

The Peter Principle and Being Ready for More Responsibility

By [Harrison Barnes](#)

The most important thing you can do in your work and in your career is to do what you know. It's fine to try new things. However, when you try new things, you need to be very careful that you remain focused on the things that you know and understand. If you venture outside of what you understand, you're likely to get into massive trouble very quickly.

People who do well in their positions are typically rewarded with more responsibility and a better position. Eventually, however, this position will exceed a person's level of expertise. This principle is called the Peter Principle, a theory originally conceived in the late 1960s by Dr. Lawrence J. Peter. Dr. Peter wrote: "In a hierarchically structured administration, people tend to be promoted up to their level of incompetence." In easier to understand terms, Dr. Peter wrote, "The cream rises until it sours."

The idea behind the Peter Principle is that, in many organizations, people are going to keep getting thrust upward until they end up failing at what they try to do. What does this mean for you? First, you need to be aware that by excelling at whatever you do, you are likely to advance. There is nothing wrong with this and it's healthy. However, you need to be ready for the next step. Second, the worst mistake you can make is to be thrust into a position before you're ready for it. If you aren't ready, it's wise to avoid taking on this new responsibility. Otherwise, you could get fired or worse.

Several years ago I started a magazine. At the time, our company had at least 100 people working in our headquarters and one day I held a meeting with various people from the company to discuss this magazine. We had hired numerous temporary people. We were doing a lot of work in the [student loan](#) business at that time and we had hired temporary employees who were paid not more than \$10 an hour to catalogue, mail, and complete other tasks when needed. One day, I grabbed one of these workers and several others and brought them into the office. At the time, I didn't know who the temp worker was. I just noticed he did not seem that busy.

"It's costing us over \$300,000 to get this issue out and we don't have anywhere near enough advertising running in this issue to break even!" I barked at the group.

I instructed the temporary worker that he needed to sell at least \$100,000 in advertising and he had three weeks to do it. Every day or so, he would pop into my office. One day he got an ad from Citibank. Another day he got a [law school](#) to advertise. I didn't listen to him, I just kept barking orders at him. The poor guy had never worked at a [job paying more](#) than \$10.00 an hour and here he was all of a sudden being given the incredibly challenging assignment of hustling up ads for an upstart magazine. He was uneducated and had applied to stuff envelopes.

As he sold ads, I started putting more and more pressure on him to sell even more. I started yelling at him and telling him he needed to "stop bullshitting" and "start closing." I banged my hand on my desk and told him stuff like "now is the time for action!" I gave him pep talks and walked over to him when he was cold calling advertisers and told him what he was doing wrong.

One day the guy disappeared. Someone came into my office and explained that he had applied to stuff envelopes. The guy had been turned into a [professional advertising sales person](#) over night. A funny thing happened after this guy disappeared. I hired two women who were professional [ad sales](#) people from another magazine. They were each paid \$50,000 a year plus commissions. After six months on the job, countless meetings, having hosted a major party for advertisers in New York City, and more, they had sold fewer ads than the guy from the mail room had in less than a month.

The guy from the mail room was promoted into a position faster and more aggressively than even his wildest expectations. This sort of thing happens all the time, however. It happens in businesses everywhere. Had he not been promoted, he might have still been happily employed in the mail room. Because he didn't say "no," he allowed himself to be thrust into a position beyond his comfort level and he failed. The thing was, he actually didn't fail in this position. He believed he was failing and quit. He was uncomfortable with the work but he actually did not fail. He did well and much better than the professional salespeople I hired later on.

One of my most glorious seasons in the asphalt business was the time I branched out. I did hot tar work, residential asphalt work, commercial asphalt work, asphalt patching, and parking lot striping. I also got into paving and started doing [commercial paving jobs](#). I purchased compressors to break up asphalt. I purchased a jackhammer. I purchased a dump truck and did a tremendous amount of work.

One day, I was doing a man's driveway in Grosse Pointe, Michigan. During the job, the man's wife didn't allow him to smoke inside so he smoked cigarettes outside and watched me the entire time. I was on my "evening shift" at the moment. I worked so hard in the asphalt business, frequently starting work at 5:00 or 6:00 in the morning, that around 4:00 many days I would drop off my exhausted crew and go out to do asphalt work alone. This was one of those days.

I am not sure what was wrong with me. I think I was trying to get market share. I had so much energy and enthusiasm for this work. It's hard to describe. In fact, there were times when I was doing some large commercial jobs that I literally did the work all night.

One of my favorite things to do when doing this work was to talk to the owners of the homes. At the time, Grosse Pointe had a lot of big homes with a lot of successful executives living in them. I loved speaking to these men and seeing what they did for a living, the struggles they'd overcome, and more. Since a lot of the work I did was between 6:00 and 10:00 in the evening, I had the opportunity to see lots of people, get to know the success secrets of a lot of people, as well as the secrets they probably would rather I not know. For the most part, however, what I learned was exceptionally helpful and useful information. I got to meet the [CEOs](#) and high-ranking executives of all the auto companies, and people who owned and controlled well-known businesses around Detroit and the world.

On this particular evening, the man smoking while watching me do my work explained to me that he owned a giant construction company that built small strip malls around Detroit. For me, jobs like this were great because they always ended up leading to even more work. I loved meeting business owners during my work in the evening because if they owned a business, I would do whatever I could to get this business as a client.

The discussion turned out well. The man was in the process of rebuilding a small building in a city called West Bloomfield, around 70 miles away. He asked me to go over and give him an estimate for ripping out the existing parking lot, building a giant divider going through the parking lot, putting curbs in, and striping the parking lot. It was a huge task he had in mind and I was certainly very enthusiastic about the entire job. The only problem was that I had never ripped up a parking lot, built a parking lot, or done any paving. I knew very little about paving at this particular point in my life.

"If you work with me, you are going to be very successful in the asphalt business," the man told me. It was clear from our discussion that I needed to ensure that I did a [good job](#) with this asphalt at all costs.

When I arrived at the work site to give an estimate, it was the most professional job I had ever been involved in. This was a large project and being very professionally run. There were foremen and various men in hard hats running around with engineering schemata. They sat me down in a trailer they'd brought to the construction site and reviewed various architectural plans with me. They spoke about things like "pitch" and "elevation" and "grade." I had no idea what the hell any of them were talking about.

"You say you want me to rip out the parking lot?" I asked.

They looked at me like I was crazy. The guys going over the engineering schemata seemed like they were engineers. Here I was, standing here in shorts with tar all over my face, and at the time was around 22 years old. It must have been a really sorry sight.

I gave an estimate of \$1,500 to do the entire project.

This estimate was insane. In fact, the estimate should have been more like \$20,000 for the entire project. I didn't know this at the time, however. I had no idea because I was doing something I didn't understand. My estimate was accepted and I was assigned a construction manager whose task became to call me every day until the work was done.

It must have been a sorry sight the first day I pulled up to the job. I had four guys driving a Chevy Suburban who were towing a small compressor behind the truck. I had another couple of guys towing a Bob Cat, which is a small bulldozer. I was driving a 30-year old dump truck that barely made it to the job site. When we got there, probably 60 or 70 other people were busy with various tasks involved in building. There were people in hard hats and people with engineering documents spread out on tables. The operation was very professional.

I directed my men to take the compressor and start breaking up the parking lot. I wasn't sure what else to do. For the entire day, we used sledge hammers and the jack hammer (which is why we had the compressor) to break away at the asphalt. We picked up load after load of the parking lot and put various pieces of it in the dump truck.

Around 1:00 in the afternoon, we broke a gas line underneath the parking lot with the bulldozer. It was a complete disaster. I still remember the worker lifting out the piece of asphalt with the gas line still attached to it, completely oblivious to the magnitude of what was going on. Because our work was such an unprofessional operation (my workers were doing things like dropping giant pieces of asphalt on their feet by accident then hopping around in pain) a small crowd of workers had gathered to watch us with expressions bordering on amusement and shock.

When we ripped up the gas line, though, everything changed. Men started screaming, someone cut all of the power to the building and there was so much commotion I didn't know what had happened. Some guy charged the driver of the Bobcat and practically knocked him out of the bulldozer. The fire department was called and within moments the gas company arrived.

Everything worked out okay after an hour or two. I was given a cell phone and it was the guy who had given me the job.

"You need to be more careful reviewing plans," he told me. "The gas line was clearly indicated there." The last thing I wanted to tell him was that I didn't know how to read plans. He told me that they would deduct the cost of redoing the pipe from the \$1,500 they were going to pay me.

That evening, as I was driving my dump truck back to where we stored all the equipment in Detroit (we called it "the Yard") I realized I didn't know where to take all of the broken asphalt. I figured there must be a dump of some sort where I could take everything. As I was driving down the streets of Detroit, I looked around me from side to side and realized that I was in Detroit. There was row after row of abandoned houses and lots. Mattresses and large piles of trash were on many of the lots. I took all the asphalt and dumped it in an abandoned lot.

When I got home that evening I realized that I had spent more than \$1,500 on the job already and I was also facing a deduction due to bursting a gas pipe. Over the next several days I spent thousands more on the job and eventually, like the guy in the mail room, I too did not show up for work.

I called the guy who had hired me:

"This is not a \$1,500 job and you know it. I have spent close to \$10,000 of my own money on this already. This is not fair and you are smart enough to know that I was not experienced enough to do this work and was not giving you the correct bid."

The man was unsympathetic. He did not care that I had made a mistake. I felt horrible about this for several years. I had never abandoned a job or quit something, but I had gotten in way over my head.

You want to be motivated. You want to succeed. You want to take on new tasks. But you never want to get ahead of yourself and take on work that you are not capable of. You sabotage everything when you do this. You end up losing your job or, even worse, your competence.

You want to rise but there is nothing wrong with only rising when you are ready and have a good understanding of the challenges before you. Don't take on more responsibility or work that you are not capable of before you are ready.

THE LESSON

Only take on more responsibility when you are ready for it. While it is fine to try new things, you must have a clear understanding of the challenges ahead of you; otherwise, you are likely to get into trouble when you step outside of your comfort zone. Don't get ahead of yourself and take on work of which you are not capable in your drive for success, or you risk sabotaging all of the hard work you've already invested.

