

Internal Mobility

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Movement within an organization is known as internal mobility. Internal mobility includes a cluster comprising: (1) Promotion, (2) Transfer, (3) Demotion and (4) Separation. Such movement may take place between jobs in sections, departments, divisions or even between plants in multi-plant operations.

Why Internal Mobility is needed?

There could be many factors responsible for the internal mobility of employees. In general, there are two factors, one concerning the individual either in a positive or a negative manner, depending on the type of mobility, and the other the organization, given its need to deploy manpower to meet its objectives.

- In order to conduct business effectively, certain changes need to be made in the organization's structure which necessitate the regrouping of jobs, changes in departmental function, re-positioning of jobs, and status grade-wise changes in departmental function, elevation or lowering job categories, and the physical re-location of employees, jobs and departments.

Why Internal Mobility is needed? ...

- The expansion of business and the introduction of new products, services, processes and methods of operation, necessitate the creation of new jobs and the promotion of employees to positions of greater scope and responsibilities.
- Shifting of personnel is necessitated by employee turnover. Vacancies are created by resignation, and dismissals, and suitable persons are promoted or transferred to fill the vacant posts.
- Lastly, changes in employee status and job is necessary to satisfy employee aspiration and needs.

Purpose of internal Mobility

Internal mobility serves four purposes:

1. To improve the effectiveness of the organization's structural design to meet targets.
2. To maximize the effectiveness of its employees through assignment to positions where the capabilities of each individual employee are used to the fullest extent possible.
3. To augment policies of disciplinary action.
4. To adjust the changes in operations.

Maximizing employee effectiveness by increasing the utilization of available manpower is one of the important intended consequences of job reassignment.

Position reassignment have motivational force, and an impact on employee attitudes. For instance, promotion or upgrading maintains organizational effectiveness through maintenance of employee morale, and favourable attitudes towards the organization.

Demotion is frequently used as a form of disciplinary action since it represents loss of status and earning. It has to be handled very carefully. Demotion is also a form of training and correction.

Promotion

What is promotion?

Promotion is the upward reassignment of an individual in an organization's hierarchy, accompanied by increased responsibility, enhanced status, and usually with increased income, though not always so. After promotion, an individual's duties and responsibilities usually become qualitatively different from those of his earlier job.

Why Promotion?



The following are the objectives of promotion.

- 1. It is recognition of a job well done by an employee.*
- 2. It is a device to retain and reward an employee for his years of service to the company.*
- 3. It is to increase individual and organizational effectiveness.*
- 4. It is to promote a sense of job satisfaction in the employee.*
- 5. It is to build loyalty, morale and a sense of belongingness in the employee.*
- 6. It is to impress upon others that opportunities are open to them also in the organization, if they perform well.*

The Bases of Promotion

Organizations have adopted a variety of criteria for promoting employees, depending to a large extent on the company culture. Each criteria has its own advantage and disadvantage. Promotion systems necessitate a twofold balance between the choice of the individual most suited to fulfill the job role and thus contribute effectively to the organization's mission, and individual aspirations for promotional opportunity which need to be satisfied.

Pros and cons of the seniority systems

Seniority systems are based on the length of service of an employee in an organization. Seniority systems put a premium on length of service and job experience: those who were first "in" should have first choice; relative newcomers should get fewer benefits, and accept more the hardships of working. In more formal terms, seniority is described as "the principle that an employee's relative length of service in an enterprise is a factor in determining his employment rights and job opportunities in that enterprise".

Seniority is factor which can be measured quantitatively; it is easily explained and understood and therefore, escapes charges of favouritism and discrimination.

Pros and cons of the merit systems

Merit is taken to mean an individual's efficiency and capacity as judged from past performance.

The strong argument in favour of using merit or ability as a criteria for promotion is that it enhances organizational efficiency, and maximizes utilization of talent, since only deserving employees are promoted after a thorough assessment of their ability for the next job of higher responsibility and status.

However, using merit as the sole basis for promotion is subject to criticism. The notorious lack of reliability in determining merit criteria objectively is the main obstacle to its becoming the sole basis for promotion.

It is also difficult to be sure at the time of promotion of an employee of his success or failure in that post. There has been some evidence to show that a manager's failure in a higher position can be attributed to personality variables rather than knowledge factors.

Seniority vs. Merit

The two fundamental bases for promotion are seniority and merit or ability. These two possibly conflicting factors frequently pose a problem in considering employees for promotion.

Organizational perspective



Efficiency (*merit*)

Unions



Objective/impartial (*seniority*)

When seniority becomes the chief basis for promotion, merit or ability is ignored. Moreover, in such cases, there is no incentive for employees to learn or improve.

On the other hand, seniority creation rewards loyalty. Employees tend to build up a priority interest in their jobs, work places and departments.

Both the methods have their pros and cons. Situational factors also play a vital role in this context (e.g., size, technology and unionization).

Choice of Bases

As both suffer from certain limitations, it would be prudent to find a balance between the two.

*Merit &
Ability*
1

*Ability &
Seniority*
2

*Seniority &
Ability*
3

*Min. length
of service*
4

*Sen. Except for
incompetence*
5

*Length of
service*
6

Political Process in Promotion

On several occasions, the rational system may be on paper, there operating deviations and the influence of “politics” in determining promotions which need to be reckoned with.

Promotion Policy

A corporate policy on promotion helps to state formally the organization's broad objectives, and to formulate both the organization's manpower and individual career plans.

One of the first requirements of a promotion policy is a statement of the ratio of internal promotions to external recruitment at each level, the method and procedure of selection (trade test, interview), and the qualification desired.

The second exercise is to identify the network of related jobs and the promotional channels of each jobs, taking into account job relatedness, opportunities to interact with higher-placed executives to foster job learning and qualifications – both academic and work experience – required.

Transfer

A transfer is a change in job assignment. It may involve a promotion or demotion, or no change at all in responsibility and status.

Two main conditions generate transfer situations:

1. An individual employee may request a transfer in seeking his own preferences and benefits.
2. Organizations may initiate transfer as a requirement for more effective operation or as a solution to human problems.

Personal Transfer

1. *To correct erroneous placement.*
2. *To relieve the monotony of a job, acquire better working conditions and join friends.*
3. *To provide an outlet from blind alley jobs.*
4. *To avoid interpersonal conflicts.*
5. *In consideration of the interests of age/health, education of children, housing difficulties and to join immobile dependents.*
6. *A search for creating opportunities.*
7. *To avail of training elsewhere to facilitate later advancement or promotion.*

Company-initiated Transfers

A company may initiate transfers for the following reasons:

1. The need for temporary adjustments for the convenience or benefit of the company or the employee, such as leave replacement or very short assignments.
2. To meet emergencies or changes in company operations to deal with fluctuations in work requirements, necessitated either by volume of output or separations.
3. To make use of the increasing versatility and competence of key employees.

Need for Transfer Policy

The absence of a well-formulated transfer policy will undoubtedly breed a state of uncertainty amongst the employees. To avoid these problems which would cause considerable inconvenience and disruption to the corporation, it is imperative that the personnel department should evolve a transfer policy.

Demotion

An organization perhaps uses demotion less frequently than the two other aspects, primarily because of its serious negative implications on employee career and morale.

Why Demotion?

- When adverse business conditions force an organization to reduce its manpower, some may be laid off and some may be offered employment on lower-grade jobs till the organization tides over the crises and can afford to pay them at their normal grade.
- On the basis of the request of an employee.
- Demotion is also used as a disciplinary measure against errant employees.

Separation

“Termination of employee, or of service, broadly signifies the separation of any employee from an organization”. Separation is either the action of the employee or the employer, bringing their relationship to end. There could be several reasons for separation:

1. Resignation or voluntary retirement of the employee.
2. Non-renewal of the contract of employment on its expiry.
3. Continued ill-health.
4. Redundancy or retrenchment.
5. Punishment for serious misconduct by way of disciplinary action.
6. Termination on moral turpitude, loss of confidence.

Effects of Separation

Outplacement – a new management service



