

Transfer & Promotion (Job Change)

A transfer refers to lateral movement of employees within the same grade, from one job to another. According to Flipppo "a transfer is a change in the job (accompanied by a change in the place of the job) of an employee without a change in responsibilities or remuneration".

Transfer differs from promotion in the sense that the latter involves a change of job involving increase in salary, authority, status and responsibility, while all these remain unchanged /stagnant in the case of former. Also, transfers are frequent and regular whereas promotions are infrequent, if not irregular.

Need of transfer

The need for making transfer is left for various reasons as listed below:

1. To Meet Organisational Needs:

Changes in technology, volume of production, production schedule, product line, quality of products, organisational structure, etc. necessitate an organisation to reassign jobs among employees so that right employee is placed on the right job.

2. To Satisfy Employee Needs:

Employees may request for transfer in order to satisfy their desire to work in a department, place and under some superior. Personal problems of employee like health, family circumstances, and interpersonal conflicts may also necessitate transfer.

3. To Better Utilize Employee:

When an employee is not performing satisfactorily on one job and management thinks that his/her capabilities would be utilized better elsewhere, he/she may be transferred to other job.

4. To Make the Employee More Versatile:

In some organisations like banks, employees after working on a job for a specified period are transferred to other job with a view to widen their knowledge and skill and reduce monotony. This is also called 'job rotation'.

5. To Adjust the Workforce:

Work force can be transferred from the departments / plants where there is less work to the departments/plants where more work is.

6. To Provide Relief:

Transfers may be made to give relief to the employees who are overburdened or doing hazardous work for long period.

7. To Punish Employee:

Management may use transfer as an instrument to penalize employees who are indulged in undesirable activities. As a disciplinary action, employees are transferred to remote and far-flung areas.

Types of Transfer

Employee transfers may be classified into following types:

1. Production Transfer:

Such transfers are made when labour requirements in one division or branch is declining. The surplus employees from such division are transferred to those divisions or branches where there is shortage of employees. Such transfers help avoid lay off and stabilize employment.

2. Remedial Transfer:

Such transfers are affected to correct the wrong selection and placement of employees. A wrongly placed employee is transferred to more suitable job. Such transfers protect the interest of the employee.

3. Replacement Transfer:

Replacement transfers are like production transfers in their inherent, i.e. to avoid layoffs. Replacement transfers are affected when labour requirements are declining and are designed to replace a new employee by an employee who has been in the organisation for a sufficiently long time. The purpose of these transfers is to retain long service employees in the organisation and give them some relief from the heavy pressure of work.

4. Versatility Transfer:

These transfers are also known as 'job rotation'. In such transfers, employees are made move from one job to another to gain varied and broader experience of work. It benefits both the employee and organisation. It reduces boredom and monotony and gives job enrichment to the employee. Also, employees' versatility can be utilized by the organisation as and when needed.

5. Shift Transfers:

These transfers are affected in the organisations where work progresses for 24 hours or in shifts. Employees are transferred from one shift to another usually based on mutual understanding and convenience.

Penalty Transfer:

Management may use transfer as an instrument to penalize employees involved in undesirable activities in the organisation. Employee transfer from one's place of convenience to a far-flung and remote area is considered as a penalty to the employee.

Promotion

Promotion is vertical movement of an employee within the organisation chart. In other words, promotion refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities. Promotion may be temporary or permanent, depending upon the needs of the organisation.

Types of Promotion:

1. Horizontal promotion:

When an employee is shifted in the same category, it is called 'horizontal promotion'. A junior clerk promoted to senior clerk is such an example. It is important to note that such promotion may take place when an employee shifts within the same department, from one department to other or from one plant to another plant.

2. Vertical Promotion:

This is the kind of promotion when an employee is promoted from a lower category to higher+ category involving increase in salary, status, authority and responsibility. Generally, promotion means 'vertical promotion'.

3. Dry Promotion:

When promotion is made without increase in salary, it is called 'dry promotion'. For example, a lower level manager is promoted to senior level manager without increase in salary or pay. Such promotion is made either there is resource/fund crunch in the organisation, or some employees hanker more for status or authority than money.

Purposes:

The following are the purposes or objectives of promotion:

1. To recognize an employee's skill and knowledge and utilize it to improve the organisational effectiveness.
2. To reward and motivate employees to higher productivity.
3. To develop competitive spirit and inculcate the zeal in the employees to acquire skill, knowledge etc.
4. To promote employees' satisfaction and boost their morale.
5. To build loyalty among the employees toward organisation.
6. To promote good human relations.
7. To increase sense of belongingness.

Basis of Promotion

- 1. Tenure:** Tenure means time period an employee has spent in the organization. Some organization prepare a career path for the employees to clearly show the growth of an employee in the organization. If promotion is being decided based on tenure, employees are promoted or move vertically in the hierarchy of the organization, based on the time period they have devoted to the organization. Performance also matters for such promotions by tenure remains the basic qualification for being promoted though this method. For example, an assistant professor becomes associate professor after working as assistant professor for certain time period.
- 2. Qualification:** Sometimes if any employee wants to be promoted, should have certain qualifications to be promoted for the position. For example, if any HR office is willing to be labour welfare office of an organization where five hundred or more employees are employed, he should possess the degree or diploma in the field of human resource management/ personnel management or Master of Social Work.
- 3. Performance:** Performance is key factor for the promotion in most of the cases. After assessing the performance of the employees after the performance assessment, outstanding employees are rewarded with the promotion if they are eligible for the post.

Demotion

As punishment some employees are awarded with demotion as compulsory reduction in rank or job title within the organization. As promotion is awarded due to outstanding performance demotion is awarded due to any misconduct, negligence or non-performance.

This concept is contrary to promotion where vertical movement occurs but in downward direction. Because of the demotion all the benefits were given at a rank would be revoked as well.

Sometimes demotion may be observed in the case of mergers. When two organization merges or one organization takeovers another organization, it is observed that at top level of management some managers are employed lower grades in new organizational structure.

If demotion is awarded as punishment it affects the employees psychosocially so that any undesired behaviour would not be repeated by the employee. Employee demotion can also be used by the management as retrenchment strategy where management is trying to reduce the labour cost. Though the demotion is awarded to any employee management also faces lawsuits and industrial disputes.

Employee Separation

Employee separation is last phase of the human resource cycle. When employee leaves the organization whether voluntary or involuntary. Employees leave the organization in two situations either they get better opportunity and decide to leave the organization or organization asks the employees to leave the organization. Reason for involuntary separation could be anything like medical conditions, superannuation, retrenchment etc.

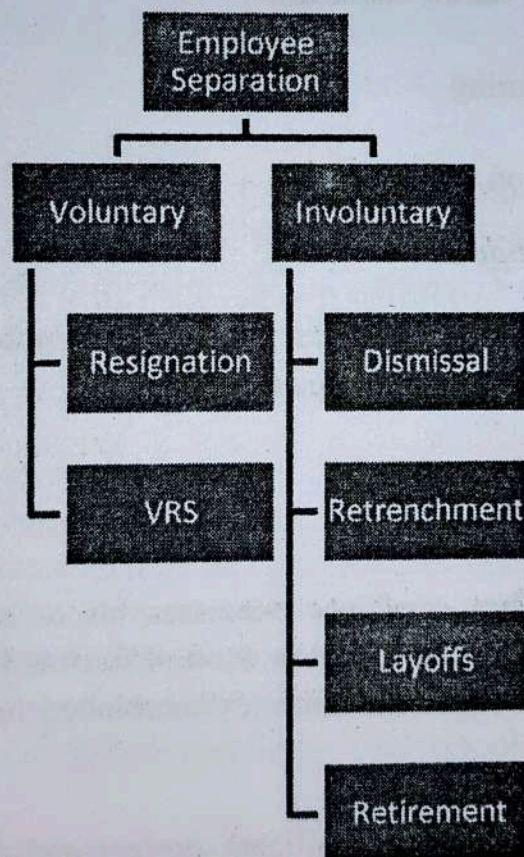
Yoder defines the employee separation as, "separation is a negative recruitment. It may be in the form of resignation, dismissal or discharge, suspension, retrenchment or lay-off."

Employee separation is unavoidable (except some cases) practice in the organization thus should be dealt with smooth manner. There should be clear policies for the employee separation and leaving employees should be treated with respect and baselessly. In the cases of voluntary separation employer should know about the perception of employee about the organization, reason for leaving the organization and valuable suggestions.

Types of employee separations

As we discussed that there are tow types of employee separation depending on whether employee is willing to leave the organization in search of better opportunities or the organization is making the employee to leave the organization sue to any unfavourable situation;

- A. Voluntary employee separation
- B. Involuntary employee separation



(Figure: types of Employee Separation)

- A. **Voluntary employee separation:** This type of separation occurs when employee is not satisfied with the current conditions in the existing job. If employees perceive that their career

growth is not as per the expectation or working conditions are not comfortable, decide to look the opportunities beyond the current employment.

Sometimes organization itself gives the opportunity to the employees to leave the organization with handsome amount of compensation, just because to create new vacancies in the organization or to get rid of surplus staff.

There may be following reasons for the voluntary employee separation

a. Professional reasons:

- i. Better opportunity beyond the existing job.
- ii. Burnout (Perception of insignificance in the existing job)
- iii. Overburdened
- iv. Inadequate remuneration/ wages
- v. Unfair labour practices.
- vi. Unhygienic working conditions

b. Personal reasons:

- i. Health issues of family members
- ii. Maternity
- iii. Child rearing/ caring
- iv. Relocation
- v. Higher education

Types of Voluntary employee separation

There are two types of voluntary employee separation, one is planned by the organization while another comes as non-planned in the form of resignation;

1. Employee Resignation
2. Voluntary Retirement Scheme

1. **Employee Resignation:** When employee expresses his or her wish to separate from the organization with the employers in verbal or written form is known as resignation. Most of the time their provisions for such separation are mentioned in the offer letter were given at the time of joining.

If employee is not engaged in any significant project and there will not be any serious consequences on leaving of such employees, management accept the resignation with some conditions like notice period. Employees leaving the organization must serve during the notice period so that employer can buy some time to fill the vacancy before the employee leave the organization. In case of immediate relieving employees as asked to pay predetermined compensation to the employer.

2. **Voluntary Retirement Scheme (VRS):** If organization is working on retrenchment strategy and ready for downsizing the workforce VRS can be a remedy. This process is also known as golden handshake. There are following need for the VRS

Need of VRS

1. Beneficial for both employee and employer
2. Elimination of surplus staff
3. Technological changes
4. A part of downsizing strategy (retrenchment)
5. Incorporation of talented young employees

Advantages

1. No or less agitation from the side of employees
2. Humane way to reduce the staff
3. Employees get handsome package of compensation amount in return of leaving a job
4. No or less objection form trade union
5. Reduction of human resource cost of the organization

In the cases of voluntary employee separation, employer gets surprises in the case of resignations. While VRS separation planned by the management itself. In both the cases exit interview should be conducted to understand the reasons of employees leaving the organization.

Exit interview

These interviews are conducted to understand that why the employees are willing to leave the organization. Another motive of such interview is to know the future of the employees, perception of the employees about the current job, suggestions of the employees to make the job profile better in upcoming future. Following questions can be asked from the employees while separating from the organization;

- a. Why are you leaving the current job?
- b. Do you think you were adequately equipped to perform the current job?
- c. Explain the relationship with superiors and subordinates in the organization.
- d. What is your perception about the management of the organization?
- e. What did you like most in current job profile?
- f. What did you dislike most in the current job profile?
- g. Give us some suggestion to make the current job profile better.

B. **Involuntary employee separation:** This type of separation occurs when employee is not willing to leave the organization, but management force the employees to leave the organization. There may be various reasons for the involuntary separations;

- a. Non performance
- b. Disciplinary action
- c. Bad economic conditions
- d. Age (Superannuation)

There are various types of involuntary employee separation depending on the situation like;

1. Dismissal & termination
2. Retrenchment
3. Layoffs
4. Superannuation

1. **Dismissal:** When employees are found guilty of any indiscipline activity or commits something against the code of conduct of the organization, faces internal inquiry. Until the internal inquiry takes place employee may be dismissed by the management so that accused employee could not influence the inquiry. During the inquiry accused is given opportunity to defend him or herself and prove the innocence.

If accused fails to prove the innocence may be terminated from the job permanently. In the case of termination there may be severe consequences like, forfeiture of pension, gratuity and other employee benefits. Employee may be blacklisted to work in the industry as well.

2. **Retrenchment:** Employee retrenchment is a practice of removal of employees from the organization when employer is not able to provide the employment due to bad economic conditions. As per the Industrial Dispute Act 1947 retrenchment can be defined as, "the termination by the employer, of the services of the workman, for any reason, whatsoever, otherwise than as a punishment inflicted by way of disciplinary action but does not include voluntary retirement, compulsory retirement of the workman on the reaching the age of superannuation or termination of services on the grounds of continued ill health.

In the case of retrenchment compensation should be given to the workers. As per the Section 25 of the ID Act 1947, no workman employed in any industry, who has been in continuous service for less than a year under an employer, shall be retrenched until at the time of retrenchment, be paid compensation which shall be equivalent to fifteen days' average pay for every completed year of services or any part of six months.

In the case of vacancies these retrenched workers should be given priorities in case they apply for the job.

3. **Layoffs:** Layoffs are temporary removal of the employees due to inability of employer to provide the employment to the employees. These inability should be beyond the control of the employer. As per the ID Act 1947, the layoffs means the failure, refusal or inability of the employer on account of shortage of coal, power or raw materials, or the accumulation of stocks, or the breakdown of machinery or for any other reasons to give employment to workman, whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched.

As compensation half day wages should be given by the employer to the employee. Employee should ensure to register his presence to avail the benefits of layoffs. These compensations can be availed for the forty-five days. Compensation may also be given to the shift when no employment was given by the employer.

4. **Superannuation:** Superannuation is the age when employee attains the maximum age to work prescribed by the rules. Sometimes this concept is misunderstood as retirement. Retirement is can occur at any age when employee is not fit to work on medical grounds while superannuation occurs after a certain age only. In India age of superannuation varies from the age to fifty-eight or sixty-two years. In some cases employee can get extension of services on receiving some award & recognition form the government for outstanding performance in the field where they are working.

In such type of separation various benefits are given to the employees for living comfortable old age with respect. Such benefits are Pension, EPF, Gratuity etc.