

PROMOTION

Promotion


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What is promotion.

- Promotion means advancement within an organisation.
- It is an upward movement of an employee from current job to another that is higher in pay, responsibility, status and organisational level.





The new job will be promotion only if entails increased responsibilities and enhanced pay.



The basic elements of 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.

DEFINITION OF PROMOTION

“ A promotion is the transfer of an employee to a job that pays more money or that enjoys some preferred status ”

According to Scott and Spreigal

“ A promotion involves a change from one job to another that is better in term of status and responsibility “

According to Edwin B. Flippo

Purposes of promotion.

- To put the employee in a position where he will be of greater value to the company.
- To develop competitive spirit and zeal in the employees to acquire the skill and knowledge etc. required by higher level jobs.
- To promote employee self-development and make them await their turn of promotions. It reduce labour turnover


- 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.

- To promote employee's interest in training and development programmes and in term development areas.



- To built loyalty among employees and to boost their morale.

- To create among employees a feeling of contentment with their present working conditions and encourage them to succeed in the company.



Types of Promotion

- Promotion is of three types. They are:
 1. Vertical promotion
 2. Upgradation
 3. Dry promotion

1. Vertical promotion:


Under this type of promotion, employee is moved to the next higher level, in the organizational hierarchy with grater responsibility, authority, pay and status.

But other than this promotion also includes or types of promotion

- Upgradation :- where only salary increases.
- Dry promotion :- where an employee is promoted to higher position without any increment in salary.

Promotion policy

A sound promotion policy reduces the personnel problems regarding promotions considerably and ensures the employees fair chances of advancement.



Principles of promotion

- The promotion policy should be in writing.
- The promotion policy should lay down what percentage of vacancies in higher levels of hierarchy are to be filled up by promotion.
- The promotion policy should mention the basis of promotion-seniority or merit.

Bases of promotion

Organisations adopt different bases of promotion depending upon their nature, size, management etc.

The well established bases of promotion are :

- 1. Seniority bases*
- 2. Merit bases*
- 3. Seniority-cum-merit basis*

Basis for Promotions

Seniority	Merit
<ol style="list-style-type: none">1. Seniority means length of recognized service in an organization.2. Seniority means the calculation of time from when an employee has joined the company and served for how many years in the company.3. The senior most person in the lower grade shall be promoted as and when there is an opening in the higher position4. Seniority is suggested as the criteria for promotion on the plea that there is a positive correlation between length of the service and talent	<ol style="list-style-type: none">1. Merit means ability to work.2. It denotes an individual employee's skill, knowledge, ability, efficiency and aptitude as measured from educational, training and past record3. If the merit is adopted as basis of promotion then the person in the lower grade ,no matter his junior most in the company, shall be promoted.4. It encourage all employee to improve their efficiency

Advantages of Seniority and Merit Based Promotions

Seniority Based	Merit Based
<ol style="list-style-type: none">1. Easy to measure the length of service2. Trade unions generally emphasis on seniority.3. Security and certainty.4. Minimize the scope of grievances and conflicts.5. Reduce labour turnover6. Sense of satisfaction to senior employees and is in line with the Indian Culture of respecting seniority in all walks of life.	<ol style="list-style-type: none">1. Difficult to judge merit.2. Implies the knowledge, skills and performance record of an employee.3. Motivates competent employees to work hard and acquire new skills.4. Maintains the efficiency of the organization by recognizing talent and performance5. Attracts and retains young and promising employees in the organization

Disadvantages of Seniority and Merit Based Promotions

Seniority Based	Merit Based
<ol style="list-style-type: none">1. Length of Service is not directly proportional to talent.1. Performance and potential of an individual is not recognized.2. Demotivates and demoralizes the young employees who are talented.3. Kills the zeal and interest for self development4. Fails to attract young and hardworking employees	<ol style="list-style-type: none">1. Measuring Merit is not easy. Subjective judgement may be involved.2. Many, particularly trade unions distrust the management's integrity in judging merit.3. When younger employees are promoted over the older one, the older employees may feel insecure or leave.

Seniority as a basis of promotion

- *Seniority means length of recognised services in an organisation.*
- *If seniority as a bases of promotion, the senior most person in a lower grade shell be promoted as and when there is an opening in a higher position.*
- *The logic behind considering the seniority as a bases of promotion is that there is a positive correlation between the length of service in the same job and the amount of knowledge and the level of skill acquired by an employee in an organisation.*

Advantages of seniority

- *It is relatively easy to measure the length of service and to judge the seniority.*
- *Trade unions generally emphasis on seniority rather than merit as a basis of promotion.*
- *The employees trust this method as there is no scope for favouritism, discrimination and judgement.*
- *Security and certainty is also a plus point in the use of seniority.*
- *Seniority basis of promotion helps in reducing labour turnover.*

Disadvantages of seniority

- *It is not necessary that employees learn more with length of service.*
- *It demotivates the young and more competent employees results in greater labour turnover.*
- *It kill the zeal and interest for self development as everybody will be promoted without showing any all round growth or promise.*

Merit as a basis of promotion

- *Merit means ability to work.*
- *It denote an individual employee's skill, knowledge, ability, efficiency and aptitude as measured from educational, training and past employment record.*
- *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 record of performance.*

Advantages of merit

- *The skill of an employee can be better utilised at a higher level.*
- *Competent employees are motivated to exert all their energies and contribute to organisational efficiency and effectiveness.*
- *This system continuously encourages the employees to acquire new skill, knowledge etc. for all round development.*

Disadvantages of merit

- *Measuring merit is not always easy.*
- *Many employees, particularly, trade unions distrust the management's integrity in judging merit.*
- *The purpose of promotion may not be served if merit is taken as the sole criteria for promotion.*
- *The techniques of merit measurement are subjective.*

Seniority-cum-merit basis

- *Management mostly prefer merit as a basis of promotion as they are interested in enriching organisational effectiveness by enriching its human resources.*
- *Trade unions favour seniority as the sole basis of promotion with a view to satisfy the interests of majority of their members.*
- *The combination of both seniority and merit may be considered as a sound basis for promotion.*

Promotion plans / programs

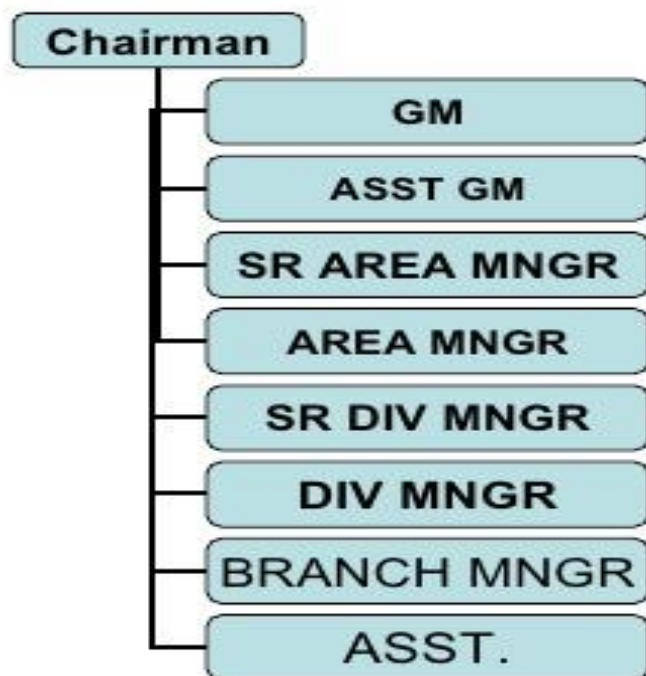
Every organisation should have a formal and systematic promotion program. For this:-

- Establishment of ladder of promotion
- Communicated to employees
- Dead-end jobs must be clearly specified in such ladders. (clearly specified abt exp.)

Contd..

- Promotion chart is to be prepared
- Whenever a vacancy arises, employees must be informed of that vacancy so that interested persons can apply for that post within time allowed.

Promotion ladder



Promotion chart

