

FACULTY OF JURIDICAL SCIENCES

Lecture-21



Promotion

Promotion is the appointment of existing members of staff to another post or office at a higher grade than the one previously held. This may be the result of either a successful application for an advertised vacancy, or, where appropriate, personal promotion.

Employee Promotion means the ascension of an employee to higher ranks. It involves an increase in salary, position, responsibilities, status, and benefits. This aspect of the job drives employees the most—the ultimate reward for dedication and loyalty towards an organization.

In theory, a promotion requires more work and effort in a job. Based on organizational policies, these promotion-based decisions are taken on different aspects. These can be the length of service, experience, seniority, performance, etc.

Edwin B. Flippo, “A promotion involves a change from one job to another that is better in terms of status and responsibilities.”

Promotion means the advancement of an employee to a higher job involving more work, greater responsibility and higher status. It may or may not be associated with the increment in salary. Sometimes, salary of the employee also increases with the promotion. Sometimes it is not so. When an employee is promoted but his salary does not increase it is known as dry promotion. Promotion means the placement of an employee on a higher post involving greater amount of responsibility, better status, more pay and more perks.

Scott & Spriegal, “A promotion is the transfer of an employee to a job that pays more money or that enjoys some better status.”

Types of Employee Promotion

1. Horizontal Promotion:

This kind of promotion rewards an employee with a pay increase but little to no change in responsibilities. It is also regarded as an up-gradation of an employee. In the educational sector, an example of this is the move from lecturer to senior lecturer.

2. Vertical Promotion:

This refers to an upward movement of employees with a change in skills and experience. It brings a change in salary, responsibility, status, benefits, etc. In the marketing industry, this can be the promotion of a marketing supervisor to the marketing manager.

Due to its nature, it can change the nature of the job as well. This can be a shift from functional head to the chief executive, both being very different jobs.

3. Dry Promotion:

A Promotion that employees aren't particularly fond of. This promotion refers to an increase in responsibilities and status without the benefits. It means no increase in pay or any financial benefits for that matter.

4. Open and Closed Promotion:

Open Promotion is a situation where in every individual of an organization is eligible for the position. Closed Promotion is a situation wherein only selected team members are eligible for a promotion.

Benefits of Employee Promotion

1. Expectation:

Employee Promotion is one of the main goals of employees working hard. Thus, it turns into their expectation. When employers don't fulfill these expectations, they end up losing employees.

2. Reduce Attrition:

Employee Promotion often includes a pay raise which acts as a huge motivation. This, in return, further reduces attrition. A **survey** published shows 35% of employees quitting their job because of no pay raise in a year.

3. Motivation & Productivity:

As stated above, employee promotion is a big tool for career advancement and employee retention. It is because when employees get a chance to grow, they stick with a company. This motivation ultimately correlates to higher productivity.

4. Cost-Efficient:

Internal employee promotion involves less cost than hiring new ones. This is a fact that is shown in a study published by The Wall Street Journal. It was found that companies pay 20% more in on boarding a new hire instead of internally promoting one. This harms the desired cost-cutting measures of a company.

5. Career Growth:

Employee promotion facilitates the critical career path and growth of an individual. A statistic in 2017 showed that lack of career development is one of the key reasons for attrition. Even in this day and age, it is bound to be one of the main concerns of employees.

6. Need to Manage:

Employee Promotion often brings new responsibilities that initiate a sense of management. This sense of management is a key factor in employee satisfaction as it helps them grow. In a detailed **study**, it was found that 45% of millennial are keen on managing others.

7. Rewards and Recognition:

Employee promotion is a crucial element of an organization's rewards and recognition program. This is because a study shows more than a quarter of employees leave the organization for lack of rewards recognition.

This reduces retention, employee engagement, and motivation.