

The Actuarial Ethicist: Jam Sandwich Correspondence

Just read the discussion of the May 2011 Actuarial Ethicist Jam Sandwich case study in the August 2011 issue of *The Stepping Stone*.

I wanted to point out that in the first paragraph of the section labeled “Managing Up”, it’s noted that Rick’s promotion created an opening for Charlie, so “Rick must be doing something right”.

Going back to the Peter Principle, many of us have known people who were promoted to their level of incompetence. In this case, Rick’s technical skills may have gotten him promoted to a level that requires people and relationship skills that he hasn’t developed yet.

Just a thought that we should not assume that Rick’s promotion is confirmation that he’s doing things right, particularly in his new role. He may be at the point where he needs Marshall Goldsmith’s book, “What Got You Here Won’t Get You There”.

Thanks for investing the time to develop the scenarios and read and summarize the responses. This is an excellent series of articles, part of what I like about the M&PD and *The Stepping Stone*—very realistic, practical, usable advice.

Keith Hartsough, FSA, EA
September 24, 2011, via email

TAE’s Note: There may have been a tinge of irony in the discussion article’s comment about Rick’s performance. Perhaps “Rick must have done something right in the past” would have been slightly more accurate.

In their 1969 best-seller “The Peter Principle,” Dr. Laurence Peter and Raymond Hull asserted, “In a hierarchy every employee tends to rise to his level of incompetence.” According to Peter’s follow-up tome “The Peter Pyramid” (1986):

I called this concept a principle, not a law, because it was neither universal, immutable, nor inevitable. It only described a tendency of an individual to climb or be promoted from one level of competence to the next until arrival at a level of incapacity. Unfortunately, this is where he or she usually remains, frustrating co-workers, eroding the efficiency of the organization ...”

Hence your comment about Rick and the Peter Principle was quite apropos. Thanks for your note and your thoughtful feedback. ●