SENIORITY AND ABILITY
IN PROMOTION AND LAYOFF*

General Discussions of the Issues


Argues for the retention by employers of merit as a basis for promotion, but points out that this stand requires adequate promotion policies and procedures. "Among them may be included grading all jobs on the basis of relative importance and difficulty, indicating general lines of promotions, centralizing all promotions in the employment office, making promotions, when feasible, on a company-wide rather than departmental basis, maintaining systematic procedures for rating and recording the performance and qualifications of employees, and educating employees in the fairness of the promotion procedures. These procedures should be integrated with those for selecting new employees, transfer, layoff, reemployment, and discharge."


This chapter is concerned with the application of the seniority principle in the steel industry and presents the union's viewpoint. "The management of a productive enterprise by a set of rules, instead of arbitrary decision, is the only practical method of reducing favoritism and discrimination to a minimum, and seniority, being based on length of continuous service, is an equitable method of guaranteeing fair treatment to a group of workers."


Approaches the application of seniority on the railroads from a point of view sympathetic to labor. "If individual merit were easily demonstrable, the carriers could present a more forceful case against the seniority rules. But individual merit on routine jobs does not, except in rare instances, lend itself to objective proof. The union, however, is not primarily interested in the rare case; its concern is with the

* Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
mass of the workers. Nor does this concern of the union for the
typical worker necessarily militate against the unusually capable
individual; the latter probably could obtain an excepted position—one
not subject to union rules—sooner or later, by virtue of his superior
ability. Seniority rules do not stand in the way of his promotion to
an excepted position."

Mater, Dan H. "A statistical study of the effect of seniority upon em-
ployee efficiency." *Journal of Business of the University of Chicago*
(University of Chicago Press, 5750 Ellis Ave., Chicago 37), April,
1941. pp. 169-204. $1.25.

Presents age, seniority, and efficiency data of several hundred rail-
road employees with the purpose of measuring the effect of seniority
upon efficiency. The author summarizes his conclusions as follows:
"(1) seniority is a separate force which is directly and cumulatively
deleterious to the efficiency of employees; (2) it perpetuates and ac-
centuates the evil effects of other factors which affect the efficiency
of employees; (3) as a general rule, an employee is above the average
efficiency of the whole group if his seniority and age together total
between 33 and 60, inclusive; and (4) the direct and indirect effects
of seniority greatly enhance the importance of employee selection."

---- "Effects of seniority upon the welfare of the employee, the

On the basis of the article cited above, and of the author's study of
the development and operation of the railroad seniority system, he
argues for the replacement of the seniority system by a merit system.

Slchter, Sumner H. *Union policies and industrial management*. Wash-
"Some problems of seniority rules"; "Some effects of seniority
rules." pp. 139-157.

Concerned primarily with layoffs, but includes also reference to
promotions. "If the agreement provides that seniority shall govern,
ability and efficiency being equal or sufficient, how are ability and
efficiency determined? Who shall be the judge? A few agreements
state that 'management shall be the sole judge in all cases.' Such an
arrangement can never be satisfactory to the union. At the other
extreme are the agreements which permit 'bumping.'

"Some agreements state that ability and efficiency shall be jointly
determined by a committee of the management and the union. In
several instances this arrangement has worked very satisfactorily
to both sides. It is cumbersome, however, and it imposes responsibility
upon union officers or committeemen which they are not in a good
position to exercise. The best arrangement for determining ability
and efficiency seems to be to let management make the original deci-
sion subject to challenge by the union and to review in the event
of challenge. This arrangement conserves the essential interests of all
parties and involves a minimum of 'red tape.'"

*See Journal of Business of the University of Chicago, October, 1940. pp. 387-419
and January, 1941, pp. 36-57.
Seniority and Ability in Collective Bargaining


Discusses the factors which should be taken into consideration before negotiating a seniority clause, with emphasis upon the importance of establishing "a satisfactory principle embodying recognition of skill and ability as the major factor in determining promotion."

"In the negotiation of a seniority clause, management must transform seniority rules into a tool which will contribute to efficiency. To do this, careful methods for appraising the ability of the individual must be established and equal care taken to set up job analyses which will permit all concerned to know the content of the job for which the individual is being evaluated. . . . "

"Successful administration of a seniority clause requires careful preliminary consideration of the grievance procedure and of the extent to which it will be applied to seniority problems."


Suggests suitable and unsuitable promotion clauses with a view to maximum protection of management's right to select employees for promotion. Of interest also is Chapter VI, pages 179-198, in which the whole problem of negotiating seniority clauses is discussed.

Princeton University, Industrial Relations Section. Research Report Series No. 63. Seniority policies and procedures as developed through collective bargaining. By Frederick H. Harbison. Princeton, N.J. 1941. $1.00. Chapter III. "Seniority and ability." pp. 33-46. Gives a number of illustrations from a variety of union contracts of ways in which the problem has been handled. "Considering the recognized effect of employee morale upon efficiency, it is perhaps more important to have employees as a whole satisfied with the fairness of the method of determining selections for lay-offs and promotions than to be certain, at the expense of growing suspicion, that every individual employee with slightly better-than-average ability is exempted from seniority rules. The experience of many companies has shown that, if an unbiased and objective means of ascertaining unusual skill and ability can be developed, union leaders and employees agree with management on the need for exempting certain employees from seniority arrangements."


Discusses the impact of reconversion changes in the labor market upon seniority rules affecting layoff and promotions, and suggests
revision in the direction of "spelling out more clearly the criteria for their qualification to give adequate recognition to necessary skill and ability."


A collection of representative clauses from union contracts.

Company Experience and Programs


As part of a survey of company rating plans, this report gives several examples of contracts which include recognition by the union of rating as a basis for promotion. In one case given, the shop steward, as well as the foreman, rates employees, and the ratings of both are subject to review by a joint committee.


The use of both ratings and tests by the C and H Sugar Refining Corporation is described. "In the lower bracket jobs advancement is made on the basis of seniority and job performance as shown by the rating of the individual." In selecting clerical workers and mechanical apprentices, intelligence and aptitude tests are used. Applicants for mechanical jobs are chosen from among operating employees.

Fraser, Clarence. "Personalizing the process of placement." Advanced Management, July-September, 1942, pp. 112-116; Ibid., October-December, 1942, pp. 173-179. $1.50 each.

Describes the program used in the Bell Telephone Company of Canada which aims to give every employee opportunity to develop to the limit of his capacities. Seniority is one of the factors taken into account in considering a man's acceptance by his group when a promotion or other career adjustment under this program is contemplated.


Summarizes general principles and procedures for establishing effective plans, weighs the uses and limitations of employee rating, and gives details of thirteen company plans. Of special interest are suggestions made for selling the rating program to rank-and-file employees (pp. 14-16) and the description of the Hood Rubber Company's seniority rating sheet, a procedure worked out in cooperation with a Federal Labor Union for determining the order of layoff.