

# INTERNAL MOBILITY AND SEPARATION

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## INTRODUCTION

- ▶ It is normal for people to move. In an organization, movement can be vertical (promotion or demotion) or horizontal (transfer / job rotation).
- ▶ Employees in an organization move so as to:
  - improve the effectiveness of the employee within the organization,
  - satisfy both the employee's and organizational needs,
  - provide for career and succession planning,
  - effect changes in the jobs and organizational structure,
  - ensure discipline and make organizational rewards contingent on employee performance.
- ▶ Internal mobility is the horizontal or vertical movement of employees within the organization and takes the form of promotion, demotion, transfer or job rotation.

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## PROMOTION

- ▶ Promotion is the vertical movement of an employee within the organization. It takes the form of movement from one job to another; usually of higher status, perks and responsibilities.  
Filippo, E.B.; (1984); Personnel Management; Mc-Graw Hill; New York.  
Scott, W. D. Clothier, R. C. & Spriegel, W. R.; (1954); Personnel Management; 5th ed.; New York; page 542.  
Pigors, P. & Myers, C.; (1973); Personnel Administration: A Point of View and a Method; 7th ed; McGraw-Hill; New York.  
White, L.D.; (1948); The Federalists: A Study in Administrative History; Macmillan Co.
- ▶ Promotion may be temporary (acting capacity) or permanent, and may be with an increment of salary or not.

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## Types of Promotion:

- ▶ Horizontal Promotion
- ▶ Vertical Promotion
- ▶ Dry Promotion

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## Purpose of Promotion:

- ▶ Recognition of an employee's skill or knowledge and utilizing it to improve the organization's effectiveness;
- ▶ rewarding and motivating employees to higher productivity;
- ▶ developing competitive spirit and inculcating zeal in employees to acquire skills, knowledge etc.;
- ▶ promoting employee satisfaction and boosting employee morale;
- ▶ building loyalty among the employees;
- ▶ promoting good human relations;

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**Purpose of promotion cont...**

- ▶ increasing a sense of belongingness;
- ▶ retaining skilled and talented people;
- ▶ attracting trained, competent and hard-working people;
- ▶ providing opportunities for career advancement;
- ▶ filling higher vacancies within the organization;
- ▶ impressing on the other employees that opportunities are available to them too if they perform well.

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**Promotion Policy:**

*Characteristics of a good promotion policy: -*

- ▶ provides equal opportunities;
- ▶ applied uniformly to all employees irrespective of their background;
- ▶ fair and impartial;
- ▶ basis of promotion must be clearly specified and made known to the employees;
- ▶ must be correlated with career planning;
- ▶ appropriate authority must make final decisions;
- ▶ promotion must be made on trial basis;
- ▶ must be a good blend of internal promotions and outside recruitments.

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*Benefits of having a promotion policy: -*

- ▶ increases job satisfaction and improves employee morale;
- ▶ develops employee loyalty;
- ▶ attracts good and efficient employees;
- ▶ removes the chances of subjectivity in promotional decision;
- ▶ economical for the organization;
- ▶ employee efficiency and production increases.

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*Drawbacks of having a promotion policy that focuses on internal sources: -*

- ▶ qualified outsiders are overlooked;
- ▶ employee promoted may not possess the required qualities;
- ▶ manpower mobility is restricted. employee turnover to a certain extent is good for the health of the organization;
- ▶ clash between factors like seniority and ability;
- ▶ may lead to favouritism;
- ▶ business growth is hindered by the limited talent of the insiders.

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*Basis of Promotion: -*

- ▶ Seniority i.e. length of service;
- ▶ Merit i.e. performance;
- ▶ Other basis for promotions:
  - educational and technical qualification;
  - potential for better performance;
  - career and succession planning;
  - vacancies based on the organizational chart;
  - motivational strategies like job enlargement;
  - training.

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## TRANSFER

"A transfer is the change in the job (usually accompanied by a change in the place of the job) of an employee without a change in responsibilities or remuneration."

Filippo, E.B., (1984); Personnel Management; Mc-Graw Hill; New York; at page 239  
Also see: Eguchi, K.; (2005); Job Transfer and Influence Activities; Journal of Economic Behavior & Organization; Volume 56, Issue 2; Pages 187 - 197; available at <https://www.sciencedirect.com/science/article/pii/S0167268104000484>

- ▶ Transfer involves a change of job involving increase in salary, authority, status and responsibility; while all these remain unchanged in the case of the promotion.
- ▶ Transfers are frequent and regular whereas promotions are infrequent and not regular.
- ▶ Transfer may be initiated either by the company or the employee.
- ▶ Transfer could be permanent, temporary or *ad hoc* to meet emergencies.

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## Need for Transfers:

- ▶ To meet organizational needs
- ▶ To satisfy employee needs
- ▶ For better utilization of employees
- ▶ To make the employee more versatile
- ▶ To adjust the workforce
- ▶ To provide relief
- ▶ To punish the employee

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## A Good Policy on Transfers:

A good transfer policy should;

- ▶ specify the circumstances under which transfers will be made;
- ▶ be in writing;
- ▶ be communicated to the employees;
- ▶ specify the basis of transfer i.e. whether the transfer will be made on the basis of seniority or skill and competency or on any other basis;
- ▶ indicate the authority which will handle transfers;
- ▶ communicate the fact of transfers to other persons concerned well in advance;
- ▶ specify the jobs to which transfers will be made;

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- ▶ specify the duties and salary on assumption of new job should also be clarified;
- ▶ provide clarity on whether the transfer is temporary or permanent;
- ▶ provide an indication as to whether the transfers can be made within departments or within units;
- ▶ not be done frequently;
- ▶ not be done for the sake of the transfer only;
- ▶ be consistent with the overall objectives of the organization.

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## Types of Transfers:

- ▶ Production transfer
- ▶ Remedial transfer
- ▶ Replacement transfer
- ▶ Versatility transfer
- ▶ Shift transfer
- ▶ Penalty transfer

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## DEMOTION

- ▶ Demotion is the downward movement of an employee in the organizational hierarchy with lower rank / status and pay.

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## Causes of Demotion:

- ▶ Incompetence
- ▶ Adverse business conditions
- ▶ Disciplinary measure

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## Demotion Policy:

A systematic policy on demotion may contain: -

- ▶ list of rules to be implemented, the violation of which would subject an employee to demotion;
- ▶ mode of communication to the employees;
- ▶ avenue for competent investigation in case of any allegations of violation;
- ▶ equitable application of the penalty;
- ▶ implementation and review procedure.

Yoder, D., (1977); Personnel Management and Industrial Relations; Prentice Hall of India; New Delhi; at page 95

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## SEPARATION

- ▶ Separation is a situation when the service agreement of an employee with his / her organization comes to an end and the employee leaves the organization.

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## Forms of Employee Separation:

- ▶ Retirement
- ▶ Resignation
- ▶ Death
- ▶ Lay-off
- ▶ Retrenchment
- ▶ Dismissal

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**Criteria for Separation:**

- ▶ Seniority-Based Selection
- ▶ Employee Status-Based Selection
- ▶ Merit - Based Selection
- ▶ Skills - Based Selection
- ▶ Multiple Criteria Ranking
  - employee's long-term potential and attitude;
  - employee's skills, abilities, knowledge, and versatility;
  - employee's education and experience levels;
  - employee's quantity and quality of work;
  - employee's attendance history;
  - employee's tenure within the company.

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**Elements of a Good Separation Policy:**

- ▶ Equipment
- ▶ Network Access
- ▶ Timing
- ▶ Enforcement
- ▶ Transition

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**Role of Human Resource Department in Internal Mobility and Separation:**

- The HR department is mandated to: -
- ▶ give advice;
  - ▶ decide on the policy;
  - ▶ provide records;
  - ▶ provide appropriate tools;
  - ▶ ensure effective communication;
  - ▶ solve disputes;
  - ▶ prepare the workforce.

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