

# Too Many Chiefs: The Growing Risks of 'Title Fluffing'

Check out the signature lines on emails you receive. Are you seeing more “chief” this or “senior” that or “VP” of whatever?

Title inflation—or “uptitling” or “title fluffing”—has been around forever, but it traditionally picks up speed during recessions. That happened in the 1980s and it’s happening now.

Still-skittish employers are loosening the purse strings a bit. Salary budgets are set to rise about 3.0% this year, up from about 2.7% in 2010. To compensate for the slow rate of pay raises, some employers turn to job-title promotions instead of cash.

Most organizations don’t take title-pumping to the extremes of, say, North Korea, where dictator Kim Jong Il has more than 1,000 titles, including “guardian deity of the planet.”

An OfficeTeam survey last month of 500 HR managers reported that only 14% of organizations don’t engage in the practice at all. Twenty-two percent of employers do offer promotions without salary increases, while 63% say it’s not common.

The response from employees? It’s better than nothing. More than half of employees surveyed (55%) said they’d be willing to accept a promotion that didn’t include a raise.

**The big risk:** When you start inflating titles, the titles no longer reflect the duties of the job or the required experience. As a result, says John Skousen, a partner with the law firm of Fisher & Phillips in Irvine, Calif., “It can become confusing, disorganizing and difficult when striving to maintain job classifications and proper salaries when the economy bounces back—including dealing with inaccurate job descriptions with misleading duties requirements, which can cause difficulty separating exempt and nonexempt employees.”

Here are three issues to consider before changing a title:

**1. Steer clear of negligently promoting.** Employers are liable for their employees’ actions. And if you haven’t trained them properly, or promoted them negligently, you’ll face legal risks. Skousen advises employers to avoid the temptation to change titles if it misstates what the person actually does.

**2. Don’t play the name game.** Many companies started calling staff “associates” several years ago, and it’s lost much of its value today. Similarly, “consultants” are no longer sophisticated business consultants. Now everyone’s a “consultant” instead of a “salesman” or other appropriate title. Ensure the reputation of your team’s qualifications is maintained, and that management titles remain respected.

**3. Ensure exempt and nonexempt accuracy.** Employers giving supervisory title changes may also assume they can shift a nonexempt employee to exempt status. However, if the actual job duties or responsibilities do not change much, there may be legal ramifications for misclassification and a potential lawsuit against the employer for unpaid overtime. (Check for true exemption status by using our [Exempt vs. Nonexempt Checklist](#).)

So what’s the story in your organization ... have you taken the Kim Jong Il approach to lofty titles or are you still based in reality?