

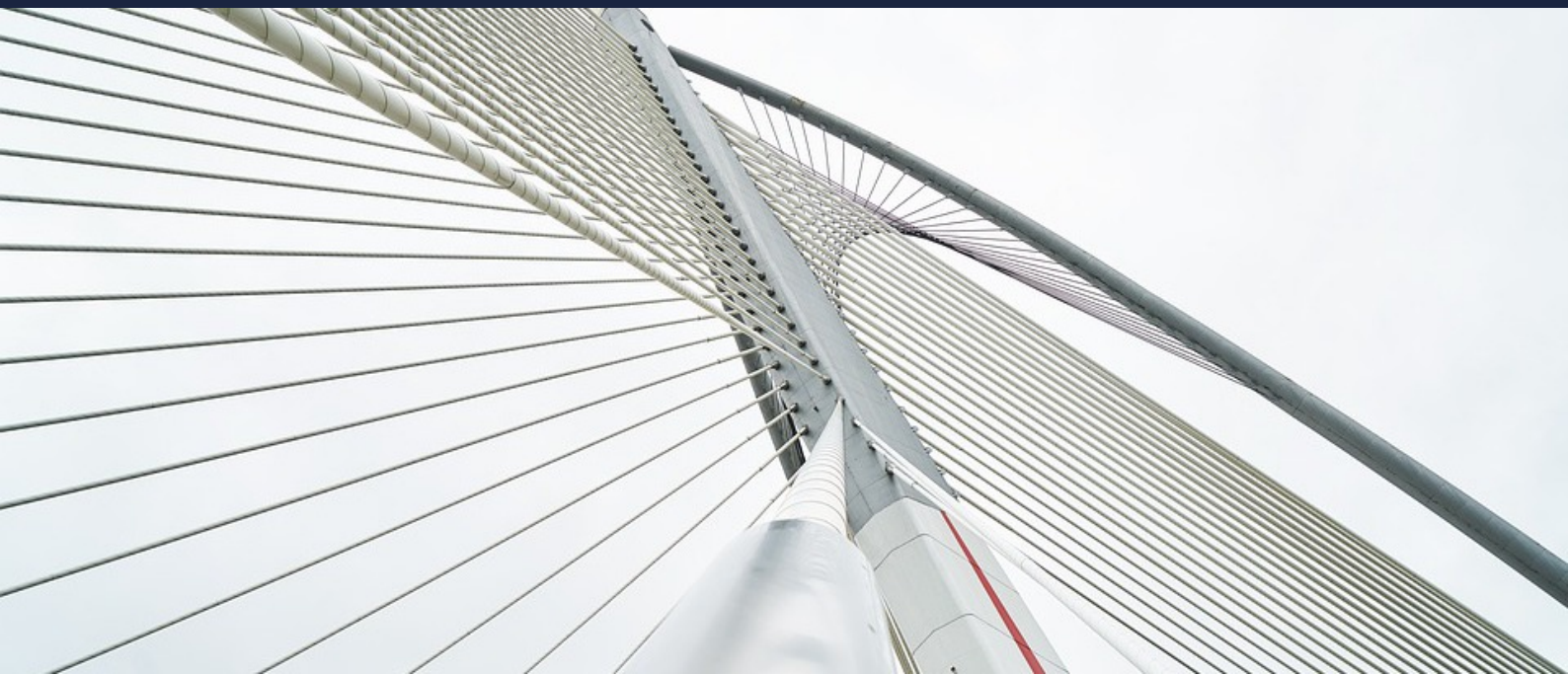
BEYOND COMPETENCE

The Competence Trap

A Practitioner's Perspective on Why Organisations Promote Their Way Into Mediocrity

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The Competence Trap

There is a pattern so deeply embedded in how organisations select, promote, and celebrate leaders that it has become invisible. The pattern is this: organisations systematically promote people who are excellent at the job they are leaving and then act surprised when they are mediocre at the job they have arrived in.

This is not a failure of individual talent. It is a structural defect in how competence is understood, measured, and rewarded — and it explains more about organisational underperformance than any amount of strategy consulting has ever surfaced.

The Problem Nobody Wants to Name

The competence that gets someone promoted is almost never the competence that makes them effective in the role they are promoted into. The exceptional engineer becomes the engineering manager who cannot delegate. The brilliant analyst becomes the strategy director who cannot build coalitions. The outstanding programme manager becomes the transformation director who cannot think beyond the plan.

This is not news. Laurence Peter described it in 1969. What is remarkable is that fifty-five years later, the vast majority of organisations have done precisely nothing to address it structurally. They have added leadership development programmes, coaching budgets, 360-degree feedback tools, and competency frameworks — an entire industry of interventions designed to fix a problem that is caused not by individual deficiency but by a promotion architecture that systematically selects for the wrong capabilities.

The question is why this persists. The answer is uncomfortable: it persists because competence-based promotion serves the interests of the people who design promotion systems. The senior leaders who rose through competence-based selection have a powerful psychological and institutional incentive to believe that the system works. To question it is to question the legitimacy of their own position.

Three Structural Failures

The competence trap operates through three mechanisms that reinforce each other.

The first is the conflation of performance with potential. Performance is observable. Potential is speculative. Organisations overwhelmingly promote on performance because it is measurable, defensible, and politically safe. The result is a leadership pipeline that selects for people who are excellent at executing within existing constraints rather than people who are capable of redefining those constraints. The organisation gets leaders who can operate the machine brilliantly but who cannot see when the machine itself is the problem.

The second is the absence of role transition architecture. Most organisations treat promotion as an event rather than a transition. The announcement is made, the title changes, and the individual is expected to perform at the new level immediately – or at least to figure it out without making too many visible mistakes. There is no structured period of capability building between roles. There is no honest assessment of which competencies from the previous role are now irrelevant or actively harmful. The leader carries their old toolkit into a new environment and wonders why it no longer works.

The most damaging competencies to carry forward are the ones that made the leader most successful. The programme manager who was celebrated for their grip on detail becomes the director who micromanages. The technical lead who was valued for their deep expertise becomes the CTO who cannot let go of architecture decisions. The very thing that built their reputation becomes the thing that limits their impact – and because it was once their greatest strength, it is the last thing they are willing to examine.

The third is the feedback vacuum at senior levels. As leaders rise, the quality and honesty of the feedback they receive declines in inverse proportion to their need for it. Junior employees receive constant feedback – much of it unsolicited. Senior leaders receive almost none – and what they do receive is filtered through layers of political calculation. The people best positioned to tell a senior leader that their approach is not working are the people with the most to lose by doing so.

This creates a self-reinforcing cycle. The leader operates with diminishing feedback. Their blind spots grow. Their effectiveness declines. The organisation compensates by working around them rather than confronting them. And because the leader's metrics are typically lagging indicators – revenue, delivery milestones, headcount – the decline is invisible until it is catastrophic.

What Would Actually Fix This

The solution is not better leadership development. It is a fundamentally different relationship between competence, selection, and role design.

First, separate selection from performance. This does not mean ignoring performance – it means refusing to treat it as the primary predictor of effectiveness at the next level. Selection for senior roles should be based on demonstrated capability in the competencies that the target role actually requires, not the competencies that the

current role rewards. This is technically straightforward and politically almost impossible, because it requires telling high performers that their performance does not entitle them to promotion.

Second, design transition as a first-class organisational process. The gap between roles is where most leadership failure originates, and it is the gap that receives the least structural attention. A genuine transition architecture would include: an honest assessment of which current competencies will become liabilities in the new role; a period of deliberate capability building before full accountability begins; and a named transition sponsor whose role is to provide the direct, unfiltered feedback that the organisation's hierarchy will not.

Third, engineer feedback that cannot be politically filtered. This is not about anonymous surveys or 360-degree tools — both of which have been comprehensively gamed in most organisations. It is about creating structural mechanisms that make honest upward feedback safe and normal. The most effective version of this is not a tool but a cultural norm: leaders who actively seek out the people most likely to disagree with them and create conditions where disagreement carries no career risk.

The Deeper Question

The competence trap is not really about competence. It is about an organisational reluctance to distinguish between two fundamentally different things: the ability to do excellent work within a defined context, and the ability to redefine the context itself.

Most leadership roles — certainly most senior leadership roles — require the second capability. Most promotion systems select for the first. The gap between these two is where organisational stagnation lives.

The organisations that will navigate the next decade successfully will not be the ones with the best leadership development programmes. They will be the ones that had the courage to redesign how they select leaders in the first place — even when that redesign threatened the legitimacy of the people making the decision.

The question every board should ask, and almost none do: if we applied our own promotion criteria to ourselves, would we pass?