CHAPTER VI

PROMOTION POLICY IN LARGE SCALE INDUSTRIES OF PRIVATE SECTOR

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6.1 Promotion Policy

6.1.1 Concept of Promotion

Promotion is a concept, which has abundance fame almost in all spheres of life. None can refuse the esteem of promotion as it provides for multiplication of profits for development and promising or growing responsibilities, eyeing on better future.

Promotion means the progression of an employee to a higher post carrying greater responsibilities, higher status and better salary. It is the upward movement of an employee in the organisation's ladder, to another job, imposing greater power, a higher status and better working conditions or grade.

When the employee is assigned a higher-level job with more pay and powers, he is said to be promoted. But when an employee is assigned to a higher-level job without increase in pay, it is called as "a dry Promotion".¹

Promotion in general is an upright move in grade and duty. It involves the skills and responsibility of the employee.
Definitions

In the words of Scott and Clothey

“A promotion is the transfer of an employee to a job which pays more money or one that carries some preferred status.”^2

Pigors and Mygers consider that

“A promotion is the advancement of an employee to a better job - better in terms of greater responsibilities, more prestige or status, greater skill and especially, increased rate of pay or salary.”^3

A promotion may be defined as an upward advancement of an employee in an organization to another job, which commands better pay / wages / prestige / better working environment, hours of work and facilities and a higher rank.

6.1.2 Objectives of Promotion

The following are the objectives of promotion

1) To justify the excellence of an employee

2) It is a device to retain and reward an employee for his year's experiences of service to growth of the company

3) To increase the individual as well as the organisational effectiveness
4) To promote a sense of job satisfaction in the employee

5) To build loyalty, morale and a sense of belongingness in the employee's overall character

6) To create an impression upon others that the opportunities are widely open to all in the organisation if they perform well

7) To attract suitable and competent workers for the organisation

8) To create a feeling of contentment with their present conditions and to encourage those to get succeed in the company

9) To increase an employee's contribution for organisational effectiveness and all round growth

10) To provide a process of selective satisfaction of fulfillment of the social and the psychological needs of the employee

6.1.3 Promotion Policy

Promotion is a sort of much expected life achievement for many employees for which, they carry on the assigned job in the particular time and setting sincerely. In the light of this, it becomes the organisation's duty to offer them better and ideal surroundings, to promote their real quality. No employee will like to have any kind of puzzlement in the smooth and dependable procedure of promotion. For this very reason every organization
should prepare a sound procedure regarding promotion of its employees. But the company that has no accepted promotion policy is likely to have the disturbed and agitated employees not applying their full potentials, as they have no opportunities for the progression.

The main features of a good promotion policy are as follows.\(^5\)

a) It must offer a standardized distribution of promotional opportunities throughout the company. It means the percentage if internal promotions to the external recruitment must be same in all departments. In such case there will be a feeling of dissatisfaction and disturbance in the department if the percentage is lower. Therefore, equal opportunities for promotion should be created to all categories of jobs in all departments.

b) It must tell the employees, the avenues of progression offered to them. The multiple chain promotion charts may be prepared for this purpose. This chart, showing paths of progression or promotion routes are called opportunity chart. The dead end jobs should be labeled and the upward path should be well marked in the chart.

c) The basis of promotion should be clearly specified. Appropriate weightage should be given to the seniority merit and future potential of an employee. The understandable norms and criteria should be laid down for judging the length of service, merit and
prospective. The assessment and a reporting system should be objectives and impartial in nature.

d) The apt authority should be entrusted with liability of taking decision on promotions. The final authority to sanction a promotion should rest on the concerned line executives. The personnel department should only suggest the names along with their records.

e) The suitable training and development opportunities should be provided for the advancement.

f) The detail records of service and performance should be maintained for all employees.

g) The policy should be reasonable and neutral, randomness, partiality etc should be eliminated from the policies.

h) It should be correlated with the job planning. The sudden erupt of promotions (i.e. bunching) and long period of no promotion (promotional drought) should be avoided.

i) A suitable system of follow up, counselling and evaluation should be established. All promotions should be monitored to guarantee the smooth implementation of the process; the counseling and the guidance should be provided to the employees who were earlier rejected for promotion.

j) A provision for appeal against the management’s decision and its review should be made. This is
necessary to satisfy employees who blame management of being partial.

k) The provision should be made for the timely release of the promoted employee from the present superior.

l) The promotion policy should be in writing and should be communicated to the employees. The policy may also state that whenever a senior person is not selected for the promotion, the person will be told the reason for suppression.

m) The policy should be flexible, the internal staff should be given a fair chance of promotion, and before higher level posts are filled from the outside.

6.1.4 **Systems of Promotion**

Promotion is an advancement, which avails various opportunities to the employees. Everything needs to change according to one's necessities and inventions. The term Promotion is a form of process, which comes in after many experiments. Being tested on the anvil of time and experiments different methods are being applied to upgrade the said procedure, which are entitled as 'systems of promotion'. Different promotion systems are being used in a variety of organizations; following are some of the most important systems of promotion, which are in practice, in various organizations.  

I. Seniority based promotion.
II. Merit promotion.
III. Merit plus seniority promotion.
IV. Promotion by selection.
V. Time-bound promotion.
VI. Officiating promotion scheme.
The following chart 6.1 shows the promotion policy applied by the Somaiya Organo Chemicals Ltd. Sakharwadi, Tal. Kopergaon, Dist. Ahmednagar.

Chart 6.1: Promotion Policy

The management can think of different types of promotions, but eventually it is necessary to follow the most apt and the definite promotion policy, which should be in nature and
application, a very effective and defensive enough for the employee

Waiting for promotion, a sound promotion policy should satisfy the following criteria:

i. It should enjoy the consistency

ii. It should be fair and impartial

iii. It should be a planned activity

iv. It must not be more 'Jack' for opportunities

➢ Conclusion

In India, in most of the government offices and public sector undertakings, in general, the seniority is, outstanding, used for promotions. In this connection; the researcher has observed, with due care that in the private sector, the policy by and large is, "To promote the best employees available". But in the government department they are bound to certain government rules and have to use the most suitable decisions as the percentage of the reservation category.

6.2 Trade Unions

6.2.1 Meaning and Definition

Trade unions play a very important role in the growth and in the preservation of industrial peace. For certain purposes the workers of a company / companies come together and work for the betterment of all on different issues to solve certain issues related to the welfare of the workers and to solve their job related problems workers develop an
association in a particular trade. Primarily all workers get involved in this assembly which is known as a trade union for helping each other in the phase of suffering and try to redress their grievances and care for their lawful rights instituted for the overall betterment of all.

In the days of modern times, trade unions are an inevitable and an inexpressible feature of the industry in almost every country. The trade unions have emerged as a spontaneous and reasonable reaction to the capitalistic society and their commercial attitudes with the ultra modern industrialization.

In the light of following definitions, the concept of trade unions can be studied more authentically:

According to Dale Yonder

"A trade union is a continuing long term association of employees, formed and maintained for the specific purpose of, advancing and protecting the interest of members in their working relationship."\textsuperscript{7}

6.2.2 Objectives of Trade Unions

The trade unions are known and recognized by their mission statements. These trade unions have multiple objectives as it is linked with the growth and continued
existence of the union. The various objectives of Trade Unions can be listed as follows.  

a) To secure better wages for the workers  
b) To achieve better working conditions (i.e. lesser working hours, more leaves with wages, greater amenities and, the social security benefits, etc) for the members  
c) To secure workers share in the industry (for example higher annual bonus, company’s shares for the employees, etc)  
d) To ensure a stable employment for its members by fighting against lay off, retrenchment, dismissal, etc.  
e) To work for welfare of the workers and their families by organizing educational medical, recreational or other welfare activities  
f) To improve personality of workers by building up their self-confidence and communication abilities.  
g) To safeguard interests of the trade and industry by actively participating in the management of industrial units  
h) To ensure the workmen to get their legitimate dues such as pension, provident funds, accident compensation, etc.
6.2.3 Functions of Trade Unions

Trade unions have been considered as the child of modern industrialization. In a vast country like India, it is very obvious to have a trade union as a means to achieve the desired targets in all aspects of life as it has multiple functions to perform, which can be interpreted as per its efficiency.

The various functions of trade unions can broadly be categorized as:

a) Striving Functions

To strive hard for labour's genuine demands and against exploitation is the vital force of any trade union. The functions, which fall under this title, can be listed as:

i. Protect worker's right.
ii. Secure higher wages and better working conditions.
iii. Obtain worker's share in prosperity of industry.
iv. Prevent worker's exploitation

b) Welfare Functions

Welfare activities of a trade union are organizing school and libraries, indoor and outdoors games, recreational facilities, creches, playgrounds, canteens, social clubs, etc.

c) Social Functions

Social functions are the activities undertaken by the trade union to solve some social
problems much as family planning, blood donation camp, launch of campaigns against social evils. (e.g. price rise, corruption, communalism, castisim, black marketing, etc.)

d) Political Functions

The political functions are the activities related to politics. Trade Unions can contest elections and send their unions representatives to the Parliament and State Legislatures. Some Trade Unions have even founded political parties.

The craft unions are formed by workers belonging to the same craft, occupation or specialization irrespective of the industry in which the members are employed.

The following are some of the trade unions formed in the large-scale industries in private sector of Ahmednagar district.

i. Sarva Shramik Sangha, Ahmednagar in Ahmednagar Forging limited, MIDC, Ahmednagar

ii. Ahmednagar Zilla Mazdoor Sena, in The Indian Seamless Metal Tubes Ltd., MIDC Ahmednagar.

iii. Association of Engineering Works-unit, in Crompton Greaves Ltd. MIDC, Ahmednagar

iv. Bharatiya Kamgar Sena, in Kinnetic Engineering Ltd. Ahmednagar
6.3 Discipline and Grievances

6.3.1 Discipline

6.3.1.1 Introduction

Discipline is very important for promotion. It helps both employees and employers for higher productivity and industrial growth. A disciplined labour force can meet the challenge of competition and can achieve the organisational goals on or before the desired time schedule. Discipline improves self-esteem and labour relations and promotes co-operation among the employees.

- Concept of Discipline

The growth and the future of any organisation are directly linked with the discreet discipline being observed in it. Many definitions of discipline focus the exact meaning of the concept as follows:

According to Richard D. Calhoon

"Discipline may be considered as the force that prompts individuals or groups to observe rules, regulations, standards and procedures deemed necessary for an organization."^10
It is observed that, discipline eradicates disorder and confusion in human behaviour and action. It occurs when the employees behave in an orderly and a responsible manner and helps to the growth of organization.

6.3.1.2 Objectives of Discipline

The objectives of discipline are as below

a) To gain willingly acceptance for the rules, regulations, standards and procedures of the organisation from the employees

b) To develop the feeling of co-operation among other workers

c) To maintain good relations in the organization

d) To develop a sense of tolerance and respect of human dignity

e) To promote morale and efficiency of the workers

6.3.1.3 Types of Discipline

Discipline broadly falls into two types i.e. Positive and Negative.¹¹

(a) Positive Discipline

It is popularly known as self discipline. It implies a sense of duty to observe the rules and regulations. Positive
discipline includes creation of an atmosphere in the organization where the employees willingly conform to the established rules and regulations. Such discipline can be through rewards and effective leadership. Such discipline promotes co-operation and co-ordination in the organization.

(b) Negative Discipline

It is recorded as punitive. Under this penalties or punishments are used to force workers to obey the rules and regulations. Such discipline involves the various types of punishments or penalties like oral warning, demotion, dismissal, discharge, etc.

6.3.2 Grievances

6.3.2.1 Introduction

As per the nature's rule any kind of contentment cannot reach to its perfection. Being a human, it is so obvious to become unhappy about anything, for all round improvement and a feeling of satisfaction. It is essential to have a sense of achievement while working. The grievance can be genuine as well as based on tendency of psychosocial in appearance. For few instances the authorities should overlook it.
Many eminent authorities have described the complexity of grievances through their definitions. According to Dale S. Beach

“Grievance is the dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management.”

The promoted redressal of the grievances is a must for creating “good labour – management relations” and promoting efficiency at the plant level.

Grievances should not be taken as headache brought about by the Union, otherwise it worsens or complicates the situation and cause more grievances either temporarily or permanently. The other factors affecting grievances are the management itself, job conditions, Government rules, general social conditions and the home environment also.

The principle object of any grievance system is to remove the human problems brought forward to the surface. The management comes to learn about the reality and may try for the corrective action to avoid the repetition.

6.3.2.2 Understanding the Employee Grievance

Employees are human beings, so it is quite obvious to have certain difficulties while working. Every genuine grievance has particular truthful
reasons, it is always better to understand and realise the trouble from its roots, for the permanent removal. Not considering the nature and causes of grievance will be the injustice with the employee, which may invite many problems for management. To understand the grievance is a crafty attempt of the commanding officer, which mirrors the exact approach of the concerned officer.
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