Beyond the Peter Principle—Managing Successful Transitions

by Chris Parker and Ralph Lewis
Cranfield School of Management, UK

Laurence J. Peter, in his best-selling book, *The Peter Principle* [1], argued that individuals are promoted to their level of incompetence. He saw this progression as being typified by successive promotion from success at lower levels until the individual gets to a point where he is described as inefficient. The Peter Principle has been accepted because it described clearly and vividly the experience of individuals and of organisations, but we believe that whilst it is descriptively correct, it is only partially true in its conclusions.

In recent extensive research into “Managers in Transition to Senior Levels”, we have found that at a descriptive level, the Peter Principle does appear to operate but on going deeper into the process of Transition, there is a common psychological pattern associated with transitions. All individuals experience this pattern to differing degrees depending on the magnitude of change experienced.

The Peter Principle describes only part of that common psychological experience. Problems in promotion are not simply a question of individual competence; that’s too easy!

What are Transitions?

Adams, Hayes and Hopkins[2] define transition as “a discontinuity in a person’s life space”. They argue that sometimes the discontinuity is defined by social consensus as to what constitutes a discontinuity within a culture, e.g. accepted “boundaries” in a career transition. The navigation of this social consensus can be defined as “rites de passage”, i.e. coping with the rites and rituals which define the transition.

Another way of defining the transition or discontinuity is not by general consensus but by the person’s own perception, and as Adams et al point out, the two may not coincide. They argue that for an experience to be classified as a transition there should be “personal awareness of a discontinuity in one’s life space and new behavioural responses required because the situation is new, novel or both”.

Angela Bowey[3] argues that “the relationship between members of an organisation will produce patterns of action which may be identified as a transitory social structure, more or less stable according to the rate of change of role perceptions and objectives...the social and non-social items of structure, together form the behavioural structure”. We see promotion transitions as a change in the required “behavioural structure” as perceived by the individual and as perceived by the organisation. These may not necessarily coincide.

Research on Transitions

In our research in the Hotel and Catering Industry in the UK (sponsored by the HICTB), we have found that all individuals irrespective of their “competence” at lower levels, suffer transition problems on promotion. How well they survive these problems is not simply a question of competence, but a combination of competence, the degree of perceived change, the degree of self-knowledge and the support and guidance that is provided for them during transition. The degree of self-knowledge and support provided in transition is seen to be crucial. The greatest threat in transition is not the world “out there” but the individual himself, i.e. his self-knowledge and how he interprets the new system he has moved into.

Problems in promotion are not simply a question of individual competence; that’s too easy!

It is possible to help individuals move through this transition more smoothly. The Hotel and Catering Industry Training Board have sponsored a programme, “Moving Up, How to Handle Transitions to Senior Levels Successfully”, in which we have helped individuals beyond the Peter Principle. This is only part of the “Transition Curve”. After three modular programmes, there is evidence that people can move beyond the “incompetence phase” which is a natural feature of adaption to promotion. This is a feature which if accepted by individuals and organisations can be managed and overcome and not as so often happens, become a self-fulfilling prophecy.

Planning or training for promotion can do a lot to improve competence via technical abilities and general experience, but the real problems start for individuals when they actually sit in the new chair, and that unfortunately is when most training stops! No matter how well individuals have been prepared for the new job, they tend to form a “rosy positive picture” of the new position, and it is not until they actually start the new job that they begin to experience the negative aspects associated with it.

The old adage that there is no substitute for experience has a lot of truth; however, the “sitting by Nellie” approach can have a negative effect. This is true especially when it simply becomes fire-watching and fire-fighting with little time for reflecting on the experience itself! Even where there are succession plans and training, it would appear that in many cases because of business pressures and rapid change, there is little possibility of preparing adequately for change. In many cases there is little choice; people have to be promoted to fill gaps whether they have reached “competence” or not.
In the Hotel and Catering Industry, some sectors and levels of management are changing so quickly that there is little opportunity for substantial or even adequate preparation for promotion. A recent survey carried out by the HCITB found that in one major hotel group 43 per cent of their managers at all levels were in a particular job for two years or less. Our recent research across all sectors of the industry suggests that this is not untypical. This will probably also be the case for other fast moving sectors of the economy.

It is clear from our research that after substantial investment in individuals through training and development, many organisations operate a "sink or swim" philosophy at the point of transition. There are casualties because of this, both in terms of individuals taking too long to reach competence and those who fail to adapt to the new situation.

This "sink or swim" philosophy is probably dominant because it is what has happened to most managers in industry. Those who survived the process still carry the scars in one form or another. "If it was good enough for me, it's good enough for them!" This sink or swim transition practice is as efficient as a similar trial used for witches in the middle ages. It wastes money, time, previous investment in individuals and can act as a brake (sometimes permanent) on individual potential.

"Hold on", reply the old-hands. "The people you are talking about are big boys and we pay big boys' salaries; we can't and shouldn't hold their hands during transition. We might destroy the very flair and independence they were promoted for". This is partly true, but there is a great difference between a total holding of hands, and measured guidance at critical points in transition. In fact, after 35 field interviews, with interviewees ranging from Area Manager of hotel groups, up to Managing Directors of breweries and hotel companies, the evidence is that this "hands off" approach appears partially to produce the drop in performance and dependence creation it is supposed to offset.

The Transition Process

In the field research, we were guided by the wealth of evidence on "Life Transitions". The psychological processes associated with major life transitions would be similar to those associated with job transitions. The bigger the transition, the more clearly would the process resemble, for example, the impact of a major life change like marriage on an individual. Adams, Hayes and Hopkins book Transitions[2] provided the structure for our fieldwork and we have found that their seven-stage life transition curve is indeed applicable in job transitions with some alterations. The transition curve is a simple and powerful description of what happens to people at promotion. See Figure 1.

This curve has been confirmed in the fieldwork to date, i.e. 35 interviews. The time taken to complete the transition learning curve varies depending on the degree of perceived change. In our fieldwork all individuals had gone through substantial work transitions. The minimum time to reach a point where individuals felt "in control" was 18 months, the maximum time was four years. The average was between 2-2½ years. It would appear reasonable therefore to assume that no matter how competent individuals are at one level, they feel automatically "incompetent" at higher levels for anything up to two years and beyond in some cases.

This perceived incompetence does not always show itself in terms of a drop in performance: about 60 per cent of interviewees reported that performance dropped, the other 40 per cent reported that in terms of targets and turnover, they maintained the level of previous incumbents but felt they weren't doing as well as they and others would like.

Figure 1

The Transition Curve

1. Immobilisation
   Shock
   Overwhelmed mismatch between high expectations and reality

2. Denial of Change
   Temporary retreat. False competence

3. Incompetence
   Awareness that change is necessary. Frustration phase. How to deal with change

4. Acceptance of reality
   "Letting go" of past comfortable attitudes and behaviours

5. Testing
   New behaviours, new approaches. Tendency here to stereotyping, i.e. the way things should be done. Lot of energy. Begin to deal with new reality - lot of anger and frustration

6. Search for Meaning
   Internalisation. Seeking understanding why things are different. Not until people get out of activity do they understand their lives better

7. Integration
   Incorporate meanings into new behaviours

Beginning
of Transition

Time
This feeling of not doing as well as they would like was made worse, in the sample, by the fact that in most cases the only real targets that were set for individuals was to do better than the previous incumbent in the position, and this was quite unrelated to how good he/she had been. This is again part of the “sink or swim” philosophy, “lay down loose guidelines so as not to stifle initiative”, but the uncertainty this creates does actually stifle initiative in many cases.

**Stages in Transition**

**Stage 1:** Immobilisation or shock, a sense of being overwhelmed generally. The stereotypes brought to new positions do not match reality; they are far too positive. This first stage tends to be one of shock. This arises because the reality of the new job does not match up with what the person expected. Everything has to be seen in a new light, rather like changing from a seat in the stalls to a seat in the balcony, and being surprised that the view of the stage is different. Generally the previous view of the job is too positive; the limitations and difficulties that are there were not seen before. So Stage 1 may well bring immobilisation. The individual stops short and tries to understand what is happening to him.

**Typical Statements:**
- “What am I doing here?”
- “Did I really volunteer for this job?”
- “This isn’t the job I expected.”

**Stage 2:** Denial of change. Temporary retreat into false incompetence, minimise the change or trivialise it. There is a reversion to previously successful behaviour. This can be useful if it is temporary and is indeed often necessary to make sense of the new situation. It becomes dysfunctional when it goes on too long and inappropriate behaviour becomes dominant. People move out of this phase if they recognise in themselves that they have not got clear directions in the new position, or if they are given enough concrete feedback from people around them that they are not doing what was expected, and given support to move in new directions.

Individuals do stay at point 2 on the transition curve and this is what is described in the Peter Principle. They perform badly because their behaviour is inappropriate, based on past successful activities which do not apply in the new situation. There are individuals who survive at Stage 2, survive that is in terms of figures etc., but when they move on (and they usually do when the pressure to change becomes too great) individuals moving in behind them find that they have acted like “asset strippers”. Maintenance schedules will have been ignored and the infrastructure of units and departments, both technically and socially, will be dilapidated, because these individuals never get in touch with the reality of the new situation.

Individuals stick at Stage 2 and exhibit Peter Principle symptoms because they attempt to offset the inevitable depression that accompanies the realisation of a need for change in attitudes and behaviours.

**Typical Statements:**
- “In my last job we did it...”
- “This situation is very similar to my last job and we...”

**Stage 3:** Incompetence and depression. Flatness in performance. The individual feels as if he is floating, he is reactive and becomes incompetent because of the realisation of change. There is a lot of frustration and the individual finds it difficult to know how to cope with the new situation or relationships.

This phase is very necessary in the transition learning process as without the realisation of change, people can never move on and develop. Current values, attitudes and behaviours need to be challenged if people are to cope with new situations. However, “sink or swim” transition philosophies actually vitiate against this because individuals and organizations take the first signs of Stage 3 as the start of the sinking process. Individuals won’t share their current experience with others and organizations actively dissuade them from doing so. Any good swimming instructor will tell you that you need to experience sinking before the real motivation to swim starts to operate. Companies operating “sink or swim” approaches stop the real learning process from occurring, and actually bring about Peter Principle symptoms. They put a break on development, and stop the acquisition of wisdom.

**Typical Statements:**
- “I’m not sure what to do”
- “I’m confused”
- “Can someone tell me what is happening here?”

**Stage 4:** Accepting reality. Everything up to this point has been about hanging on to past values, attitudes and behaviours. There is an unhooking from the past, an acceptance of the situation as it is and relief and pleasure at letting go. There is a preparedness and willingness to experiment with change and an optimism for the future and abilities.

**Typical Statement:**
- “I can see where I was going wrong, now I’m going to try again.”

**Stage 5:** Testing—trying new approaches and behaviours. New ways of coping with the transition. There is a tendency to stereotype what they and others should be doing with quick changes of stereotype if inappropriate. There is lots of activity and a lot of energy, anger and frustration as testing progresses. It is precisely at this stage that mistakes are liable to be made. The individual wants to try new ways that might prove to be blind alleys. This behaviour tends to be encouraged and not, as so often happens, held against the person. It is only by experimentation that new effective ways can be found.

**Typical Statements:**
- “We should be doing it this way.”
- “It didn’t work, let’s try another way.”

**Stage 6:** Search for meaning, internalisation—a cognitive “head level” phase, seeking meanings of how things are different. An attempt to understand all the activity, anger and frustration. It is not until individuals have experienced anger, frustration and activity that they can make sense of what has occurred. This is a quiet reflective period. A time for sharing insights and meanings with others. Reflections on what has happened and the real meanings of the events that have happened and the values that have lasted or that have needed to be discarded typifies this stage.

**Stage 7:** Integration: incorporating meanings into new behaviours. This is the final stage. The transition is over. The sense of being involved in change goes and conditions appear to become stable. All the changes that have been undergone are integrated into the experience of the individual. He or she can expect to have developed new and better ways of dealing with the new job and consequently self-esteem may
Real problems start for individuals when they actually sit in the new chair, and...

Not all people follow this general curve and progressions and regressions are unique to his or her circumstances. As stated, people may never get beyond denial, another may even end up in depression. Yet another may experience a major failure just as things begin to look up and regress to previous stages. An “authentic transition” should follow the seven phases in order that individuals realise the potential for growth arising from any change.

Coping with Transition

Hopkins et al suggested that there are three transition coping styles. These we have confirmed in our fieldwork.

Reactionary: The individual denies any need for change, refuses to adapt and relies on previous (now inappropriate) behaviour. This is described by the Peter Principle.

Going Native: The individual throws off everything from the past, denies his past experience and wears the “grass skirt” of his new role. This can be as damaging to the individual as being reactionary through denial of the value of past experience.

Self-confronting: The individual approaches the transition with a well formed view of his own needs, abilities and styles and is prepared to adapt to the new situation as opportunities and constraints arise. This style will carry people “beyond the Peter Principle”.

The programme mentioned earlier is designed to produce a “self-confronting” approach to another’s may experience. The purpose is not to get rid of the transition curve but to help people manage the seven stages of transition successfully. This is through a blend of self insight, organisation and group insights and specific skills development to aid the transition. The programme is reducing the impact of shock, immobilization and depression, and moving people towards “testing” more quickly. The programme is a modular one of four days, one day and four days, spread over three months with action planning and reviews spread over the three months.

Individuals are reducing the time taken to reach competence by approximately six months with clear cost saving implications for organisations. They are also being “inoculated” so as to cope with future transitions. Participants are also given skills and insights to help people around them in transition. Simple knowledge of the transition curve itself has great impact. One individual commented “Thank God what I’m going through can be described and has happened to others, I thought I was going mad and no-one else had been through it—knowledge of the process itself has helped me cope far more effectively”.

A recent case study from our fieldwork will help demonstrate the transition process.

“CASE: Jim the Trouble-Shooter”

Jim had been with the Chadley Hotels for ten years. He started out as an Assistant Food and Beverage Manager rising to Food and Beverage Manager of another unit after 2½ years. While in this position he worked very closely with the Unit Manager and picked up enough experience of general management to be earmarked for the next available Chadley unit. Chadley bought a rundown property from a larger group and Jim was asked to take it on and “clean up the place”; this was after two years as Food and Beverage Manager. Jim was a very competent Unit Manager and enjoyed the “clean up” aspects of the job; it was a great challenge. Very quickly he had revitalised the two bars and two restaurants, got the staff in order and quality and presentation to high standards. The accommodation side took a little longer but with his flair and drive after 2½ years the Chadley Imperial was doing very well indeed.

Chadley Hotels were expanding rapidly, mainly through the acquisition of run down properties from larger groups. Jim had been very good with the Imperial and was asked to operate as a “trouble-shooter” to go into acquisitions, to carry out a clean up function and work alongside Unit Managers for as long as it took to get the units to a point where Unit Managers could take over with a reasonable chance of success.

...that unfortunately is when most training stops!

Jim loved the challenge this trouble-shooter function presented and took on six new units in three years working some of them concurrently and as his self-confidence and the individuals, depending on the degree of “clean up” required. By January 1980, Chadley had grown to a reasonable size and was split into two regions. Jim was working as troubleshooter in the South under a very competent regional director, Eric Johnson. However, the northern region was suffering under a likeable though not so competent regional manager, Bill Crane. The directors of Chadley decided that Crane had to go and the obvious successor was Jim. He had a wealth of experience, was a superb troubleshooter and would do the clean up needed in the Northern region easily.

Jim was offered the position in January 1980; it involved ten hotels spread throughout the North of England. He was delighted with this new position, the increased status, salary and a new Rover, despite the fact that he had to move to Leeds. He was interviewed in early August 1980—seven months after he started the job of Regional Director.

He was depressed, feeling isolated, was worried about his self-effectiveness and was having serious doubts about his ability to cope. So what had happened? To start with, the degree of responsibility had gone up dramatically and despite what others suggested his freedom and autonomy had actually gone down because there were far more people making demands on his time, and he was having to be far more concerned about the wider system. In his previous
They perform badly because their behaviour is inappropriate, based on past successful activities which do not apply in the new situation

His time spans had narrowed when they were supposed to have widened. His decision capacity was impaired through lack of purpose and a generally reactive style. His relationships with colleagues, superiors and subordinates began to suffer because of his self doubt. He was feeling the strain of the job more quickly, his resilience was diminishing and he was constantly worried about “losing face” because of the directive to “clean up” a whole region and yet he did not feel confident and competent about the new system he found himself in.

His previous style, behaviours, attitudes and even some of his standards were being threatened in the new role and these threats led to a realisation that he must change his views and behaviours. That realisation led to depression. When I met Jim he was at the point of saying “Either I change my ways or hand in my notice.”

Fortunately for Jim’s future development, and for the company, he has decided to change his ways and has now started a process of self-appraisal, with a little help, looking at the appropriateness of his past behaviours to the new situation, his preferred learning and management styles. Looking at what he needs to do to be effective in his new role, creating phased action plans for change is a vital feature of this process. What will follow from this phase of

“letting go” of past behaviour is a period of “testing” new approaches and ideas. In this period there will be a lot of anger and frustration, but this will be positive, out of which will come a new understanding of himself and internalisation of this understanding of Jim as the Northern Regional Director.

The trainer needs to be aware of the hidden costs and personal stresses involved in transitions

Jim’s case is typical of the 35 cases covered in our fieldwork so far. It appears that the average time taken for people to achieve a feeling of being in control after transition is 24-30 months.

Implications for Training

The implications for training in general are very clear:

1. For succession planning and training to be successful, it needs to go beyond the point of entry to the new job. People in Transition have entry problems in many cases, more severe than new entrants. New entrants are at least given a breathing space before they are expected to perform adequately. People in promotion transition are often not given this breathing space and this increases the pressures on them.

2. Promotion transitions if not managed can cost a great deal of money. The hidden costs, for example, are enormous. One managing director in the field work highlighted the case of two individuals who due to “promotion paralysis” had cost the organisation approximately £250,000.

3. Transitions to senior levels need to be managed even more carefully than transitions at junior levels because of these costs implications. Of course, for the trainer this will create more problems because of the difficulties in giving feedback and guidance to senior people—the training mode at this level is far more of a counselling model than classic training.

4. Organisations go through the same transition curve, as those who have been through mergers and reorganisations can testify.

At all levels, the trainer needs to be aware of the hidden costs and personal stresses involved in transitions. If he is, he can become a real strategic tool for moving people and organisations to new levels of performance and achievement.

References