

## COMPANY POLICY PROMOTION, INTERNAL HIRING & REDESIGNATION

|               |                                                                                                                                                                                                                                                                                                                 |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose       | This policy defines and explains the guidelines for the promotion of employees to a higher job grade/position as well as managing re-designation for employees who takes up a role at a lateral level without a promotion. This policy includes the process that managers must follow when promoting employees. |
| Scope         | Applicable to all permanent and contract employees employed by the Company inclusive of foreign workers and expatriate employees.                                                                                                                                                                               |
| Revision date |                                                                                                                                                                                                                                                                                                                 |
| Issued by     | HR Department                                                                                                                                                                                                                                                                                                   |
| Approved by   | Managing Director                                                                                                                                                                                                                                                                                               |

### Contents

- 1.0. This policy applies to all employees who qualify for promotion to a higher job grade or to take up a different function at the same job grade. A promotion may happen for the following reasons;
  - 1.1. The Company identifies employees with good performance who have shown potential for a job at a higher job grade.
  - 1.2. An Employee applies at their own accord for a position published by the Company that they are keen on.
- 2.0. Promotion is not a reward for seniority but rather for good performance and potential. Promotion may be a move to a position of higher grade, responsibility and salary however, it may not necessarily come with higher managerial authority. Instead, these advancements may be a career or role change that helps employees develop and grow.
- 3.0. Employees are also encouraged to apply for vacancies of a higher job grade or other vacancies at the same job grade if they meet the criteria of the vacancies.

### Company's roles and decision

- 4.0. The Company shall publish vacancies on the company's intranet or employee notice board. The Company prioritises advancing and promoting employees from within the company and investing in employees and rewarding those who perform well and have shown great potential.
- 5.0. The Company is not obliged to promote an employee. The Company reserves the right and shall decide at its sole discretion on filling any vacancies internally or with an external candidate.
- 6.0. Current superior shall not prevent or discourage an employee from applying for any internal vacancies published by the company. Should there be a business case that has

to be considered, the current superior shall inform their objection to the Management for decision.

7.0. The Company shall at its own discretion decide on salary increases and other benefits that may be accorded to employees who are promoted.

#### Selection of an employee for a promotion or a lateral movement

- 8.0. The employee has completed at least two years and two performance review cycles in the current role.
- 9.0. Employees identified for a promotion or a lateral movement shall be thoroughly assessed on their readiness and suitability for the new function.
- 10.0. The Superior of the new function shall clearly explain to the employee the roles and responsibilities and expectations of the new function. Employees are encouraged to think thoroughly before submitting their applications. The past performance indicators and inputs from the current superior should be taken into consideration to gauge their suitability and readiness.
- 11.0. Employees may be identified for promotion or lateral movement within the same or another department or branch in the same job function or other functions identified.

#### Prior to promotion/lateral movement

- 12.0. Employees identified for promotion or lateral movement may be put on trial for a period of three (3) to six (6) months to assess their suitability for the new function.
- 13.0. Employees who are put on trial and subsequently fail to meet the expected performance level shall remain in their current role after the trial period ends.
- 14.0. Should there be an acting allowance provided during the trial period, it shall be discontinued after the trial period ends.

#### After promotion/lateral movement

- 15.0. A promotion does not necessarily guarantee a salary increase and shall be decided by the company.
- 15.0 An employee will be re-designated to the new role and shall be notified in writing.
- 16.0. Employees who move to a new role on a lateral movement are not eligible for a salary increase or any allowance unless otherwise decided by the Company.

#### On an ongoing basis

- 17.0. The immediate superior shall identify training and provide the necessary support for the newly promoted or transferred employee to perform in the new function successfully.

18.0. Employees are required to perform and maintain their performance level and excel in the new function. The Company through periodic reviews and annual performance reviews shall assess the employee's performance level.

19.0. Failure of an employee to maintain their performance in the new function shall result in them being put into a performance improvement plan and subsequently be demoted or dismissed if they continue to fail to meet the expected performance level.

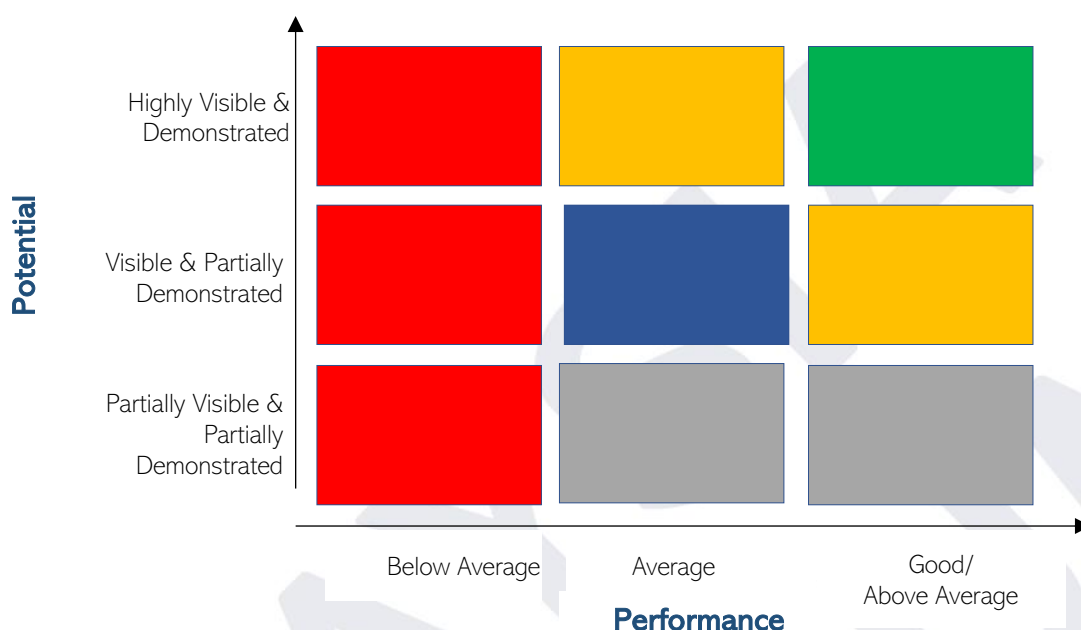
#### Others






20.0. The Company reserves the right to amend this policy from time to time and shall notify all employees when such amendment has been made and has been approved by the Management.

21.0. Should there be a translation of this policy into other languages, the English version of this policy shall be authoritative in the event of any dispute or confusion.

#### Inputs to Companies

1. It is advisable to put an employee on trial before he/she is promoted to a new function. This way, they can avoid having to put the employee on PIP and subsequently avoid demotion/dismissal if the employee does not perform as expected. It will be demotivating to the employee and brings admin burden and potential labour risk to company if it is not managed well. We are all aware on the hassle and burden of managing a PIP process. Why ask for it when we could have avoided it by taking a deeper view and assessment of the employee?
2. Promotion should not depend solely on seniority and as a reward to the employee's loyalty. While an employee may have an advantage due to seniority, heavier weightage should be given to the employee's current and past performance as well as potentials shown to handle and perform well in the new function. Seniority may be a factor for initial consideration, but this has to be followed by an objective and thorough assessment of their suitability. The last thing the company should avoid is to promote an employee and only to demote/dismiss them if they are unable to meet the expectations of the function.
3. A simple matrix (performance vs potential) that companies can use to determine an employee's readiness for promotion to a job at higher job grade and higher complexity.

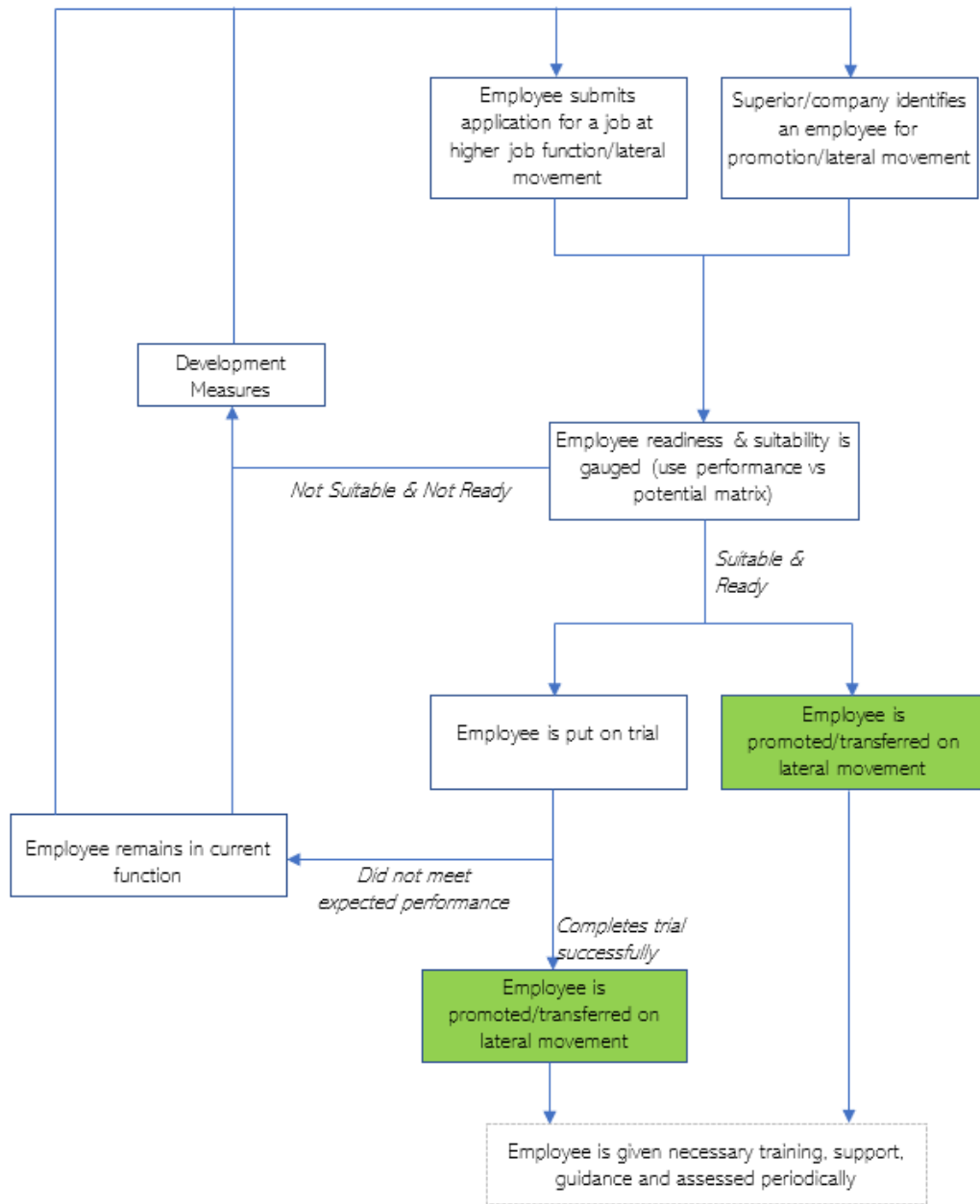


| Box                                                                                 | Assessment                                                                                                        | Timeline /Remarks                                                                                                                         |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
|   | Employee has shown great potentials and strong performance                                                        | Ready and suggested to be put on trial of 3-6 months trial and then promote                                                               |
|  | Employee is not fully read and may need some time to be developed further                                         | 6-12 months training/development needed. But if Company intends to give this employee an opportunity, a longer trial period is suggested. |
|  | Employee needs concrete development plan                                                                          | 1-2 years training/development needed and to be re-assessed again on their readiness and suitability.                                     |
|  | Employee may be well suited for current role or other roles at similar job grade and similar level of complexity  | Job rotation. Employee does not have potential to succeed in a function at higher grade/heavier complexity                                |
|  | Employee does not have the basic capability to take on a higher job with higher complexity or a lateral function. | Unsafe to be considered for promotion. Employee should be in PIP and initiate consequence management                                      |

4. What kind of trial should an employee be out on before they are promoted?
- We know that at times the company may not have the resource and opportunity to try out an employee before promoting them. This may be due to the company structure or other business constraints. What the company can do is to free up the employee or perhaps reduce his current task and allocate his/her new tasks that may depict the actual role the employee will perform after promotion. This could be leading a small team or allocating resources or even handling a task that is more complex. If the employee does well, the company will have some assurances on the employee's performance in the new function.



5. Some development measures that companies can consider for employees who are not ready for promotion;
  - a. Shadow a staff member with higher-level responsibilities. The employee would be able to observe how the individual manages his/her workload, sets priorities, and schedules out their day as well as the complexity of such function. Shadowing can also give an employee a glimpse of the expectations of those working at a higher level.
  - b. On the job training which is inexpensive where an employee is literally given a set of tasks which can be used to gauge/assess his/her suitability and readiness. It also provides the employee an opportunity to add to their skills and improve their chance for a promotion.
  - c. Individuals seeking a promotion should be given the opportunity to develop their leadership skills such as being put in charge of a visible, short-term project, ideally six months or less in duration and mentors can be assigned to provide guidance, but not supervisory direction.
  - d. Mentorship can be another development measure that give the employee an opportunity to learn from an expert area he/she requires improvement. The duration of mentoring could be 6 months to 1 year.
  - e. Companies can identify other development measures that will help the employee to close their gaps and develop new skills or capabilities based on their job function and capacity.
6. Simply process flow for promotion/lateral movement exercise.



This sample policy/letter/document is merely a sample or guidance. Companies are advised to practice caution when drafting its HR documentation and shall always be in compliance with the Employment Act and Industrial Relations Act as well as past case laws so as to ensure the policy does not violate or infringe the prevailing employment regulations. Companies are encouraged to adopt best practices to be attractive employers and promote a productive and competitive operating landscape. The author shall not be held liable for any damages or claims arising from the usage of the contents of this document.

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