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PROMOTION

Advancement within an organisation is ordinarily labeled as 'promotion'. It is an upward movement of an employee from current job to another that is higher in pay, responsibility, status and organisational level. A mere shifting of an employee to a different job which has better working hours, better location and more pleasant working conditions does not imply promotion. The new job will be promotion only if entails increased responsibilities and enhanced pay. The term promotion has been defined by different authors as follows :

According to Scott and Spreigal, "A promotion is the transfer of an employee to a job that pays more money or that enjoys some preferred status." **According to Pigors and Myres**, "A promotion is the advancement of an employee to a better job-better in terms of greater responsibilities, more prestige or status, greater skill and especially, increased rate of pay or salary." **According to Edwin B. Flippo**, "A promotion involves a change from one job to another that is better in terms of status and responsibility."

The analysis of above definitions reveals three basic elements in promotion :

- Transfer of an employee to some higher job having more prestige, better status, more benefits and privileges.
- Reassignment of an employee to a position having increased responsibilities.
- Higher job grade.

All the-three elements must be present in promotion. When the salary of an employee is increased without corresponding change in the job grade, it is upgrading and not promotion. If there is an increase in responsibility without any increase in pay, it may be called 'Try Promotion'. If an employee is placed on a job

involving similar responsibilities, it is called transfer and not promotion, irrespective of the fact that there is an increase in his earnings.

PURPOSES OF PROMOTION Promotions are generally given to achieve the following purposes :

1. To put the employee in a position where he will be of greater value to the company. This will imply, utilising the employee's skill and knowledge at the appropriate level in the organisation hierarchy resulting organisational effectiveness and employee satisfaction.
2. To develop competitive spirit and zeal in the employees to acquire the skill and knowledge etc. required by higher level jobs.
3. To develop internal source of employees ready to take jobs at higher levels in the organisation. Employees have little motivation if better jobs are reserved for outsiders.
4. To promote employee self-development and make them await their turn of promotions. It reduces labour turnover.
5. To build up morale, loyalty and a sense of belongingness on the part of employees when it is brought home to them that they would be promoted if they deserve it.
6. To promote employees' interest in training and development programmes and in team development areas.
7. To build loyalty among employees and to boost their morale.
8. To reward committed, loyal and deserving employees.
9. To create among employees a feeling of contentment with their present working conditions and to encourage them to succeed in the company.

POLICIES OF PROMOTION

In every organisation there should be a sound base for promotion so that better industrial relations may be promoted ; it is the responsibility of the personnel

department of the organisation to develop a sound promotion policy as a part of the organisation personnel policy. It will reduce the personnel problems regarding promotions considerably and ensure the employees fair chances of advancement. A sound promotion policy should be based on the following principles :

- (i) **The promotion policy should be in writing** and must be understood by all employees to avoid any suspicion regarding line of promotion in the minds of employees.
- (ii) The promotion policy should lay down **what percentage of vacancies in higher levels of hierarchy are to be filled up by promotion** and it should be followed strictly. It is better to incorporate a statement of management intention that higher paid and better jobs will be filled by promotion from within, if possible, rather than by hiring from outside. If it is necessary to go outside to fill specific skilled or professional jobs, it should be notified in advance.
- (iii) The promotion policy should mention the **basis of promotion-seniority or merit**. A sound policy should be based on both the considerations i.e. seniority and ability. Primarily it would emphasise the merit giving due weightage to seniority. If two persons are equal in merit and seniority, seniority should be the basis of promotion.
- (iv) **Job analysis** decides the position of the jobs and their relationship to other positions. This should be charted to provide clear recognition of the natural movement from one job to another. Positions may be adjusted and arranged so that one position prepares workers for another and natural course of advancement throughout the organisation or within each division or department may be provided. Employees should be fully aware of the plan so that they may prepare themselves for higher position.
- (v) Promotion programmes should be closely allied to training programmes ; which enables the employees to improve themselves for promotions.

- (vi) A scientific procedure for evaluating employee performance should be followed. The assessment of employee and confidential reporting should be objective so that every employee has a faith in the promotion policy and is motivated for better performance of work to get promotion.
- (vii) The supervisor or the immediate boss should recommend the promotion which is subject to approval by his immediate superior in the line. Final decision in this respect should be taken by the top executive in line with the advice and assistance of the personnel department in a staff capacity. This serves as a check on the fairness of promotion and ensures that the policy will be consistently administered.
- (viii) The promotion policy should contain a provision for the challenge of a particular promotion by the employee or union within the limits of the promotion policy to ensure fairness in management decision.
- (ix) A vacancy or a would be vacancy should be notified to employees in advance so that interested employees may apply within a specified period. If possible, the candidate should be selected before the job actually becomes vacant.
- (x) The promotion, at first, should be made on probation. If he works satisfactorily during probation period, he should be made permanent.
- (xi) Not all people within an organisation want promotion because some feel that they will leave a congenial work group or they will not be able to handle the responsibilities of higher job or they may have certain other reasons. Promotion should not be forced on such reluctant employees and they should be allowed to continue their present assignment.

BASES OF PROMOTION

While designing the promotion policy, there is always a problem before the management, what should be the criterion for promotion ? Organisations adopt

different bases of promotion depending upon their nature, size, management etc. The well established bases of promotion are :

(i) Seniority and (ii) Merit.

(i) Seniority as a Basis of Promotion

Seniority means length of recognised service in an organisation. If seniority is adopted as the basis of promotion, the senior most person in the lower grade shall be promoted as and when there is an opening in the higher position. The logic behind considering the seniority as a basis of promotion is that there is a positive correlation between, length of service in the same job and the amount of knowledge and the level of skill acquired by an employee in an organisation. Seniority on the basis of length of recognised service in the organisation is decided by the organisation and every employee knows his place in the promotion line. There will be no chance of favouritism or dispute regarding promotion. Seniority is widely recognised as the basis of promotion in almost all types of organisations, particularly in organisations where trade unions are strong. The advantages of seniority as a basis of promotion are as follows :

1. It is relatively easy to measure the length of service and to judge the seniority.
2. Trade unions generally emphasise on seniority rather than on merit as a basis of promotion.
3. The employees trust this method as there is no scope for favouritism, discrimination and judgment.
4. Security and certainty is also a plus point in the use of seniority. Employees can predict when and how he will be promoted. It increases employee morale and gives the employees a sense of satisfaction.
5. It minimises the scope for grievances and conflicts regarding promotion.
6. Seniority basis of promotion helps in reducing labour turnover because an employee will not easily give up his seniority in the organisation.

In spite of the above mentioned advantages, this system also suffers from certain limitations. These are :

1. It is not necessary that employees learn more with length of service. The employees may learn up to a certain age and learning capabilities may diminish beyond a certain age.
2. It demotivates the young and more competent employees and results in greater labour turnover.
3. It kills the zeal and interest for self development as everybody will be promoted without showing any all round growth or promise.
4. Judging the seniority, though, it may seem very easy in theoretical sense, is highly difficult in practice, as so many problems like job seniority, company seniority, service in different organisations, trainee, researcher etc. will crop up.

(ii) Merit as a Basis of Promotion

Merit means ability to work. It denotes an individual employee's skill, knowledge, ability, efficiency and aptitude as measured from educational, training and past employment record. If merit is adopted as the basis of promotion the most able person in the lower grade, no matter howsoever junior he maybe in the company, shall be promoted. It encourages all employees to improve their efficiency. Management personnel generally prefer merit as the basis of promotion. Merit may be determined by job performance and by analysis of employee potential for development through written or oral examinations or personal interviews or other records of performance. Thus, 'ability' ignores the value of experience. The advantages of merit system of promotion are :

1. The skills of an employee can be better utilised at a higher level. It results in maximum utilisation of human resources in an organisation.

2. Competent employees are motivated to exert all their energies and contribute to organisational efficiency and effectiveness.
3. This system continuously encourages the employees to acquire new skills, knowledge etc. for all round development.

Despite the advantages, the merit system suffers from the following limitations:

1. Measuring merit is not always easy.
2. Many employees, particularly, trade unions distrust the management's integrity in judging merit.
3. The techniques of merit measurement are subjective.
4. The purpose of promotion may not be served if merit is taken as the sole criteria for promotion. Merit should mean future potentiality but not past performance. This method takes into consideration the past achievements but not the future success.

(iii) Seniority-Cum-Merit Basis

There is a great controversy on the question of whether promotions should be given on the basis of seniority or merit. Managements mostly prefer merit as the basis of promotion as they are interested in enriching organisational effectiveness by enriching its human resources. But, trade unions favour seniority as the sole basis for promotion with a view to satisfy the interests of majority of their members. The most widely used basis of promotion combines both ability and seniority. The best policy would be to ensure that whenever there are two employees of equal seniority, merit or ability should be the deciding factor in a promotion. Where, however, there are two employees of almost equal competence, seniority should be the decisive factor. Such a policy should satisfy both the management and the trade unions. Hence, a combination of both seniority and merit may be considered as a sound basis for promotion.

TRANSFER

A transfer is a change in job assignment. It is the movement of an employee from one job to another without involving any substantial change in his duties, responsibilities, required skill, status and compensation. A transfer does not imply any ascending (promotion) or descending (demotion) change in status or responsibility. According to Edwin B. Flippo, "Transfer is a change in job where the new job is substantially equal to the old in terms of pay, status and responsibilities." According to Dale Yoder, "A transfer involves the shifting of an employee from one job to another without special reference to changing responsibility or compensation. Transfer may involve promotion, demotion or no change in status and responsibility." Thus, transfer is a horizontal or lateral movement of an employee from one job, section, department, shift, plant or position to another at the same or another place, where his salary, status and responsibility are the same.

PURPOSES OF TRANSFER

Transfers are generally resorted to with a view to attain the following :

1. To Meet the Organisational Requirements. Organisational changes may demand the shift in job assignments with a view to place the right man on the right job. Such changes may be changes in technology, changes in the volume of production, production schedule, product line, quality of products, change in the job pattern, fluctuations in the market conditions, reallocation of or reduction in the workforce due to a shortage or a surplus in same section so that lay offs may be avoided, filling in of the vacancies which may occur because of separations or because of the need for suitable adjustments in business operations. In short, the purpose of transfers is to stabilise employment in an organisation.
2. **To Meet Employees' Requests.** Sometimes, transfer is done at the request of the employer himself. Employee may need transfer in order to satisfy their desire to work under a different superior in a department/region where

opportunities for advancement are bright, in or near their native place or place of interest, doing a job where the work itself is challenging etc.

3. **To Ensure Better Utilisation** of the Employees. An employee may be transferred because the management feels that he is not performing satisfactorily and adequately and when the management feels that he may be more useful or suitable elsewhere, where his capacities would be better utilised.
4. **To Make the Employees More Versatile.** Employees may be shifted from one job to another to expand their capabilities. Job rotation may prepare the employee for more challenging assignments in future.
5. **To Adjust the Workforce.** Workforce may be transferred from a plant where there is less work to a plant where there is more work. Thus, the employees who have been in service of an organisation are not thrown out of employment but adjusted elsewhere.
6. **To Provide Relief to the Employee.** Transfers may be made to give relief to employees who are overburdened or doing hazardous jobs for long periods. Transfer may also be made to break the monopoly of the employee. The climate of a place may be unsatisfactory for an employee's health. He may request a transfer to another place, where his health may not be affected by the climate.
7. **To Reduce Conflicts and Incompatibilities.** Where employees find it difficult to get along with colleagues in a particular section or department, they could be shifted to another place to reduce conflicts.
8. **To Penalise the Employees.** Transfers may be affected as disciplinary measures to shift employees indulging in undesirable activities to remote, far flung areas.
9. **To Maintain a Tenure System.** In senior administrative services of the Government and also in industries or where there is a system of annual intake of management trainees, the employee holds a certain job for a fixed tenure

but is made to move from job to job with a view to enable him to acquire variety of experience and skills and also to ensure that he does not get involved in politicising informal groups.

10. To Accommodate Family Related Issues. Family related issues cause transfers, especially among female employees. When they get married, the female employees want to join their husbands and this fact necessitates transfers or resignations.

TYPES OF TRANSFER

1. Production Transfers. A shortage or surplus of the workforce is common in different departments in a plant or several plants in an organisation. Surplus employees in a department have to be laid off, unless they are transferred to another department. Transfers effected to avoid such inevitable lay offs are called production transfers.
2. Replacement Transfers. A replacement transfer is the transfer of a senior employee to replace the junior employee or a new employee, when the latter is laid off or shifted to another job. Sometimes, it is a temporary arrangement to make use of the services of the senior personnel.
3. Versatility Transfers. Versatility transfers are effected to make employees versatile and competent in more than one skill. It aims at giving training to the employees of various jobs of similar nature having different operations. It helps the employees to get themselves prepared for promotions and also helps the employer in developing the effective manpower prepared to handle the higher openings.
4. Shift Transfers. When the unit runs in shifts, employees are transferred from one shift to another on similar jobs. In some undertakings, where shifts are operated regularly, employees may be recruited permanently for the shift, but in some cases they are rotated from one shift to another as a matter of

practice, because many employees dislike second or third shift assignment as it interferes with their social or family engagements.

5. Remedial Transfers. Remedial transfers are effected at the request of the employees and are, therefore, called personal transfers. Personal transfers take place because the initial placement of an employee may have been faulty or the worker may not get along with his supervisor or with other workers in the department. He may be getting too old to continue his regular job or working conditions may not be well adapted to his personal health. If the job is repetitive, the employee may stagnate and would benefit by transfer to a different kind of work.
6. Precautionary Transfers. Such transfers are made as a precautionary measure to avoid the misuse of office or misappropriation of funds by the employees. In some undertakings, there are more chances of misuse of office or misappropriation of funds than others. Generally it is mentioned in the transfer policy of the organisation that an employee cannot stay at one post for more than 3 years or so.

TRANSFER POLICY

A sound, just and impartial transfer policy should be evolved in the organisation to govern all types of transfers. This policy should be clearly specified so that the superiors cannot transfer their subordinates arbitrarily and the subordinates may not request for transfers even for the petty issues. The management must frame a policy on transfers and apply it to all the transfers instead of treating each case on its merit. Such a policy must be based on the following principles :

1. Transfer policy must be in writing and be made known to all the employees of the organisation.

2. The policy must very clearly specify the type and the circumstances under which company initiated transfers will be made.
3. Basis for transfer should be clearly mentioned in the policy. Whether it will be based on seniority or on skill and competence or any other factor.
4. It should indicate the executive who will be responsible for initiating and approving the transfers.
5. The policy should specify the region or unit of the organisation within which transfers will be administered.
6. The effect of the transfer on the pay and seniority of the transferred employee may be clearly evaluated.
7. It should be prescribed in the policy whether the training or retraining is required on the new job.
8. Transfers should be clearly defined as temporary or permanent.
9. The interests of the organisation are not to be forgotten in framing a policy of transfer.
10. Reasons for mutual transfer of employees or reasons to be considered for personal transfers should be specified.
11. The fact of transfer should be intimated to the person concerned well in advance.
12. Transfers should not be made frequent and not for the sake of transfer only. Generally, line managers administer the transfers and personnel managers assist the line managers in this respect.

