

ST. MARY' UNIVERSITY  
FACULTY OF BUSINESS  
MANAGEMENT DEPARTMENT

AN ASSESSMENT OF EMPLOYEE PROMOTION  
AND TRANSFER PRACTICE OF CONSTRUCTION  
AND BUSINESS BANK S.C

BY  
EYERUSALEM AMSALU

JUNE 2014  
SMU  
ADDIS ABABA

AN ASSESSMENT OF EMPLOYEE PROMOTION AND  
TRANASFER PRACTICE OF  
CONSTRUCTION & BUSINESS BANK S.C

A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT  
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BUSINESS FACULTY  
DEPARTMENT OF MANAGEMENT

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# Appendices

# Appendix I

**St. Mary University**  
**Faculty of Business**  
**Department of Management**

Questionnaire to be filled by the employees of Construction and Business Bank S. C.

**Dear respondent**

This questionnaire is designed to collect relevant data for senior essay paper on the *assessment and practice of employee promotion and transfer in Construction and Business Bank S. C (CBB)*. Filling this questionnaire is a great assistance to me to fulfill my study and besides to come up with sound solution to solve the problem under study and to improve the practice in our organization.

Please take a few minutes of your time to complete the questionnaire. I sincerely ask for your frank and honest attitude to the matter. You will not be held responsible for anything arising thereof as well.

Note:

- ✚ Please fill or put `X` in the box provided.
- ✚ You may comment, share ideas and views related to the topic.
- ✚ The data collected will be kept confidential.
- ✚ You do not need to write your name.

**Thank you in advance for your cooperation!**

**Back ground information**

**Part I – Please indicate your answer by putting “X” mark in the box to indicate your response from the listed options.**

1. Age

- 20 – 27 Years                       28 – 35 Years   
36 - 43 Years                       44 and above

2. Sex Male                       Female

3. Education Level

- Diploma       BA       MA       Other \_\_\_\_\_

4. Service year in the bank?

- i. 1- 5 year                       iv. 16 – 20 year   
ii. 6 -10 year                       v. 21- 25 year   
iii. 11 - 15 year                       vi. 26 and above

**Part II – Below are questions on employee transfer and promotion practices in Construction and Business Bank S.C.**

1. What is your current Position? -----

2. Are you familiar with the promotion and transfer rules and procedures of the Bank?

- Yes                       No

3. If your answer to question No. 2 in “No”, please mention some of the problems?

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4. If your answer to question No2 is “Yes”, do you think that the bank has formulated a clear procedures and rules of promotion and transfer?

- Yes                       No

5. Do you think what is implemented is appropriate?

- Yes                       No

6. If your answer to the above question is **No**, please mention some of the problems of the implementation.

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7. Have you ever being promoted in your organization?

Yes  No

8. If your answer to question No 7 is "**yes**" describe the bases for your promotion

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9. Have you ever being transfer in your organization?

Yes  No

10. If you answer to question no 9 is "**Yes**" would you describe the rational of your transfer.

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11. Do you think that vacancy announcements, which serves as selection instrument clear and unambiguous?

Strongly agree  Agree  Neutral  Disagree  Strongly Disagree

12. If your answer to question no. 11 is, **disagree or strongly disagree** please explains.

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13. Do you believe that the selection committee best represent employees?

Yes  No  I don't know

14. Do you think that there is any discrimination in implementing the promotion or transfer rules?

Strongly agree  Agree  Disagree  Strongly Disagree  Neutral

15. If your answer to “question no. 14” is **strongly agree** or **agree** what kind of discrimination is there?

Gender  Race  Political  Religion

Any other, please specifying in short:

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16. Employees are capable of challenging the bank’s decision during when individuals are not qualified for the promotion and transfer?

Yes  No  I don’t know

17. If the answer to “question no. 16” is **Yes** do you think the answer to it is convincing/satisfactory?

Yes  No

18. If your answer to “question no. 16” is **No** what is the reason for their incapability?

- a. Due to lack of knowledge/experience
- b. Due to lack of confidence
- c. Due to negligence

Any other reason, please specify

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19. Many experienced employees are leaving the bank; do you think that the main reason for this is related to promotion or transfer?

Yes

No

20. Please indicate the extent to which you **agree** or **disagree** with the following statements about the transfer and promotion of your bank: (**Key: SD = Strongly Disagree; D=Disagree; A=Agree; SA=Strongly Agree; DK=Don't Know/Neutral**)

	SD	D	A	SA	DK
The transfer process is open and fair					
The promotion process is open and fair					
The promotion rules and procedure is applicable to all employees					
The bank has transfer or promotion manuals					
Qualified employees carry out the transfer and promotion task					
Formal approach are developed for transfer and promotion procedures in the bank					
The rule & the implementation procedures are consistent					
The decision of the promotion & transfer request informed through a proper manner, formal letter to the employees					
The letter of decision specified included the reason of judgment					

## Appendix II

**St. Mary University**  
**Faculty of Business**  
**Department of Management**

Interview question to managers of the Construction & Business Bank S.C

**Dear respondent**

This interview questions are designed for the purpose of understanding research on the topic of *assessment of employee promotion and transfer practices and problem in Construction and Business Bank S. C (CBB)*. Please take a little of your time to give the necessary information to help the researchers identify the importance of this issue of your Bank.

1. How well the employees awareness have been created regarding the promotion & transfer rules of the bank?
2. What is your opinion about the promotion & transfer rules? Are the rules & regulations vague or unclear in order to implement?
3. What is the problem to implement the rules & regulations? And the causes of the problem?
4. What is your opinion about the skills of the human resource department as far as the promotion & transfer rules of the bank are concerned?
5. To what extent are the rules & regulation consistent with implementation?
6. What is the basis for the selection of promotion Committee?
7. How do you assess the composition of the committee?

**Thank you for devoting your valuable time in conducting this interview.**

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## DECLARATION

I, the undersigned, declare that this senior essay is my original work; prepared under the guidance of my advisor AtoBiruk G/Mekael All sources of materials used for the manuscript have been duly acknowledged.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Place of Submission: \_\_\_\_\_

Date of submission: \_\_\_\_\_

### Advisor's Approval

This senior research has been submitted for examination with my approval as the University advisor.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

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## **List of Abbreviations/Acronyms**

AA	Addis Ababa
CBB	Construction and Business Bank
HR	Human Resource
HRM	Human Resource Management

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1. BACKGROUND OF THE STUDY**

The performance of any economy is closely and directly related to the performance of financial sector. Financial intermediaries include depository institutions. (Commercial banks, saving and loan associations, saving banks and credit union), insurance companies, pension funds and financial companies. Financial institutions notable banks, act as channel through which financial surplus of some groups in society are collected and then redistributed to other groups that has financial deficits. In other words financial institutions have traditionally acted to mobilize the saving within the economy and direct them into productive investment

The increase in competition, locally or globally, organizations must become more adaptable, resilient, agile, and customer focused to succeed. And within this change in environment, the HR professional has to evolve to become a strategic partner, an employee sponsor or advocate, and a change mentor within the organization. In order to succeed, HR must be a business driven function with a thorough understanding of the organization's big picture and be able to influence key decisions and policies.

Organizations are systems designed to achieve objectives based on the available and efficient utilization of resources such as finance, materials, information, technology and people. In contrast to other resources of organizations, the human resources is the indispensable ingredient, the most unpredictable, challenging and the largest ongoing cost factor in any organization. Generally, organizations develop when they are in a position of efficiently and appropriately utilize the

human resource through appropriate management. (<http://www.jstor.org>). In fact, employee promotion and transfer are internal sources of recruitment and are parts of human resource management that require emphasis. These aspects of human resource

management are very important to employees and as a result they pay greater emphasis to them. So, if there are poor policies, rules and regulations in handling these important and prized issues, the employees lose trust on their organization, their performance decline and above all employees leave the organization; which all together contributes to the failure of the organization (<http://www.jstor.org>). In this connection, this study attempts to assess the practices and problem of employees' promotion and transfer in Construction and Business Bank S.C (CBB), so as to build employees confidence on the organization and to keep the organization competitive.

## **1.2. STATEMENT OF THE PROBLEM**

Since the behavior of people is complex and their training and developing their professional skills to the levels of the requirements of the organization are costly and scarce; they are unique resources of the organization those require special consideration. Thus, organizations are expected primarily to make valuable efforts towards the establishment and maintenance of conducive internal working environment that makes possible the realization of organizational and personal objectives for its employees.

Generally the purpose if this researches it to see what rules and regulations and that properly address the interest of both parties (the employees and the organization).

There are many factors to create problems in promotion and transfer:-

- The organizations see their own benefits without consider the employees side.
- The individual have different interest through time to time.
- The employee may move from one place to another place because of different reason.
- Increasing the educated person in the organization.

## **1.3. RESEARCH QUESTIONS**

The research was tried to answer the following basic research questions:

- What are the major problems of promotion and transfer?
- What are the rules and regulations of employee promotion?
- What are the factors that affect promotion and transfer?
- What are the employee transfer policies?

These are the potential research questions which intended to address in this study.

## **1.4. OBJECTIVES OF THE STUDY**

### **1.4.1. General Objectives**

The general objective of this study is to assess the challenges in practicing employees' promotion and transfer in Construction and Business Bank (CBB).

### **1.4.2. Specific Objectives**

The research studied the following Specific Objectives:

- To identify the major problems of promotion & transfer,
- To examine the rules and regulation of employee promotion of the bank
- To find out what the attitude of the employees possess towards the rules and its application in the real terms
- To assess the attitude of employees towards promotion and transfer practice

## **1.5. SIGNIFICANCE OF THE STUDY**

The study may be of great interest to many parties, since it tries to find out the problems associated with the Construction and Business Bank employees promotion and transfer and also propose the possible solutions. As a result:

- The study may help the officials of the bank to take remedial actions
- To give awareness on the major problems in employee promotion and transfer of the organization
- The study may contribute as spring-board for a researcher who needs to conduct further research in the area.
- It also benefits the employees in creating a climate of trust by identifying the causes of the problem that affected them.

## **1.6. SCOPE OF THE STUDY**

The study of the research is conducted in Construction and Business bank S.C. Head Office some different department's clerical staffs because of time and money limitations. All other branches of the bank, in and out of Addis Ababa, not included in the study because of lack of resources. It also included both manager and employees of

the bank accordingly. Besides, the study also assessed the secondary data and the HRM tasks in promotion and transfer.

This research use data obtained after the implementation of BPR in 2013. It is difficult to get all the necessary data before the implementation of BPR.

## **1.7. RESEARCH DESIGN AND METHEDODOLOGY**

### **1.7.1. Research Design**

The research design of this study was under the category of descriptive research method. Because descriptive research is aimed at answering what, when, who and how type of question about the research. The research is followed by quantitative & qualitative approach.

### **1.7.2 Population, sample size and Sampling Techniques**

#### **1.7.2.1 Population and Sample Size**

In this study, stratified sampling technique the organization selected process 106 employees currently, out of which 64 employees takes as sample. The population include on the research which indicated below:

<b>No.</b>	<b>Sections</b>	<b>Total Population</b>	<b>Sample Size Selected</b>
1	Customer Accounts & Transaction Process	40	24
2	Human Resource Management Department	20	12
3	Accounts & Financial Management	25	15
4	Internal Audit Process	21	13
	<b>Total</b>	<b>106</b>	<b>64</b>

Thus, it uses random sampling techniques in case of Managerial posts included in the study.

### **1.7.3. Type of Data used**

For the purpose of this research both primary and secondary sources of data used.

#### **1.7.4. Method of Data Collected**

The data collected method are mainly focus on distributing questionnaire, interviews review of Books, Internets Journals and other documents that are related to the research topic. Primary data include questionnaire, interviews. Secondary data include review of Books, Internets Journals and other source.

#### **1.7.5. Method of data analysis**

The data that were collect is analyzed through several strategies first the result that was found through questionnaires was edited, categorized and displayed using percentage and numbers (statistically) in the tables. And the interview was elaborated and explained on qualitative bases.

### **1.8. LIMITATION OF THE STUDY**

The research was faced different challenges while conducting this study. Some of these are luck of willingness from employees to give information, unreturned the questioner on time and shortage of time and resources to some extent.

### **1.9. ORGANIZATION OF THE STUDY**

This study is organized in to four chapters. The first chapter contains the introduction part, the second chapter include literature review, and the third chapter consists of the data presentation, analysis and interpretation finally the forth chapter includes summary, conclusions and recommendations.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### 2.1. OVERVIEW

Human Resource Management (HR) deals with the design of formal system in an organization so that to guarantee the effective and efficient use of human talent “human capital” to accomplish the organization goal (Wayne and Robert, 1981:144). HR include all of the experiences, skill, judgment, abilities, knowledge, contracts, risk taking and wisdom of the individuals associated with an organization (Pigors and Myers, 1981). Sustained competitive advantage depends on the unique characteristics of all the resources – including human resource that an organization uses as it competes in its environments (Plunket, 1981).

From the above definitions, one can deduce that human resource is a critical element in an organization in providing its product or services in an effective and efficient manner. Moreover, it is also a key ingredient of an organization’s competitiveness to fulfill its mission. Employee, are not only among the most important sources a firm has, but they are also among the most expensive resource of an organization. Thus, they should be viewed in the same context as the financial, technological and other resources that are managed in an organization. The strategic role of HR management emphasizes that the people in an organization are valuable resources representing a significant investment of an organization’s efforts and thus can be a source of competitive strength if they are managed effectively.

Therefore, *employee promotion and transfer*, which is the focus of this paper, is one and the most important issues of HR and Personnel Management systems and practices.

Hence, this chapter deals with the relevant facts of how different authors defined the term and practices of promotion and transfer as part of Human Resource (HR)

Management. Focus will be given on the definitions, purposes, policies and of course practices of employee promotion and transfer taken from different sources of information (Plunket, 1981).

## **2.2. EMPLOYEE PROMOTION**

### **2.2.1. Definition**

A promotion occurs when an employee is moved from a job to another position that is higher in pay, responsibility, and/or organizational level. It is mechanism in which organization recognizes employees past job performance and its effort to aid the organization in furthering its objectives. Promotions usually are based on merit and/or Seniority (Werther and Davis, 1996:399).

Employee promotion is the advancement of an employee to a better job, which requires greater responsibility and skill with better salaries and better working conditions. If employee and advancement does not involve such improvements, it is not considered as promotion (Pigors and Myers, 1981:303-304).

It is a movement by a person into a position of higher pay and greater responsibility. It is moving from lower level position to a higher in status and privilege (Plunket 1981).

### **2.2.2. Purpose of Promotion**

The purpose of promotion serves an organization in two ways. In one hand, assigning people to the roles where they can best contribute helps an organization achieve a higher performance to meeting its objectives. And on the other hand it also helps an organization to use promotion as a tool for incentives and rewards of its employee (Davis, 1993:397). When an employee is promoted to a position in which he/she can contribute most, change for successful outcomes of the organization for which he/she works are as a result increased. Thus, it should be the goal for an organization to change the position of its employees as soon as their capacities develop and opportunities exist (Michael 1963:184).

### **2.2.3. Handling Promotion**

Though promotional activity in most practical cases is a judgmental decision based on ambiguous criteria and numerous sources of information, it is very imperative to handle it in a systematic and well established policies and procedures.

Systematic research on promotional decision is important because it comprises at least three managerial concerns.

- Organizational effectiveness,
- Equal employment opportunity, and
- Career development and planning.

The management of an organization should always exert every attempt to give opportunities for their employees to get promoted. Staff advancement is clearly one of the best incentives for people to stay within an organization. Even though it is not necessarily a good practice to fill every vacancy in this fashion and never provide “a new blood” to the organization, it is very inducing for employees to see that the best jobs do not go to the outsiders very frequently (Campbell *et al.*, 1994).

Determining promotional decision demands defining the appropriate criteria and collecting measures. The criteria include the incumbent’s future performance, potential and advertisement ability and the organizational unit’s success, along such dimensions as profitability, growth, technological leadership and return on investment. In an attempt to put into practice an internal promotion policy, usually it is the most tiresome task to deal with.

However, it has been said that the best task is to get departmental heads to come in terms with the departing of their promising employee. For mere fear of losing their hard and dedicated staff, they are inherently reluctant and remain resistant to the idea of training a successor.

Nevertheless, the process of influencing can be greatly enhanced if personnel managers are capable of producing a satisfactory replacement for the promoted employee with as little delay as possible (Megginson, 1981:328).

#### **2.2.4. Tools and Foundation in Handling Promotion**

First and foremost personnel management should be able to properly identify current employees who are capable of filling a certain vacant position as they become available. Taking into account the number, capability and status of the employee's, helpful tools such as management and skills inventories, job posting and job bidding procedures for internal recruitment should be implemented (Scarpello and Ledvinka, 1988).

- Management and skill inventories permit organizations to determine whether current employees possess the qualification for filling open positions. As a recruitment device these inventors have proved to be extremely valuable to organizations when they are kept up to date. Inventories can be of tremendous value in locating talent internally and supporting the concept of promotion from within.
- Job posting is formal notices of promotional opportunities allow employees to take the initiative in applying. A proper match between job and employee depends as much on the employee seeking an open position as it does on the manager searching for candidates.
- Job posting system has a number of advantages. From the view point of the employee, it provides flexibility and greater control over career progress. For the employer it should result in better matches of employee and the job, in addition, it is used to meet Equal Employment Opportunity Commission (EEOC) requirements for equal opportunity for the advancement of all employees (Flippo, 1982:390-392).
- Job matching is another tool that is aligning candidate abilities and interest with job requirements is a goal of most staffing decisions.

- Job bidding is another technique that permits employees who believe that they possess the required qualifications to apply for a posted job. Larger firms provide employees with a weekly list of job openings. Any qualified employee is encouraged to apply (Wayne and Robert, 1981:334)

### **2.2.5. Policy on Promotion**

Organizations which have a stock of promotion talent spread over several departments required a systematic approach to promotion. Talent must be identified accordingly since it might be available in departments where it does not belong. It aims to find the personnel specialists through the file of the employees with in the organization to ascertain the individual who fit such

Parameters and are thus fit for promotion. Thus, promotion can be used as a recruitment source for the higher positions. This would encourage the existing employees, providing them with motivation and at the same time opening a source of recruitment at the lower end of the hierarchy for outsiders (Michael, 1963:196).

Management promotion policies vary in their degree of formalization and centralization. Formalization is a function of the content and explicitness of personnel policies (Auja, 1978). Centralization refers to the locus of decision making, ranging from the personnel department (high centralization to the supervisor of the future incumbent.

Formal personnel policies are specifically articulated in written guidelines and other documents. Standard operating procedures, which are more specific than policies, are typically formal statements indicating how a promotion decision is to be made and what factors are to be considered.

Formal promotion policies have advantage and disadvantage. They can increase the opportunities for, and ensure fairer treatment of, employees as well as inform managers about salient promotion criteria. However, Formalization may limit the decision maker's discretion and increase the time required to fill a vacancy.

The use of formal management promotion policies is likely to improve employee understanding of factors influencing the staffing of management positions and behaviors necessary for advancement.

A centralized promotion system focuses on the needs of the entire company or unit, not just

A particular vacancy such a system encourages the use of standardized forms and methods of collecting promotion related information about candidates. Such uniformity can facilitate equal treatment of candidates and provide documents to support decisions.

In similar manner organizations adopt different basis of promotion depending upon their nature, size, management etc... According to (Michael, 1963:196-201) bases of promotion are:-

- **Merit:-** Merit is taken to denote an individual employee's skill, knowledge, ability, efficiency and aptitude as measured from educational, training and past employment record.
- **Seniority:-**Seniority refers to relative length of service in the same job and the same organization. The logic behind considering seniority as a basis of promotion is that there is positive correlation between the length of service in the same job and the amount of knowledge and the level of skill acquired by an employee in an organization.
- **Combination:** - of merit and seniority as a basis of promotion.

### **2.2.6. Factors that affect Promotion**

Even though organizations formulate promotional policies and procedures and that promotional decisions should be rewards for performance, there are factors that affect it proper application.

The followings points can be cited as example.

- Federal and state laws affect the way in which promotion can be made.

- Affirmative action program (A.A) (Pedigo and Meyer, 1979:311) and Equal Employment Opportunity (EEO) objectives influence promotion decisions both directly and indirectly. In some cases, the organization may wish to fill a vacancy with a women or minority group member. In other instance, the EEO/AA plan influence the career development activities offered to employees to prepare them for future promotion and may dictate who or what kind of person gets the promotion.
- Promotion of the best qualified and most eligible person will be blocked by seniority rules.
- By the union agreement.
- It is also affected by the match between the individual and the job in terms of both ability and career interests.
- By the importance of the decision to the decision maker and the organization.
- The ability and motivation of the decision maker to apply a diverse set of criteria and integrate information.
- Other factors found to influence promotion decisions include political influence through personal Knowledge of the decision maker or through one's mentor (Roche, 1979).
- Individuals who are not highly trained in interviewing techniques or personnel matters can affect promotion decisions.
- Attributes of the decision maker may influence the decision process such as one's motivation to spend time and resource to fill the vacancy and one's information handling capacity (Davis, 1993: 402-403).
- The location of the vacancy in the organization can influence promotion processes. Some departments are stepping stones to higher levels. When vacancies arise in these departments, there are many candidates to select from and it is easy to obtain the release of a valued employee from other departments. In contrast, departments with poor reputations have difficulty identifying an acceptable candidate who would take the position.

- Regardless promotions should be based as much as possible on performance. If promotion is used the best way of doing, it must be done through job bidding or job positioning through which all job openings are announced and that all eligible candidates are encouraged to apply. There needs to be transparency (Plunkett, 1981).

## **2.3. EMPLOYEE TRANSFER**

### **2.3.1. Definition**

Most companies, use upward, downward and lateral moves as all option for employee development in a transfer, the organization assign an employee to apposition in a different area of the company. Transfers don't necessarily increase job responsibilities or compensation. They are usually lateral moves that are a move to a job with a similar level of responsibility they may involves relocation to another part of the country even to another country. Relocation can be stressful because of the demands of moving, especially where when family members are affected people have to find new housing, shopping, health care, and leisure facilities and they often lack the support of nearly friends and family (Douglas,1960).

The changing needs of he company and shifting desire of employees has brought transfer into existence. Without it, job would be monotonous and tedious for employees. A transfer represents a lateral movement from one position to another that has similar pay and responsibility levels. Although there may be a small difference between the jobs, they are relatively inconsequential (Plunkett, 1981)

A transfer is a lateral move to a position in the same classified pay range (classified position) or to a position with comparable duties and responsibilities.

A lateral movement of an employee, not involving promotion or demotion, is described as a transfer. A transfer therefore does not involve a material changed in responsibility or compensation. As in case of promotion, transfer are utilized to place employees in positions where they are likely to be more effective or where they are likely to get greater job satisfaction (Douglas,1960).

### **2.3.2. The Need for a Transfer**

Transfer is used to assign workers to jobs where they may obtain greater job satisfaction and provide their unreserved contributions to the organization. Forcing employee to work in the same place or position for a long period of time will create disappointment and frustration on the employee. This in turn will bring to a decreased work performance, repeated complaints and finally to a request of resignation by the employee.

The followings are some reasons for Transfers:

- Firms often find it necessary to reorganize their offices, work units and departments or they may open new branch offices in response to the company's needs. In order to fill gaps during reorganization, the movements of employee from one work place to the other become necessary.

In the same token, when an office or department is closed, rather than terminate valued employees, management may transfer employees from one area to other areas within the organization.

- The second reason for transfer is to make positions available in the promotion channels. Firms are typically organized into a hierarchical structure resembling a pyramid. Each succeeding promotion is more difficult to obtain because fewer positions exist. At times very productive but un-promotable workers may clog promotion channels. Other qualified workers in the organization may find their opportunities for promotion blocked. When this happens, a firm's most capable manager may seek transferring employees who are un-promotable but productive at their present level.
- The third reason for transfers is to satisfy employee's personal desires. An individual may need to work closer to home for several reasons. In such instances organizations will accept the transfer according to the rules and regulations of the organization.

- The fourth reason of transfers may also be an effective measure of dealing with personality clashes. Some people just cannot get along with each other. Because each of the individuals may be a valued employee, transfer may be an appropriate solution to the problem. But human resource managers must be cautious regarding the `Grass is greener on the other side of the fence` syndrome. When some workers encounter a temporary setback, they immediately ask for a transfer, before they even attempt to work through the problem (Wayne and Robert, 1981). Authors have classified transfers according to the convenience of the company and employee as follows:-
  - i. The convenience of the company:
    - a. Temporary transfer: A transfer arising from temporary absenteeism
    - b. Permanent transfer: A transfer arising out of shifting in the work load vacancies which need the special skill or ability of transferred employees
  - ii. The convenience of the employee:
    - c. Temporary transfer: A transfer arising from health condition, accident to an employee, for family reasons or for some private matter.
    - d. Permanent transfer: arising out of health condition or accident and other interest (Ahuja, 1998.)

### **2.3.3. Types of Employee Transfer**

There are many types of transfers based on their purpose: Some of them includes

#### **1. Production Transfers**

Transfers that are made from jobs in which labor force requirements are decreasing to jobs in which labor force requirements are increasing or in which vacant positions have occurred through separation. It is a transfer, which is made to eliminate layoffs on one job at the time that workers are being hired for the same kind of job. Production transfers would also apply to the same kind of transfer in non-manufacturing

organizations and firms. Production transfer is becoming increasingly essential as technical changes influence a growing number of jobs and skills.

## **2. Replacement Transfers**

Replacement transfers are the same with production transfer in their purpose. Example, to avoid layoffs. However, a long service worker is transferred to the same job usually in another department, replacing or `bumping `a worker a shorter service in case of replacement transfers. This kind of transfer program is used when all operations are diminishing and is assigned to hold the long service worker as long as possible.

## **3. Shift Transfers**

Where there is more than one shift and shift placements are not rotating, transfers may be arranged from one shift to another on similar type of work. In general, transfers are from late shifts (the second and the third) to the day (first) shift, frequently by length of service.

## **4. Remedial Transfers**

Remedial transfers provide a very good chance for management to work together with human resource development to exercise this principle. Remedial transfers are arranged for different reasons; mainly concerning the worker on the job. First assignments may have been incorrect, or the person may not agree with the supervisor or with other workers in the department. The type of job or working conditions may be suited to a worker cause health or accidental record

## **5. Versatility**

The objective of this transfer is to increase the versatility of the employee by shifting him from one job to another. In this way, the employee is provided a varied and broader job experience. This helps the employee through job enrichment and job enlargement. It can also help him get prepared for further promotions. Besides, it helps the organization, as enrichment of an employee would make him not only more effective but also ready for higher openings (Davis, 1993:398).

### **2.3.4. Employee Transfer Policy**

Before approving any transfer requests, it is imperative to analyze the requests in some uniformity of treatment. It should be in terms of the best interest of both the firm and the individual. Thus, Human Resource Department should establish clear policies and procedures regarding transfers for mutual benefit of employee and the organization. The policies and procedures of transfer should be designed objectively and in a vivid manner to avoid ambiguity by both parties and keep the interest of all.

A good transfer policy should be:

- Specifically clarify the types of transfers and the condition under which these condition will made
- Locate the authority in some officers who may initiate and implement transfers
- Indicate whether transfers can be made only with in a sub-unit or also between departments division/plants
- Indicate the basis for transfer i.e. whether it will be based on seniority or on skill and competence or any other factor
- Decide the rate of pay or benefit to be given to the transferee
- Initiate the fact of transfers to the person concerned well in advance
- Be in writing and duly communicate to all concerned
- Not be frequent and not for the sake of transfer only (Ahuja, 1998).

Ordinarily, organization policies are flexible enough to allow some personal treatment of particular worker problems. (Flippo. 1982:95-100)

### **2.3.5. Factors that affect Employee Transfer**

Though different factors can be mentioned which affects employee transfer, according to Wayne and Robert (1981) the followings factors are affecting employees transfer.

- Promotion and transfer of the best qualified and most eligible person will be blocked by seniority rules (Campbell et al., 1970).
- Affirmative Action Program (AA) (Pedigo and Meyer, 1979:324) and Equal Employment Opportunity (EEO) objectives influence transfer and promotion decisions both directly and indirectly. In some cases, the organization may wish to fill a vacancy with a women or minority group member. In other instance, the EEO/AA plan influence the career development activities offered to employees to prepare them for future promotion and transfer may dictate who or what kind of person gets the promotion or transfer.
- By the union agreement(Administrative Manual 1998).

## **CHAPTER THREE**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **3.1. GENERAL CHARACTERISTICS OF THE RESPONDENTS**

This section is concerned with the presentation and data analysis based on the information gathered through questionnaire and interview. The total number of questionnaires distributed was 64 and the numbers of interviews conducted were 4. Respondents were employees from Head Office different departments of the bank, while interviewees mainly comprised of top level managers whom the writer of this paper thought are the pertinent and responsible personnel in relation to the Human Resource affairs of the bank.

##### **3.1.1. Questionnaires Analysis**

Out of 64 questionnaires distributed, only 53 (83%) properly completed questionnaires were collected. The reason for this is lack of interest. Thus, this study was completed; data were analyzed and interpreted, on the basis of the appropriately filled and significantly relevant questionnaires

**Table 1: Personal details of the respondents**

Items	Description of Respondents	Respondents	
		No.	%
Age Category	• 20-27	20	37.74
	• 28-35	23	43.40
	• 36-43	8	15.10
	• 44 and above	<u>2</u>	<u>3.80</u>
	<b>Total</b>	<b>53</b>	<b>100</b>
Sex	• Male	27	50.94
	• Female	<u>26</u>	<u>49.06</u>
	<b>Total</b>	<b>53</b>	<b>100</b>
Years of service in the bank	• 1-5 years	25	47.17
	• 6-10	17	32.08
	• 11-15	4	7.55
	• 16-20	5	9.43
	• 21-25	1	1.9
	• 26 and above	<u>1</u>	<u>1.9</u>
<b>Total</b>	<b>53</b>	<b>100</b>	
Level of educational qualification	• Diploma& below	15	28.3
	• BA	37	69.81
	• MA& above	<u>1</u>	<u>1.9</u>
	<b>Total</b>	<b>53</b>	<b>100</b>

The above table 1 describes the personal details of the respondents of the total population. In the age category, 20(37.74%) of the respondents are aged between 20-27 years, 23(43.4%) aged between 28-35, 8(15.1%) of the respondents between 36-43, and 2(3.8%) of the respondents are aged above 44. The higher percentages of the respondents are composed of the groups aged between 28-35 years. Understandably, the age range in this group considered as young and ambitious who likes to see changes in immediately, as a result this age range is very sensitive and responsive to promotion and transfer issues.

As to the gender composition, male employees include 27(50.94%) of the respondents and the remaining 26(49.06%) female respondents. However, the distribution of the

questionnaire was in equal proportion male respondents were found to be responsive than female.

In terms of the year of service of the respondents, 25(47.17%) have served the bank from 1-5 years, 17(32.08%) from 6-10 years, 4(7.55%) served 11-15 years, 5(9.43%) served 16-20 years, 1(1.9%) from 21-25 years and 1(1.9%) 26 and above. This indicated that majority of the respondents served up to 5 years.

In relation to educational qualification, 15(28.3%) of the respondents have diploma, 37(69.81%) of the respondent degree the remaining 1(1.9%) are Masters and above holders. This indicates that the bank has large number qualified staffs who desire for promotion.

**Table 2: Familiarity of employees to the rules and procedure of the bank**

Are you familiar with the promotion and transfer rules and procedures of the Bank?	Respondents	
	In No.	In %
Yes	32	60.38
No	21	39.62
<b>Total</b>	<b>53</b>	<b>100</b>

With regards to the familiarity of the rules and procedure of promotion and transfer issues, employees' response is provided as shown in the table 2. From the response, are summarize that 21(39.62%) of respondents do not know the bank's rules and procedure regarding promotion and transfer, respectively. On the other hand, 32(60.38%) of respondent claimed that they know the rules, in that order. So, the higher percentage, 32(60.38%), of respondents does have the knowledge of the rules and procedures of the bank.

Some respondents mention some problems that why they are not familiar to promotion and transfer rules and regulations:-

- No means of getting the rules & procedures of HR process regarding promotion or transfer
- Lack of update information
- The bank didn't give the procedure to all staffs
- Didn't get the procedure of the process
- There is no transparency
- Insufficient experience in the bank to know the rules and procedures
- The responsible process did not notify employee about such policy and procedures
- Training is not provided regarding this issue

This is an indication of the fact that high effort is made towards promoting this aspect of human resource management. This view is strongly shared by the researcher of this paper who is well up to date with the bank during a stay for considerable period of time.

**Table 3: The actual experience of being Promoted or Transferred**

Have you ever being promoted or transfer in your bank?	Respondents	
	Yes	No
	In No.	In %
Promotion	32 / 60.38%	21 / 39.62%
Transfer	20 / 37.73%	33 / 62.26%

The real experience of being promoted or transferred within the rules and procedure of the bank is important to the reliability of their response. The data in table 3 showed that 32(60.38%) of respondents pointed out that they were promoted and 21(39.62%) indicate that they were not promoted. In contrast, nearly equal proportion of 20(37.73%) and 33(62.26%) of respondents indicated that they were transferred and not transferred; respectively. This result disclosed that most of the respondents were either being promoted or transferred in the bank.

Some respondents describe the bases for promotion and transfer as follows:-

- Transferred according to the strategy to support new branches after training
- I transferred to be near to my house
- The base of promotion is evaluation, work experience and educational level
- Immediate supervisor's recommendation
- Completion among other employees considering performance on the job
- The transfer was not the request of mine
- Transfer by promotion and demotion

This indicated that almost majority of respondents have some experience in relation to promotion or transfer experiences in the bank. To this connection, what the respondents indicated and suggested is credible and useful for the final summary of this study.

**Table 4: Transparency of the vacancy announcement**

Do you think that vacancy announcements that serve as the selection instrument clear and unambiguous?	Respondents	
	In No.	In %
Strongly Agree	5	9.43
Agree	28	52.83
Neutral	17	32.08
Disagree	2	3.77
Strongly disagree	1	1.9
<b>Total</b>	<b>53</b>	<b>100</b>

From the Table 4, it is understood that the large proportion 28(52.83%) and 5(9.43%) of respondents agree and strongly agree on the clarity and transparency of vacancy announcement, respectively. In contrast, 2(3.77%) and 1(1.9%) of the respondents disagree and strongly disagree of the clarity of the vacancy announcement, respectively.

This clearly shows that the bank needs to strictly follow the job posting procedure. It also implies the existence of chance that encourages biased decisions and favoritism during the selection process for promotion.

It should be noted that 17(32.08%) of the respondents maintain a neutral position in relation to the issue.

Some respondents mention points that the vacancy announcement is not clear and unambiguous

- The requirement on vacancy announcement are minimum.
- Meet the vacancy announcement or qualified but the position is not get

**Table 5: The representativeness of the selection Committee**

Do you believe that the selection committee best represent employees?	Respondents	
	In No.	In %
Yes	19	35.85
No	34	64.15
I don't know	-	-
<b>Total</b>	<b>53</b>	<b>100</b>

The composition of the selection committee reflects the fairness of the process of selection. In this regard, respondents were asked whether they think the selection committee represents them or not. Accordingly, they have responded as follows.

From the above information, it is observed that 34(64.15%) of the respondents pointed out that the selection committee does not represent them, while only 19(35.85%) of the respondents do agree that they are represented. From this, one can conclude that respondents have shown their doubts over the reliability of the committee in charge of selection.

It can be analyzed that a committee that lacks the will of the trust of the employees of the bank will definitely introduce dissatisfaction and creates lack of confidence on the part of the employee. In this respect, it is clearly observed from the responses made above that the bank has not awarded much attention to this aspect of promoting and

transfer process. It also implies that the bank failed to pay attention to the interests of employees as well as the principles of fairness.

## Table 6. Transparency and Fairness

**Table 6.1: Transparency and Fairness of promotion process**

The promotion process is open and fairness?	Respondents	
	In No.	In %
Strongly Agree	1	1.9
Agree	19	35.85
Neutral	9	16.98
Disagree	18	33.96
Strongly disagree	6	11.32
<b>Total</b>	<b>53</b>	<b>100</b>

Ensuring the transparency and fairness of promotion and transfer processes is essential elements in human resource management. These aspects have also been examined on the basis of the survey made. The questionnaires revealed the following.

In this respect, it is evident that half, 6(11.32%) and 18(33.96%) strongly disagree and disagree with the bank's promotion processes transparency and fairness, respectively. On the other hand, 1(1.9%) and 19(35.85%) strongly agree and agree with the position supporting the statement and 9(16.98%) of the respondents remained neutral.

As shown Table 6.1, it is largely felt by the employees that the processes lack fairness and transparency. Therefore, this requires a strict follow-up of implementation rules and procedure. Failure to establish and implement this system would have an adverse effect on organizational success as it may prove to be a lack of encouragement to employees.

## 6.2 Transparency and Fairness of transfer process

The transfer process is open and fairness?	Respondents	
	In No.	In %
Strongly Agree	7	13.21
Agree	19	35.85
Neutral	13	24.53
Disagree	12	22.64
Strongly disagree	2	3.77
<b>Total</b>	<b>53</b>	<b>100</b>

In addition 7(13.21%) and 12(22.64%) strongly disagree and disagree with the bank's transfer processes transparency and fairness, respectively. On the other hand, 2(3.77%) and 19(35.85%) strongly agree and agree with the position supporting the statement and 13(24.53%) of the respondents remained neutral.

As shown Table 6.2, it is largely felt by the employees that the processes have fairness and transparency. Therefore, this is an indication of the fact that high effort is made towards transfer process of human resource management.

**Table 7: The problem of implementing rules**

Do you think there is any discrimination in implementing the promotion and transfer rules?	Respondents	
	In No.	In %
Strongly Agree	3	5.66
Agree	10	18.87
Neutral	22	41.51
Disagree	14	26.42
Strongly disagree	4	7.55
<b>Total</b>	<b>53</b>	<b>100</b>

Equally important issue to transparency and fairness of rules and procedures of promotion and transfer is the implementation of the rules. Formulating the rules and developing procedures is one thing while implementing them is another. In fact, all the factors discussed in the above sections blocks implementation. But, the responses given by respondents to the question whether there are problems in implementing the rules and regulations of promotion and transfer disclose the following:

The respondents have based their opinion on the facts presented to them by the questionnaire. Hence, it was discovered that there is a no serious problem in the implementation of the rules and procedures of promotion and transfer.

The data in Table 7 indicated that 3(5.66%) and 10(18.87%) of respondents pointed out the presence of some form of discrimination in implementing the rules of promotion as strongly agree and agree, respectively. But, 4(7.55%) and 14(26.42%) of respondents strongly disagree and agree to the statement.

It should be noted that the higher proportion 22(41.51%) of the respondents maintain a neutral position in relation to the issue.

It is evident that the bank has to keep this fundamental element, avoiding discrimination in its personnel management. It is only if the leadership is impartial, fair, and honest in working with the cases related to promotions and transfer, that is when employees will feel confident on the management. As a result, productivity towards the achievement of the objectives of the bank will be realized.

**Table 8: Nature of discrimination**

What do you think is the nature of discrimination?	Respondents
	In %
Gender	11.32
Race	41.51
Political	5.66
Religion	0
Neutral	39.62
All	1.9
<b>Total</b>	<b>100</b>

Discrimination among the employees in one or another form is something that should be avoided and discouraged in any organizational set up. Discrimination by its very nature not only contradicts with the violation of organizational rule, but also damages the very existence of organization. So discouragement of any form of discrimination, treating all employees as equal or by their merit as means of selection for promotion and transfer are the basis of human resource management unit.

Table 8 showed that the highest figure, 41.51% of respondents pointed out the presence of discrimination in the process of promotion on the basis of Race, while 11.32%, 5.66% and 0% goes to Gender, political and religion respectively; leaving 39.62% of the respondents neutral. And one person pointed out the presence of discrimination on the basis of gender, political, religion and race.

Some respondents mention some other kind of discrimination is there:-

- Personal judgment of selection committee
- Personal bias of the selection committee
- Friendship
- Personal relationship
- Good relationship with top management

**Table 9: Employees' capacity of right enforcement against unfair decision**

<b>Employees are capable of challenging the bank's decision during when individuals are not qualified for the promotion and transfer?</b>	<b>Respondents</b>	
	<b>In No.</b>	<b>In %</b>
Yes	17	32.07
No	20	37.73
I don't Know	16	30.19
<b>Total</b>	<b>53</b>	<b>100</b>

Compliance of both parties to the governing rules and procedures of the promotion and transfer processes is necessary; this will prevent abuse of rights and failure to meet responsibilities. The research conducted and the questionnaires filled by respondents indicate the following:

As can be seen from the Table 9, 20(37.73%) of the respondents fail to enforce their right under the rules and regulations of the bank. Also 17(32.07%) of the respondents agreed that they claimed to have requested for explanation, so that to enforce their rights. However 16(30.19%) of the respondents remain they didn't know concerning the issue. The result showed that majority of the respondents were fail to enforce their right, which could possibly be related to different factors indicated as to absence of knowledge to the rules and procedures of the bank (Table 2), open thinking to unfairness of the promotion and transfer process (Table 6), and the assumption of the presence of problem to the implementation of rules (Table 7).

**Table 10: Impact of inadequate implementation of the rules and procedures**

<b>Many experienced employees are leaving the bank; do you think that the main reason for this is related to promotion or transfer?</b>	<b>Respondents</b>	
	<b>In No.</b>	<b>In %</b>
Yes	39	73.58
No	14	26.42
<b>Total</b>	<b>53</b>	<b>100</b>

Adequate, proper, and consistent implementation of the rules and procedures of promotion and transfer plays a major role in smoothening employee-employer relationships. Among others, it creates employee satisfaction sense of belongingness is and becomes a motivation. On the other hand, if mistreated, it leads to unhappiness, frustration, skepticism and backbiting among employees and culminate in high rate of labor turnover. These factors have series effect on the overall profitability of the bank and the achievement of its visions.

Table 10 indicated that majority of the respondents 39(73.58%) believed that employee turnover in the bank is as a result of dissatisfaction created due to the lack of proper application of the rules and procedures of promotion and transfer.

To this end, a need to take a planned measure to evaluate the existing processes and the gaps in implementing the rules and procedures to ensure that they promote the principles of human resource management is essential. In effect, such measure will bring about healthy organizational relationships, less employee turnover and the reducing costs.

### **3.1.2. Secondary Data**

#### **3.1.2.1. The Rules & Regulation of Employee Promotion**

- Placement starts by understanding the HR Plan
- In any process where unplanned need arises, whether this is due to the current post holder moving internally or externally.
- Identify vacant posts from data
- Prepares vacancy announcement notice as per the specification
- Prepare the data appropriately
- Selection of candidates will be undertaken by the committee based on the criteria.

Announcing for a particular vacancy on specified position and screening; the selection committee uses a six-component assessment procedure as the basis for promotion and transfer.(Administrative Manual 1998) The items included in the six-component assessment are:

#### **A.Selection Criteria for Managerial Posts**

<b>Factor</b>	<b>Weight</b>
Educational Qualification	15%
Related Work experience,	15%
Recommendation of Line Manager	20%
Performance Appraisal Result	10%
Interview/Selection panel Recommendations	35%
Seniority	5%
<b>Total</b>	<b>100%</b>

#### **B.Selection Criteria for Professional posts**

Factor	Weight	
	First Alternative (With Exam)	Second Alternative (Without Exam)
Educational Qualification	20%	20%
Related Work experience,	15%	15%
Recommendation of Line Manager	10%	15%
Performance Appraisal Result	5%	5%
Interview/Selection panel Recommendations	35%	N/A
Seniority	15%	20%
<b>Total</b>	<b>100%</b>	<b>75%</b>

### C. Selection Criteria for Clerical posts

Factor	Weight	
	First Alternative (With Exam)	Second Alternative (Without Exam)
Education	20%	20%
Performance Appraisal Result	20%	20%
Related Work experience,	15%	15%
Examination	25%	N/A
Seniority	5%	5%
Selection Panel Recommendation	15%	15%
<b>Total</b>	<b>100%</b>	<b>75%</b>

### D. Selection Criteria for Technical Posts

<b>Factor</b>	<b>Selected Weight</b>
Examination	20%
Educational	20%
Performance Appraisal Result	15%
Related Work experience,	15%
Selection Panel Recommendation /interview	10%
Seniority	5%
<b>Total</b>	<b>100%</b>

Finally the HRM announces the final result by posting it on the notice boards and other appropriate mechanisms together with the list of those candidates compete for promotion in order to be transparent in its practice.

### **3.1.2.2. The Employee Transfer Policies**

#### **Transfer Initiated by the Bank**

- The bank has the right to transfer employees to another work area or geographical location with the objective of filling vacancies, improving human resource utilization, meet extraordinary workloads or other reasons.
- Process shall periodically perform job rotation, where applicable, so as to enable employees possess the ability to perform various jobs.
- The Bank, when the need arises, initiates lateral transfer considering ability, performance, years of service and experience for the job under consideration.
- Unless agreed, employees attending classes and left with one year for graduation or employees with health problems attested by recognized public or client health institutions are exempted from transfer.
- If the employee is not willing to take the assignment, the HR shall take measures as per the Collective Agreement in force and look for other potential candidates through vacancy announcement.

#### **Transfer initiated by employee**

- Requests for lateral transfer shall be made in writing to the HR.
- Employees may request a transfer to another type of work or geographical location or to solve personal problems/health problems, etc.
- Application for transfer shall be reviewed based on availability of replacement, ability, performance, years of service and experience for the job under consideration.
- When transfer request of employees do not cause inconvenience to the Bank, or are the result of health problems evidenced by health institutions.
- HRM shall review and decide on application for transfers, as the case may require.
- Benefits and payments related to the transfer shall be handled as per the collective agreement in place.

Concerning transfer, the transfer rule of the bank clearly indicates the conditions under which employee transfer will be made. The rule also clearly states that workers have a right to request transfer and the basis of the transfer such as length of service, skill and others that are used by the bank (Administrative Manual 1998).

### **3.1.3. Interview Analysis**

**1. How well the employees' awareness has been created regarding the promotion and transfer rules of the bank?**

Two management officials gave their response that employees have knowledge regarding promotion and transfer rules and procedures. However, the rest two officials disagree on this statement and further explained that awareness is very low among employees, partly due to the HR process's weakness in providing information about the procedure. And also employees do lacks interest to read the Collective Agreement (an agreement made between the labor union and the management) to update themselves in regards to the topic. In addition, they admitted that in its part, the bank did not create any venue of promoting awareness or orientation to this effect.

**2. What is your opinion about the promotion and transfer rules? Are the rules and regulations vague or unclear in order to implement?**

All officials responded that the rules and regulations are clear and transparent to implement. However, they need continuous improvement to accommodate new trends.

**3. What is the problem to implement the rules & regulation? and the causes of the problem?**

Three officials responded that:- the level of awareness on the procedure from both employees and HR Process staff. However, one official disclosed that the concept is partially applied in the bank.

**4. What is your opinion about the skills of the HR department as far as the promotion and transfer rules of the bank are concerned?**

Almost four of them respond that the HR department are very equipped, but once in a while everybody should refresh their knowledge of the procedure, they need training.

**5. To what extent are the rules and regulation consistent with implementation?**

They responded that:- In most of the cases implementation is consistent with the procedure. When proceedings deviate from the procedure, the management should approve as a special case.

**6. What is the basis for the selection of promotion committee?**

The bases are – Related work experience, Educational qualification, Performance evaluations, Management recommendation, Seniority and Selection panel Recommendations.

**7. How do you assess the composition of the committee?**

They responded that- the composition committee always constitute someone from HR, the concerned body (work unit) and from the labor union. Hence the composition is a workable one.

## **CHAPTER FOUR**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **4.1. SUMMARY**

The study was designed to assess the practice and the problem of employees' promotion and transfer in Construction and Business Bank it is also intended to suggest possible solution to the problems identified.

The following are found to be measure factors:

- 60.38% of the respondents indicated that they do have the knowledge of the rules and procedures by which the employees' promotion and transfer processes are governed in the bank.
- The clarity and transparency of vacancy post announcement is important to avoid unnecessary rumor that destroy the employee and management relationship.52.83% of the respondents the vacancy announcement clear and unambiguous.
- 62.26% of the respondents they were transferred but do not get the chance.
- The representativeness of selection committee adds trust and confidence in the part of employees to the management body. However, in this study 64.15% of the respondents indicated that the composition of the selection committee doesn't represent them.
- Securing the transparency and fairness of promotion processes is important component in human resource management. Almost half of the respondents stated that there is lack of fairness in promotion rules and procedure during promotion process.

- Securing the transparency and fairness of promotion and transfer processes is an important component in human resource management. Almost half of the respondents stated that there is a lack of fairness in transfer rules and procedure during the transfer process.
- Treating all employees on an equal basis should be the fundamental process of human resource management; so, that to build the confidence of the employees upon the management body. However, this study indicated that the existence of different types of discrimination.
- The cumulative effect of the lack of transparency in vacancy post announcement, lack of trust in the composition of the selection committee, absence of transparency in implementing rules and procedure of promotion and transfer, and existence of discrimination in any type, results in frustration and in turn high turnover of employees. Majority of the employees 73.58% stated that the high turnover of employees in the bank was due to the disappointment created due to the lack of proper application of the rules and procedures of promotion and transfer.
- The real practice of transfer that the bank has taken rules and regulations address the interest of the bank. Promotion due to the current holder moving internally and externally.
- The interview conducted with the management officials showed the unwillingness of employees to read the rules and procedures of promotion and transfer of the bank, presence of clarity and transparency in vacancy announcement, proper implementation of promotion and transfer processes according to the bank rules and procedures, and the formation of a credible selection committee according to the bank rules and regulation.

## 4.2. CONCLUSIONS

Human resources are one of the most important and fundamental resources of an organization for the attainment of its objective. Definitely, in this regard from what has been analyzed so far about general characteristics of the respondents, with regards to their age, sex, years of service and educational level, one can say that the bank is reach in its human resource component. Almost, more than half of the total employees of the bank are within the most productive age and that they are physically and mentally ready to perform their duties in the most right and expected way.

In fact, promotion and transfer are encouraging tools and providing the promise of personal development and self-encouragement for employees who want it. However, from the research made, it is indicated that the bank has given little or no attention to handle its productive labor force especially through its implementation of promotion and transfer procedures. Even though, there exists a collective agreement—an agreement reached by the labor union and the management, and the six-component assessment rules by which the promotion and transfer matters are processed, the employees including the researcher agrees that it is very narrow, fell short to exhaustively elaborate the matters and further more are open to subjectivity.

Though the bank's management officials through their interview witnessed that:-

- There is a clear policy and procedure of promotion and transfer,
- There is no problem in the implementation of the same,
- The process of selection is made in a transparent and fair way, and
- The problem of the employee's interest to read and understand the collective agreement which states the procedure of promotion and transfer.

In contrast, the employees have expressed the problem through the questionnaires as indicated above. Generally, from their responses, the respondents indicated the presence of problems that discouraged employees who can play significant role for the development the bank.

The problems are summarized as follows;

- Lack of transparency and consistency in implementing promotion and transfer rules and procedure,
- Absence of effective system of appeals by the complaining candidates,
- Lack of practicing job rotation(transfer) as per the collective agreement (which states two years in one place) among employees to widen promotional opportunity,
- Lack of proper implementation of the existing promotion and transfer rules and procedure,
- Lack of reliability of the selection committee, and
- The existence of partiality in promotion and transfer activity.

### **4.3. RECOMMENDATIONS**

The purpose of the study is to assess the real problems of promotion and transfer of the bank and recommend an opinion on how the bank can reduce the problems of promotion and transfer activities. In this respect, the researcher believes that this recommendation may give a clue for the pertinent body of the bank to further conduct a research on this matter and identify the real problem and cause, and come up with better solution for the mutual benefit of the bank and its employees.

Accordingly the following recommendations are drawn.

- A systematic and integrated approach of planning and utilization of the bank's human resources is very important. Thus, the bank should revise or improve its policies and procedure of promotion and transfer,
- The implementation should be consistent with rules and procedures of the bank,
- The vacancy announcement should be clear and unambiguous,
- To avoid bias during selection for promotion and transfer activities, the concerned body should carefully check the experience, educational qualification, Recommendation, Performance Result and Seniority in general merits of employees,
- The bank as much as possible should be fair and transparent in promotion and transfer practice process,
- The bank, after selecting the selection committee members (Administrative Committee members), should announce to employees and the assignment of the committee should be for a specific period,
- The bank should train and rotate employees through transfer- which is already existed in the collective agreement and Administration Manual without fail so as to make employees prepared for promotion,
- The bank should build up the human resources division with eager and independent professionals who among other things keep the professional ethics of HR Management.

