

## Abstract

The application of the Lazear-Rosen (1981) tournament model to promotion might yield unwarranted results due to its negligence of the dynamic and uncertain nature of promotion. Three classes of models were developed to take into account the dynamic and uncertain elements of the promotion tournament. The models based on purely maximization could not explain the observed results satisfactorily while the models based on decision heuristics were found to be more accurate for dynamic tournament. Effort inducement was discovered to be higher in dynamic tournament than in static tournament as well. The studies enable personnel decision makers to grasp the effects of their promotion schemes.