

The principle to avoid when hiring a sales leader

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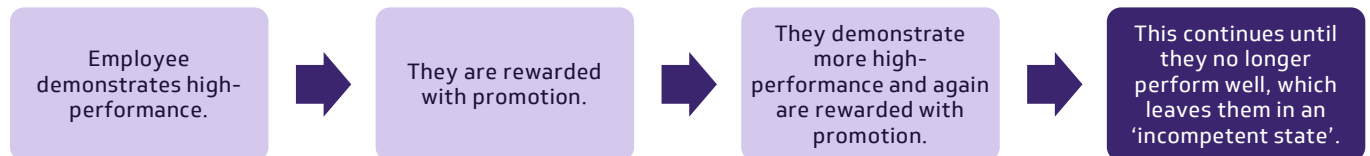
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Getting the right people into the right roles is one of the toughest challenges faced by any organisation. Whether you're promoting from within or recruiting from outside, finding the right people can make the difference between success and failure. And this is especially true for leadership roles.

Despite well-structured processes and a significant investment of time and money, these hiring choices are frequently unsuccessful. [The Peter Principle](#) explains at least one reason why.

The Peter Principle was developed in 1968 when Laurence. J. Peter analysed hundreds of cases of occupational incompetence. His hypothesis was that employees are systematically promoted beyond their level of competence:



Dr Peter wrote:

“Look around you where you work and pick out the people who have reached their level of incompetence... the cream rises until it sours.”

Recent [research by Alan Benson et al](#) shows how the Peter Principle applies to the sales function. After 6 years of studying 53,035 employees at 214 US-based companies, 1,531 salespeople were identified who had been promoted to the position of sales manager. The results were shocking but not surprising:

Firms are substantially more likely to promote top salespeople, even when these workers make worse managers on average.

That's a double whammy for the business.

1. Poor leadership damages team results – Benson's analysis suggests that they decrease team performance by **30%**.
2. The most productive sales performers are taken off the field and placed in non-revenue generating roles.

This is not to say that it's impossible for good salespeople to develop into good sales leaders – we all know great examples who have made the transition successfully. But it should make us stop to consider before automatically promoting a successful salesperson into a sales management role. The skills and competencies required are very different, and success in sales is (as the Benson study shows) no guarantee of success in sales management.

What can sales leaders do to beat the Peter Principle?

We believe there are 3 essential tactics:

1. Build a Sales Leadership Competency Framework that highlights the capabilities and behaviours required to be successful within the role.
2. Create and refine a sales leadership playbook that defines what success looks like (KPIs / metrics) and provides all the necessary tools to execute it (coaching methodologies, situational leadership, etc.)
3. Create a career path for individual contributors so that they can develop their careers as salespeople **without** needing to move into sales management.

With these 3 processes in place, you have a much better chance of:

- Hiring the right sales leader, whether internally or externally.
- Enabling them to be onboarded to their new role quickly and effectively.

It also helps you:

- Provide a development roadmap for those salespeople who do see their future in sales management.
- Keep your high-performing salespeople on board without turning them into lousy sales managers.

Dr Peter originally intended "The Peter Principle" as a satire on organisational failure, but there's nothing funny about hiring the wrong sales leaders. The good news is that forewarned is forearmed, and the right tools and processes can help you dodge the Peter Principle trap.

To discover more about building your leadership, [let's talk growth](#).