Employee Promotion Practice
A Case Study on Dashen Bank S.C.

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EMPLOYEE PROMOTION PRACTICE IN CASE OF D.B.SC

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Acknowledgements

I would like to express my gratitude to my advisor Netsanet Beneberu. Finally I would like to thank all the people who have directly or indirectly contributed to the completion of this paper.
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CHAPTER ONE

1. Introduction

1.1 Background of the Study

Promotion is the process of acquiring or utilizing human resources in the organization, consists of a number of specialist activities which need to act in harmony to ensure that human resources of the right quantity and quality are available to meet the overall objectives of the company. (Mckenna and Beech, 2003:78).

The human resource management function include a variety of activities and key among them is deciding what staffing needs. Motivation has been the key factor to maintain, develop effective and competitive work force that pursue organization goal since the emergence of modern management theory. Employee promotion is one of the vital issues in an organization that requires serious attention of managers and policy makers.

Every institution is established for the purpose of accomplishing some thing. The objective may differ from institution to institution. The accomplishment of the objective of an institution rests on the shoulder of its employee. That is the success of achieving the goal of an organization has a significant and sound and sizable relation with motivation practice of the institution.

In the case of Dashen Bank S.C. very recently some employees are found to be dissatisfied with the prevailing trends. So it need to be reassessed carefully in order to related risk associated with implementation of promotion system in an organization. If promotion system in an organization is loosely handled and lacks proper attention, it would have a detrimental effect to the organization by raising employees turn over, reducing production or service e.t.c. Therefore, great care should be taken when adapting the promotional system method in
any particular organization. This and similar other problems exist in the Dashen Bank S.C.

Management has been initiated the group to select the study area. Because, human resource is the most fundamental ingredient in the success of Dashen Bank S.C. Hence, proper study should be conducted to uncover the basic reason behind the employee’s dissatisfaction in the Dashen Bank S.C.

Generally promotions are the major determinant of the success of an organization in order to ensure to prepare and encourage employees. This study concentrate promotion practice in Dashen Bank S.C.

1.2. Statement Of the Problem

In the success of an organization different resources are employed to achieve certain predetermined goal(s). Often human resource is the most important and yet the most complex in its proper utilization to achieve the desired goal(s). Making use of the valuable human resources require not only skill in management science but also a better skill in the art of managing human resource. (casio, 1998:304).

The method of promotion of employees in an organization affect the over all performance of the organization. Promotion need attention because it is the vital issue for developing organization as well as employees. When we come to Addis Ababa branch of Dashen Bank S.C employees complain about the current promotional practice. They explain the promotional practice has been a gap.

They explain there is a gap between actual promotional practice and written promotional policy. They also reveal that in some case the criteria set for promotional practice is deficient. So the main complain arises from employees in the usual practice of promotional mechanism in the organization, this practice may lead the worker to be inefficient and ineffective in all aspects of work. Therefore, the research study is designed to asses be specific promotional practice in Dashen Bank S.C.
1.3 Basic Research Questions

This research would be try to answer the following basic research questions

- What type of promotional method used in the organization?
- What is the main problem in promotion?
- To what extent does the policy of Dashen Bank S.C differ from actual promotional practice system?

1.4 Objectives of the Study

1.4.1 The General Objective

The general objective of this study is to investigate employee promotion practice and problems of on Dashen Bank S.C and suggest remedial measures that would help enhance the promotion method of the organization.

1.4.2 The Specific Objectives

- To identify the existing promotion practice system.
- To identify the main problem in promotional practice
- To identify the difference between policy of Dashen Bank S.C and actual promotional practice.

1.5 Significance of the Study

The researcher strongly believes that the finding would be very helpful in pinpointing the areas of intervention in human resource management particularly, motivational and promotional techniques. It is also strongly believed that the research finding would contribute to the achievement of efficient strategic for the company and employees competitiveness in the currently dynamic business environment. Therefore, it is highly recommend to be undertaken.
1.6 Scope of the Study

This research is accessing the promotional practice in the Dashen Bank S.C even though Dashen Bank S.C. is participating in different regions of the country and it is very important to acquire general and detail information. Regarding the promotional practice of the entire Dashen Bank S.C. The research has been focused only on the Addis Ababa branches of Dashen Bank S.C and who work in the Dashen Bank S.C in the year 2000 – 2010, because of time and budget constraints.

1.7 Definition of Term or Operational

Clerical – workers at the counter or at the front table of the Bank.
Non Clerical – Who do not have direct relation with paper works.
Officials – Who Specialized in a particular jobs like loans advance.

1.8 Research Design and Methodology

1.8.1 Research Design

The research method employed in qualitative method that uses a survey approach in collecting data. The research design include compilation of review of related literature, development of questionnaire and interview questions, compilation of data obtained from primary and secondary sources as described under method of data collection of the proposal, and summarizing findings drawing conclusions and forwarding recommendations that are relevant to address the situation.

1.8.2 Type of data

In order to get sufficient and relevant information of the study, both primary and secondary data sources have been used. The primary data are collected through interview and questionnaire from the staff members and the management staff too where as the second data were collected from books manuals, organization documents.
1.8.3 Population, Sampling Design

1.8.3.1 Population sampling Design

The population of the study was managers and employees of the organization from 26 Dashen Bank branches in the capital city of Addis Ababa personnel record would be used as a sample frame in the sample selection. The total number of employees in the entire branches in Addis Ababa is 858 from this population 10% (86 employees) would be selected as the sample size of the all population which is proportional relationship to the size of population.

1.8.3.2 Method of Data analysis

Both qualitative and quantitative data obtained would be analyzed separately. After collection of the necessary data, the data would be coded and edited. The quantitative data then would be analyzed using different statistical techniques like percentages, averages, frequencies, etc. To shade more light the qualitative data would also be used.

1.9 Limitation of the study

Research work requires available of sufficient time, money and above all money and time are the major resources. In addition the willingness of the concerned people adequate information is a limitation to the research.

1.10 Organization Of The Paper

The research would have four chapters. The first chapter would be the Introduction part and it consists of Background of the study, Statement of the Problem, Objectives of the Study, Significance of the Study, Delimitation of the Study, Research Design and Methodology, and Organization of the paper. The Second chapter would be the review of related literature. The Third Chapter would be data presentation, analysis and inter presentation. The fourth chapter would be summary, Conclusions and Recommendations.
CHAPTER TWO

2. Literature Review

2.1. General Description

In modern societies, with complex changes in the nature of work technology, it is increasingly recognized that the effective and efficient production of goods and services requires more from employees than their passive compliance with managerial instructions. What is needed is their active commitment and initiative. Management of human resources can be seen to be an important for corporate success as the handling of any other management activities (Edwin B. Filippo, 1998)

According to Edwing B. Filppo, (1998) Human resource management or personnel management is one of our most complex and challenging fields of endeavour. The role of personnel manager has thus changed through time. At first, the dominant role was to satisfy top management is producing and maintaining a work force that would be instrumental to organizational productivity. As knowledge expands in executing this role, the manager begun to understand the necessity for ascertaining and accommodating to the need of human beings who constitute the work force. He or she constantly searching for the program, which would support the accomplishment of both organizational and individual objectives.

Many scholars have defined in different ways. For the purpose of this study I shall be consider following definitions. “ HRM is the basis of an organization success”, (Dr Alkahfeji:89) others author defined HRM in different languages. But all seems agreed on the same thing with out HR no business can succeed. For Ivancevich and Glueck (1989:7) “ HRM is the function performed in organization that facilitates the most effective use of people (employees ) to achieve organizational and individual goals” Nowell (2002:2) says “ HRm is the
management of people in organizations.” Saiyadain (1988:223) says “ HRD is a process which consists of series of activities conducted to design behavioural changes in a specified period. Wendell L. French defines the term HRM as it is used to refer to the philosophy polices, and practices related to management of people within an organization. The term personnel management or- perhaps modern personnel management- means the same thing.

2.2. The concept HRM

2.2.1. The Importance Of External And Internal Organizational contents

1. The external context

Political and Economic contest

A major difference countries is the extent to which employee relations and wider social and welfare issues are governed by the state. Countries differed markedly in the extent to which they have legal controls over the operation of labour market and also there has been a growth in a global market national companies operation on a world wide basis. (Said Newel, 2002:13)

The internal context

Management style

While the structure of an organization will not determine choice about human resources, research has show that t can have a very strong influence on the way that human resources are manages. “Perhaps the organisational structure with the most direct impact on human resources is the multidivisional or M-form, especially where the business is highly diversified “Said Newell (2002:26). In the M-form company each unit or division is relatively self-contained in that it has the resources to operate in dependently of other departments.
2.2.2 The Links Between Business Strategy and HRM Strategy

Two major perspectives on the relationship have been developed. The first, which can be termed ‘HRM best practice essentially argues that there is a specific set of HR policies which are best practice and which lead to high levels of employee performance. This encompasses items such as teamwork, flexibility, quality and organizational commitment.

The second approach, which has been termed the ‘contingency’ approach, argues that the choice of HRM strategy depends on the firm’s business strategy. This involves ensuring a ‘fit’ between HRM strategy and business strategy. ‘Internal fit’ involves ensuring consistency between different HRM policies to ensure that they are self-reinforcing not conflicting. ‘External fit’ means ensuring that HRM strategy as a whole is compatible with and supports the business strategy of the firm. (Said Newel, 2002:26)

2.2.3 The Role of Management in HR

HRM profession is now moving away from acting as a go-between in employee relations to become a more fully integrated part of management structure. This means that HRM is increasing a shared task. Traditionally the HRM influence on line management was viewed in terms of a staff-line distinction. The HRM function was seen as a staff grouping which supported line managers through the ‘dotted line’ influence of advice and constraint. These days greater emphasis being placed on mediating and facilitating line management’s control of HRM tasks, greater focus on quality issues and organizational development and an ever-increasing need to justify the cost of HRM activities. (Said Newel, 2002:29)
2.2.4 Patterns of Employment

One of the changes which is setting a new agenda for HRM is a more away from managing the contract of employment and towards the contract of performance. One is focused on the job and job-related pay, and the other on the individual and performance-related pay. This trend towards individualism in employee relations is often complemented by human resource systems designed to regulate performance. (Said Newel, 2002:31)

In other ways employment is also becoming more insecure specially in USA and Europe, instead of a full-time job, more flexible working arrangements are now common such as annual hours, part-time working and temporary contacts and the nation of ‘employability’ is rapidly gaining ground over the traditional ‘job-for-life’. (Said Newel, 2002:34)

2.2.5 The Gap between policy and practice

HRM work has been about developing policies to do with recruitment, selection, promotion, and appraisal and so on. Policies are statements of principle, intended to be informed by strategy and to guide practice. They can clarify situations reduce dependence on individuals, produce consistent behaviour and help employees and managers to know where they stand.

Whether or not a particular policy is implemented in practice is affected by a variety of factors. For example, it is affected by the appropriateness of the policy, by different priorities of line of HR managers, or different understanding of what the policy was meant to achieve, as well as possible conflicts between policies. (Said Newel, 2002:37)

Unless policies are monitored and evaluated against concrete objective, no one will know whether or not objectives are being met, or whether a gap between policy and practice actually exists. (Said Newel, 2002:37)
2.2.6 The organizational Reward System

The organizational rewards include all types of rewards, both intrinsic and extrinsic, that are reviver as a result of employment by the organization. Intrinsic rewards are rewards that are internal to the individual and normally derived from involvement in certain activities or tasks. Job satisfaction and feelings of accomplishment are examples of intrinsic rewards. Most extrinsic rewards are directly controlled and distributed by the organizations and more tangible than intrinsic rewards. Pay, promotion is among extrinsic rewards.

The following table revises intrinsic versus extrinsic rewards:

<table>
<thead>
<tr>
<th>Intrinsic Rewards</th>
<th>Extrinsic Rewards</th>
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<tr>
<td>Achievement</td>
<td>Forman Recognition</td>
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<tr>
<td>Feelings of Accomplishment</td>
<td>Fringe Benefits</td>
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<td>Informal Recognition</td>
<td>Incentive payments</td>
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<td>Job satisfaction</td>
<td>Pay</td>
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<tr>
<td>Personal Growth</td>
<td>Promotion</td>
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<tr>
<td>Status</td>
<td>Social Environment</td>
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<td></td>
<td>Work Environment</td>
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Source: (Strickland, 2003:420)

2.3. Performance Evaluation

If we want to know how well our employees are doing, we have got the measure their performance. Many factors go in the performance evaluation process, such as why do we do them, who should benefit from the evaluation, what of evaluation should be used, and what problems might we encounter.

De Cezo / Robbins said: “performance appraisals are designed to provide feedback on an employee’s post performance to assist in the development of future plans and the provide supportive documentation for personnel decision”.
2.4 Promotion

**Definition of promotion**

As it has been explained earlier in the above table, promotion is one of the elements of extrinsic organizational reward system. According to Graham and Bennet, promotion is a move of an employee to a job with in the company which has grater importance and, usually higher pay. Frequently the job has higher status and carriers improve fringe benefits and more privileges. The same definition of promotion was given by Wayne R. Human resource management or personnel management is one of our most complex and challenging fields of endeavour. The role of personnel manager has thus changed through time. At first, the dominant role was to satisfy top management in producing and maintaining a work force that would be instrumental to organizational productivity. As knowledge expands in executing this role, the manager begun to understand the necessity for ascertaining and accommodating to the need of human beings who constitute the work force. He or she constantly searching for the program which would support the accomplishment of both organizational and individual objectives (HT Graham, R, Bennet, 1990.

The modern personnel manager therefore, requires a brad background in such fields as psychology, sociology, philosophy, economics and management. Every organization has personal function, whether or not a specific personal manager has been so designated. Every organization must hire, train, pay, motivate and ultimately separate employees. If specialized personnel manager exists, he or she can contribute much to greater organizational effectiveness. Normally, employees derive satisfaction from a company policy of promotion from with in, but badly handled promotions can cause dissatisfaction. The important points to note are:

(A) The criteria for promotion must be fair- usually a combination of ability, relevant experience and length of service:
The method must be fair:

Selection for promotion must be based on appraisals by present and past managers.

The wage or salary offered to the promoted employee must be what the job deserves rather than what the management thinks he will accept:

Unsuccessful candidates must be sympathetically treated:

There must be no discrimination.

Internal employees can be better qualified even jobs that do not seem unique require familiarity with people, procedures, policies and special characteristics of the organization is which they are performed. Employees are likely to fill more secure and therefore identify their long term interests with an organization that provides them the first choice of job opportunities. Availability of promotions in organizations can also motivate employees to perform (Randallas. Schuler, 1998).

Immediate supervisors sometimes have significant control over promotion and transfer decisions. When a new job is being created, they can determine exactly who will be promoted by writing the job description to fit only one person. This is not necessarily a fair practice, but it is not uncommon. It is important to remember, however, that promotion decisions are selection decisions and, as such, must be made without illegal discrimination (Randallas. Schuler, 1998).

Candidates may be identified by word of mouth, inspections of the organization’s personnel records, promotion lists based on performance or managerial ratings, and formal programs for identifying potential candidates for promotion such as assessment centers (Ibid). Its purpose is to improve both the utilization and motivation of employees. To work with people effectively, we have to understand human behaviour and we have to be acknowledgeable about the various systems and practices available to help us build a skilled and motivated work force. : (Strick land, 2003:442)

While people have always been central to organizations today they have taken on an even more central role in building firms competitive advantage. Success in knowledge based industries depends on “people embedded know how. This
includes, the knowledge, the skills and abilities embedded in organizations members. In fact a growing number of experts now argue that the key of firms success is based on establishing a set of core competencies integrated knowledge set with in an organization that distinguish it from its competitors and deliver value to customers.

2.4.1 Types of promotion

Promotion can be selected for from a pool of people within a department, a division, or an entire organization. They occur between two non-managerial positions (for example, from typist I do Typist II), between managerial positions, and between non-managerial positions. Although promotions generally refer to vertical moves in the organizations, promotions may occur when an employee moves to another job at the same lever but with more pay or status. However, this type of promotion may violate federal wage guidelines and equal pay regulations, and should be made advisedly. Although such a move could be regarded as a transfer, a transfer generally refers to a move at the same level and at the same pay (Randallas. Suhuler, 1998:342).

2.4.2 Objectives of promotions

According to Mondy, Wayne R, (1990), Jobs that do not seem unique require familiarity with the people, procedures, and special characteristics of the organization in which they are performed.

- Employees are likely to feel more secure and therefore identify their long-term interests with and organization that provides them the first choice of job opportunities.
- Availability of promotion within an organization can also motivate employees to perform.
- Allow companies to readily replace key individuals who leave the company unexpectedly.

- Promotion can also be much less expensive to the organization in terms of time and money. There are two main ways (methods) in which a company may promote its employees;
  (a) By management decision
  (b) By internal advertisement

**Recruiting with in the organization:**

**Advantage :-**

According (Bohlander, G., Snell, S., Shelman, A. (2001), Most organization tries to follow a policy of filling vacancies above the entry level position through promotions and transfers. By filling vacancies in this way, an organization can capitalizes on the investment it has made in recruiting, selecting, training, developing its current employee.

Most employees feel positively about being promoted. But for every individual who gains a promotion, there are probably others who were not selected. If these individuals wanted the promotion badly enough, they may slack off or even resign. If the consensus is that the wrong person was promoted, considerable resentment may result (Mondy wayne R., 1990:234).

### 2.4.3 Basic steps taken to conduct promotion

**A. Making promotion Decision**

When a vacancy arises with in an organization, immediate supervisors must search for qualified candidates and assist in the choice. This process is usually carried out in close consultation with one or more higher level supervisors who ultimately to approve the choice.

On the other hand, immediate supervisors can sometimes have almost total control over promotion and transfer decision. When a new job is being created, they can determine exactly who will be promoted by writing the job
description to fit only one person. This is not necessarily. A fair practice, but it is not uncommon. It is important to remember that promotion decision and as such must be made without discrimination (Monday wayne R. 1990:234)

**B. Identifying Candidates for promotion**

Candidates may be identified by word of mouth, inspection of the organization’s personnel records, promotion based on performance or managerial ratings, and formal programs for identify potential candidates for promotion such as assessment centers. The human resource information system is valuable here because it can store a vast amount of information and speed the process of identifying potential candidates. It can also ensure fairness in the process by giving everyone a chance regardless of where they are currently working or for whom they are working. (Monday wayne R. 1990:237)

**Comparing candidates**

The methods that identify candidates can also be used to evaluate and compare them. Although many companies administer a battery of tests to assess mental ability, personality, and interests, one study concludes that tests are ignored more often than not as decision-making aids for internal promotions. Job experience, performance history, are used as well, although more often for candidates from external sources. A powerful supervisor can see that an individual’s strengths are noted by others. A final basis for comparing candidates is seniority. (Monday wayne R. 1990:238)

**C. Promotion Decision**

Selection decisions include bringing in candidates from the outside to fill higher-level jobs in the organization. This however, is the exception rather
than the rule, and promotion from within is a standard practice in most organizations because it can lower employee morale. If internal candidates fell passed over. Thus organizations may prefer to promote from within. Some job vacancies, particularly highly skilled jobs, however, do get filled by outside sources. This can also occur when the organization is caught by surprise and has no internal individual ready to take the job, or when the focus of the organization changes. To reduce surprises, organizations have managerial succession programs. In these programs, current managers identify employees who may one day be able to take over their jobs. While theses managers are likely candidates to “fit” the organization, there are times the organization needs to hire candidates from outside the organization. Here the concern for identifying if the candidates will “fit” can become an important issue.

Organizations thus must use both internal and external sources for promotion what may vary across firms is the importance on one or another. For example, the Dashen bank has virtually an HR philosophy of promotion from within, so it gets most of its managers from inside the company. (Monday wayne R. 1990:241)

D. Making final choice

Making a decision is difficult if different types of information are available for competing job applicants. Even if this is the case, however, the candidates should be evaluated and only those with obvious potential retained. Those who survive the evaluation process can be evaluated and selected. (Monday wayne R. 1990:251)

2.4.4 How to Promote With out Bias-Employee Promotion Guidelines to Avoid Employee Dissatisfaction

Basically it is illegal to apply different standards for promotion to different member of work force as it is apply to hire. Subjective standards must not
used that have disparate impact on protected groups in either case. Employees must be constantly on guard to be sure that promotion policies that appear to be neutral on paper actually avoid any discrimination when into practice. (Strickland, 2003:461).

**Steps That can Be Taken To Implement Fair Promotion:**

- Provide opportunities through a job-bidding procedure or during a performance evaluation for employees to declare their interest in specific promotion opportunities.
- Notify employees that they are expected to identify a higher position in which they are interested and that they are expected to identify a higher position in which they are interested and that a general statement that they would someday like to have a better job is not sufficient.
- Conduct performance evaluations on all employees on the basis of written specifications and standards related to the job. The appraisal should also be in writing. Schedule meetings with individual employees so they can review and sign an evaluation, have a management representative witness that it was presented to the employee and have the witness sign a statement to that effect.

There are also some actions that organizations should avoid in selecting employees for promotion. Most important, the organization not: (Strickland, 2003:463).

- Base promotion decision exclusively on the supervisor’s visual observations and comments without reference to objective documented factors.
- Make decisions without giving employees an opportunity to express interest.
Summarily dismiss an employee’s interest in a promotion opportunity.

Tell employee that they would not be considered because of such generalizations as “it’s a man’s job” or that they would not like the environment of the new job because “it’s male” or “it’s white.”

Use educational levels as criteria for promotion unless specific educational requirements have been professionally certified as related to the job.

Maintain the status quo if statistics reflect underutilization of minorities and females at higher levels.

Make promotional decisions without input from employees on their particular interests.

Evaluate on such subjective measures as attitude.

Allow one person to make promotion decisions.

Impose barriers not related to the job, such as depriving a person of seniority when promoted from one department or plant to another. (it is permissible, however, to require specified periods in company employment or in a current position as qualifications for being considered for promotion) (Strickland, 2003:467).

Provided there are no discriminatory elements involved, an employer may establish preferences for considering candidates for promotion on the basis of documented, objective criteria. For example, a preferential listing might apply in this order: to employees in the work group where the opening exists; in the department where the opening exists; in related occupation groups outside that department; and to those in any department whose training, experience, education, and seniority would seem to warrant whatever expenditures may be required to qualify them for higher positions (http://WWW.findarticles.com)

Promoting the right person at the right time takes more diligence. But it can be as important to the well being of your company as ditching the smokes can be.
for your health. Many businesses approach the concept of job promotions with something less than a studied eye. While the process may seem basic, the consequences of an ill-advised promotion can be nothing short of cataclysmic—particularly if it happens over and over. That means it’s critical to understand what works and what doesn’t in the art of promoting employees suggested that there are guidelines for promoting an employee. (Milgrom and Roberts, 2006:314)

1. **Get to know all the wrong reasons for doing it.** Sad to say, but there’s no shortage of bad or misguided rationale for moving an employee into a more important position. Here are five ugly suspects: “He’s a friend of mine.” “she’s worked here a long time.” “He seems bored, so may be a new job will light a fire under him.” “if we don’t promote her, she’s going to bolt the company.” “we really need someone in that job—fast.”

None or these “reasons” need further amplification. But there’s more, according to Susan Kormis of Susan Kormis Associates, a human resources consulting concern. Don’t forget the temptation to play white knight for a distraught employee.

“Someone may be dealing with some personal issues, so you think you’ll be the saving grace by promoting him,” Kormis says. That’s really nothing more than promoting someone in hopes of getting rid of a problem. It’s just one of many bad reasons for promoting someone. (HT Graham, R. Bennet, 1990:234)

2. **Recognize that competence doesn’t necessarily mean a promotion.** Not only do many employers cite the wrong sorts of reasons in promoting someone, they also equate solid job skills in one role with continued success in different role. Granted, it`s great that someone’s adept at their job, but that does`t mean that he`ll flourish in another position with greater or different responsibilities. Instead, focus on those areas that the new position requires, be it personnel management, communication or other skills.
“Technical competency is often a far second to people skills,” says Marilyn Lustgarten of the star Markers Group, a management consulting firm. Promoting someone into a higher position because they’re good at what they did in their prior position is often the wrong reason. Many of those technical skills can be learned later (HT Grahem, R. Bennet, 1990:234)

3. **Spell out why you’d promote an employee.** A series of bungled promotions often boils down to the fact that a company has never given any detailed thought to those attributes they look for in promotion-worthy personnel. So, take the time to delineate what you think is important in employees with promotion potential, be it leadership characteristics, an ability to foster teamwork or other attributes that not only work where they are now but jibe with other, more important positions within the company. (HT Grahem, R. Bennet, 1990:235)

4. **Let you people know what you are looking for.** Concomitant to establishing parameters for promotion is making sure everyone in your firm knows what’s on that list. Let your employees know. Then monitor how employees much up, be it in formal annual reviews or on an ongoing basis as the situation dictates. Encourage your people to suggest others in the company they think hit those guidelines. “Employees should never really be surprised about any sort of promotion decision,” Kormis says. It’s important to have an open dialogue on an ongoing basis so that everyone knows where she stands pretty much all the time (HT Grahem, R. Bennet, 1990:234)

5. **Look at weaknesses as well as strengths.** Another common promotion snafu is turning a blind eye to problems that someone may confront in new job.
   Don’t ignore all their positives, but consider as well their struggles and challenges- be they technical or managerial in nature- and be prepared to
offer after-the-fact support and, if necessary, supplementary training to address them. (HT Graham, R. Bennet, 1990:235)

6. **Know the importance of detachment.** You’ve seen it in dozens of movies—a guy from the loading dock moves up to supervisor’s job, only he can’t stop acting as though he’s still one of the boys. Moving from buddy to boss isn’t a transition that everyone can make. So make it clear to any candidate for a promotion that he or she is going to have to adjust to a whole different set of professional and social demands. “It can be very, very difficult, moving from being a friend to being their supervisor,” Kormis says. “For instance, before promoting someone, ask them if they think they’ll be able to objectively critique somebody with whom they used to work.” (HT Graham, R. Bennet, 1990:236)

7. **Take a lesson if someone says “no thanks.”** Lustgarten once knew a company, which tried to promote a star salesperson. The “star” resigned immediately. “She said she knew she was such a poor fit for the job that they would end up firing her in six months,” Lustgarten said. Never lose sight of the fact that employees can turn down a promotion for all sorts of reasons, including necessary travel or family reasons. Respect their choice. If, however, someone bolts the company because he knows better than you that he’s not cut out for the job, it’s probably a good idea to reevaluate your promotion methodology. That way, the next time you dangle the promotion carrot, a better-suited bunny will be ready to grab it. (HT Graham, R. Bennet, 1990:237)

Promoting the wrong employee is like quitting smoking: It’s easy to do, million times promoting the right person at the time takes more diligence. But it can be as important to the well being of your company as ditching the smokes can be for your health. Many businesses approach the concept of job promotions with something less than a studied eye. While the process may seem basic,
the consequences of an ill-advised promotion can be nothing short of cataclysmic—particularly if it happens over and over. That means it’s critical to understand what works and what doesn’t in the art of promoting employees. (HT Graham, R. Bennet, 1990:238)

Promotions serve two roles in an organization first, they help assign people to the roles where they can best contribute to the organization’s performance. Second, promotions serve as incentives and rewards. “(Milgrom and Roberts (1992,p.364).

When performance is unverifiable, use of promotion reduces the incentive for managers to be affected by influence activities that would blunt the effectiveness of monetary bonuses. When employees are risk neutral, use of promotion for incentives need not distort assignments. When they are risk averse, it may-sufficient conditions for this are give. The distortion may be either to promote more employees than is efficient (the Peter principle effect) or fewer. . (HT Graham, R. Bennet, 1990:238)

2.4.5 Advantage of employee promotion

1. Individuals recruited from within will already be familiar with the organization; they are therefore likely to succeed because of their knowledge of the organization and its members.
2. A promotion-from within policy helps to foster loyalty and inspire greater effort among organization members.
3. Finally it is usually less expensive to recruit or promote from within than to hire from outside the organization (Monday Wayne, R. 1990:331)

Motivation will determine the individuals desire to perform well. Ability without motivation will not result in positive outcomes (of course, motivation without ability or skill simply creates undirected enthusiasm)
Basic question that must be raised while studying employee motivations. (Monday Wayne, R. 1990:332)

a. What motivates them on the job?
b. What jobs have they felt high or low levels of motivation?
c. What has external factors seem to have influenced – their felt level of motivation, what internal factors have affected their level of motivation?

Traditionally motivation can be approached from:

1. Biological
2. Learned

2.4.6 Motivation

I. Definition of Motivation

Mondy, Wayne R., in his 4th edit. Of Human resource management motivation is defined willingness to put forth effort in pursuit of organizational goals. Management traditionally has relied on the use of rewards such as increased pay, job security, and good working conditions, or punishments such as dismissal, demotions, or withholding rewards to encourage worker motivation. According to Donald P. Crane, Motivation is an inner state that energizes, or moves (hence “motivation”) and that directs or channels behaviour towards goals.

Just as the definition of basic human needs is a highly complex task, it naturally follows that there is no easy assumption concerning what employees really want from the organization. In various surveys the followings are some of the main typically specified wants:

1. Pay: Satisfy physiological security and egoistic needs
2. Security of job :- because of the threat from technological change
3. congenial associates: issues from social need (management has to organize socialization program)

4. Credit for work done: This need should be supplied through verbal praise of excellent work, monetary rewards, public recognition through awards, release in employee newspaper etc.

5. A meaning job: from both the need of recognition and the drive towards self-realization and achievement.

6. Opportunity to advances: most employees like to know that the opportunity is there, should they use it.

7. Comfortable, safe, and attractive working condition

8. Reasonable and direction.

9. A socially relevant organization

**II. The importance of motivation**

- Many people are also strongly self-motivated and seek the freedom and autonomy to perform their jobs in their own way. Managers who find the key to their employees, inner motivations can tap an immense source of productive energy.

**III. Guidelines for effective motivation**

There is a discrepancy between the practice of motivating employees in most organizations and the findings or recent theories. This may be because the newer theories are unknown to many managers and ignored by others. Managers may often prefer the older theories of motivation such as Herzberg’s. The following eight guidelines of motivation was suggested by human W. Porter and Richard M. Stears.

1. Managers must actively and intentionally motivate their subordinate
2. Managers should understand their own strengths and limitations before attempting to modify those of others.
3. Managers must recognize that employees have different motives and abilities
4. Rewards should be related to performance, not to seniority or other non-merit based consideration.
5. Jobs should be designed to offer challenge and variety; subordinates must clearly understand what is expected of them.
6. Management should foster an organizational culture oriented to performance.
7. Managers should stay close to employees and remedy problems as they arise.
8. The active cooperation of employees should be sought in proving the organization's output: employees are, after all, also stakeholders in the organization.

2.4.7 Job satisfaction

I. Definition of job satisfaction

Liyodl B, and Lesilie W. on their human resource management 4th edit. Book defines job satisfaction as an employee's general attitude about the job. Wendell L. French defines job satisfaction as person’s emotional response to aspects of work (such as pay, supervision, and benefits) or to the work itself.

Employee satisfaction is affected by a number of things, including working conditions, co-workers, pay, customers, etc. The way to measure employee satisfaction can often be a challenge, but one of the most effective ways is to simply ask through regular employee satisfaction surveys. Employee satisfaction surveys allow the organization to get a better understanding of how employees are feeling about their jobs.

Traditionally, organizations would ask their employees to respond to paper-based or in-person employee satisfaction surveys. Unfortunately, it can be
difficult and time consuming to survey all employees, and many people may not feel comfortable communicating their concerns in-person or having to leave some form of identifier on paper. As a result, many of the traditional employee satisfaction surveys are not completed honestly or at all, which reduces the efficacy of the survey results.

Allegiance provides a number of Web-based feedback tools that allow organizations to effectively measure employee satisfaction. In addition to being anonymous and confidential, the employee satisfaction.

II. Components of Job Satisfaction

According to Liyodl B, and Lesilie W, Job satisfaction do have the following five major components:

1. Attitude toward the work group
2. general working conditions
3. Attitude toward the company
4. Monetary benefits
5. Attitude toward supervision

Other components include the employee state of mind about the work itself and life in general. An employee’s attitude toward the job may be positive or negative. Health, age level of aspiration, social status, and political and social activities are factors that can contribute to job satisfaction.

III. Theories of Satisfaction

Two-factor theory Herzberg – determinants of job satisfaction differ from the determinants of job dissatisfaction.

a) Hygiene factors – result of the job but not directly involved in the job, job context or environment factors – pay, benefits, friends, schedule, working condition, status, security (Maslow’s physiological, safety and social needs, Aldefer’s existence and relatedness needs).
(1) Necessary, but not sufficient for satisfaction – if lacking job satisfaction is low, if present will result in a neutral level. Absence leads to job dissatisfaction.

(2) Adequate pay will prevent job dissatisfaction, but higher levels do not necessarily create job satisfaction.

(b) Motivators – elements directly related to tasks and duties, what people actually do on their jobs – level of responsibility, growth, challenge, variety, achievement, control (Maslow’s esteem and self-actualization needs, Aldefe’s growth need) (1) The presence of these factors creates job satisfaction and motivation.

(C). To have a satisfied workforce both hygiene and motivators must be present, good conditions but also recognition for work done and good interpersonal relationships.

(1) Job enrichment – “If you want people to do a good job, give them a good job to do”

(d). Research support lacking fails to account for individual and cultural differences

The promotion – motivation – Satisfaction relationship

According to Maslow’s hierarchy of needs; one of the motivators of individual is advancement. Therefore, individuals can be motivated by promotion.

- According to expectancy theory of motivation; if employees believe that high performance will not be rewarded sufficiently, then they may not be motivated to perform at high level this implies an employee who expect a promotion due to his/her high performance and if he/she will not be promoted, then he/she will not be motivated to perform at high level.

- Career planning and internal promotion can help an organization to reduce turnover, because if individuals believe they have no opportunities for career advancement, they may not be motivated and satisfied to stay in the organization a a result they may leave the organization.
Even though, there are many motivational factors, an individual can be motivated by promotion, thus a motivated individual will be satisfied with his/her job, and his/her job satisfaction has impact on organizational commitment, which affects the ultimate goals of productivity, quality and service.
CHAPTER THREE

3. Data Presentation, Interpretation and Analysis

This chapter compromise two sections, namely general characteristics of respondent and analysis of the data collected through questioner and interview the researcher prepared question for the company and distributed 86 questionnaires from out of 86, 60(67%) questioner returned back on time. The interview was conducted with seven department head of the head office of officials of the company.

3.1 Characteristics of the Respondents

The following table presents and analysis the characteristics of the respondents included in the study.

<table>
<thead>
<tr>
<th>Item</th>
<th>Respondent</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td>40</td>
<td>67</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;26</td>
<td></td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>26 – 35</td>
<td></td>
<td>40</td>
<td>67</td>
</tr>
<tr>
<td>36 – 45</td>
<td></td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>&gt; 45</td>
<td></td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td><strong>Year of Service</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-3 years</td>
<td></td>
<td>31</td>
<td>52</td>
</tr>
<tr>
<td>4-7 years</td>
<td></td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>8-10 years</td>
<td></td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Above 9 years</td>
<td></td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td><strong>Educational Level</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate</td>
<td></td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Diploma</td>
<td></td>
<td>40</td>
<td>67</td>
</tr>
<tr>
<td>First Degree</td>
<td></td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source researcher survey.
The selected group contains from typist I (non-clerical staff) to assistant branch managers level, ages from 26 up to 45. Their dates of employment range from 2000 G.C to 2010 G.C. 67% of them are male, 33% female. This, show that most of the employees are male thus, the organization is male dominated.

Secondly, what can observe in table 1 is that almost 95% of the respondents are under age category less than 45 years old. This is accredited to the company practice of hiring young graduates. This age group can be considered the most productive, energetic and highly ready for change if they are being treated highly and promoted efficiently.

The third variable that is showed in table 1 is the educational level of the respondent groups. According to the data majority of the employees have at least diploma. So combined with their age, the researcher says that the company has got good potential for the future.

A) Analysis of the Questionnaires

The following table revises the questionnaire by using a percentage rating.

| Table II – Respondent rating on the type of promotional practice and policy |
|---|---|---|---|---|---|
| No | Item                                                                 | Service year | Merit | Educational Status | Other | Total |
|    |                                                                        | No. | %    | No. | %    | No. | %    | No. | %    | No. | %    |
| 1   | Which one promotion practice mostly use in your company                | 40  | 67   | 12  | 20   | 8   | 13   | -   | -    | 60  | 100  |
| 2   | Do you think current promotion policy needs revision                   | Absolutes | Partially | Not at All | In some Instance | Total |
|    |                                                                        | 40  | 67   | 12  | 20   | 8   | 13   | -   | -    | 60  | 100  |
| 3   | Are you aware of current promotion policy                              | -   | -    | 10  | 17   | 15  | 25   | 35  | 58   | 60  | 100  |
| 4   | In a year how many times promoted                                      | Sometimes | Always | Yearly | Neutral | Total |
|    |                                                                        | One time | Two times | Three times | I don't know | Total |
|    |                                                                        | 20  | 34   | 5   | 8    | -   | -    | 35  | 58   | 60  | 100  |

Source researcher survey.
The above table II of Item one show that 40(67%) of the respondents said that promotion mostly selected by service year, 12 (20%) of the respondent said that Merit, 8(13 %) of respondent said that education is mostly practicable for promotion.

Item two 40(67%) of the respondent said that the current promotion policy absolutely needs revision, 12(20%) of the respondents said that partial it needs revision, 8(13%) of the respondents said that not at all.

Item three 35(58%) of the respondents said that there is a tendency of not answer either aware or not in current promotion policy, 25(42%) of the respondent said that they are aware some how.

Item four 35(58%) of the respondent said that they don’t have idea how and when employees has been promoted, 20(34%) of the respondents said that mostly once in a year employees promoted, 5(8%) of respondent said that two times promoted in a year.

Therefore, from the above table the researcher understand those are difference between promotional policy and actual practice.

Note 1: I know some and I know few are combined together as one response.

**Table III – Respondents rating on the type relation management and employees**

<table>
<thead>
<tr>
<th>No</th>
<th>Item</th>
<th>Very Good</th>
<th>Good</th>
<th>Neutral</th>
<th>Not Good</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>1</td>
<td>What seems the relationship of management and employees?</td>
<td>9</td>
<td>15</td>
<td>5</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>Always</strong></td>
<td><strong>9</strong></td>
<td><strong>15</strong></td>
<td><strong>5</strong></td>
<td><strong>8</strong></td>
<td><strong>3</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Sometimes</strong></td>
<td><strong>5</strong></td>
<td><strong>8</strong></td>
<td><strong>3</strong></td>
<td><strong>5</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Neutral</strong></td>
<td><strong>2</strong></td>
<td><strong>3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Not at all</strong></td>
<td><strong>43</strong></td>
<td><strong>72</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Do you frequently feel stress?</td>
<td>29</td>
<td>48</td>
<td>11</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Always</strong></td>
<td><strong>29</strong></td>
<td><strong>48</strong></td>
<td><strong>11</strong></td>
<td><strong>19</strong></td>
<td><strong>2</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Sometimes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Neutral</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Not at all</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Do you feel personal satisfaction?</td>
<td>15</td>
<td>25</td>
<td>11</td>
<td>18</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td><strong>TD</strong></td>
<td><strong>15</strong></td>
<td><strong>25</strong></td>
<td><strong>11</strong></td>
<td><strong>18</strong></td>
<td><strong>30</strong></td>
</tr>
<tr>
<td></td>
<td><strong>IS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>MG</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Who initiate the employees promotion?</td>
<td>5</td>
<td>8</td>
<td>8</td>
<td>14</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td><strong>TD</strong></td>
<td><strong>5</strong></td>
<td><strong>8</strong></td>
<td><strong>8</strong></td>
<td><strong>14</strong></td>
<td><strong>32</strong></td>
</tr>
<tr>
<td></td>
<td><strong>IS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>MG</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher Survey.
In the table III item one shows that which are 43(72%) of the respondents said that there is no good relationship among employees and management. 9(15%) of the respondents said that very good, 5(8%) of the respondent said that good, only 3(5%) of the respondent are neutral. So the researchers understand there is a gap between employees and management.

Item two of the table that 29(48%) of the respondents said that always feel stress, 18(30%) of replied said that not at all, 11(19%) of respondents said that sometimes. Only 2(3%) the respondent are neutral. Therefore the researchers understand to some how there is not smooth relationship between management and employees.

Item three of table III reveals that 30(50%) of the respondents though that their personal satisfaction are not answered 15(25%) thought their personal satisfaction are always, 11(18%) of the respondent said that sometimes, only 4(7%) of them not at all. So the researchers understand there is no team work sprit.

Item four Table III that 32(53%) are responded that employees promotion initiate by managerial group. 15(25%) of responded employees promotion initiate by personnel request, 8(14%) of the respondent said promotion initiate by Immediate Supervisors, only 5(8%) of the respondents by training department. So the researchers understand employee promotion selected by managers.

Accordingly to the above information the respondent response that the relationship of management and employees in some what not satisfactory.

Note 1:  TD = Training Department, IS = Immediate Supervisors, MG = Managerial Group, PR = Personal Request.
### Table IV – Respondents rating on the type of reward

<table>
<thead>
<tr>
<th>No</th>
<th>Item</th>
<th>Very High</th>
<th></th>
<th>High</th>
<th></th>
<th>Medium</th>
<th></th>
<th>Poor</th>
<th></th>
<th>Very Poor</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>1</td>
<td>How do you evaluate the efficiency that reward given in Dashen Bank</td>
<td>10</td>
<td>16</td>
<td>10</td>
<td>17</td>
<td>3</td>
<td>5</td>
<td>17</td>
<td>29</td>
<td>20</td>
<td>33</td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very</td>
<td>often</td>
<td>Often</td>
<td>Neutral</td>
<td>Low</td>
<td>Never</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Do you think employees are promoted based on performance?</td>
<td>8</td>
<td>13</td>
<td>3</td>
<td>5</td>
<td>9</td>
<td>15</td>
<td>12</td>
<td>20</td>
<td>28</td>
<td>47</td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salary</td>
<td>Increment</td>
<td>Education Support</td>
<td>Time off</td>
<td>Bonus</td>
<td>Other</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>What is the most common reward given?</td>
<td>10</td>
<td>17</td>
<td>30</td>
<td>50</td>
<td>15</td>
<td>25</td>
<td>5</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source Researchers Survey

The above Table IV Item One 20(33%) of the respondent said that very high, 37(62%) of the respondent said that very poor, 3(5%) the responded response in between.

Item two in table IV 28(47%) of the respondent said that never say anything, 11(18%) of them said very often, 12(20%) of the respondents said the low, only 9(15%) of the respondent said that not feel anything.

Item three 30(50%) of the respondents said that education support is the most reward, 15(25%) of said that time off, 10(17%) of respondent response salary increase, only 5(8%) of them said bonus.

This means that in some how reward practice of education some how is good.

Note 1: Very High and High are combined together as one response.
Note 2: Very Often and Often are combined together as one response.
Note 3: SI = Salary increase, ES = Educational Support, TD = Time off, Bo = Bonus.

#### 3.2 Analysis of Interview

The interview was made with the staff that comprises assistant area bank managers, area bank accounts, supervisors selected clerks and non clerical staffs. The interview was conducted of 7 department heads and the analysis as follows.
Almost all the interviewee agreed that there is no clear guideline on the employee promotion activities hence they observed paradox with what the polices and procedures stated in the employee promotion manual.

Nepotism and discrimination pertaining blood relationship sometimes become a basis for promotion as expressed by the interviewee.

The interviewee said that theoretically personnel polices regarding employee promotion is transparent in the manual but when individual ask the policy makers about clearly seen inconsistency in implementation of the polices, no one in the HR is transparent.

Performance evaluation, as the interviewee said, is not even regarded as an input variable to employee promotion at all.

Most of the interviewee agreed that there is no job satisfaction among employees.

The respondent said, the implementation of promotion policies in Dashen bank may take the significant portion of employee satisfaction and motivation even though there are other variables.

Most of the respondent said that motivation could be largely affected by promotion than job satisfaction because the relationship between promotion and motivation is very strong. But job satisfaction is a factor of different variables among which promotion takes little share. But in general the respondents conclude that promotion is influential variable for motivation and job satisfaction.

As one of the interview told to the researcher that he has seen much inconsistency with the internal vacancy announcement in which that for the same type of vacant space different experience and qualifications was being asked. This clearly indicates there is favoritism.
CHAPTER FOUR

Summary, Conclusions and Recommendations

This chapter summarizes the main findings of the study and presents conclusions and gives recommendation for the identified problems based on the conclusions.

4.1 Summarizes of major findings

- The objective of this paper is to assess the employee’s promotion practice of Dashen Bank S.C.
- Regarding employment history, the study shows that majority of the employees are experienced or senior, which shows employees stay in the company.
- Performance appraisal in the organization is not used for the reason of promotion.
- Almost of the respondent 72% explained that there is no good relationship between employees and management.
- Most of the employee’s not answering question about personnel polices and procedure except what is written in the manual of Dashen Bank S.C.
- Almost 20(33%) of the employees felt that there is no any opportunity to learn skill.
- Selection process for the promotion takes too much time to fill the vacant space.
- Performance evaluation, experience level of commitment sometimes can not be taken as determinate factor for the employee promotion.
- The significant amount of employee in none motivated and dissatisfied by the application of employee promotion polices.
- According to the respondents the satisfaction level regarding the bonus that the company provides is less.
- As regarding training land development the company is very poor in providing training and development to the employees.
- Majority of the respondents replied that the reward provide by the company is very poor.

4.2 Conclusion

Since Dashen bank is operating in big corporations environment, there is well-organized manuals, polices and procedures about human resource management.

Most of the time Dashen bank informs changes that affects each employee. But there is also virtually no good relationship between employees and management. This is the main cause for being not transparent for the application of employee promotion procedures.

There is a tendency of not answering questions about personnel polices and procedures except what is written in the manual of Dashen bank. If employees are not sure about the policies that affect their stay on the company, they may be de-motivated and dissatisfied. Most of the employee felt that there is no any opportunity to learn skills that will improve promotion chances even they are not aware of the opportunities for promotion.

Selection process for the promotion takes too much time to fill the vacant spaces. Here employees are obliged to take more responsibilities to fill the
space until the selection process is completed, which ultimately causes dissatisfaction and stress. A job that must be prorated to two or more employee has been assigned to on average to one person which intern created stress on the employee. This may be one cause for lack of job satisfaction and efficiently carrying duties.

52% of the employees felt that are not valued at their work. Human resource does not have sufficient intact record keeping on committed and hard working employees. This may result on creation of highly non-motivated and dissatisfied employees.

Most of the employees which are 28(47%) believed that performance evaluation, experience, knowledge, level of commitment sometimes can not be taken as determinant factor for the employee promotion. Rather, individualism, nepotism, blood relationship variables has been taken as input in determining employee promotion. More than 15% of the employees do not want to discuss about promoted based on performance.

Almost 58% of the staff works more than two years in one post which is boring. It also has different consequences. Firstly it creates dissatisfaction. Dissatisfied employees leave the company, becomes undisciplined and if results to theft, misuse, embarrassment and much more. In general most of the respondent agreed that significant amount of employee is none motivated and dissatisfied. The application of employee promotion policies contributed un overlooked impact over employee motivation and satisfaction. But the researcher can conclude that the employee promotion activity in Dashen bank exclusively is not responsible for motivation and job satisfaction hence there are different variables that must be considered.
4.3 Recommendation

Acknowledging changes that affect each employee is a good habit that is useful to maintain satisfied work group. But transparency on human resource procedures and policies especially promotion policies is vital in order to have motivated and interested employee.

Most employees usually join a company willingly and initially think that they will stay long and advance with the companies. Hence personnel polices the key organization effectiveness the most successful firms tend to use methods that accurately predict future performance and also are interested to selecting employees who will not only be effective but who will work for us as long as we want them. The bank must impart skills that can foster promotion opportunities to every employee for the reason that achievable promotion opportunities ultimately enhance motivation.

So the employee’s satisfaction and complete development of their abilities must be included in the above objective.

Job stress intensifies the decrement of motivation and job satisfaction. Employees must have specific job description and job specification. More over work burden should be reduced by promoting employees from within the organizations in the place where much work burden is noticed. This strategy has two functions: first it opens chances for promotion and secondly it motivates others that they feel there is promotion hence it is from within in the company.

Most of the time employees are given recognition and value at the branch level. But human resources should be intact aware about the level of commitment, motivation the employee is having. It is the branch manger’s duty to make aware the human resource about such issues and must recommend the employee for promotion chances.
Most employees do not want to discuss about the performance appraisal system of the organization. They believe that it is just a semi-annual paper work exercise. It does not have any importance in reward decision and irrelevant in selection process. Introducing subjective bias and favoritism, nepotism are real problems that create opposition to most performance evaluation system and promotions that has been taken so far. This means it influences by interpersonal processes so that employees who are liked better than others have an edge. There is a formal procedure set up by the organization to regularly and systematically evaluate employee performance but supervisors often think about how well employees doing in informal way. Top management should be aware that promotions that are done by taking unrelated and unprofessional variables should ultimately result highly unmotivated, dissatisfied work group who usually rushes distorting the company’s image and increasing turnover. Therefore the Dashen Bank S.C. Management Staff should be change in a good way this all aspect of problems in order to make the best possible contribution to the achievement of the company objectives as well as employees.

The management of the bank may consider the above systems and others to get clear information about an employee performance for selection and promotion purposes. On average an employee must work two years on one position. The management is also trying to make it practical for all employees. It is the good side of the management. There are so many employees which are 20(33%) working more than four and five years on a post. It must be give due attention in the re-classification process. Because an employee who works five years and two years do not have equal experience and motives. This shows that the management staff is not properly manage employees promotion. So the management staff gives attention for this gap reassess and discussed with the permanent workers of the company unless frustration, turnover much more increases.
Large amount of research and development cost should be allotted for studying the behavioral aspect of human resource management like the effectiveness of employee promotion policies, the relationship between promotion, motivation and job satisfaction variables. This study may highlight the sports that must be given attention in order to maintain effective and efficient productive work group that can put the company in competitive advantage in the dynamic market.

In general, the bank has to see back and forth its employees to stay on the track. It has a good name with unsatisfied, un promoted employees, a leading profit with uncompensated staff and a great vision with on leaving line employees.

If the management studies these problems and gives proper decisions, it creates a conducive environment for all of its human resources. The development of human resource is also evaluated with the skill and satisfaction of employees. It is hard to say the human resource is developed, because they get educated and training, with out having a satisfied employees. The management must be sure that all employees are happy, getting all benefits, and they will definitely stay in the organization. Not only the cost of leaving an employee must be the problem of management, the big issue must be the employee’s promotion. An unsatisfied employee who leaves distorts the name and reflect the bad the side of the organization. So in this regard the company should be make effort to improve the promotional policy by showing clearly each step of the promotion process.

For banking industry, the very best resource human resource. Especially in our country almost all banking services are similar. The core competencies are the approaches and the methods implemented and used by the management. The employees are the one who make the bank to step on his feet.
Appendix 1
St. Mary’s University College
Business Faculty
Management Department

**Questioner**
To be filled by non management staff

This questionnaire is prepared by a student researcher, prospective graduate of year 2010 in the field of management of partial fulfillment of a senior essay. This questionnaire is prepared to measure an assessment of employee promotion practice at Dashen Bank S.C, therefore please express all your replies in the essence of this concept. Waiting for your kind co-operation, your genuine and Frank responses to these questionnaires will contribute to the success of my study.

Remark
a) No need to write your name
b) Please put (✓) or (x) in the given boxes
c) Please do not hesitate to include input you want to include.

1. Background
   Sex
   Female ☐
   Male ☐
   Age
   18 – 25 ☐
   26 – 35 ☐
   36 – 45 ☐
   Above 45 ☐
   Educational Status ☐ Diploma
   ☐ BA/BSC
   ☐ MA/MSC
   ☐ Others

   Occupational position ____________________________

   For how long have you been engaged in this activity? _______________________

2. Which one of the promotional practice (S) does your organization use most often in employment promotion?
   Service Years ☐
   Merit ☐
   Educational Status ☐
   Other ☐

3. Do you think that your current employee promotion policy should be revised?
   Absolutely ☐
   Partially ☐
   Not at all ☐
   In some instances ☐

   Which one? And how ________________________________
4. Are you aware of promotional policy criteria set in the company?
   I know all □ I know some □ I know few □ I don’t know □

5. Do you feel that you are valued at work for the skill you have?
   Strongly Agree □ Agree □ Disagree □
   Strongly Disagree □ Neutral □

6. How do you evaluate the adequancy if the reward given in Dahsen Bank?
   Very High □ High □ Medium □ Poor □ Very Poor □

7. Do you think that employees are usually promoted based on performance?
   Very Often □ Often □ Neutral □ Low □ Never □

8. What is the most common reward given by in your company?
   Salary increment □ Educational Support □ Time off □ Bonus □

9. How often does the company promotion policy revised?
   Sometimes □ Always □ Annual □ Neutral □

10. In a year how many times have you been promoted?
    One time □ Two times □ Three times □ I don’t know □

11. Do you have the opportunity to learn skills that will improve your chance for promotion?
    Strongly Agree □ Agree □ Disagree □
    Strongly Disagree □ Neutral □

12. How long does it take promote some one when a position becomes vacant?
    Quickly □ 1-3 months □ Too much time □ No answer □

13. Do you think the relationship between management and employees are good in relation of promotional policy in your company?
    Very Good □ Good □ Neutral □ Not Good □

14. Do you frequently feel stress in your job because of promoted practice?
    Always □ Sometimes □ Neutral □ Not at all □

15. Do you feel personal satisfaction in your work?
    Always □ Sometimes □ Neutral □ Not at all □

16. Who initiates the employee promotion?
    Training Department □ Immediate Supervisor □
    Managerial group □ Personal Request □

   Thank you for your Cooperate
Appendix 2
Interview

Part II

- What is generally employment promotional practice in your company?
- Are the workers in your company free to see/read promotional policies?
- What criteria are used for promoting employees?
- After promotion what is done to follow up and assure the person is accomplishing job they were promoted to?
- If it is discovered that promoted person is not a good fit for the job what corrective action is taken?
- Is there a procedure in place to provide someone for the employee not promoted to voice complaint or have open discussion about why not promoted?
- In your company’s performance evaluation steps are well defined?
- Is there ever open discussion with employees about promotional policies in which they are free to offer suggestions?
- In your company policies what is the most important criteria in promoting an employee?

Thank you for your Cooperate
Bibliography

Declaration

I, the undersigned declare that this senior essay is my original work, prepared under the guidance of Miss Netsanet Beneberu. All sources of material used for the manuscript have been duly acknowledged.

Name _______________________
Signature _____________________
Place of Submission _______________
Data of Submission June 2010

Adviser’s Declaration

This paper has been submitted for examination with my approval as the University College Advisor.

Name _________________
Signature _________________
Date _________________