



# The Peter Principle

*Did you know, people are most likely to end up in jobs for which they are not qualified.*

## The Wrong Position

The Peter principle is a concept in management developed by Laurence J. Peter, which observes that people in a hierarchy tend to rise to “a level of respective incompetence.” Here is what happens: employees are promoted based on their success in previous jobs until they reach a level at which they are no longer competent — and they remain there, in the first job they do not perform properly. In other words, a hierarchical organization unintentionally directs all its employees to positions that they are not qualified to perform.

The principle, which was developed in 1968, is based on the premise that employees are promoted in an organization based on their success in executing their current task (while the reverse — in which an employee is demoted for lack of skill — rarely occurs). The second premise is that every level of hierarchy requires different skills; a mechanic needs technical skill, while the mechanic’s manager needs management skills.

Thus, the higher the employee’s skills, the higher his chances of getting promoted — to a job for which he is not qualified, and where he will get stuck because he won’t be promoted, and also won’t get demoted back to his original job where he actually did really well.

Fifty years later, in 2018, researchers from Harvard University

conducted a comprehensive study on the subject. The researchers looked at what happens to excellent salespeople when they are promoted to executive positions. They followed salespeople at 214 companies in the US for 6 years (2005–2011).

The companies which were surveyed employed 53,015 junior employees and 6,515 managers who rose through the ranks of their companies, and the study clearly showed that there was no relationship between the excellent performance of the salespeople — which made them candidates for promotion — and their performance as managers. If anything, there was an inverse connection.

In the technology sector, for example, those with particularly high IQs — high performers in their jobs — often have low emotional intelligence (EQ), while a successful manager needs a triangle of intelligences — IQ, EQ and SQ (Intellectual, Emotional and Spiritual Quotient), which give him the capability to address more complex questions. Salespeople are very good at relationships and emotional intelligence, but not necessarily better at the other two parameters.

## **The Lost Souls**

Something similar was already written by the Alter Rebbe nearly 300 years ago. At a Yud Beis Tammuz farbrengen, the Rebbe repeated the following story, which demonstrates a similar principle in Judaism ([chabad.org/114127](http://chabad.org/114127)):

A wealthy businessman and his coachman arrived in a city one Friday afternoon. The rich man was settled at the best hotel in town, and the coachman went off to his humble lodgings.

Both washed and dressed for the Shabbat, and then set out for the synagogue for the evening prayers. On his way to shul, the businessman came across a large wagon which had swerved off the road and was stuck in a ditch. Rushing to help a fellow in need, the

businessman climbed down into the ditch and began pushing and pulling at the wagon together with its hapless driver. But for all his finesse at handling the most challenging of business deals, when it came to extracting a wagon and a team of horses from a muddy ditch our businessman was hopelessly out of his depth.

After struggling for an hour in the knee-deep mud, he succeeded only in ruining his best suit of Shabbat clothes, amassing a most impressive collection of cuts and bruises, and getting the wagon even more impossibly embedded in the mud. Finally, he dragged his limping body to the synagogue, arriving a scant minute before the start of Shabbat.

Meanwhile, the coachman arrived early to the synagogue and sat down to recite a few chapters of Psalms. At the synagogue he found a group of wandering paupers and, being blessed with a most generous nature, the coachman invited them all to share his Shabbat meal. When the synagogue sexton approached the poor and homeless to arrange meal placements for them with the town's householders — as is customary in Jewish communities — he received the same reply from them all: 'Thank you, but I have already been invited for the Shabbat meal.'

When the prayer service was over, the coachman walked out in his Shabbat finest surrounded by his guests who would get very little to eat, while the wealthy man went home dirty, bruised, and alone — because no guests were left for him either.

After they passed on to the next world, the Heavenly court ruled that they needed to return to this world once again because their roles had been confused. This time, the coachman would help extract a wagon from mud while the wealthy businessman would fulfill the mitzvah of welcoming guests, as they were truly destined.

This is the story the Alter Rebbe told.

When the Rebbe repeated this story, he explained: “This is the meaning of confused souls. Despite the fact that they fulfilled a mitzvah, their fulfillment wasn’t perfect. They each fulfilled the wrong mitzvah, leaving both mitzvos lacking and not perfectly fulfilled. therefore, it was necessary for them to visit this world again and perfect their mission” (Toras Menachem vol. 40 pg. 204).

## **Our Promotion**

The giving of the Torah happened 3334 years ago. Before that, the people of Israel were the descendants of Abraham, who commanded “his house after him to do charity and justice,” and they indeed strived to do so. But they were just a “good family,” children who came from a good home.

With the Exodus from Egypt, G-d destined the people of Israel for something greater. He gave us a huge promotion: we were no longer an enslaved people trying to get by, but the Chosen People, princes, whose job it is to spread the faith in one G-d throughout the world.

This raises the question:

Does the Peter Principle apply to us as well? Are we lost souls, in the wrong place and in the wrong position?

40 days after the Torah was given, we committed the sin of the Golden Calf. Seemingly, we proved that we are not suitable for the position we were promoted to; the position seems too large for us.

But we all know that if G-d chose us, we must be the right people for the job — and that knowledge gives us the strength to fulfill the role. However, it is up to us.

Indeed, ever since then, the Jewish people have proven that they fulfill their role faithfully, and the results speak for themselves. If 4000 years ago, there was one single Abraham who believed in the Creator

of the world, and the rest of the world stood “on the other side” worshiping pagan gods, today we live in a world where paganism has been abandoned and the world embraces a belief in one Creator.

The Jewish people, as a whole, have fulfilled G-d’s expectations. But as individuals, every morning upon awakening, we need to decide whether we are going to be part of the statistics of the Peter Principle — in chassidic terminology, “lost souls” — or whether we will earn our promotion; do the right thing in the right place.

It all depends on us. Good luck!