

Internal Mobility and Job Changes: Promotions, Demotion

Meaning of Internal Mobility

Internal mobility refers to the change of role that a worker may choose to engage in within the organization, shifting from one organizational unit to a different one, performing different activities.

Internal mobility can occur due to various reasons related to specific organizational needs of the Foundation:

- Open positions that the Foundation advertises through job opportunities reserved to internal staff (internal selections)
- Role transitions that becomes necessary due to organizational/strategic changes, situations or personal reasons.

Internal selections

To the end of enhancing and developing the skills of its human resources, the Foundation offers job opportunities to internal staff through processes of recruitment and selection dedicated to its employees and collaborators.

These are real opportunities for professional and personal growth for those workers who intend to bring into play their knowledge, skills and aptitudes in different professional fields. The internal selection processes are also an important opportunity for empowerment, when the organizational needs of the Foundation coincide with the motivations and interests of individual workers. Thus,

The worker can:

- express their potential, using different competences in a new role
- give a different direction to their professional development and gain new competences

- find new motivations and professional challenges
- extend their stay at FBK, if the worker has a contract due to expire that can be extended

The organization can:

- add value to the potential and competences of its internal staff
- make the organization dynamic
- motivate and effectively place its resources
- save time when filling positions, since workers are already aware of the organization's operations
- have the chance of dialogue with its internal staff

Internal Job Opportunities are posted on the dedicated section of the organization's website. The selection process follows the same steps provided for selection processes external to the Foundation.

Objectives of Internal Mobility

- **To improve the effectiveness of the organization-** The organizational effectiveness depends largely on how well the policies, programmes and procedures are implemented in actual practice, which in turn depends on suitability of employee's skill, knowledge, and commitment etc. to the job requirements.
- **To maximize employee efficiency -** Employees' existing skill, knowledge be utilized when a proper job is assigned to them besides other factors. Upward job assignment to an employee certainly helps in motivating the employee, boosting his morale and improving his commitment to the job and organization in addition to utilizing the skills of higher order which were higher to unutilized.

- **To ensure discipline** - Discipline is highly essential to implement the programmes in right time and in right manner. Demotions can be used to ensure discipline and to correct the wrong placements and job assignments.
- **To adopt to organizational changes** - Here operational changes like changes in production level and schedules, market level, schedule and direction, economic change like inflation and deflection, changes in technology, expansion, diversification, geographical spread etc. All these organizational changes should be met by proper job reassignment to the existing employees.

Need For Internal Mobility

The internal mobility is needed for the following reasons -

- Changes in technology, mechanization etc. resulting in enhancement of job demands.
- Expansion and diversification of production/operations.
- Adding different lines of auxiliary and supportive activities in the organization.
- Taking up of geographical expansion and diversification.
- Introduction of creative and innovative ideas in all the areas of management resulting in-increased job demands.
- Changes in employee skill, knowledge, abilities aptitude, values etc
- Changing demands of trade unions regarding protecting the interests of their members.
- Changing government role in human resource management.
- Economic and business trends and their impact on job design and demands.

Meaning of Job Change

When substantive, measurable changes occur in responsibilities, a job review is in order. Reviews are handled at the local level through the HR office and may be requested by a supervisor, HR officer, or an employee.

Once the request is submitted to HR, decisions are typically made within a reasonably short time period. In most cases, a salary increase is granted when a person is reclassified to a higher grade.

Reasons for Job Change

Some of the most common, and easiest to explain, reasons for leaving a job include:

- Desire to learn.
- Desire to take on more responsibility.
- Desire to take on less responsibility.
- Desire to relocate.
- Desire for a career change.
- Desire to gain a new skill or grow a current skill.
- Company reorganization has led to change in job content.
- Desire for a shorter commute to work.
- Desire to improve work/life balance.

Promotion

Promotion is vertical movement of an employee within the organization. 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 organization.

There can be 'dry promotion' also where an employee is assigned to a higher level job without increase in pay. An example of 'dry promotion' is a University Professor made Head of the Department with no increase in salary.

Promotion has an in-built motivational value as it elevates the authority, power and status of an employee within an organization. It is considered good personnel policy to fill vacancies in a higher job through promotions from within because such promotions provide an inducement and motivation to the employees and also remove feelings of stagnation-and frustration.

Types of Promotion

Promotion given to employees in an organization can be classified into three types:

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 lower 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 organization or some employees hanker more for status or authority than money.

Purposes of Promotion

- To utilize the employee's skill knowledge at the appropriate level in the organizational hierarchy.
- To develop competitive spirit and inculcate the zeal in the employees to acquire the skill, knowledge etc. required by higher level jobs.
- To develop competent internal source of employees ready to take up jobs at higher levels in the changing environment.
- To promote employees' self development and make them await their turn of promotions. It reduces labor turnover.
- To promote a feeling of contentment with the existing conditions of the company and a sense of belongingness.
- To promote interest in training, development programmes and in team development areas.
- To build loyalty and to boost morale.
- To reward committed and loyal employees.
- To get rid of the problems created by the leaders of workers' unions by promoting them to the officers' levels where they are less effective in creating problems.
- Promotion places the employees in a position where an employee's skills and knowledge can be better utilized.
- It creates and increases the interest of other employees in the company as they believe that they will also get their turn.
- It creates among employees a feeling of content with the existing conditions of work and employment.
- It increases interest in acquiring higher qualifications, in training and in self development with a view to meet the requirements of promotion.
- It improves morale and job satisfaction.

- Ultimately it improves organizational health.

Bases for Promotion

Promotion is given on the basis of seniority or merit or a combination of both. Let us discuss each one as a basis of promotion.

1. Seniority as a basis:

It implies relative length of service in the same organization. The advantages of this are: relatively easy to measure, simple to understand and operate, reduces labor turnover and provides sense of satisfaction to senior employees. It has also certain disadvantages: beyond a certain age a person may not learn, performance and potential of an employee is not recognized, it kills ambition and zeal to improve performance.

2. Merit as a basis:

Merit implies the knowledge, skills and performance record of an employee. The advantages are: motivates competent employees to work hard, helps to maintain efficiency by recognizing talent and performance. It also suffers from certain disadvantages like: difficulty in judging merit, merit indicates past achievement, may not denote future potential and old employees feel insecure.

3. Seniority-cum-Merit as basis:

As both seniority and merit as basis suffer from certain limitations, therefore, a sound promotion policy should be based on a combination of both seniority and merit. A proper balance between the two can be maintained by different ways: minimum length of service may be prescribed, relative weightage may be assigned to seniority and merit and employees with a minimum performance record and qualifications are treated eligible for promotion, seniority is used to choose from the eligible candidates.

Demotion

Demotion is just opposite to promotion. In demotion, the employee is shifted to a job lower in status, grade and responsibilities. “Demotion refers to the lowering down of the status, salary and responsibilities of an employee.”

In the words of Dale Yoder, “Demotion is a shift to a position in which responsibilities are decreased. Promotion is, in a sense, an increase in rank and demotion is decrease in rank.”

When an employee is demoted, his pride suffers a more severe jolt than it does when he is superseded by his junior. Some managers hesitate to demote a man. They prefer to discharge him rather than to demote him on the lower job because he will not accept the lower job and will turn to be a disgruntled employee and his position will not be good for better industrial relations.

Types of Demotion

1. Voluntary Demotion

A permanent employee may request a voluntary demotion to a vacant position in a class with a lower salary rate, provided that the employee has previously achieved permanent status in that class or, the request for demotion is to a related class in the same job series as defined by the Personnel Commission.

2. Involuntary Demotion

An involuntary demotion is a disciplinary action and, as such, is subject to the disciplinary procedures in these Rules and Regulations.

Causes of Demotion

There are several reasons for demoting a man from his present position.

Some of these reasons are as follows:

1. Inadequacy on the part of the employees in terms of job performance, attitude and capability. It happens when an employee finds it difficult to meet job requirement standards, following his promotion.

2. Demotion may result from organizational staff reductions. Due to adverse business conditions, organizations may decide to lay off some and downgrade some jobs.

3. Demotions may be used as disciplinary tools against errant employees.

4. If there is a mistake in staffing i.e., a person is promoted wrongly.

5. When, because of a change in technology, methods and practices, old hands are unable to adjust or when employees because of ill health or personal reasons, cannot do their job properly.

Demotion is very harmful for the employees' morale. It is an extremely painful action, impairing relationships between people permanently. While, effecting demotions, a manager should be extremely careful not to place himself on the wrong side of the fence. It is, therefore, necessary to formulate a demotion policy so that there may be no grievance on the part of the trade unions.

Advantages of demotion

Telling an employee that he is being demoted to a different job is rarely a positive experience for a manager.

However, employee demotions are usually intended to benefit the company and may be even the employee.

Good managers weigh the benefits of demoting employees against the possible psychological effects on the worker and the organizational culture.

Frances Burks has pointed out the benefits of demotion, which are listed below:

- Common benefit employers seek with demotions is getting an employee to quit as opposed to firing him. Some managers use this tactic to avoid the conflict of telling someone he is fired.
- Another financial benefit of demoting employees is a reduction in salary. Typically, a demotion means the employee works in a lower-paying position. This can save the company a substantial amount. In some cases, a demotion results because the company believes it is overpaying a worker for the production he generates.

- Employee demotion may involve fewer risks of lawsuits or other grievances than termination.
- One of the more positive benefits of employee demotions is the opportunity to develop the employee through more training and coaching. Sometimes, employees take a position, they are not adequately prepared to handle. A demotion may prevent burnout or employment separation. If the employee is demoted to a position he is most comfortable with, he can work toward additional training to eventually grow into the position from which he was demoted.
- A demotion could be the best option for keeping an employee who has potential but needs more training and experience. Sometimes companies grow faster than anticipated, and employees get pushed into roles that they don't want or aren't ready to handle. An employee who has the potential to excel in the company may respond more favorably to a demotion if he is provided with an opportunity for additional job training. After all, the employee may realize he's in over his head and unfit for his current position.
- Sometimes a company's structure change and demotions are necessary because departments are phased out and fewer high-level positions are needed. Such changes can be an opportunity for improvement for all involved as people assume new responsibilities to take the company in a different direction. Some people won't view the changes or demotions as an opportunity and they'll quit. Yet the people who remain may be a more motivated bunch who is excited about the company's new direction.

One problem with demotion is that the demoted employee may become de-motivated or worse, openly antagonistic toward those responsible for the demotion decision.

Sometimes, demotions are intended to be kindly alternative to firing an employee who cannot do his present job. Rather than sever the employment relationship, a decision is made to retain the employee, but at a lower level of responsibility.

All rules and regulations are to be clearly laid down in writing which includes a clause that violation of the same may result in demotion.