

Promotions, Transfers and Layoffs



Guadalupe Alegría has been a valued employee in a large poultry farm for twelve years—but she may not be for much longer. She was promoted to a temporary managerial position. What was originally supposed to be a few weeks on the job has stretched to well over a year now. Guadalupe, a salaried employee, has put in extra hours every week without added pay, leaving her with less time for family and friends. Recently, Guadalupe found out that she had been passed over for the permanent management position. To add to her disappointment, she will have to train the new manager. Her boss does not know it yet, but Guadalupe is looking for another job.

Porter Douglas, a long-term farm mechanic, expected the promotion to a supervisory position. When an outsider got the job—a woman—he was deeply disappointed. His bitterness lasted for years, affecting his job performance as he withdrew his full effort from work.

A *promotion* is a move up the organizational ladder; *job rotation* and *transfers* are lateral moves; *demotions* are downward moves; and *layoffs* move employees out. Layoffs, in contrast to dismissals (see Chapter 22), are terminations, sometimes temporary, required for business needs unrelated to

worker behavior or performance. All of these changes bring about shifts in status, and often in pay, of the employees involved.

Farm employers may not anticipate the loss of morale and impact on productivity that such organizational actions can bring. When an employee

feels rejected, palpable dissatisfaction may result. Guadalupe Alegría is resentful of how the company has treated her. Questions keep popping into her head: “Why did they let me stay on as a manager for so long and never told me I was not doing well?” “In fact, why did they tell me I *was* doing a good job?” “Since I have already learned about and proven myself on the job, why would they put someone else in there?”

Bitter does not begin to describe how Porter Douglas felt after being passed over for his promotion. To this day he feels his boss pulled an affirmative action trick on him by hiring a woman for the supervisory position.

Promoted employees, or those hired from the outside, may also face challenges as they deal with their Guadalupes and Porters after securing the job. When workers understand the logic of decisions made, morale is less likely to drop.

Difficulties may also arise when employees are not consulted: moving an employee who was working alone so she now works side-by-side with another worker might be seen—from her perspective—as anything from a reward to a punishment. So can giving an employee an unsolicited promotion into a more difficult job.

In this chapter we first focus on seniority and merit considerations in making promotion and layoff decisions. Next, an approach to opening the selection process to outside applicants without excluding present personnel is discussed. We conclude the chapter by offering some alternatives for satisfying employees’ needs for meaningful work—without having to resort to promotions.

SENIORITY VS. MERIT IN PROMOTIONS¹

Seniority is an employee’s *length of service* in a position, job grouping, or farm operation. An individual who has worked on a farm for three years has more seniority than one who has worked for two. *Merit*, in contrast, refers to

“worth” or “excellence.” Merit is more difficult to measure than seniority. In the context of promotion, it relates to relevant qualifications as well as effectiveness of past performance.

Promotion by seniority

In a straight seniority system—where the only factor in allocating jobs is length of service—a worker would enter the organization at the lowest possible level and advance to higher positions as vacancies occur. All prospective farm supervisors and managers would work their way up through the ranks, for example, from hoer to irrigator and so on, up to equipment operator and eventually into management. In a seniority system, length of service is the chief criteria for moving up the ladder.

More typically, seniority counts only within specified job groups. Some groups might contain only one job classification, others several. For example, all hoers, pickers, irrigators, and tractor drivers might be in one group; mechanics and welders in another; foremen and managers in still another. All managers, for instance, would have once worked as foremen but not necessarily as hoers or pickers.

The benefits and disadvantages of using seniority in promotion decisions are summarized in Figure 4–1. The most obvious strength is its undisputed objectivity. Growers may deviate from a system based purely on seniority in order to avoid some of its inherent limitations. Seniority systems tend to reward loyalty and promote cooperation—albeit *not* excellence.

Promotion by merit

Promotions based on merit advance workers who are best qualified for the position, rather than those with the greatest seniority. When present employees are applying for a position, a worker’s past performance is also considered. Effective performance appraisal helps build trust in the system (see Chapters 6-7).

Merit is not easy to define and measure—it often requires difficult

ADVANTAGES

- Employees get to experience many jobs on the way up the promotional ladder, provided that they stay long enough and openings develop. Jobs can be grouped into different ladders such that experience on one job constitutes good training for the next.
- Cooperation between workers is generally not hindered by competition for subjectively determined promotions.
- Workers need not seek to gain favor with supervisors (through non-productive means) to obtain advancement. If, for example, a supervisor's direction violates the interests or policy of the ranch, employees would have less fear of reprisal for not following it.

DISADVANTAGES

- Some employees may not be able or want to do certain jobs into which a strict seniority system would propel them. (Not all tractor drivers would make good foremen, or would like to be foremen.) Employees should be able to opt not to accept an opportunity for promotion.
- Ambitious workers may not be willing to "wait their turn" for higher-level jobs that they want.
- Employee motivation to work as well as possible is not reinforced.
- Immigrant or ethnic groups new to agriculture, and women, would be underrepresented in higher levels for a long time (since they are the last hired and have least seniority).
- Employers would tend to hire overskilled people at entry level, so they have the capacity for promotion.



Jack Kelly Clark

ADVANTAGES

- Employee job-related abilities can be better matched with jobs to be filled.
- Motivated and ambitious employees can be rewarded for outstanding performance.
- Performance is fostered.
- People can be hired for a specific job, rather than for ability to be promotable.

DISADVANTAGES

- Merit and ability are difficult to measure in an objective, impartial way.
- Supervisors may reward their favorites, rather than the best employees, with high merit ratings.
- Disruptive conflict may result from worker competition for merit ratings.
- Unlawful discrimination may enter into merit evaluations.

Seniority is an employee's length of service in a position, job grouping, or ranch. Merit, in contrast, refers to "worth" or "excellence." Employees may find it difficult to make a distinction between merit—because it is so hard to measure in an objective way—and favoritism.

FIGURE 4-1

Seniority-based promotions.

FIGURE 4-2

Merit-based promotions.

subjective evaluations. At some point, someone has to make a judgment about an employee's relative merit. Employees may find it difficult to make a distinction between merit—because it is so hard to measure in an objective way—and favoritism.

Benefits and disadvantages of merit systems are outlined in Figure 4–2.

Seniority and merit together in promotions

A farmer may combine seniority and merit in the promotion process to obtain a different mix of benefits. In doing so, there are many possible variations leading to different results. For example, you could promote the most senior person minimally qualified for a job, or you could choose the most senior of the three best-qualified workers.

Issues of seniority and merit are also pertinent in discussions of other policy areas such as pay (Chapter 8) and layoffs (discussed next). Leaving the possibility open of hiring the best qualified for the job, even from outside the farm, is discussed later in this chapter.



Layoffs are normally considered terminations based on lack of work or capital, rather than on poor employee performance. Decisions involving the layoff of non-seasonal personnel may well be the hardest labor management decision managers have to make.

SENIORITY VS. MERIT IN LAYOFFS

Layoffs are normally considered terminations based on lack of work or capital, rather than on poor employee performance. Layoffs are often temporary. They occur with the expectation that workers will be hired back if and when they are needed.

When all workers are laid-off at the same time, there is little need to discuss seniority and merit considerations. But when partial or gradual layoffs take place, difficult decisions have to be made.

Layoffs of *year-round* employees may require a different approach than that of seasonal workers. Decisions involving the layoff of non-seasonal personnel may well be the hardest or most heart wrenching labor management decision you have to make. The expectation with year-round employment is that workers will hold on

to their positions as long as they do a good job and the enterprise is economically viable.

Farmers may opt for a mix between seniority and merit considerations in laying off employees. Certainly, in considering such a mix, greater weight is probably given to seniority considerations in layoff than in promotion decisions. Please note that I am not suggesting that seniority is more important than merit.

Arguments that favor making layoffs in reverse order of seniority, that is, the last hired, the first to go include:

(1) The longer employees have worked for a farm enterprise, the more loyalty they are due. Other employees will observe and be affected by how senior employees are treated.

(2) Senior employees who lose their jobs may have greater difficulty finding another job at the equivalent pay and benefit level than younger workers.

(3) Layoffs by merit may lead to age discrimination lawsuits if older workers are disproportionately terminated.

The principal argument favoring merit to determine layoff decisions is:

Management should retain the best people to do the job, especially when functioning with fewer employees.

Employers sometimes offer special retirement packages to entice more senior personnel to retire. This is often done in an effort to save money in situations where senior personnel earn disproportionately higher wages (Chapter 8). In terms of *recall decisions* farm employers can recall personnel in the inverse order of laying them off, or in some other order when it is time to rehire.

In agriculture it is more often *seasonal employees* who are involved in layoff and rehire decisions. On farms where few seasonal workers return from season to season, layoff and rehire policies are less important than in operations with more stable work forces. Although there is still a feeling of mutual obligation between employer and these seasonal workers, it is less intense. On the other hand, "If an employer is often faced with the layoff problem, it is important to select a policy that works

best on a repeated basis. Changing recently established policies would likely create doubt about fairness among the people adversely affected.”²

Some farmers encourage the return of seasonal workers by staying in touch with them during the off season. They may send cards to workers during down time or even offer returning employees added pay. In this way they can create stability in their work force and increase the number of experienced employees. The distinction between seasonal and regular work force becomes less meaningful in such operations.

Bumping rights is an issue usually associated with layoffs. When farmers establish a bumping right policy, an employee whose position is being eliminated may take another’s job. The other worker, in turn, may be able to “bump” the next employee in line. For the bumper, it is a type of voluntary demotion or transfer (depending on the organizational level she moves to) allowing her to retain a job. Bumping rights may apply within specific jobs or departments, or the whole operation. They can also be based on seniority, merit, or a mix.

PROMOTION FROM WITHIN OR OUTSIDE HIRE?

Promotion policies may affect employees’ hopes for advancement and the productivity of your workforce. Often employers feel compelled to promote from within their workforce, fearing the loss of the loyalty and enthusiasm of present employees. Promotion from within encourages employees to view the organization as one offering them career growth. Unfortunately, a tradition of promoting from within may also mean forgoing the most vital management prerogative: filling positions with well-qualified personnel.

It is a mistake to assume that superior performance in one job will translate into equivalent success after promotion to a new position. Personnel who move from technical jobs to supervisory ones, or from “doing” jobs



Jack Kelly Clark

to managing ones, may not be skilled in handling the added responsibility and power.

The skills that make for an outstanding milker or pruner, for instance, may have little relation to those called for in a supervisor’s job. Farm employers often incorrectly assume that excellent production personnel will make good supervisors. In the end, these farming operations often lose their most productive workers and gain incompetent supervisors in the process. This, of course, can be avoided through effective employee selection tests (Chapter 2).

In a few cases poorly functioning workers may perform better after promotions because they were bored by the previous job, but their enthusiasm may be short-lived.

Policies that all but guarantee promotions to present employees may discourage worker development. When a farmer is under time constraints to get some work done, she may promote a worker on a temporary basis until a more careful hiring decision can be

It is a mistake to assume that superior performance in one job will always translate into equivalent success after promotion to a new position. The skills that make for an outstanding milker, for instance, may have little relation to the skills called for in a supervisor’s job.

SIDEBAR 4-1

Sample Promotion Policy

The policy of this agricultural enterprise is to select highly capable candidates for all job openings. Jobs will be open to outside recruitment and the ranch will hire the best available person for each position. As an employee you are encouraged to apply

for positions you feel qualified for. We will make job descriptions available, and encourage you to meet with incumbents or supervisors—even for jobs not currently open. We feel you will have a greater possibility of preparing for a job you are drawn to, while we will be able to continue hiring the best for each position through a thorough selection process.

made. To avoid future disappointment of the promoted employee, however, the temporary nature of the position should be emphasized (Chapter 2).

Occasionally, you may have to consider the *demotion* of a worker who has not succeeded after being promoted. On one ranch, farm workers who were promoted to supervisory posts immediately lost their seniority or any right to return to their previous job. In this system a new supervisor could lose both his new and old positions. Both the farm enterprise and the employee can benefit by providing a safety net, such as giving newly promoted employees a time period to try out their new position.

Farmers who establish promotion policies in advance may have more options when vacancies occur. If you want to (1) motivate present employees to seek new skills; (2) staff positions with superior performers; and (3) avoid

eliminating your options for outside recruitment, consider a policy such as the one in Sidebar 4-1. Such a policy places a burden on the farm employer and the employee. The farmer has to communicate possible job openings to, and hold career development meetings with, interested staff. Employees are forced to take the initiative to refine their skills and enhance future chances for a promotion (Chapter 7).

ALTERNATIVES TO PROMOTIONS

At times workers may want job growth when no promotions are available. What do you do when there is no suitable vacancy for her? Or, how do you keep an extremely capable dairy worker happy if you really won't need another herd manager unless a current one leaves? Workers sometimes fall into the trap of thinking the only evidence of career success is a promotion. Likewise, some employers feel the only way to reward good workers is to promote them.

Personnel who want a promotion will sometimes demand a change or threaten to leave for a different job. In such cases, if a promotion is not possible, employers may encourage the worker in a positive way to pursue other career possibilities with comments such as, "Here, we don't try to keep people back," "When the need arises, we help our workers find another job," and even, "We feel we are a stepping stone to other jobs. We are pretty proud of the places our employees have gone to after working for us."

Job enlargement consists of "horizontal" loading, or of giving an employee more to do with the types of skills he is currently using. An example would be asking an equipment operator to harvest safflower in addition to the wheat crop.





At times such attitudes are the only practical solution. But, as we see below there are plenty of circumstances where qualified employees can grow within their present position.

In considering the best strategy to use, you may ask: (1) Does the employee want to advance? (2) Does she want more responsibility or more variety? In the latter case, the worker can be given different duties or assignments that constitute a *transfer* rather than a *promotion*.

Job enlargement and enrichment

If the employee seeks it, more responsibility within the same job can be provided through (1) job enlargement or (2) job enrichment. In either case, added responsibility should normally be accompanied with added pay.

Job enlargement consists of “horizontal” loading, or of giving an employee more to do with the types of

skills he is currently using. Adding twenty more cows to a string to be milked would be an example of job enlargement. So would asking an equipment operator to harvest the safflower in addition to the wheat crop.

Job enrichment, in contrast, involves a “vertical” loading, giving a worker more responsibility for making decisions related to the present job. A lab technician who is responsible for berry culture might be given the added responsibility of heading a customer education effort on the best stage to buy plant material, or how to care for plants coming out of tissue culture. A cowboy may be given the added charge of selecting his own horses to work with, and a greater hand in animal health-care decisions.

Transfers and job rotation

Transfers and job rotation are forms of enlargement entailing movement

Job enrichment, involves a “vertical” loading, giving a worker more responsibility for making decisions related to the present job. A cowboy may be given the added charge of selecting his own horses to work with, and a greater hand in animal health-care decisions.

from one job to another of comparable responsibility. Transfers usually last for a longer term while job rotation may imply several short term job changes. In addition, some rotations are cyclical and involve going through the same set of jobs over and over.

In a dairy, for instance, workers may be part of a job rotation cycle from milking to cow feeding to calf feeding. Besides alleviating possible boredom, transfers and job rotations expose workers to more tasks. When an absence or turnover occurs, it helps to have other knowledgeable employees who can perform the vacated job.

Morale can suffer when transfers require employees to relocate. A raise in pay may help. Relocations, although not common in farming, can be particularly trying in homes where both husband and wife work. Some organizations requiring relocation may offer assistance to the other working spouse in finding a job in the new community. International assignments carry unique challenges and opportunities.

SUMMARY

Organizational movements, such as promotions, transfers, job rotations, demotions, and layoffs may alter workers' security, satisfaction and productivity.

Arguments favoring merit-based promotions focus around worker qualifications and performance, while

those based on seniority stress greater job security and protection from arbitrary treatment. Seniority tends to reward loyalty while merit promotes excellence. An effective blend may combine good points from each.

Even workers who may favor promotions through merit often favor seniority-based layoffs that retain long-term employees. In contrast, arguments favoring merit layoffs stress the need to have qualified persons doing the work.

Employers who feel compelled to promote from within may be forgoing the management prerogative of filling positions with qualified personnel. A successful promotion policy should neither stifle present personnel nor eliminate management's option for outside recruitment.

Some employers and workers feel the only evidence of career success is promotion. Fortunately, there are several other ways to provide workers more challenges. This can be done through transfers, job rotation, job enlargement and job enrichment.

CHAPTER 4 REFERENCES

1. Rosenberg, H.R., and Billikopf, G.E. (1983, March 26). This sub-section was adapted from Personnel: Roles of Seniority and Merit, *California-Arizona Farm Press*.
2. Erven, B. (2001, November 20). Ohio State University, [AG-HRnet:1294] layoffs.