

# Well-Being and the Social Context of Promotions

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## Abstract

Runciman (1966) is a treasure trove for social scientists. One idea that has been rather overlooked is the non-linearity of the relationship between individual well-being and others' promotions. The broad idea, based on work originally presented in Stouffer *et al.*'s *The American Soldier* (1949), is that "*the frequency of relative deprivation will be at a minimum when either everybody or nobody is promoted; in between, it will rise and fall as actual mobility rates rise*" (p.19). This is suggested to reflect social comparisons by the non-promoted and the promoted themselves to all others who receive promotions. This important and intriguing idea of how others' good fortune impinges on individual well-being has not to our knowledge been investigated systematically using large-scale survey data: although own promotions (both actual and in terms of promotion prospects) are often found to be positively correlated with well-being, almost nothing is known about others' promotions in this context.

We here propose research which will help to fill this lacuna, using both SOEP and BHPS data. There are two key variables in our analysis: own promotions, and the promotions of others in the reference group. We are interested in the effect of both of these on individual well-being. The latter can be measured by either job or life satisfaction in both datasets, or alternatively by the twelve-item General Health Questionnaire (GHQ) picking up general psychological functioning in the BHPS. Equally, own promotions can easily be identified using information on changes in the individual's own labour-force status since the data of the previous wave's interview.

Others' promotions are however less immediate to operationalise. This is partly because we do not have direct information on how the individual's reference group is constituted. To make progress, we are inspired by some of the results in Clark and Senik (2010), where it is shown that considerable numbers of people compare their incomes to their work colleagues, and to a lesser extent their family. We thus calculate promotion rates by occupation, region and year, and, using the household nature of both surveys, the household. By doing so, we aim to provide some of the first direct evidence of Runciman's conjecture that the relationship between well-being and others' promotions is U-shaped, for reasons of social comparisons.

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