

## **A case study in ethics, employee evaluation, and the promotion process<sup>1,2</sup>**

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### **ABSTRACT**

This case is designed to be a class activity for advanced courses in human resource management, workplace communication, organizational leadership, ethics in the workplace, and integrity in management. Through participating in this case activity, students will gain a better understanding of the potential complications and consequences that can result from the employee promotion and evaluation processes, including ethical fallout, policy limitations, and organizational leaderships' poor decisions' effects on subordinates. Additionally, this case is designed to be presented to students in parts to introduce them to the gradual effects of unethical practices and unfair policies in the workplace. Teaching notes are available upon request to assist instructors with guiding students through the case and questions presented. The teaching notes include key learning points of the case, suggested student responses to the case questions, and possible courses in which this case might align with material covered.<sup>2</sup>

Keywords: ethics, employee evaluation, promotion, human resource management

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<sup>1</sup> This is a fictitious case. All information contained herein was fabricated by the author(s). Any similarity contained herein to actual persons, businesses, events, etc. is purely coincidental and is the responsibility of the author(s). Please contact the case author(s) directly with any concerns.

<sup>2</sup> A detailed Teaching Note is available upon request by emailing the author at [jlong59@utm.edu](mailto:jlong59@utm.edu)

## INTRODUCTION

Katherine has worked in the same position for Universal Company for six years. Over that period of time, she has had three different supervisors. She is a hard worker, does her job well, causes no problems at the workplace, and is professional with her co-workers. Her performance appraisals have been positive and indicate a quality worker with a dedication to the company. Her current boss has held the job for a year and a half and was formerly Katherine's coworker. He worked with Katherine on several projects that assisted in his promotion to department supervisor.

Katherine is now being considered for a promotion. As is company policy, her supervisor must evaluate her performance over the last six years and offer an opinion as to her quality as an employee with the company and her potential for success in the new position. The process is the same as that which the supervisor endured a year and a half earlier. Katherine has stepped up her performance recently as to further demonstrate her eagerness to gain the promotion and continue her career with Universal Company.

## THE 1<sup>ST</sup> SEALED ENVELOPE: THE SUPERVISOR'S SURPRISE

The day her supervisor's evaluation is due, she receives a sealed envelope with her name typed on the front. Knowing she is to receive a copy of the evaluation written to Mr. Smith, her supervisor's manager, Katherine eagerly opens the envelope and begins to read the letter. To her surprise, she finds the following.

Mr. Smith,

Following a complete evaluation of Katherine Blackwell's performance over her six years with Universal Company, I do not recommend she be promoted. It is instead my strong recommendation that she be issued a final notice of employment with immediate termination and a no re-hire status be posted to her company file.

The remainder of the letter includes extremely damaging character attacks, accusations of behavioral issues, and exaggerations of on-the-job incidents that were said to be resolved without further complications. As she reads, Katherine is stunned by the untruths and assaults to her performance and personality. None of the issues used as a basis for denying her promotion were included in her previous performance reviews. In fact, her past reviews stated she was on track for promotion and that she was an asset to the department and organization.

1. Have any business ethics been violated?
2. What are Katherine's options at this point?
3. If you were to provide Katherine with a recommendation, what would you suggest she do?
4. What impact does this letter possibly have on Katherine's future with the company?
5. What impact does this letter possibly have on Katherine's future career?
6. Based on your knowledge, education, and experience, have any laws been broken?
7. With the information you have been provided, what action do you recommend Mr. Smith take regarding Katherine's future?

## POWER, POLITICS, AND POLICY

Katherine has a strong, positive reputation throughout the company. While some are empathetic to Katherine's situation, few offer her their support. Katherine consults the employee

handbook and learns that the company's policy does not permit her to contradict the supervisor's statements until after the company makes their final decision. At that time, she is granted an appeal of the final decision, however in the meantime, the letter is considered to be accurate for all future steps in the company promotion process.

Throughout her six years with Universal Company, Katherine has maintained excellent records including emails, letters, documents, reports, performance evaluations, documentation of past incidents, personnel records, and company policies along with non-compliance issues. She has kept this information in a secure location off-site.

8. Have any business ethics been violated?
9. What are Katherine's options at this point?
10. If you were to provide Katherine with a recommendation, what would you suggest she do?
11. How might the company policy impact Katherine's future with the company? Future career?
12. With the information you have been provided, what action, if any, do you recommend Mr. Smith take regarding Katherine's supervisor?
13. If the company denies Katherine's promotion and her appeal, what are her options?

### **A TARNISHED IMAGE AND TROUBLING TIMES**

Universal Company has experienced some difficulty with its image over the last five years. The company's financial situation has been declining, layoffs have occurred while upper management has received financial benefits and job security. The employees' morale has deteriorated and the company's reputation that once was very strong has taken a beating. The department in which Katherine works has been one of the hardest hit during these difficult times and Katherine's co-workers are nearing retirement, thus their work ethic has decreased as their priorities change. Katherine's performance is the strongest in the department, as she volunteers often for new tasks, seeks opportunities to assist others, and is one of the highest producing employees in the three departments that report to Mr. Smith.

14. What might happen if this situation within Universal Company were to be exposed?
15. What options does Mr. Smith have at this time? Katherine?
16. What recommendation do you have for Mr. Smith? Katherine? Katherine's supervisor?
17. How does knowing the reputation of Universal Company impact your views on the company? Katherine's supervisor? Katherine?
18. Do you view Universal Company as an ethical company? Why or why not?
19. Do you view Katherine as an ethical employee? Why or why not?
20. Do you view Katherine's supervisor as an ethical manager? Why or why not?
21. Would you apply for a position with Universal Company? Why or why not?
22. If you worked for Universal Company and knew of Katherine's situation, what actions might you take to protect yourself from a similar situation happening to you?
23. If Katherine remains with Universal Company, what advice might she offer to new hires?
24. Do you believe Katherine deserves the promotion? Explain your position.

### **DEPARTMENTAL UPHEAVAL**

Katherine is the youngest employee in the unit by several years. She started with the company as an intern and was hired full-time by her first supervisor directly out of college. Once hired, she was perceived by her co-workers to be a favorite of her supervisor. Her co-workers

held that against her and although her job performance was outstanding, she found it difficult to gain the respect of her peers.

Her second supervisor was moved from another department within the unit and had experienced a demotion within the company recently, a fact that made him bitter and he often took out on selected employees, Katherine being one. When her second supervisor was first hired at Universal Company, he was as a co-worker with Katherine's first supervisor. The two men were professional, however after Katherine's first supervisor was promoted, her second supervisor was not pleased. He soon was promoted to another department, the one of which later demoted him. As Katherine's second supervisor, he chose to take his anger from both his demotion and his distaste for Katherine's first supervisor out on Katherine. During his year as her supervisor, he wrote her strongly worded emails that demanded she perform her duties at a higher level than her co-workers. He often found opportunities to launch verbal assaults at Katherine in the company of her co-workers, including that of her third and current supervisor. Despite this, her second supervisor provided an evaluation of Katherine that showed her as an eager to please, hardworking, and high performing employee.

Katherine's current supervisor was often seen in the company of her second supervisor. Their friendship was evident through the supervisor's behavior around, emails to, and assignments of her co-worker/third supervisor. When Katherine's second supervisor chose to leave the company after one year, Mr. Smith quickly and quietly assigned her current supervisor to the position.

25. Based on this information, what is your perception of Katherine's job security with the unit?
26. Knowing this information, do you believe Mr. Smith is an ethical employee?
27. Do you believe Mr. Smith will support Katherine for promotion?
28. Have any business ethics been violated?

## **POLICY, PEOPLE, AND PERFORMANCES**

Universal Company Promotions Policy requires supervisors evaluate the employee and send their opinion and suggestion to the manager. The manager then considers the supervisor's letter in addition to the company documentation of the employee through annual performance evaluations, personnel information, professional observations, and reports that pertain to the specific employee's performance on-the-job, thus drawing a conclusion, and sends their opinion and suggestion to the senior manager. The senior manager, then reviews all previous recommendations and documents to issue a final decision. The final decision is reviewed by the Universal Company president who awards the promotion or notifies the employee of the rejection of promotion. The employee receives a copy of letters sent from his or her supervisor and manager, but the senior manager's decision is not revealed to the employee until he or she is notified by the president.

### **A Meeting with Mr. Smith**

Mr. Smith received a negative evaluation and a strong suggestion from Katherine's supervisor that she be rejected for promotion and immediately terminated from the company. The supervisor cited several incidents of behavioral problems with Katherine, specified various performance issues, and listed several non-professional characteristics that lead him to believe that Katherine presents a threat to the future of the department and the organization.



After seeing her supervisor's letter, Katherine requested a meeting with Mr. Smith. During the meeting she shared that she was caught off-guard with her supervisor's letter. She reminded Mr. Smith of several meetings she has had with him over the past six years in which they discussed Katherine's future and she sought Mr. Smith's advice in how to prepare herself for future promotion. She had taken all of his advice, applied it, and moved in the direction he suggested. Furthermore, Katherine reminded him that over the previous two months he had mentioned that a large unit review of his three departments would be approaching and he had invited her to take a leadership role in assisting the unit in preparing the information for the report. Katherine also mentioned to Mr. Smith that her two previous supervisors did not report negative information about her on her annual performance reviews and her current supervisor provided her with a positive review on her last evaluation.

Mr. Smith asked Katherine if there was any negative or concerning incidents since her last evaluation that she thought might impact her supervisor's opinion and suggestion. Katherine stated that approximately one and a half months prior there was an incident in which her supervisor confronted Katherine with an issue. Katherine and her supervisor discussed the issue and Katherine had expressed frustration and disagreed with her supervisor, but the result of the situation was that Katherine obeyed her supervisor's orders and it was agreed that both would move forward without any further repercussions from the incident. To Katherine this meant, the incident would not be held against her in her promotion. Furthermore, Katherine had had several other encounters and discussions with her supervisor, she had been appointed team leader by her supervisor on projects, and she had not had any further negative feedback or encounters with her supervisor since then.

Katherine directly asks Mr. Smith "Will you support me for my promotion?" and Mr. Smith's response is "I will do what is best for the department, this unit, and Universal Company."

29. What do you suggest Mr. Smith recommend to the senior manager?
30. Was it ethical for Katherine to call a meeting with Mr. Smith prior to his evaluation being sent to the senior manager?
31. What suggestion do you have for Katherine at this point?

## **THE 2<sup>ND</sup> SEALED ENVELOPE: TREPIDATION, TENSION, AND TERROR**

Two weeks after Mr. Smith receives Katherine's supervisor's letter, he makes his recommendation. Katherine receives a copy and immediately opens it to find the following.

Mrs. Anderson,

Upon review of the supervisor's recommendation and the performance and personnel record of Katherine Blackwell, I concur with his conclusion and suggest that Katherine's promotion be denied, and she be immediately terminated with no option to re-hire.

The rest of the letter provides generic support to Katherine's supervisor's letter.

32. Are you surprised by Mr. Smith's recommendation?
33. Have any business ethics been violated?
34. What are Katherine's options at this point?
35. What do you think Mrs. Anderson will do given she has two letters of non-support for Katherine's promotion?
36. What do you recommend Mrs. Anderson do?

37. What impact does this letter possibly have on Katherine's future with the company? Her future career?

### **A BAD OMEN: MRS. ANDERSON'S PAST ACTIONS AND CURRENT SILENCE**

After receiving Mr. Smith's letter, Mrs. Anderson does not communicate with Katherine. In the past, Katherine has seen her in company-wide meetings and events. Katherine's work on one annual project since she joined the company ensures that Mrs. Anderson knows Katherine's name. With regards to the promotion process for other employees, Mrs. Anderson has supported the recommendation of the managers across the organization. Additionally, when issues arrive, Mrs. Anderson has a reputation of pushing the issue on the managers and does not resolve issues herself.

38. What do you foresee as Mrs. Anderson's final decision?

39. Do you view Mrs. Anderson as an ethical employee? Why or why not?

40. What advice would you give Katherine at this point?

### **THE 3<sup>RD</sup> SEALED ENVELOPE: ANTICIPATION, APPREHENSION, AND ANXIETY**

Katherine knows that she will not receive any further letters regarding her promotion, so when she finds on her desk a letter in a sealed envelope from the office of the senior manager, she is immediately nervous. She waits a few minutes before opening it. When she does, she reads the following.

Mr. President,

My final decision regarding Katherine Blackwell is that she be granted promotion within Universal Company. Katherine's performance record, personnel file, and annual performance evaluations fully support my decision. While it is rare that my decision be in contradiction to that of the manager and supervisor, I am strong in my decision.

Mrs. Anderson's letter continues by identifying the misrepresentation of Katherine's value to the company based on her evaluations and suggestions submitted by her supervisor and manager.

41. Do you view Mrs. Anderson as an ethical employee?

42. What action do you recommend Mrs. Anderson take with regards to Mr. Smith and Katherine's supervisor?

43. What options does Katherine have at this point?

### **MOVING, UP, DOWN, OUT, AND ON**

A week later, Katherine receives her official letter from the president of Universal Company granting her promotion. Due to the exposure of the company because of the actions of the supervisor and Mr. Smith, Mr. Smith retires, and Katherine's supervisor is demoted. Katherine's promotion results in her becoming the supervisor for the department.

44. Do you view Universal Company to be an ethical company?

45. Do you agree with Mrs. Anderson and the president's decision?

46. What complications might Katherine face in her new position?

47. Do you believe Katherine will be ethical in her new position with regards to her former supervisor and co-workers?

48. When completing annual evaluations on her subordinates, do you believe Katherine will provide a fair assessment of their performances?
49. When her subordinates come up for promotions do you believe she will provide a fair evaluation?
50. If you were in Katherine's position, would you have waited the process out?
51. If you were in Katherine's position as the department supervisor, how would you treat your subordinates?
52. What business ethics lessons can be taken from this case?
53. What impact might this experience have on Katherine's opportunities for future promotions within the company?
54. What impact might this experience have on Katherine's future career opportunities?
55. Do you think this experience permanently damaged Katherine's professional reputation?

