PROGRAM TITLE

HUMAN RESOURCES

PROCESS TITLE

Employee Movements

1. SCOPE

This policies and procedures manual establishes policies, systems, procedures and controls on transfers and promotions. All duties and responsibilities stated in this manual are not exclusive to the personnel’s designated responsibilities in this process title.

1. OBJECTIVES

* To establish procedures and guidelines on transfers and promotions.
* To clearly outline the basis or grounds for employee transfer and promotions.
* To clearly define the duties and responsibilities of all personnel involved in this process title.

1. PERSONNEL INVOLVED
   1. Employee
      1. Receives notification from concerned department head of management’s intention to transfer or promote his/her current employment status.
      2. Secures and accomplish Transfer Clearance Form (TCF).
      3. Reports to new department head upon accomplishment of TCF.
   2. Department Head/Manager
      1. Facilitates preliminary talk/discussion with concerned department heads.
      2. Prepares Recommendation and Action Form (RAF) and notify employees of management’s intent/planned transfer.
      3. Check and verifies TCF, ensures proper turn-over of work.
   3. HR Staff
      1. Receive duly accomplished RAF.
      2. Notify and discuss with employee the details of transfer.
      3. Processes transfer documentations and updates the HRIS and employee records on file.
   4. HR Manager
      1. Recommend approval of RAF.
      2. Approves transfer clearance form.
      3. Receives duly approve RAF and processes the promotion.
      4. Notify and discuss promotion with employees.
   5. Concerned Vice President

Notes on the RAF.

* 1. President

Approves the RAF.

1. KEY TERMS
   1. *Demotion* – change in the employment position of lower rank, authority and pay grade.
   2. *Job Change* – a revision to an employee's existing job description that does not represent a new position for the employee and is not a promotion.
   3. *Promotion* – change in the employment position of higher rank, authority and pay grade.
   4. *Transfer* – change in the employment position of relatively the same rank, authority and pay grade.
2. POLICIES
   1. **Performance Evaluation**
      1. All employees shall be evaluated twice as follows:

|  |  |  |
| --- | --- | --- |
|  | **Coverage of Performance Evaluation** | |
|  | **Probationary** | **Permanent** |
| Initial Evaluation | First three (3) months of employment | January to June |
| Final Evaluation | Fourth (4th) to fifth (5th) month of employment | July to December |

* + 1. The hierarchy of evaluation shall be as follows:

|  |  |
| --- | --- |
| **Evaluator** | **Employee Evaluated** |
| President and Senior Vice Presidents | Vice Presidents and Department Managers |
| Department Manager | Department Supervisor |
| Department Supervisor | Rank and file employees |

* + 1. The respective department managers and supervisors shall be given five (5) days from the last day of the evaluation period to accomplish and submit a Performance Evaluation Sheet (PES) and a Recommendation and Action Form (RAF) to the HR Department for review and recommendation for approval of the President.
    2. The employee’s final performance evaluation shall determine whether there is a need for a change in the employee’s job status or not. Moreover, the effect on the change employee’s job rank and pay grade shall be as follows:

|  |  |
| --- | --- |
| **Employee Movement** | **Effect on Job Rank and Pay Grade** |
| Permanency of probationary employee | Higher |
| Lateral transfer (for consideration to other job position of the same rank) | No effect |
| Promotion | Higher |
| Demotion | Lower |

* + 1. The Company may grant employees an increase in pay grade on account of his/her length of service to the Company or favorable performance evaluation even though such employee remain at his/her current job rank or position.
    2. A variance analysis for salary and other benefit entitlements shall be prepared by the HR Department before approval of any changes in the employment position which shall be communicated to the concerned employee.
    3. All approved employee movements or changes in job position shall be properly documented and communicated to the concerned employee through an HR Action Memo.
  1. **Permanency or Termination of Probationary Employees**
     1. A probationary employee may qualify for permanency, provided, he passes the minimum standards of the Company which are as follows:

1. Favorable job performance evaluation by his/her immediate department head as supported by a duly accomplished Performance Evaluation Report (PER) and Recommendation and Action Form (RAF); and
2. Compliance or adherence to rules and policies of the Company.
   * 1. For probationary employees who do not qualify for employment permanency with the Company, a notice of termination of probationary employment through an HR Action Memo shall be sent to the employee on or before the 160th day of his/her employment with the Company.
   1. **Lateral Transfers**
      1. To qualify as transfer, there must be a change in the current position or job description of an employee to another of the same degree or status of employment and authority. This is categorized into:
3. Intra-departmental or transfer of position within the same department.
4. Inter-departmental or transfer of position to another department.
   * 1. The following does not qualify as transfer for purposes of this process title:
5. Change in work location under the same department and job position.
6. Revision or modification in current job description but the same department and job position or designation.

However, such shall be properly documented and addressed to the HR Department for purposes of updating the employee’s master file and other relevant records.

* + 1. The Company shall encourage transfer as long as this shall lead to better performance, increase productivity, and promote personnel’s professional growth and shall not cause a conflict of interest among parties involved or a weakness in the internal control.
    2. The following are the grounds for transfer:

| **Grounds** | **Description** |
| --- | --- |
| 1. New Projects | Management may transfer employees temporarily or permanently especially when the employee’s expertise is needed in the project. |
| 1. Over/under staffing | Whenever a department is overstaffed and other departments are understaffed. |
| 1. Conflict between Employees | When actual or potential conflict exist between employees under one department that might result to a weakness in internal controls affecting the performance of one or both employees. |
| 1. Familiarity | Two or more employees under one department became closely related to each other resulting to a conflict of interest or weakness in internal controls that greatly affect performance and morale of one or all of the employees involved |
| 1. Others | Other justifiable reasons that management thinks would result to the betterment of the Company and the employee (e.g., employee is found out to be more efficient and productive if he/she is assigned to other job position as a result of performance evaluation and job matching). |

* + 1. There must be a mutual agreement between the concerned department heads which shall be properly justified and documented in the RAF.
    2. The HR Department shall be properly notified before any planned transfer are communicated to the employees. The HR Manager shall then communicate and discuss with the concerned employee the details of his/her new position (i.e., work location, job description, changes in pay grade, *etc*.) upon receipt of duly approved RAF.
    3. All transferring employees shall secure and accomplish a clearance form which shall be checked and verified by his/her immediate superior and other concerned department heads prior to his/her transfer. The clearance shall be properly checked and reviewed to ensure proper turn-over of work and accountabilities.
  1. **Promotions**
     1. Promotions shall consider both the seniority and merit of the employees. *Seniority* refers to the length of service of the employee to the Company while *merit* refers to the quality, attributes or qualifications of the employee.
     2. The HR Department shall devise, developed and implement and effective and efficient job performance evaluation method in measuring the merit of the employee.
     3. Employees qualified for promotion shall be given priority whenever job vacancies exist. Department Head/Managers may recommend employees under his/her supervision to HR Manager for promotion. In cases when no one among the present employees meets the required professional skill/qualifications needed for the vacant position, outside hiring shall commence.
  2. **Demotions**
     1. The following are grounds for demotion:

1. Unsatisfactory job performance evaluation.
2. Serious violation of Company policies and code of conduct.
3. Other just and reasonable causes.
   * 1. Demotions shall observe due process required by law which means that the employees shall be given proper notice, in writing, and a reasonable opportunity to be heard and defend himself/herself. However, the Company’s action for demotion may be neglected and the employee be given a chance to improve and prove his/her worthiness or suitability to the current job position.
     2. Demotions on the grounds of discrimination shall be unlawful and considered as a serious violation to the Company.
     3. For employee-initiated demotions, a Letter of Intent shall be submitted by such employee to his/her department head and forwarded to the HR Department for review and evaluation. The HR Department shall counsel or advise the employee and a salary downgrade analysis and other effects of demotion shall be properly communicated to him/her. If he/she wishes to proceed, the concerned department head shall fill out RAF and forwarded to the HR Manager for recommendation of approval to the President.
   1. **Intercompany Transfers**
      1. Intercompany transfers of employees shall follow the policies and procedures on resignations and separation pay entitlement under the process title *“Resignations and Terminations”*.
      2. Employees performing shared services function assigned to other related companies shall remain in the Company’s employ and shall not be required to comply with the policies and procedures for resignations and terminations.
4. PROCEDURES

| Permanency or Termination of Probationary Employment | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Evaluate job performance and adherence to Company Policies and Procedures for the first three (3) months of probationary employment. | Concerned Department Head |  |
| 2 | Prepare first Performance Evaluation Sheet (PES). | Concerned Department Head | Duly filled-out initial PES |
| 3 | Set up close meeting and discuss results of performance evaluation with probationary employee. | Concerned Department Head |  |
| 4 | Acknowledged PES. | Probationary Employee | Duly filled-out and acknowledge initial PES |
| 5 | Forward duly accomplished PES to HR Department. | Concerned Department Head |  |
| 6 | Receive duly accomplished PES and file. | HR Staff |  |
| 7 | Re-evaluate job performance and adherence to Company Policies and Procedures for the fourth and fifth month of probationary employment. | Concerned Department Head |  |
| 8 | Prepare final PES and Recommendation and Action Form (RAF). | Concerned Department Head | Duly filled-out final PES and RAF |
| 9 | Forward final PES and RAF to HR Staff. | Concerned Department Head |  |
| 10 | Receive duly accomplished final PES and RAF and forward the same to HR Manager for review and recommendation for approval. | HR Staff |  |
| 11 | Review final PES and recommend approval of RAF. | HR Manager | Duly filled-out and recommended for approval RAF |
| 12 | Approves RAF.  The probationary employee may either be:   1. promoted as permanent employee to the Company; or 2. terminated if he/she does not qualify with the minimum standards for employment permanency with the Company. | President | Duly filled-out, recommended for approval and approved RAF |
| 13 | Prepare HR Action Memo addressed to the probationary employee and set-up close meeting with the HR Manager and the employee.  If the result of the performance evaluation is unfavorable and the probationary employment is to be terminated, the HR Department shall sent a notice of termination probationary employment through an HR Action Memo form on or before the 160th day of his/her employment with the Company. | HR Staff | Duly filled-out HR Action Memo |
| 14 | Receive and acknowledged HR Action Memo and final PES. | Probationary Employee | Duly filled-out and acknowledged HR Action Memo |
| 15 | To employment permanency or termination.  For termination of probationary employment, the employee shall return and settle any accountabilities incurred with the Company and shall secure an exit clearance form prior to actual termination. | Probationary Employee |  |

| Lateral Transfers | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Identify organizational need for transfer of employees. | Department Head |  |
| 2 | Facilitates preliminary talk between concerned department heads particularly the HR Manager.  The concerned Vice President, Senior VP or President may participate in the meeting. | Department Head |  |
| 3 | Identify candidates for transfer. | Department Head |  |
| 4 | Prepare Recommendation and Action Form (RAF) signed by the concerned department head and notify concerned employees of management planned transfer.  If there is no mutual agreement between the concerned department heads regarding the planned transfer, Management should decide to seek for an alternative actions. | Department Head | Duly filled-out RAF |
| 5 | Receive duly filled-out RAF. | HR Staff | Duly filled-out RAF |
| 6 | Prepare variance analysis for salary and other benefit entitlements. | HR Staff |  |
| 7 | Prepare HR Action Memo. | HR Staff | Duly filled-out HR Action Memo |
| 8 | Forward HR Action Memo, RAF and variance analysis to HR Manager. | HR Staff | Duly filled-out HR Action Memo and RAF |
| 9 | Recommend approval of HR Action Memo and RAF. | HR Manager | Duly filled-out HR Action Memo, RAF and recommended for approval |
| 10 | Note on the HR Action Memo and RAF. | Vice President | Duly filled-out HR Action Memo, RAF, recommended for approval. |
| 11 | Approve HR Action Memo and RAF. | President | Duly accomplished HR Action Memo and RAF |
| 12 | Receive duly accomplished HR Action Memo and RAF. | HR Staff | Duly accomplished HR Action Memo and RAF |
| 13 | Generate/update employee master list. | HR Staff |  |
| 14 | Notify and discuss with employee details of the transfer. | HR Staff |  |
| 15 | Secure and accomplish Transfer Clearance Form (TCF) | Employee |  |
| 16 | Check and verifies clearance/ensures proper turn-over of work. | Department Head |  |
| 17 | Approves clearance. | HR Manager |  |
| 18 | Processes transfer. | HR Staff |  |
| 19 | Update HRIS and file copy. | HR Staff |  |
| 20 | Inform new department head and date of start of work. | HR Staff |  |
| 21 | Report to new department head. | Employee |  |

| Promotions | | | |
| --- | --- | --- | --- |
| Step No. | Activity | Personnel  Involved | Business  Forms |
| 1 | Whenever a vacancy exists within the department, the department head concerned shall initially consider candidates from among his present employees. He shall evaluate the candidates according to the bases of promotion. Moreover, internal candidates are exempted from the usual recruitment and hiring process and shall proceed directly to selection and deployment.  If none of the present employees qualify for promotion on the basis of evaluation, the Department Head/Manager shall consider recruitment from external sources. Refer to process title “*Recruitment and Hiring*.” | Department Head/  Manager |  |
| 2 | Prepare Recommendation and Action Form (RAF). | Department Head/  Manager | Duly filled-out RAF |
| 3 | Recommends approval of RAF. | HR Manager | Duly filled-out and recommended for approval RAF |
| 4 | Approves RAF. | President | Duly filled-out, recommended for approval and approved RAF |
| 5 | Receive duly approved RAF and processes the promotion. | HR Manager |  |
| 6 | Notify and discuss promotion with employee. | HR Manager |  |

1. FLOWCHARTS
   1. Permanency or Termination of Probationary Employment



* 1. Lateral Transfers



* 1. Promotions



1. BUSINESS FORMS
   1. Performance Evaluation Sheet





No. of copies - 2

Evaluated by - Department Head/Manager

Conformed by - Employee under Evaluation

Distribution - Copy 1 – Requesting Department

Copy 2 – HR Department

* 1. Recommendation and Action Form



No. of copies - 2

Requested by - Department Head/Manager (Transferring)

Conformed by - Department Head/Manager (Transferee)

Recommended by - HR Manager

Approved by - President

Distribution - Copy 1 – Requesting Department

Copy 2 – HR Department

* 1. HR Action Memo



No. of copies - 2

Prepared by - HR Staff

Signed by - HR Manager

Distribution - Copy 1 – Concerned Employee

Copy 2 – HR Department

Copy 3 – Concerned Department

1. EFFECTIVITY

This Policies and Procedures Manual shall take effect upon approval and shall supersede any memorandum/SOP inconsistent with this Policies and Procedures Manual. Any changes to the manual shall comply with the policies and procedures indicated in the process title *“Amendment of Manual”*.