

Internal Mobility & Separation

The lateral or vertical movement (promotions, transfer demotion or separation) of an employee within an organization is called internal mobility. It may take place between jobs in various departments or divisions. Some employees may leave the organization for reason such as better prospects, retirement terminations, etc. Such movements are known as external mobility.

Purposes of Internal Mobility

The purpose of internal mobility may be stated thus:

- 1) **Improve organizational effectiveness:** Organizations want to become lean and clean. To this end, structural defects may have to be eliminated; unwanted positions removed and other jobs redesigned. Internal mobility increases every such change within an organization.
- 2) **Improve employees' effectiveness:** Knowledge, skills and abilities (KSAs) can be put to use if there is a good equation between what the person has and what the organizations demands. Through promotions and transfers organizations try to bridge such gaps.
- 3) **Adjust to changing business operations:** During a boom, there might be a phenomenal demand for new skills. Finance professionals were in great demand for example during the early 90s. In a recession, layoffs may be needed to cut down and survive. Likewise short term adjustments may have to be carried out in case of death or illness of employees.
- 4) **Ensure discipline:** Demotion causes loss of status and earning capacity. A demoted employee has to learn new ways of getting things done and adjust to a new setting. Demotions can be used to ensure discipline and to correct wrong placements and job assignments.

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.

Purposes of Promotion

The following are the purposes or objectives of promotion:

- To recognize an employee's skill and knowledge and utilize it to improve the organizational effectiveness.

- To reward and motivate employees to higher productivity.
- To develop competitive spirit and inculcate the zeal in the employees to acquire skill, knowledge etc.
- To promote employees satisfaction and boost their morale.
- To build loyalty among the employees toward organization.
- To promote good human relations.
- To increase sense of belongingness.
- To retain skilled and talented people.
- To attract trained, competent and hard working people.
- To impress the other employees that opportunities are available to them too if they also perform well.

Types of Promotion



- 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.
- 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'.
- 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.

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.

Causes of Demotion

There are several reasons for demoting a man from his present position. Some of these reasons are as follows:

- 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.
- Demotion may result from organizational staff reductions. Due to adverse business conditions, organizations may decide to lay off some and downgrade some jobs.
- Demotions may be used as disciplinary tools against errant employees.
- If there is a mistake in staffing i.e., a person is promoted wrongly.
- 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.

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.

Transfer

A transfer is a change in job assignment. It may involve a promotion or demotion or change in status and responsibility. A transfer has to be viewed as a change in assignments in which an employee moves from one job to another in the same level of hierarchy requiring similar skills involving approximately same level of responsibility, same status and same level of pay. A transfer does not imply any ascending (promotions) or descending (demotion) change in status or responsibility.

Purposes of Transfer

Organizations resort to transfers with a view to serve the following purposes:

- 1) **To meet the organizational requirements:** Organizations may have to transfer employees due to changes in technology changes in volume of productions, production schedule, product line quality of products, changes in the job pattern caused by change in organizational structure, fluctuating in the market, conditions like demands, fluctuations, introduction few lines and /or dropping of existing lines. All these changes demand the shift in job assignments with a view to place the right man on the right job.
- 2) **To satisfy the employees' needs:** Employees may need transfers in order to satisfy their desire to work under a friendly superior, in a department / region where opportunities for advancement are bright, in or near their native place or place of interest, doing a job where the work itself is challenging.
- 3) **To utilize employees better:** An employee may be transferred because management feels that his skills, experiences and job knowledge could be put to better use elsewhere
- 4) **To make the employees more versatile:** Employees may be rolled over different jobs to expand their capabilities Job rotation may prepare the employees for more challenging assignments in future
- 5) **To adjust the workforce:** Workforce may be transferred from a plant where there is less work to a plant where there is more work.
- 6) **To provide relief:** Transfer may be given to employees who are overburdened or doing hazardous work for long periods.
- 7) **To punish employees:** Transfers may be affected as a disciplinary measure to shift employees indulging in undesirable activities to remote far flung areas.

Separation

Separation of an employee exists when the service of an employee comes to an end because of one reason or other. Separation arises due to resignation; lay off, dismissal and retirement.

Types of Separation

- a) **Resignation:** When the employee himself initiates the separation then it is termed as separation. There are some resignation which are avoidable and others which are unavoidable. It is the responsibility of the management to look out the real reason of the resignation. In such cases the exit interview is better to conduct to find out the reason of resignation.
- b) **Lay off:** Lay off is generally done to reduce the financial burden of the organization by temporary removing the surplus employees. This is done due to inability of the employee to recruit them due to shortage of sufficient resources. Lay off results in a great loss to the organization as they had to suffer all the expenses of selection, placement and training.
- c) **Dismissal:** Dismissal is termination of service of an employee as a punitive measure. This may occur either on account of unsatisfactory performance or misconduct. Persistent failure on the part of employee to perform up to the expectations or specified standard is considered as unsatisfactory performance. Willful violation of rules and regulation by the employee is treated as misconduct. Dismissal is a drastic step seriously impairing the earnings and image of the employee.
- d) **Retirement:** Number of separation in the organization happens due to retirement. There must be clear rules of retirement there may be compulsory retirement where an employee has to retire after attaining a particular age. Forced retirement means when a person is found guilty in the court of law or breaks any service agreement then has to retire forcibly irrespective of his age. Premature retirement means that the employee becomes disable to perform the job in that case he may be given the option to take retirement before his retirement age.