

JOB CHANGES: TRANSFER AND PROMOTION

Chapter 10

TRANSFER

- Transfer means shifting of an employee from one job to another, one unit to another or one shift to another and may involve a new geographical location.
- Transfers have a number of objectives, such as moving employees to positions with a higher priority in terms of goals, placing employees in positions more appropriate to their interests or abilities or filling department vacancies with employees from overstaffed department.
- According to Dale Yoder, "A transfer involves the shifting of an employee from one job to another without special reference to changing responsibilities or compensation.
- A transfer is a lateral movement of an employee from one job to another.

TRANSFER VS PROMOTION

TRANSFER	PROMOTION
It refers to a lateral shift of an individual from one job position to another on the same occupational level and pay scale	It implies upward elevation of an individual in terms of job responsibilities, pay scale and status
Consideration of merit and seniority do not affects transfer decisions. The incentive value of transfer is low.	It represents a recognition of and reward for merit, good performance and behaviour, length of service, commitment and so on.
It is a routine administrative matter	It involves thoughtful managerial decisions
In case of transfers outsiders do not enter into consideration	In promotion management can fill the positions internally or through external selection
The criteria for transfer may be improving versatility of employees, rectification or correction of wrong placement, increase or decrease in volume of activity, punishment for poor performance	The criteria for promotion may be merit in the performance of job, potential for assuming higher responsibilities, length of service in a job,
Transfers may be multi-directional and reversible	Normally once a employee is promoted to a higher position, he is not reverted back or demoted to earlier position

CAUSES OR RATIONALE OF TRANSFERS

- Meeting Organisational Needs
- Meeting Employees Requests
- Better Utilization of Employees
- Developing Allrounders
- Manpower Adjustments
- Avoidance of Conflicts
- Punishing the Employees
- Relief to the Employees
- Tenure System

TYPES OF TRANSFERS

- **Production Transfers:** These transfers are resorted to when there is need of manpower in one department and there is surplus in another department.
- **Remedial Transfers:** In case an employee does not feel comfortable on his job, he may be transferred to some other job
- **Job-Rotation Transfers:** It is a common practice to train employees in different jobs with the aim of increasing their versatility and improving their chances of promotion.
- **Shift Transfers:** In case of industrial firms, there are normally three shifts. Usually these shifts are rotating.
- **Inter-Plant Transfers:** If a transfer is from one plant to another, it is known as inter-plant transfer.

PROMOTION

- A promotion is the transfer of an employee to a job that pays more money or one that enjoys some preferred status.
- 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 scale of pay or salary.
- The purpose of a promotion is to provide a position which in general is worth more to the organization than the incumbent's present position.

PROMOTION AND UPGRADATION

- **Promotion** means advancement of an employee to a higher post with greater responsibilities and higher salary, better service conditions and thus higher status.
- When salary of an employee is increased without corresponding change in job status, it is called **upgrading**
- The job itself may be upgraded to a higher scale of pay or if there are variable scales of pay for same job according to skill required, upgrading may mean moving to a higher scale without changing the job.
- Both promotion and upgrading are devices used by management to reward employees for better performance and to increase their morale.

RATIONALE OF PROMOTION

- To recognize an individual's performance and reward him for his work so that he may have an incentive to forge ahead. Employees will have little motivation if better jobs are reserved for outsiders.
- To promote job satisfaction among the employees and give them an opportunity for unbroken, continuous service.
- To provide opportunities for career advancement.
- To build up morale, loyalty and a sense of belonging on the part of the employees when it is brought home to them that they would be promoted if they deserve it.
- To create among employees a feeling of contentment with their present conditions and encourage them to succeed in the company.
- To reduce discontent and unrest among the employees.
- To develop a competitive spirit among the employees for promoting better performance.

MERITS AND PROMOTION

- The internal candidates having intimate knowledge of the organization can handle the new jobs easily
- It will increase the morale of the employees
- It will ensure sincere effort on the part of employees because they know that they may rise to senior positions by promotions
- The costs of training the insiders on the senior posts will be less

DEMERITS OF PROMOTION

- Better qualified outsiders may not be reached by the management. Moreover, the person promoted to a senior job may not possess the required qualities.
- The mobility of manpower is restricted. Employee turnover to a certain extent is good for the health of the organization.
- In promotion, there may be clash between factors like seniority and ability. The decisions may lead to favouritism.
- Further growth of the business is hindered by the limited talent of the insiders. The entry of fresh talent into the organization will be restricted.

MERIT AS BASIS OF PROMOTION

- Merit as the basis of promotion offers maximum inducement for improvement. Employees know that competence is the only basis for getting promotion.
- Promotion on the basis of merit motivates the employees having potential for growth.
- Merit based promotion ensures that efficiency of the organization is maintained.
- Merit based promotion policy also attracts young and promising candidates to apply for jobs in the organization. This infuses fresh blood into the organization.

Ability of the employees may be judged by written or oral examination, personal interviews and their records of performance. Thus, ability criterion ignores the value of experience.

SENIORITY AS BASIS OF PROMOTION

- Promotion will be made as a matter of course and every employee will know his place in the promotion list.
- Respect for elders is a part of cultural value system in a number of societies. Seniority as a mode of employee promotion is consistent with such cultural value system of the society.
- There will be no chance of favouritism or dispute regarding promotion. The measurement of seniority is simple as well as exact.
- It will reduce labour turnover as the employees feel secured about their promotion.
- It will increase the morale and productivity of employees. It will also promote their loyalty towards the organization.

SENIORITY CUM MERIT

