Six Sigma Kaizen

CORPORATE TABOOS

Leadership Failures We All See But No One Fixes

Issue #3

Stop Promoting People to Failure

— A Better Way to Reward Top Talent Without Breaking Your Team

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The newsletter for leaders who prefer honest diagnosis over comfortable denial.

The War Story

For four years, Rachel was the best account manager the company had.

Not the most senior. Not the loudest voice in the room. But when clients were frustrated, they asked for Rachel. When a deal was wobbling, Rachel stabilized it. When a new account needed someone to set the right tone from day one, the answer was always Rachel. She had an instinct for client relationships that couldn't be taught in a training — a kind of patient, perceptive intelligence that translated directly into retention numbers, upsells, and referrals.

So when the team lead role opened up, promoting Rachel felt like an obvious call. She'd earned it. She deserved it. And frankly, it was the only thing the company had to offer someone of her caliber. The promotion went through in March.

By August, three things had happened. Rachel's former client portfolio — now split among two junior reps — had seen two significant churn events that Rachel would have caught early. Rachel herself was spending her days in scheduling conflicts, output reviews, and a performance issue with one direct report she had no idea how to handle. And in a one-on-one with her own manager, she said something that would eventually find its way into her exit interview: 'I don't think I'm good at this. And I'm not sure I even want to be.'

She left ten months after the promotion. The company lost its best client manager and gained, briefly, a miserable middle manager. Nobody won.

> ***We promoted Rachel because it was the only way we knew how to say 'you matter here.' That's a systems failure dressed up as a reward.***

Name the Failure: The Peter Principle, Still Running Your Company

In 1969, Laurence J. Peter articulated what everyone in corporate life already knew but hadn't named: in a hierarchy, people tend to be promoted based on their performance in their current role — until they reach a role they're not good at. At that point, promotion stops. The result is an organization populated, at every level, by people who have risen to their level of incompetence.

Fifty-five years later, the Peter Principle is not a historical curiosity. It is running your organization right now. And the reason it persists isn't stupidity or malice — it's a structural design problem that most organizations have never bothered to fix.

> **The Core Design Flaw**
> In most companies, there is exactly one path upward: management. Individual contributors who excel are rewarded with a promotion into people management — a job that requires a completely different skill set from the one that made them excellent. Excellence at execution

> does not predict excellence at developing others, navigating organizational dynamics, or holding a team accountable through ambiguity. These are distinct capabilities. Treating them as the same is the root of the problem.

The skills that make someone exceptional as an individual contributor — deep technical expertise, meticulous execution, competitive drive, strong personal ownership — are frequently the same traits that make managing others difficult. The person who succeeds because they control every detail of their own work often struggles to let go of that control when the work belongs to someone else. The person whose excellence comes from speed and autonomy often finds the slower, consultative pace of people development excruciating.

This isn't a character defect. It's a job change. We just rarely treat it that way.

Why It Persists: The Three Drivers of the Promotion Trap

Driver	How It Works	What It Costs
The Reward Problem	Promotion into management is the primary mechanism for recognizing excellence and increasing compensation. If you want to keep a top performer, the reflex is to promote them.	Top individual contributors are pulled out of the roles where they create the most value. You lose their output twice: once when they leave the IC role, once when they underperform in management.
The Status Problem	Management carries more perceived prestige than individual contribution in most corporate cultures. The implicit message is that 'real' advancement means leading people.	Excellent ICs feel pressure to take management roles they don't want, to avoid being seen as stuck or unambitious. The organization's culture punishes staying where you're most effective.
The Assessment Problem	Companies evaluate candidates for management roles primarily on their IC track record. Management-specific competencies — coaching, conflict navigation, delegation — are rarely assessed before the promotion.	The first real test of management aptitude happens after the promotion. By the time it's clear the fit is wrong, the cost — to the individual, the team, and the business — is already high.
The Conversation Problem	Most leaders don't have explicit conversations with high performers about what they actually want from their careers. They assume that management is universally desired and act accordingly.	A significant portion of employees promoted into management didn't fully want it. They wanted recognition, compensation, and a sense of future. Management was the only available vehicle.

What It Actually Costs: The Double Loss

When an excellent individual contributor is promoted into a management role they're not suited for, the organization doesn't gain a manager — it loses a contributor and gains a problem. The double loss is worth spelling out explicitly, because leaders often undercount the cost of these decisions.

- The vacant IC role: whoever replaces the promoted person rarely replicates their output immediately, if ever. The ramp time for a new IC in a complex role is typically 6–12 months. The institutional knowledge that walked out the door with the promotion doesn't transfer automatically.
- The struggling new manager: a new manager operating outside their competence zone is not a neutral presence. They micromanage out of anxiety, avoid the accountability conversations they were never trained to have, fail to develop their direct reports, and often create more work for senior leadership than they absorb.
- The team effect: direct reports of a struggling manager don't just receive less effective management — they observe it. Morale drops. The strongest members of the team start looking around. A promotion gone wrong can hollow out an entire team within twelve months.
- The departure: when the promoted individual eventually leaves — whether pushed or pulled — the company has lost them twice. Once from the IC role. Once from the management role. And the institutional knowledge, relationships, and momentum they carried walks out both times.

> ***The cost of a bad promotion is rarely captured on a spreadsheet. It lives in the attrition data, the client satisfaction scores, and the quiet disengagement of people who were never managed well.***

The Better Way: Dual-Track Career Architecture

The fix is structural, and it requires genuine organizational commitment — not just a policy document that gathers dust. The core idea is simple: build two parallel paths to seniority, compensation, and status, so that management is one option for advancement rather than the only option.

Track 1: The People Leadership Track

This is the conventional management path — team lead, manager, senior manager, director, VP. It should be reserved for people who demonstrate genuine aptitude for and interest in leading others. The criteria for entry should include management-specific competencies, not just IC excellence.

Before promoting anyone onto this track, assess explicitly:

- Have they shown interest in developing others informally — mentoring peers, onboarding new hires, coaching?
- Have they demonstrated the patience and communication skills that managing underperformance requires?
- Do they want the day-to-day reality of management — the meetings, the HR conversations, the ambiguity, the slower pace of results?
- Have they had any management-like experience — a project lead role, a cross-functional team — where their instincts could be observed?

> **The Conversation Most Leaders Never Have**
>
> Before promoting anyone into management, sit down and ask directly: 'What does a great day at work look like for you in five years?' Listen carefully. Many people describe something that looks nothing like managing a team — they describe solving hard problems, owning a domain, being a recognized expert. That's not a failure of ambition. It's useful information. Build a path for it.

Track 2: The Technical / Expert Individual Contributor Track

This track allows exceptional individual contributors to advance in compensation, title, seniority, and organizational influence without taking on people management responsibilities. It exists in some form at many technology companies — Staff Engineer, Principal Engineer, Distinguished Engineer — but it's less common in sales, marketing, operations, and other functions where it's equally needed.

Done right, the senior IC track is not a consolation prize. It is a genuine, respected path with:

- Compensation that matches or exceeds the management track at equivalent levels of seniority.
- Titles that carry weight and signal expertise — Senior Specialist, Principal Advisor, Subject Matter Lead, Distinguished Contributor.
- Organizational influence — senior ICs are consulted on strategy, asked to shape standards, given a voice in cross-functional decisions.
- Visibility — senior ICs present at leadership meetings, represent the team externally, get credited publicly for domain expertise.

The test of whether your dual-track system is real: would a VP-track candidate seriously consider the senior IC track instead? If the answer is 'no one would choose that,' the tracks aren't equal — and the Peter Principle will keep running.

Assessing Management Readiness Before the Promotion

Even with a dual-track structure in place, the assessment problem remains: how do you know before the promotion whether someone will be an effective manager? The answer is: you create low-stakes opportunities to find out.

Assessment Opportunity	What It Reveals	How Long to Run It
Project or initiative lead role	Do they delegate, communicate progress, hold peers accountable without formal authority?	3–6 months
Onboarding / mentoring a new hire	Do they invest in others' development? Are they patient and clear as a teacher?	First 90 days of new hire
Cross-functional team coordination	Can they align people who don't report to them? Do they navigate conflict or avoid it?	Duration of project
Running a team meeting or standing in for the manager	Do they set agenda, draw out quieter voices, make decisions, close action items?	1–3 months of coverage
Structured 360 feedback from peers	How do peers describe working with them? Do they create clarity and trust, or confusion and tension?	Ongoing; formal 1x/year

The goal is not to manufacture hoops. It's to give both the organization and the candidate real information about fit before the stakes are high. Many people discover through these experiences that they love leading — and are good at it. Some discover they don't. Both outcomes are valuable.

When the Promotion Has Already Happened: Salvage and Recovery

Not every bad promotion is caught before it happens. If you're reading this with a specific person in mind — someone who was promoted and is now visibly struggling — the question is what to do now.

1. Name it early, privately, and without shame. The struggling manager usually knows they're struggling. What they need is an honest conversation that names what's happening without making it a character verdict. 'This transition has been harder than we both expected' is a starting point. 'You're not cut out for this' is not.
2. Separate the role from the person. The problem is often fit, not capability. A brilliant technical contributor who is a poor manager is not failing — they're in the wrong job. Framing it this way makes the path forward clearer and less humiliating.
3. Explore a lateral move as a genuine option, not a demotion. In organizations where individual contribution is genuinely respected, moving someone from a management role

back to a senior IC role can be positioned — honestly — as a win. The individual returns to work that suits them. The team gets better management. If your culture makes this feel like a failure, that is the cultural problem to fix.

4. Provide actual management training, not just feedback. Many struggling managers haven't been trained — they've been observed and critiqued. Concrete skill development in coaching, feedback delivery, and conflict navigation makes a measurable difference for people who have the underlying aptitude but not the toolset.
5. Set a clear timeframe. Open-ended 'let's see how it goes' conversations are unfair to everyone. Define what improvement looks like, over what period, with what support — and hold to it.

> **The Dignified Off-Ramp**
> The kindest thing you can do for a misplaced manager — and for the team underneath them — is to create a path out of the role that doesn't require them to fail publicly first. That means having the conversation early, framing the IC track as genuinely valuable, and not making the person feel they have to choose between a bad job and no job. Done right, these conversations produce relieved people, not resentful ones.

Quick Reference: Fixing the Promotion Problem

The Problem	The Fix
Single-track advancement forces everyone toward management	Build a genuine dual-track career architecture with equal compensation and status
Management promotions based on IC performance alone	Assess management-specific competencies before promoting: coaching instinct, patience, conflict navigation
No low-stakes testing of management readiness	Create project lead, mentoring, and stand-in opportunities before the formal promotion
The 'do you want to be a manager?' conversation never happens	Ask explicitly what people want from their careers — don't assume management is universally desired
Mis-promoted managers stay in role too long	Name the fit issue early, privately, and without shame; offer a dignified IC path back
The IC track is seen as a consolation prize	Give senior ICs visibility, influence, and compensation that make the track genuinely attractive

The Bottom Line

Rachel's story didn't have to end the way it did. With a dual-track system in place, she could have become a Senior Account Principal — a title that carried weight, a compensation package

that reflected her value, and a role that kept her doing the thing she was extraordinary at. The two junior reps whose clients churned after her promotion would have had better accounts to learn from. The team lead role would have gone to someone who actually wanted it.

Instead, the company treated 'promotion to management' as the only vocabulary it had for 'you matter here.' That's not a Rachel problem. That's a systems problem — one that most organizations are still running, at scale, without noticing the cost.

The best thing you can do for your top performers is not to promote them. It's to understand what they actually want from their careers, build paths that get them there, and reserve management for people who have the aptitude and desire to lead — not just the tenure and the numbers.

Your organization's ceiling is set by how well it deploys its best people. Right now, how many of them are in the wrong job?

> **Coming Up in Issue #4**
> Incompetent Leaders in Critical Roles — When Your Boss Is In Over Their Head. Everyone knows it. No one says it. The team compensates, works around it, quietly carries the load while the leader above them takes up space in the org chart and meetings. Next issue: why this happens, how to survive it, and what organizations can actually do about it.

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Forward it to someone who needs it. You know who they are.