

4.3: Promoting Employees

Learning Objectives

1. Distinguish criteria for promoting employees.
2. Locate and define ethical issues relating to promotion.

The Drinking Strategy

If you want a promotion, does going out for drinks with the crew from work help the cause? Here's a blog post; it's about two uncles—one who goes drinking with the crew and one who doesn't—and you'll see why the answer might be yes:

Look at my uncles, they both work for Ford and one has been in his position for 10-plus years and still doesn't have a company car, while my other uncle has a company car, increase salary, paid training. Even though he comes home to my auntie blinded drunk in the end it's all worth it if you want to be noticed. Maya, "Alcohol: Income Booster?," *Monster* (blog), September 20, 2006, accessed May 24, 2011, monster.typepad.com/monsterblog/2006/09/alcohol_income_.html.

Get hammered to get promoted! Too good to be true? Probably.

But not entirely, the Reason Foundation commissioned a report on the question of whether drinkers earn more money than nondrinkers. Bethany L. Peters and Edward Stringham, "No Booze? You May Lose," Reason Foundation, September 1, 2006, accessed May 24, 2011, <http://reason.org/news/show/127594.html>. The title "No Booze? You May Lose" pretty much tells what the study concluded about the link between social drinking with workmates and promotions. A few things should be noted, though. Drinking doesn't mean coming home blind drunk every night; it just means taking down alcohol in some amount. And the payoff isn't huge, but it is respectable: about 10 percent pay advantage goes to the wet bunch compared to those workers who stay dry. The really interesting result, though, is that guys who *drink in bars* at least once a month get another 7 percent pay advantage on top of the 10 percent. The bad news for drinking women is that for them, going to the bars doesn't seem to help.

So there are two findings. First, just drinking is better than not drinking for your wallet. Second, at least for men, drinking socially at bars is even better. One of the study's authors, Edward Stringham, an economics professor at San José State University, comments on the second result: "Social drinking builds social capital. Social drinkers are networking, building relationships, and adding contacts to their Blackberries that result in bigger paychecks." Bethany L. Peters and Edward Stringham, "No Booze? You May Lose," Reason Foundation, September 1, 2006, accessed May 24, 2011, <http://reason.org/news/show/127594.html>.

Now, going back to the blog comment about the drunken uncle, isn't this more or less what the blogger sees too? Here are the next lines from the entry:

No senior management wants to promote a boring old fart. They want outgoing people, in and outside of work. They want social people. If you can display your social abilities to them, it means that you want more than the 9am to 5pm, thank God, time to go home. They want people who enjoy working with the company and the people who they work for. Maya, "Alcohol: Income Booster?," *Monster* (blog), September 20, 2006, accessed May 24, 2011, monster.typepad.com/monsterblog/2006/09/alcohol_income_.html.

That sounds reasonable, and it may explain why there's some serious scientific evidence that partying with the workmates does, in fact, lead to promotions in the company.

The link between lifting a glass and moving up may be solid, but is it *right*? From the worker's side, there's not a lot you can do about the situation so you may want to leave some Thursday and Friday evenings available for happy hour regardless of whether you think that's the way promotions ought to be arranged. From management side, however, there is a stark issue here. When you sit down to look at two candidates in your company for one promotion, do you have a right to consider how well they mix after hours? Do you have a *duty* or *responsibility* to consider it?

There are two issues:

1. Should you consider a worker's party aptitude?
2. If you do, how should you manage it?

The reasons for *not* considering party ability are many. Two stand out. First, workers are being paid for what they do from nine to five. That's the job. If you're going to start considering other things, then why stop at parties? You could give the promotion to the

better player on the company softball team, or the one who's got curlier hair, or whatever. Second, workers may not have an equal opportunity to party. The guy who lives closer to work and isn't married obviously holds an advantage over the guy who has diabetes when gin and tonics become job qualifications.

On the other hand, when workmates gather after work to drink, what do they talk about? Well, work. That's why people say a new advertising campaign or a fresh product idea got scratched onto a napkin. It's not a metaphor. Further, the ability to labor together with others—teamwork—that's a real job qualification, and it's reasonable to suppose that people who get along well drinking will carry the camaraderie over to the next morning's breakfast meeting (where coffee and tea are served). This explains why companies including Deloitte Consulting encourage and even to some extent *pressure* employees to socialize outside the office. *Deloitte Consulting: WetFeet Insider Guide* (San Francisco: WetFeet), accessed May 24, 2011, www.wellesley.edu/Activities/homepage/consultingclub/wetfeet%20-%20deloitte_consulting.pdf.

Finally, it's a hard call—there are reasonable arguments to be made on both sides. It's also difficult to be absolutely certain how the party qualification should be managed *if* it's included in the performance evaluation. On one hand, a strong case can be made for transparency and openness, for simply stating that after-hours socializing is, in fact, a part of the job. To *not* inform workers, the argument goes, that hanging out is a job requirement is really a form of lying: it's dishonest because the default understanding typical employees are going to have is that what counts in determining the quality of work is the work, period. Whether the assigned task got outlined in a cubicle or on a bar stool is irrelevant. Therefore, any manager who secretly totes up the social aptitude of the workers is not being honest about the way workers are graded. It's the equivalent of a college teacher assigning grades partially based on class participation without listing that in the syllabus.

On the other hand, all teachers know that listing class participation as part of a student's grade can lead to brown nosing, and there's a similar threat in the workplace: if employees are told to party, then at least a few are going to tag along for drinks even when they really don't want to go and end up souring the evening for everyone. If you as a manager believe in honesty above all, then you may accept that cost. On the other hand, if your vision of corporate responsibility dovetails more closely with profit maximization, you may be able to build an ethical case around the idea that in the name of evaluating employees as perfectly as possible some elements of that evaluation may have to remain close to the vest.

Three Considerations for Promotion: Work Performance, Seniority, Projected Work Performance

When managing a promotion, there are three fundamental considerations; **work performance** is the most obvious. The person most deserving to step up to a higher level of responsibility is the one who's best managed current responsibilities. This may be measured by accounts won, contributions to a larger group, or some other work-related factor, but the key is that the measured performance be related with the job.

The problem comes in determining exactly what that word *related* means. When read narrowly, it means that the employee who looks best on paper—the one who's written the best reports, achieved the highest sales, won the most cases—will be the most deserving. When read broadly, however, the range of considerations can expand dramatically to include contributions having to do with personality, chemistry, and other characteristics tangential to nine-to-five tasks. This is where questions about going out for drinks after work start to gain traction and importance. Finally, it's not clear that after-hours socializing should be considered part of work performance, but the fact that it *can* be included shows how broad this category is.

The second consideration when weighing a promotion is **seniority**. Seniority is preference for promotion granted to the person who's been with the company the longest. A *strong* or *pure* seniority system simply reduces the choice to comparisons of time with the firm: the promotion goes to the longest-serving employee. There's a taste of fairness here since no one will be overlooked for a job because of a personal conflict with the boss, or because he doesn't smile enough at work, or because her skirt is too short or his necktie too absurd or whatever. More, there's an inherent tranquility in the fact that all employees know exactly where they stand. The connected problem, obviously, is that good work is not directly rewarded. This explains why the seniority system seems especially suited to production line jobs or any kind of labor where experience is more important than analytic skills, high-level training, or creativity. If it's true that experience is what matters on a job, then a seniority system should produce promotions that more or less dovetail with expertise and the ability to do a good job.

A weak seniority system considers time with the company as a positive element, but only as one component in evaluating candidates for a promotion. The advantage of this kind of system is the encouraging of worker loyalty. The retention of good workers is nearly the highest human resources priority of any company, and rewarding seniority plus performance gives good workers a reason to stick around. Equally important, it helps retain good, loyal workers without forcing the company to promote old-timers who've never really learned to get the job done well.

The third promotion consideration is **projected performance**, which evaluates candidates in terms of what they'll be able to do in the future. A tool used by companies to groom young people for future leadership roles, the escalation normally goes to highly qualified individuals currently working at a level beneath their ability. For example, a health insurance company may hire a college graduate with a strong premed profile and hope to keep that person out of medical school by pulling her up the career ladder at a crisp rate. She simply doesn't have the experience, however (no one does), to just *start* near the top. In order for her to play a leadership role in the future, she does need to be familiar with how the company works at every level, including the lowest. That means spending some time on the front lines, say, manning telephones, answering questions from (frequently frustrated or angry) customers. Of course it's difficult to really stand out in this kind of work, so if she's going to move up, it's going to have to be because she's expected to stand out at something more demanding later on.

Other employees are going to be tempted to resent the rapid ascension since many of them have done just as well at the same job for a longer time. Within the narrow view of performance evaluation (your job performance equals how well you do the work) their resentment is justified. The rule of equal treatment is being severely broken. But if you're in management, you have a responsibility to the company (and to shareholders if the company is public) to be successful. And you need to face the problem that highly educated and qualified young people have options. Arguably, retaining them is a higher priority—not just financially but also ethically—than keeping more replaceable talent content.

Key Takeaways

- Work performance is defined in diverse ways, and managers may have a right to consider after-hours activities as part of that definition.
- Three common criteria for awarding promotions are seniority, work performance, and projected performance. Each contains specific ethical tensions.

Exercises 4.3.1

1. Why might someone's social skills be considered a factor in receiving a promotion?
2. What are some advantages and disadvantages of seniority promotion?
3. Why might a promotion be based on projected performance?

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