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법무법인(유) 세종

Court Invalidates Guideline Provision Excluding Employees from Promotion Based Solely on Low Multi-Rater Evaluation Scores for Exceeding Delegated Authority

(Busan District Court Decision 2026*Gahap*40028 dated September 9, 2026)

1. Background and Issues

The plaintiff joined the defendant as a Grade 7 employee in August 2024. On November 30, 2023, following an employee survey and an agreement reached through the labor-management council, the defendant amended its guidelines for administering multi-rater evaluations. The amendments introduced a minimum-score "hurdle" provision, under which employees scoring below 7 out of 10 in a multi-rater evaluation would be excluded from consideration for promotion.

The plaintiff was eligible for promotion to Grade 6 in the regular personnel reshuffle on January 1, 2026, but was excluded from consideration because the plaintiff had received a score of 6.702 in the multi-rater evaluation conducted in the second half of 2025. The plaintiff subsequently filed a lawsuit seeking a declaration that the exclusion was invalid.

The central issues were whether the guideline provision excluding employees from promotion consideration solely on the basis of their multi-rater evaluation scores was valid and whether the resulting exclusion was invalid because it involved a significant excess or abuse of discretion.

2. Court's Holding and Reasoning

The court held that the hurdle provision was invalid because it exceeded the scope of authority delegated under the defendant's personnel regulations. It further held that the decision to exclude the plaintiff from promotion consideration under that provision constituted a significant excess or abuse of discretion and was therefore invalid.

The defendant's personnel regulations required promotion candidate rankings to be determined based on several factors, including work performance, experience, job evaluations, multi-rater evaluations, training results, and awards. The implementing rules assigned multi-rater evaluations a weight of only 10 percent. The court found that, although the guidelines were authorized to prescribe only the methods and procedures for conducting multi-rater evaluations, the hurdle provision allowed employees to be excluded entirely from promotion consideration based solely on their multi-rater evaluation scores, regardless of their performance on other assessment criteria. The provision therefore exceeded the scope of authority delegated by the higher-level regulations.

The court also noted that the hurdle provision effectively amended the personnel regulations themselves, which would have required a resolution of the board of directors and approval by the mayor of the city. The court observed that the defendant appeared to have chosen to amend the guidelines instead to circumvent those procedures.

The court further identified fundamental limitations in the objectivity and reliability of the multi-rater evaluation system. Under the guidelines, employees who had never worked with the person being evaluated could participate as evaluators, while evaluators could omit assessments of certain employees. As a result, the composition of the evaluator group could not be considered sufficiently objective. In addition, the evaluation criteria were abstract, with no specific standards established for each rating level, meaning that evaluation results could vary significantly depending on which employees participated as evaluators.

Given the lack of objectivity and fairness in the evaluation results, the court found it difficult to regard the complete exclusion of employees from promotion consideration based solely on those results as a reasonable promotion criterion. The court also found insufficient justification for a separate hurdle provision, noting that multi-rater evaluations already accounted for 10 percent of the overall assessment and that promotion could be restricted through disciplinary measures in cases involving workplace harassment or other misconduct.

3. Implications

This decision is significant for applying the established legal principle governing the exercise of discretion in promotion decisions to a hurdle provision based on multi-rater evaluations. Although promotion decisions generally fall within the appointing authority's discretion, a refusal to promote may become legally invalid if it significantly exceeds or abuses that discretion by departing from the evaluation criteria prescribed by the applicable personnel regulations.

In particular, the court found that a lower-level guideline provision allowing employees to be excluded entirely from promotion consideration based solely on multi-rater evaluation results exceeded the scope of delegated authority where the higher-level regulations already prescribed the weight to be assigned to those evaluations.

Employers that use or plan to use multi-rater evaluations in promotion decisions or other personnel management processes should therefore review whether the relevant measures are properly authorized under higher-level regulations, whether the required amendment procedures have been followed, and how the system is operated in practice.

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