of corporate cultures that had led companies to success, destroying their competence, expertise and dedication in doing something better than anyone else.

Many people are removed not because they are incompetent, but because in two or more merging structures there are duplicate roles (and also because part of the cost of acquisitions is recovered by cutting staff.)

In the steaming cauldron of the mixed up organization roles overlap and interfere with each other. Rewards don't go to the best qualified people, but to those supported by the winning faction.

Power games and office intrigue prevail on merit and quality. The best people, if they survive the ordeal, are often moved to roles in which they are less effective – and anyhow they are demotivated by an environment that doesn't reward good work. Appearance is worth more than substance, competence doesn't matter, the name of the game is struggling to stay afloat in murky waters.

This is how the Peter Principle combines with other diseases in the hierarchy game to increase and multiply the power of human stupidity.

A description of the book  
is online – [stupidity.it](http://stupidity.it)