

MS-108 (Human Resource Management)

Unit- 8: Promotions and Transfers

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Promotion Defined

“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.” - *Pigors and Myres.*

“A promotion involves a change from one job to another that is better in terms of status and responsibility.” –

Edwin B. Flippo.

Needs of Promotion

- ❑ Organizational Needs: The very objective of retaining employees is fulfilled through promotion as it encourages employees to work within the organization.
- ❑ Individual Needs: Work life balance or personnel objectives of individual employees get accomplished while maintaining the social level satisfaction and monetary requirement fulfilment. Promotion enables individual to attain monetary benefits and recognition in social groups through attainment of higher position in the organization.

Objectives of Promotion

- ❑ To utilize human resource effectively and efficiently, promotion provides opportunities of up grading in the organization hierarchy. Promotion policy pushes individual employee to perform as per the standard to be part of promotion.
- ❑ To meet challenges of new technology, learning attitude of employees can be enhanced using appropriate promotion policy. Appreciation of efficient performance encourages the employees to be more open for learning and coping up with the challenges.
- ❑ To ensure Career development and enhancement through proper channelization of promotion policy.
- ❑ Attainment of healthy work culture and belongingness among the employees with organization using promotion policy of the organization.

Objectives of Promotion (continued)

- ❑ Loyalty of employee for the organization is promoted through transparent practices of promotion and other policies of the organization.
- ❑ Coping up individual objective with organization's objective is possible through promotion policy evaluation favourably done by the employees.
- ❑ Performance management, knowledge management, career planning, competitive advantage and many other practices are

Principles of Promotion

- ❑ Documentation of Promotion Policy
- ❑ Identified Promotion Position
- ❑ Defined Criteria of Promotion
- ❑ Objectivity of Promotion with Job Analysis
- ❑ Coordination of Promotion with Training
- ❑ Scientific Process of Promotion
- ❑ Transparency of Practices

Basis of Promotion

- ❑ Seniority: Tenure of stay in an organization identifies the loyalty of employee for any organization. Employees look forward for the reward against their loyalty for the organization.
- ❑ Competency merit: Job standardization provides guidelines for evaluating the performance given by an employee. Competency of employees measures three dimensions as knowledge, skills and ability. Thus competency based merit of employee identifies most suitable employee for the promotional position available in the organization.

Types of Promotion

Horizontal Promotion

Vertical Promotion

Dry Promotion

Demotion defined

- ❑ Demotion is an inverse of promotion. Change of responsibilities, salary and status in downward direction is termed as demotion.
- ❑ Individual for non-compliance of organization norms and not fulfilling the job criteria or non-performance against the given responsibilities leads to the decision of demotion. In case of lower level of business sometime organization to retain employees may opt for demotion policy for its employees.
- ❑ Demotion is a demotivating factor for employee thus they make their efforts to avoid such situation to occur in their career.

Transfer defined

- ❑ Employees moved in the same status, salary and responsibilities within organization is termed as transfer.
- ❑ Transfer takes place in two forms as permanent or temporary transfers.
- ❑ Individual's temporary transfer may be due to time being absenteeism, change in the workload or may be vacations whereas permanent transfer may occur due to health concerns of employees, vacant position requiring skills available in the employee or may be change in the workload.

Transfer defined (continued)

- ❑ Thus transfer can occur in two ways as temporary and permanent.
- ❑ Transfer may be voluntary or involuntary.
- ❑ Voluntary transfer is requested by employee against their wish for the change in place or department within the organization.
- ❑ Contrarily involuntary transfer is caused under the decision action of the organization.

Types of Transfer

- ❑ Production Transfer
- ❑ Remedial Transfer
- ❑ Replacement Transfer
- ❑ Versatile Transfer

Advantages of Transfer

- ❑ Transfer enhances employees' career skills and performance in job duties and responsibilities.
- ❑ It assists in solving the wrong selection concern i.e. putting right person at right place.
- ❑ Change in jobs helps to enhance job satisfaction as it assists in removing boredom.
- ❑ Future challenges can be mitigating easily by employees as transfer creates changing situation for them multiple time.
- ❑ Healthy work culture get develop through more interaction among employer and employee adhering different working situations.

Disadvantages of Transfer

- ❑ Transfers breaks the routine working condition thus create inconvenience to the employees.
- ❑ Absence of individual's Expertise can be felt at place from where one is being shifted.
- ❑ Transfer policy implementation without transparency may create major concern and dissatisfaction among the employees.
- ❑ Employee transfer may lead to non-suitable candidate transfer and can cause damage to the current functioning situation in the organization.

Separation Defined

- ❑ When employee ceases to be member of any organization, employee separation occurs. Agreement between employer and employee turn to end. Employee leaves organization either after completing their tenure or move to another organization to begin new responsibility under new agreement with other organization.
- ❑ Employee may leave the organization on their own willingness called voluntary separation and on contrary to it without willingness if employee leaves it is involuntary separation.

Separation Defined (Continued)

- ❑ Separation can add to motivation as well as demotivating factors among the employees.
- ❑ Separation policy or exit policies are also formulated by the organization to have clarity of all working conditions.
- ❑ Do's and don'ts list also involves separation conditions communicated to the employees.

Causes of Separation

1. Voluntary Separation

- a) Resignation
- b) VRS (Voluntary Retirement Schemes)

2. Involuntary Separation

- a) Discharge and Dismissal
- b) Retrenchment
- c) Lay-off
- d) Retirement

Reference

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Thank You!