

ASSESSMENT OF EMPLOYEE PROMOTION PRACTICES

IN COMMERCIAL BANK OF ETHIOPIA (CBE) WOLKITE BRANCH

THIS SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHEELOR OF ARTS DEGREE (BA) IN MANAGEMENT

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DECLARATION

I, BIRUK AYELE here by declare that the assessment of employee promotion practice: At commercial bank of Ethiopia is my own work, prepared under guidance of MR.ALEMAYEHU.T. All sources of material used for the research have been duly acknowledged**.**

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Acronyms

CBE	Commercial bank of Ethiopia
CSO	Customer service officer
PMS	Performance management system
HRM	Human Resource Management
HRMP	Human Resource Management Policy
NIPM	National Institute of personnel management

Abstract

This study was designed to assess employee promotion practices in Commercial Bank of Ethiopia in wolkite branch. Those assessed under employee promotion practices are policy and procedures of the bank, bases of promotion, employee perception and major problems of promotion practices. Data were collected through questionnaire. The data was collected by census method. Accordingly, the data gathered was analyzed using descriptive statistics. The finding reveals that internal promotion examination contents are relevant for the employee's current job position, the bank promotes and fills vacant posts at all levels internally, as long as qualified staff exist and the vacancy circulars are timely distributed as stated in Human Resource Management policy and procedures chance during the promotion and after the exam they did not get the feedback. The bank is mostly used seniority based promotion practices. But the employees are chosen to apply both competency and seniority based promotion practices. The major problems of employee promotion practices are lack of clear and transparency of promotion practices. As stated in Human Resource Management promotion policy and procedures the Bank has to implement the encouragement of employees through competency and fitness to the post in to reality. The bank has to promoting the employees by using both competency and seniority based promotion practice with a support of performance and educational background of employees.

Key words: Employee promotion practice, Commercial bank of Ethiopia,

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Promotion is one of the sensitive issues in every employee's life. Through promotion an employee can get recognition of his or her performance and is motivated to continue in this way. According to (Pigors and Myers, 1971) promotion is an advancement of an employee to better job, better in terms of greater responsibilities, more prestige or status, greater skill and specially increased rate of salary.

Promotion can be used as an incentive tool. It is a way of rewarding the employees for meeting the organizational goals thus it serves as a mean of synchronizing organizational goals with personal goals (Lazear, 1981). According to (Rosen, 1982) the deciding factor for the position of any individual in the hierarchy is his talent, higher the level of talent in any individual higher would be his position in the hierarchy. Promotion has its importance due to the fact that it carries with it a significant change in the wage package of an employee (Murphy, 1985). Thus, a raise in salary indicates the value of promotion (Baker, 1994).

Promotion follows a defined set pattern which is outlined in the employment bond (Doeringer and piore, 1971). In this highly competitive corporate world, promotion can help the competing firms to trace the most productive participant of one organization to be worth hiring for another organization (Bernhardt and Scones, 1993). In such a way the promotion highlights an employee in the external environment and realizes his worth in the internal environment.

According to (Carmichael, 1983) promotion enhances the yield of an organization when an employee climbs a promotion ladder on the basis of his seniority and resultantly he gets an increased wage rate. However, according to (Baker, 1988), promotion does not consider to be an incentive device, thus the optimal results cannot be generated by promoting the employee in the organization. There is a more failure rate when the employees are hired externally than when they are promoted internally (Radford, 2001).

The impact of wage raise, a result of promotion, is found to be more significant than fixed income on job satisfaction (Clark and Oswald, 1996). According to (Shields and Ward, 2001) the employees who are dissatisfied with the opportunity available for promotion show a greater intension to leave

the organization. (Pergamit and Veum, 1999) established that greater the chances of promotion higher would be the job satisfaction of employees.

Apart from job satisfaction, the employee satisfaction is determined by satisfaction with promotion. When employees perceive that there are golden chances for promotion they feel satisfied for the respective place in the organization. Promotional opportunities have a moderate impact on job satisfaction. A promotion to a higher level in an organization typically involves positive changes, supervision, job content and pay. Jobs that are at the higher level of an organization usually provide employees with more freedom, more challenging work assignments and high salary. (De Souza, 2002).

In any country, banking sector plays a vital role for overall development of primary and industrial sectors. The employees in banking company take painful effort to deliver the multiple needs of its customers. Banking industry is still emerging industry in our country; the entry of private banks laid foundation stone and passed a mile journey from its start.

When we come to CBE, the employee promotion practices are faced a problem as evidenced by the related studies conducted by Amdemariam, (2013), Yirdaw, (2012) and Zerabruk, (2011). Considering the result showed by the studies, this study is intended to assess the employee promotion practice of CBE with the Bank's policy and procedures, employee's perception of promotion practices, bases of promotion practice and major problems and ways of overcoming those problems.

In general, the purpose of the study is to assess the practice of employee promotion in commercial bank of Ethiopia.

1.2 Statement of the problem

Organization are said to be efficient when they drive maximum output from the available resources. Although an organization possesses many of the assets but employees are considered to be the most valuable asset of any organization. Non-human resources become effective for an organization only with the help of labor force (employees). In the present world of globalization, a competent work force is believed to be a competitive edge for any firm. To be successful in the corporate world, the companies need to have a highly motivated, loyal and satisfied workforce. This is achieved through

understanding and application of all the ingredients necessary for enhancing the satisfaction level of employees. The business of today faces a threat of uncertainty and changes. To overcome the fear of employees' turnover the organizations are working hard to retain their valuable employees. An important factor for enhancing the job satisfaction of employees can be promotion. Employees are supposed to be satisfied with their work when they consider themselves to be a productive part of the organization. Employees can derive such satisfaction when organizations realize their worth by promoting them to a place of greater authority and control. (Asvir, Naveed, Ahmed and Fatima, 2011).

According to Dessler, (2008) in any organization or industry employees are play a key role in continuous and sustainable development of an organization or any other industry. So organizations need to craft strong policies and procedures of employee promotion in order to enhance their morale and performance. And also they must be happy with the general environment of the organization about employment promotion practice.

Maksuda Hossain Abu Md. Abdullah and Shila Farhana. (2012) States that employee promotion policy and procedures are not simple to implement on different organizations. Since there are various bases of employee promotion like seniority, competence or some combination of the two, an organization needs to focus on efficient, relevant and effective implementation of employees' promotion.

When we come to Commercial bank of Ethiopia there are problems related to employee promotion practice. According to Amdemariam, (2013), Yirdaw, (2012) and Zerabruk, (2011) employee's promotion problem is one of the major reasons for Commercial bank of Ethiopia's employee's turnover, job dissatisfaction, employees spend more time for searching of other jobs and demotivation of employees.

Hence, the purpose of the study was to identify the major problems of employee promotion practice, to assess the employee promotion policy and procedures, to identify employee's perception about employee promotion practice and finally to indicate the way of overcoming those problems.

1.3 Research question

The above stated problems would be leading the researcher to raise the following main research questions to conduct the study:

1. What does the promotion policy and procedures look like in CBE?
2. How the promotion bases are practiced in CBE?
3. What are the perceptions of employees on promotion practice in CBE?
4. What are the problems related to employee promotion practice in CBE?

1.4 Objectives of the study

1.4.1 General objective

The general objective of the study was to assess the employee promotion practice of Commercial bank of Ethiopia in Wolkite branch

1.4.2 Specific Objectives

The specific objectives of the study would be:

- To assess the promotion policy and procedures of CBE.
- To assess the promotion bases that are practiced in CBE.
- To assess the perception of employees about promotion practice of the bank.
- To identify the major problems of employee promotion practice

1.5 Significance of the study

- , The study was important for researcher to have better understanding about promotion, practice, base of promotion advantage of promotion to employee in CBE
- The significance of this study for CBE to take corrective action on the issue of promotion and to encourage the employee of the bank,
- The study had a significance for policy makers on their task of formulating appropriate and right polices in order to achieve the goals and objectives of the organization
- Finally, the study would provide certain direction for other researcher as steeping stone who is interested to assess promotion practices.

1.6 Scope of the study

The geographical scope of the study would be limited only to commercial bank of Ethiopia in wolkite branch which is found in wolkite town. Conceptually the study is limited to assessment of employee promotion practice in commercial bank of Ethiopia.

1.7 Limitation of the study

The limitation of the study was some respondents were not given appropriate information for the study and involuntary of the respondents to fill the questioners.

1.8 Organization of the study

The study would be organized into five chapters. The first chapter was an introduction part of the study in which background of the study, statement of the problem, research question, and objective of the study, significance of the study, scope of the study limitation of study. The second chapter deals with related literature review of the study. The third chapter is about methodology of the study. Chapter four analyzes the data and presentation of findings. The last chapter would be the summary of findings, conclusions, and recommendations part.

CHAPTER TWO

LITERATURE REVIEW

Theoretical review

2.1 Definition and Concept of Promotion

Promotion is the upward reassignment of an individual in an organization's hierarchy, accompanied by increased responsibilities, enhanced status, and usually with increased income, though not always so. On being promoted, the promotes duties and responsibilities increase, and the higher up one goes in an organization the greater are the implications of the individual's decision on the viability of the enterprise. After promotion, an individual's duties and responsibilities usually become qualitatively different from those of his earlier job. Frequently, status symbols are attached to the higher positions, such as a more important job title, a bigger desk, more expensive office decor, less supervision, and greater freedom of movement (Mirza, S. 2008).

According to Lazear and Sherwin, (1981) Promotion is a shifting of employee for a job of higher significance and higher compensation. Also the movement of an employee upward in the hierarchy of the organization, typically that leads to enhancement of responsibility and rank and an improved compensation package is a promotion.

The definition of promotion is varying between studies that use individual level data. In some cases, workers who have changed job within the firm are asked if they were promoted (McCue, 1996; Francesconi, 2001; Booth, 2003). In others a promotion is self-reported by the worker (Pergamit and Veum, 1999). In both, promotion is identified by the worker. Sometimes promotions are identified from observed changes in occupations or levels within the hierarchy (Rosenbaum, 1979; Sicherman and Galor, 1990; Jones and Makepeace, 1996).

According to Dessler, G. (2008) promotion is said to be happened when an employee makes a shift in the upward direction in organizational hierarchy and moves to a place of greater responsibility.

Promotion can make a significant increase in the salary of an employee as well as in the span of authority and control. It would be help the competitors to identify the most productive employees in the business world at the same time the employees are being recognized by their own organization. The employees themselves feel to be an effective contributor and thus would be more satisfied with their job.

A promotion is a prize that is allocated to workers who rank higher than all other workers in a group over a given period. The probability of promotion provides incentives to exert effort, and winners are moved to higher positions that involves. For example, higher prestige, higher responsibility or higher earnings. Firms can also recruit from outside but, to keep the incentive for incumbents to exert effort; they can create a scheme in which external contestants have to be significantly superior to win (Chan, 1996).

2.2. Reasons for promoting employee

According to Mirza, S. (2008) promotion is in a way an important form of recruitment from within the organization. Organizations promote employee from within for a number of reasons. Some of these reasons are described below:

2.2.1. Business Growth

The growth of business in organizations, leading to expansion in the volume of production, marketing and employment. Under these circumstances, it becomes necessary for an organization to create new jobs and promote some of the existing employees to positions of greater responsibility.

2.2.2. Effective Performance

The effective performance of a job is a reflection of the employee's commitment to work, and promotion becomes a reward for his service to the organization.

2.2.3 To Retain an Employee

Most employees are not interested in working in a dead end job. Not getting an opportunity to move upward in the hierarchy can prove to be a major demotivating force to employees, leading to a decision to dissociate from the organization. Under these circumstances, promotion becomes a strategic move to retain an employee, particularly if he/she happens to be a good performer. Hence, promotion can become a tool to impress that upward mobility is possible for an employee if he/she performs well.

2.3 The responsible body for promotion

Most of the time the responsible body for employee promotion practices is the human resource department. Dyer, (1989) expressed that in most company's line managers are the ones ultimately responsible for making internal decisions. Through the assistance of line managers, the human resource department is expected to do the process of employee promotion practice. Despite that, the

human resource department is required to closely work with other department to make effective promotion. (Ivancevich: 1989: P, 232)

2.4. Who is the right person for promotion?

Dessler, G. (1994) underlined that all permanent employees who have completed their probationary period have the right to use the vacant position listing policy in order to request consideration for a position that would constitute a growth opportunity. Individual contributors must be eligible for promotions that recognize and reward their role as contributors. A promotion is a powerful communication tool about what is valued within an organization. Thus, a promotion must be available to employees who play any role in the contribution of work and value.

2.5. Promotion policy

According to Mirza, S. (2008) the following are the policy requirements that must be considered:

One of the first requirements of a promotion policy is a statement of the ratio of internal promotions to external recruitment, at each level, along with the method of selection (trade test, interview) and the qualifications desired. Such a statement would help individuals as well as manpower planners to project the number of internally available candidates for vacancies. In some organizations, such a ratio is fixed by a collective bargaining agreement.

The second exercise is to identify the network of related jobs and the promotional channels of each job, taking in to account job relatedness, opportunities to interact with higher placed executives to foster job learning, and qualifications required both academic and work experience. Such an exercise would be aid succession planning, help aspirants to acquire the necessary formal qualifications or on the job training, and encourage them to attend suitable external development programs. The network of related jobs can be established by job analysis. This process would also help in identifying promotion channels and stepping stone jobs, once finalized should be made known to the employees concerned.

Another policy issue is of the relationship of any disciplinary action to promotion. In other words, do infractions endanger the employee's channels of getting promoted?

Finally, a reality that has to be contended within any organization, especially in vertical organizations where the chief executive is at the apex, is that some employees do not get promoted due to lack of available positions. In such cases where employees perform adequately in their present jobs, wages increments should be forthcoming annually, even if they are in non-unionized

categories. In other words, promotions should not be the only means of a wage rise for an employee in a pyramid type of organization, and this appendage to the corporate promotion policy is a useful guideline to employees' concerns. The problem is not so acute in a flat organization, which has a larger number of levels, below that of the chair executive, to which promotion is possible.

2.6. Promotion Program and Procedure

According to the National Institute of Personnel Management (NIPM), (2016) every organization should make advance plans for promotion program. A carefully planned promotion program has four elements:

2.6.1. Formulation of Promotion policy

Each organization needs to maintain a balance between the internal sources by means of recruitment. Hence, promotion must be based on consistent, fair and clear cut policy. According to the National Institute of Personnel Management (NIPM) promotion policy has suggested on the following lines: Encouragement of promotion within the organization instead of looking outside to fill vacancies in higher places.

An understanding that ability as well as seniority would be taken into account in making promotions. Ability, efficiency, attitude, job performance, physical fitness, leadership, experience, and length of service are some of the factors considered in making promotions. Drawing up an organization chart to make clear to all the ladder of promotion. Where there is a job analysis and a planned wage policy, such chart is quite easy to prepare.

Making the promotion system clear to all concerned who might initiate and handle cases of promotion. Though departmental heads might initiate promotion, the final approval must lie with the top management; after the personnel department has been asked to check from its knowledge whether any repercussion is likely to result from the proposed promotion.

All promotions should be for a trial period to ascertain whether the promoted person is found capable of handling the job or not. Normally, during this trial period, he draws the pay of the higher post, but it should be clearly understood that if he does not make the grade" he would be reverted to his former post and former pay scale.

2.6.2. Promotion Channels

Promotion channels should be identified and recorded on paper. This process is related with job analysis and career planning of an organization.

2.6.3. Promotion Appraisals

The promotion of an employee is entirely dependent upon his/her performance appraisal outcome.

2.6.4. Centralized Records

The education, experience, skills, abilities and evaluation of all employees should be recorded and maintained in a centralized manner by the department of the organization, because basing on these attributes; promotion is given to an employee.

2.7. Basis of employee Promotion

Dessler, G. (1994) stated that, there are three main promotion related decisions that are based on seniority, competence or some combination of the two. From the point of view of motivation, promotion based on competence is best. However, your ability to use competence as sole criteria depends on several factors, most notably whether or not your company is unionized or governed by civil service requirements. Union agreements often contain a clause that emphasizes seniority in promotion, such as in the advancement employees to higher paid jobs when ability, merit and capacity are equal, employees with highest seniority would be give preference. Although this might seem to leave the door open for giving a person with less seniority (but slight better ability) the inside track for a job, labor arbitrators have generally held that when clauses such as these are binding only substantial differences in ability can be taken in to account.

2.7.1 Seniority as a basis

According to Rosenberg & Billiopf, (1983) seniority implies relative length of service in the same organization. The advantages of seniority based promotion are relatively easy to measure, simple to understand and operate due to familiarity of the employees about the organization, it reduces labor turnover, it also provides sense of satisfaction to senior employees because they expected that due to their seniority they would be promoted. Employees get to experience many jobs on the way up the promotion ladder, provided that they stay long enough and openings develop. Jobs can be grouped in to different ladders such that experience on one job constitutes good training for the next. Seniority based promotions help the cooperation between workers because it is not hindered by competition for subjectivity determined promotions. Finally, due to seniority based 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.

The disadvantages of seniority based promotion are beyond a certain age a person might not learn, performance and potential of an employee is not recognized, and it kills ambition and great energy or enthusiasm to improve performance. Some employees might 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 might not be would being to wait their turn" for higher-level jobs that they want. Using seniority based promotion practice employee motivation to work as well as possible is not reinforced. On the other hand, 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). Finally, employers would tend to hire over skilled people at entry level, so they have the capacity for promotion but they cannot have promoted because of the company focus only on seniority based.

2.7.2 Merit as a basis

Rosenberg, H.R., & Billiopf, G.E., (1983) stated that merit implies the knowledge, skills and performance record of an employee. It motivates competent employees to work hard, helps to maintain efficiency by recognizing talent and performance. Because of merit based employee job-related abilities can be better matched with jobs to be filled and those motivated and ambitious employees can be rewarded for outstanding performance. Merit based promotions are help competent employees to fostered their performances and also the people can be hired for a specific job, rather than for ability to be promotable.

Merit based promotions also suffers from certain problems like difficulty in judging merit based promotions, merit indicates past achievement might not denote future potential and old employees feel insecure. It might lead to a promotion bias like supervisors might reward their favorites, rather than the best employees; with high merit ratings and also it might lead to unlawful discrimination in merit evaluation. Finally, due to the would bitingness of the employees for promotion disruptive conflict might result from worker competition for merit ratings.

The merit based increment as well as promotion has to be earned through meritorious achievements and is by no means of years of service or any other automatic right as individual. The award of merit increments is primarily based on an individual's performance and competency. Organizations generally consider an employee for the vacant position based on personal merit. Management mostly prefers merit as the basis of promotion and incentive plan, as they are interested in enriching

its human resource. But this idea cannot be implemented by all the organizations, particularly banks. Banks generally follow the method of seniority for promotion and increment. This aspect is slowly disappearing and many banks started verifying the competency of the employee in case of promotion and increment.

2.7.3. Both Seniority and Merit together as basis

As both seniority and merit as basis suffer from certain limitations, therefore, a sound promotion policy should be based on a combination of both seniority and merit. A proper balance between the two can be maintained by different ways: minimum length of service might be prescribed, relative weight age might be assigned to seniority and merit and employees with a minimum performance record and qualifications are treated eligible for promotion, seniority is used to choose from the eligible candidates. Rosenberg & Billiopf, (1983)

2.8 Types of Promotions

According to HR National Institute of Personnel Management (NIPM), (2016); there are three types of promotions practice that are discussed below.

2.8.1. Up or Out Promotion

In this case, an employee either earns a promotion or seeks employment elsewhere. Out promotion usually leads to termination of employee and joining some other organization in a better position.

2.8.2. Dry promotion

In dry promotion, promotion is given in other way instead of increase in salary. Like the employee is moved to the subsequent higher level in hierarchy with a greater power, responsibility and prestige but the salary is not increased.

2.8.3 Paper promotion

In this case promotion happens on seniority of employee in government sector having different departments. Paper promotion is an employee promotion given to the employee belonging to the parent department, but indeed working in another department on transfer, on request of employee or due to exigency of work. Paper promoted employee draws salary pertaining to job in another Department, but not according to promotion's job in the parent Department. The reason behind paper promotion is, generally in government sector, employee promotion would be given in order of seniority of employees subjected to the vacancy position created. Whoever is amongst all employee's top senior employee would be given promotion. When a top senior is working in another

Department, in such cases to fill up the vacancy position, promotion on paper would be given to such employee, because he's not occupying job in the parent Department. Subsequently promotion would be given to the next top senior who is working in the parent Department. Paper promoted employee draws salary pertaining to the job of another Department only but not according to the job, which got paper promoted in the parent Department.

The main objective of a promotion is to protect the right, seniority of an employee and reserve his/her promotion seat in the parent department when an employee reverts to his/her parent department.

2.9 How is merit measured?

When promotion is based on merit, you have to decide how merit would be defined and measured. Defining and measuring past performance is a fairly straightforward matter. The job is defined, standards are set, and one or more appraisal tools are used to record the employee's performance. But promotion also requires predicting the person's potential; thus you must have some valid procedure for predicting a candidate's future performance. Many employers simply use prior performance as a guide and estimate, or assume that he or she would be performing well on the new job. This is the simplest procedure to use.

On the other hand, some employers use tests to evaluate promotable employees and to identify those employees with executive potential. Others employers use assessment centers to assess management potential (O'Neill, B. 2008).

2.10 Employee promotion and its negative effects

While those promoted might feel satisfied and stay on with the organization, organizations themselves might face some negative effects from promotion. Some of these effects are:

The employee promoted might actually not be quite capable of handling the challenge of new responsibilities.

Some employees might not be very interested in promotion because of family, social, or even economic reasons. However, since it is mentioned in the company rules, they have to accept the promoted position. In this situation, promotion instead being a morale booster, might act as a de motivator.

Yet another situation where promotion might become a source of negative motivation is when between two or more equally qualified employees the one promoted is happy, but these left behind

feel highly demotivated, particularly in situations where the promotion criteria are not very transparent (Dessler, G.1994).

2.11 Consequences of Promotion

What are the consequences of a promotion? It might serve as a method to enhance wages and simply be a mechanism by which workers move along their wage-tenure profiles. Yet, not all wage increases are necessarily promotions, so there must be something associated with a promotion that differentiates it from a wage gain. Also, a promotion might have an impact on other aspects of the job, such as the structure of earnings, training receipt, and supervisory responsibility. In addition, a promotion might be a mechanism used by firms to increase job attachment (Pergamit,M. and Veum,R. 1995).

2.11.1 Job satisfaction

A promotion enhances a worker's view of the job, or increase job satisfaction" (Pergamit, M. and Veum,R. 1995).

2.11.2 Earnings Structure, Training, and Supervision

Along with enhancing wages, a promotion might have a number of other consequences. For instance, a promotion might move an individual from working at an hourly piece rate to working on a salary. It might also lead to earnings which are based on bonuses or stock options.

Training leads to promotion, but it might also be true that promotion leads to greater training receipt. Along with training, a promotion might result in greater supervisory responsibilities and authority over other workers.

The breakdown of promotion by type and competitive/noncompetitive categories reveals some insights into the meaning of the different forms of promotion. For instance, some of the more passive" forms of promotion, such as promotions that involve performing the same duties as before the promotion and position upgrades are associated with training receipt, supervisory responsibilities, and changes in the structure of earnings. In particular, promotions that involve performing the same duties as before are associated with training receipt, becoming a supervisor, and to a movement to compensation being based on bonuses or stock options. Similarly, a position upgrade is positively related to each of the outcomes other than earnings including bonuses or stock options. Promotions due to reorganization appear to be largely related to increases in supervisory responsibilities. In addition, noncompetitive promotions appear to be more strongly correlated with

moving workers off of piece rate pay than are competitive promotions. Pergamit,M. and Veum, R. (1995)

2.11.3 Subsequent Job Attachment

A promotion might indirectly increase job attachment through its impact on training receipt. This might suggest that firms use training as a mechanism to retain promoted workers who might otherwise leave the firm, which is indicative of task assignment models. Alternatively, it might be the case that the training receipt measure is in itself a measure of promotion" that captures match quality of a job more so than the direct measures of promotion. Pergamit,M. and Veum,R. (1995)

2.12 Advantage and disadvantage of promotion

According to Henman, (1989) those employees who applying vacant position with internal candidates has the following advantages and disadvantages.

2.12.1 Advantages of internal employee promotion

Henman, (1989) stated that internal employee's promotions are requires less orientation, training and cost than new employees; because current employees are already knowing the rules, regulation and culture of the organization.

Employees have understanding of how the organization operates so during their promotion time it is not necessary to prepare the introduction program; because they know it and also they have an experience from the past performance.

Inside or internal promotion help the employees to be more committed to its goals and less likely to leave the organization and because of internal employee promotion the employee see that competency is rewarded and morale and performance might thus be enhanced.

Internal promotion can also boost employees' commitment and provide a long term perspective when making managerial decision. It is best to promote employees from inside; since you are more likely to have a more accurate assessment of the person's skills than you hired from outside. Finally, the above mentioned efforts related to internal promotion help to the organization to create a positive image.

2.12.2 Disadvantages of internal employee promotion

According to Henman, (1989) internal employee promotion is not totally helpful to the organization but also has a problem. From the starting point of recruitment for promotion, it is focusing only inside workers or employees so new or fresh ideas cannot brought in to the organization.

Employees who apply for jobs and do not get the jobs might become dissatisfied and also after promotion employees might not happy as when their new boss or manager is appointed from inside than when he or she is a new comer.

Related to the skills require to the job that are advertised might not currently available within the organization and if the organization promote from inside employee it might affect the operation of the organization.

In internal employee promotion many employers require managers to post vacant posts and interview all inside candidates in order to comply with the internal recruitment policy or the employment equity act. This might lead to promote less qualified employees than those from outside of the organization.

Most internal applicants have been stagnant in their posts for so long and would be not positively contribute any new ideas. Those harden negative attitudes and lazy employees cannot suddenly change into 'star' employees because of they have been promoted.

Related to an employee behavior the contagious negative habits and behavior by one negative employee can easily be passed on to other divisions. Finally, due to internal employee promotion the number of applicants from which to choose might be too high or limited and the organization might lead to inbreeding of new blood.

2.13 Ways of minimizing the disadvantages of internal promotion

Dessler, (1994) stated that promoting internal employee to be effective requires using job posting, computerized systems that help to identify and consider qualified existing candidates for the vacant post, personal records and skill banks that list current employees who have specific skill and knowledge.

Apart from that, informing unsuccessful applicants as to why rejected and what remedial actions they might take to be more successful in the future is thus essential.

2.14 Factors that are affecting internal employee promotion

According to Edith W. M. Gathungu , Dr. Mike A. Iravo and Prof. G.S. (2015). Internal employee promotion has been affected by different factors such as organizational mission, vision, core values, policy and procedure, reward system, criteria of performance evaluation, working environment, personal biases, labor law, job satisfaction and the availability and diversity of human resource with required skill and knowledge.

2.15 How to promote without bias

Jones, David and Gerald Makepeace. (1996) stated that employers are generally aware of laws prohibiting discrimination in hiring and firing, but they often do not realize that similar considerations apply to promotions. Basically, it is as illegal to apply different standards for promotion to different member of your work force as it is to apply them to hiring. You might not use subjective standards that have a disparate impact on protected groups in either case. Employers must be constantly on guard to be sure that promotion policies that appear to be neutral on paper actually avoid any discrimination when put into practice.

Empirical Review

According to Edith W. M. Gathungu, Dr. Mike A. Iravo and Prof. G.S. Namusonge. (2015) Promotion has a weak relationship with commitment. The study divided the target population into two groups, those on contract and permanent employees. The results indicate that promotion had a significant relationship with commitment for contract while for permanent employees, there was no significant relationship. The study concludes that, there is need to improve the promotion criteria and the benefits that employees receive on promotion. Monetary compensation is important, but not sufficient, to keep employees. Non-monetary recognition plays the same role as compensation does.). Recognition is needed in the social and organizational environment as a motivational tool to bring about a good work outcome. In high professional jobs, recognition is considered as a main objective to maintaining the feeling of high involvement and being an important element of the organization Kular, S. and Gatenby, Mark and Rees, Chris and Soane, Emma and Truss, Catherine, (2008) confirmed that recognition is positively related to continuance and affective commitment of employees. On the basis of above mentioned literature and arguments it can be safely assumed that promotion practices are correlated with the commitment of employee Maksuda Hossain, Abu Md. Abdullah and Shila Farhana, (2012) stated that Bangladesh Pubali Bank follows a guideline for their promotion policy which is already considered as a sound policy of promotion by the employees. Some of the policies include:

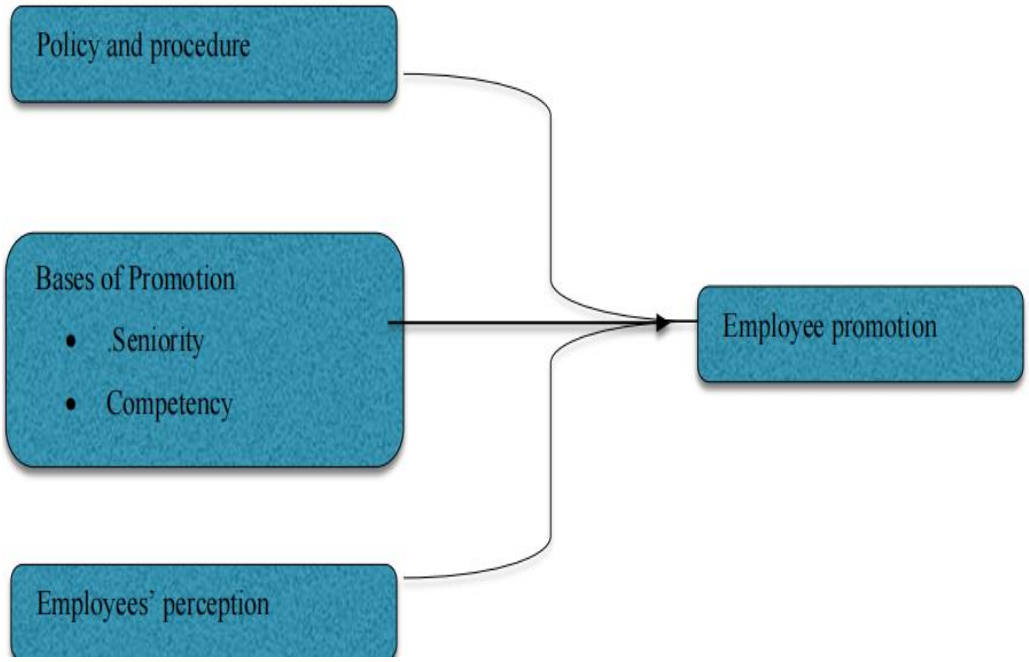
Pubali bank considers promotion based on some factors like, Annual Confidential Report, educational qualification, merits, seniority and availability of vacant positions. Hossain M., Abdullah A. and Farhana S.(2013) stated that promotion indicates the employee is ready for more

responsibility in the company and is mature enough to play a larger role in the business; a promotion might not be the result of any positive employee performance review, as the employer might not have that option each time.

2.16 Conceptual Framework

A conceptual framework proposes the relationships between the variables in the study and shows the same graphically or diagrammatically (Mugenda, 2003). The conceptual framework of this study is based on three independent variables namely; policy and procedure, bases of promotion and employees' perception. The dependent variable being employee promotion. Figure 2.1 shows how the various independent variables affect the dependent variable under study.

Figure 2.1: The Conceptualization Model



(Source:compiled by Researchers 2025)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with the research design and the methodology that would be used in gathering data for the study. It contains the research design, the sampling method, the sample size, source of data, data collection procedure and data analysis techniques section.

3.2 Background of the Organization

CBE is the leading bank in Ethiopia, established in 1942 and pioneer to introduce modern banking to the country. It has more than 1950 branches all over the country and more than 40+ million account holders. CBE also the leading African bank with assets of 1.1 trillion Birr as on June 30th 2016. Due to hardworking of the employee the profit of the bank for 2016/2017 was around 32.6billion birr.

CBE combines a wide capital base with more than 84000 employees. The employees are the most valuable asset of any organization. Without the proper handling of its employees, it is hard for any organization to realize its short and long term objectives and goals.

3.3. Research Deign

The researcher for the purpose of the study would use descriptive type of research design. Because the researcher want describes the existing situation, work environment and state of affaire through questionnaire regarding the assessment of promotion practice in commercial bank of Ethiopia.

3.4 Data type source and method of collection

3.4.1 Type of Data

The source of data that researcher would used to conduct the research would be both primary and secondary data. The primary data would be collect from the manager of the bank and employees of the bank through questionnaire. The secondary data would be collected from either published or unpublished materials such as memos, manuals, plans and books.

3.4.2 Methods of Data Collection

Concerning with the method of data collection the researcher would be used questionnaire to collect the data due to the following reasons other than other data collection methods such as interview and observation. It is free from bias of the interviewer because of to use questionnaire method. The respondents answer questions own words. Respondents who are no easily approachable can also be

reached conveniently. So, the researcher would be use questionnaire i.e. both open ended and close ended questionnaire would be distributed commercial bank of Ethiopia wolkite branch.

3.4.3 Target Population and Sampling Technique

The target population of the study was all permanent employees found in commercial bank of Ethiopia in wolkite branch. There would be no need for selecting sample respondents because the population is more easily manageable to gather relevant information regarding to the study. Thus, the researcher would be use census because the population is 39 which is less than 100.

Temporary employee are employee that have not permanent cite in the organization there for as I got relevant information from the bank manager those temporary employee are not promoted. because they could not fulfil the promotion policy and procedur

3.5 Data Analysis Methods

The data that would be collect by the above data collection method would be analyzed through descriptive analysis by using table, frequency, and percentage. The researcher would be use descriptive analysis due to the researcher want to describe about promotion practice and it is convenient to analysis the research by using table and percentages and also it is easily understandable

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents a discussion of the results and the process through which the results were obtained. First, the background information of respondents presented and discussed. It also deals with the presentation and an analysis of data collected and discusses it in relation to employee promotion practice. The statistical methods used for analyzing the data collected include frequency and descriptive statistics analysis by using table and percentage. From the total questionnaires distributed, 39 were able to be collected giving 35(90) % response rate.

4.2 Background information of respondents

Table 4.1 Background information of respondents

Items		Frequency	Percent
1. Sex of respondents	Male	30	86
	Female	5	14.2
	Total	35	100.0
2. Age of respondents	20-29	20	57.142
	30-39	10	28.571
	40-49	3	8.571
	above 50	2	5.714
3. Educational qualification of respondents	first degree	28	80
	master's degree	7	20
	Total	35	100.0
4. Year of experience of respondents	0-1	4	11.428
	2-5	16	45.714
	6-10	8	22.857
	11-15	5	14.285
	above 15	2	5.714
	Total	35	100.0

Source: survey, 2025

From the total 39 Questionnaires, 35 were collected and from this 86% of the respondents are male and 14.2% are female. This shows that most of the respondents are male. 57.1% of the respondents are in the age group of 20-29 and 28.5% are from 30-39, 8.5% is from 40-49 age groups and 5.7% above 50 years. This shows that most of the respondents are young age group and it is presented. From the total respondents 80% have first degrees, and 20% have master's degree .11.4% of the respondents have between 0-1 months or year of experience, 45.7% have from 2-5 years of experience, 22.8% have from 6-10 years of experience, and 14.2% from 11-15 years of experience and 5.7 have more than 15 years of experience. This implies that most of the respondents are in the age group of 20-29, have a first degree, and experience between 2-5 years. This means that 90% of the respondents are senior employees and have a degree and that the respondents are educated.

4.3. Policy and procedure

Table 4.2. Policy and procedure

Items		Frequency	Percent
5. CBE is promoted and fill vacant posts at all levels internally as long as qualified staff exist.	Strongly disagree	7	20
	Disagree	6	17.1
	Neutral	7	20
	Agree	11	31.4
	Strongly agree	4	11.4
	Total	35	100.0
6. CBE is stick to the principles of promotion for performance & achievements.	Strongly disagree	2	5.7
	Disagree	14	40
	Neutral	10	28.6
	Agree	8	22.8
	Strongly agree	1	2.8
	Total	35	100.0

7. CBE encouraged me using merit (competency) & fitness to the post.	Strongly disagree	4	11.4
	Disagree	14	40
	Neutral	6	17.1
	Agree	8	22.8
	Strongly agree	3	8.6
	Total	35	100.0
8. CBE is giving a priority to women and disabled whenever candidates score equal points.	Strongly disagree	4	11.4
	Disagree	9	25.7
	Neutral	14	40
	Agree	5	14.2
	Strongly agree	3	8.6
	Total	35	100.0
9. New employees are eligible for Promotion after one year of service.	Strongly disagree	12	34.3
	Disagree	8	22.8
	Neutral	5	14.2
	Agree	7	20
	Strongly agree	3	8.6
	Total	35	100.0
10. Vacancy circulars are timely distributed.	Strongly disagree	4	11.428
	Disagree	8	22.857
	Neutral	4	11.428
	Agree	13	37.142
	Strongly agree	6	17.142
	Total	35	100.0
	Strongly disagree	4	11.4

11. Promotion procedures criteria are acceptable and clearly stated.	Disagree	10	28.6
	Neutral	7	20
	Agree	13	37.1
	Strongly agree	1	2.8
	Total	35	100.0
12. Internal promotion examinations contents are relevant for my current job position.	Strongly disagree	1	2.8
	Disagree	5	14.3
	Neutral	10	28.6
	Agree	15	42.8
	Strongly agree	4	11.4
	Total	35	100.0

Source: survey, 2025

During the study an attempt was made to examine CBE is promote and fill vacant posts at all levels internally, as long as qualified staff exist. Item 5 gives a summary of the respondents' views. In this regard, about 31.4% of respondents have shown their agreement that CBE promoted and fill vacant posts at all levels internally, provided that qualified staff are available, 17.4% of respondents have shown their disagreement and 20% of them neither agreed nor disagreed. Based on the above response respondents believe that CBE implement what it says in the policy and procedure related to promotions and fill vacant posts at all levels internally, as long as qualified staff exist. Concerning item 6, about 22.8% of respondents agreed that their bank (CBE) is stick to the principles of promotion for performance and achievements; whereas, and around 40% of respondents disagreed and the rest 28.6% neither agreed nor disagreed to this issue. From these responses, it is possible to say that majority of employees feel that CBE does not stick to the principles of promotion for performance and achievements. Mirza, (2008) also said that the effective performance of a job is a reflection of the employee commitment to work, and promotion becomes a reward for his service to the organization.

Rosenberg, & Billiopf, (1983) stated that because of merit based employee job-related abilities can be better matched with jobs to be filled and those motivated and ambitious employees can be rewarded for outstanding performance. Merit based promotions are assist competent employees to

fostered their performances and also the people can be hired for a specific job, rather than for ability to be promotable. As concerning item 7, respondents are asked to rate whether they believe that CBE is encouraged them using merit (competency) and fitness to the post as per the HRM policy and procedures, about 22.8% of respondents agreed; whereas, 17.1% of respondents neither agreed nor disagreed. However, the rest 40% of employees disagreed. From the overall response of this item we can conclude that majority of employees do not agree that CBE is encouraged them using merit (competency) and fitness to the post as stated in the HRM policy and procedures.

With regard to priority giving by the bank to women and disabled whenever candidates score equal points as stated in the bank HRM policy and procedures (item 8). About 14.2% of the respondents showed their agreement to the statement and at the same time about 25.7% of respondents disagreed that the CBE is giving priority to women and disabled whenever candidates score equal points and 40% of respondents neither agreed nor disagreed to this issues; 40% of respondents are neutral about the issue. This indicated that the policy related to giving priority to women and disabled whenever candidates score equal points mostly not implemented in to reality as it stated and not awareness among employees about this issues because 40% have no know-how about this issue.

Dessler, (1994) underlined that all permanent employees who have completed their probationary period have the right to use the vacant position listing policy in order to request consideration for a position that would constitute a growth opportunity. Individual contributors must be eligible for promotions that recognize and reward their role as contributors. A promotion is a powerful communication tool about what is valued within an organization. Thus, a promotion must be available to employees who play any role in the contribution of work and value but concerning to item 9 of the above table, about 34.3% of the respondents said that new employees are not eligible for promotion after one-year of service as stated in the HRM policy and procedures. About 20% of respondents agreed and about 14.2% have no opinion. From this it is possible to say that the bank is put the issue of employees are eligible for promotion after one-year of service in its HRM policy and procedures but not implemented effectively.

Respondents were asked to tell their opinion related to whether the vacancy circulars are timely distributed or not (item 10). About 37.1% of respondents agreed that vacancy circulars are timely distributed and about 22.8% of respondents disagree to the statement. However, the rest of the respondents i.e. 11.4% neither agreed nor disagreed on the statement. From this it is possible to say

that the bank is mostly implemented as what it said in the promotion policy and procedures related to timely distribution of vacancy circulars.

In line with promotion procedures (item 11), respondents were asked to give their opinions whether CBE promotion procedures criteria are acceptable and clearly stated or not; 37.1% of respondents have shown their agreement while 28.6% of respondents have shown their disagreement to the statement. On the contrary, 20% of respondents became unable to say anything about the issue. From the overall response of this item we can conclude that majority of employees agree with regarding whether promotion procedure criteria are acceptable and clearly stated. From this we can conclude that the bank creates awareness to the employees related to promotion procedures criteria. Us when we see HRMP manuals the promotion procedures are divided in to four those are internal vacancy announcement, receiving application letter, rating of applicants and finally selection and notification. The selection criteria also divided for management position and non-management position candidates.

Regarding item 12 respondents were asked to express their opinion whether promotion examination contents are relevant for their current job position or not, and about 42.8% of respondents agreed that the examination contents are relevant for their current job position as stated in the employee promotion policy and procedures, about 14.3% of respondents also revealed that examination contents are not relevant for their current job position and 28.6% of the respondents are neutral. From this it is possible to conclude that employees are relatively satisfied with the relevancy of the contents of promotion examination with their current job position.

4.4. Employees perception regarding internal employees' promotion

Table 4.3 Employees perception regarding internal employees' promotion

Items		Frequency	Percent
13. I aware of the promotion opportunities in CBE.	Strongly disagree	1	2.857
	Disagree	9	25.714
	Neutral	6	17.142
	Agree	14	40
	Strongly agree	5	14.286
	Total	35	100.0

14. The promotion paths are clearly stated.	Strongly disagree	6	17.142
	Disagree	12	34.286
	Neutral	7	20
	Agree	8	22.857
	Strongly agree	2	5.714
	Total	35	100.0
15. The exam for promotion is related to job position that I applied.	Strongly disagree	2	5.714
	Disagree	6	17.142
	Neutral	9	25.714
	Agree	16	45.714
	Strongly agree	2	5.714
	Total	35	100.0
16. The internal employee promotion of CBE is clear and transparent.	Strongly disagree	6	17.142
	Disagree	15	42.861
	Neutral	8	22.861
	Agree	4	11.485
	Strongly agree	2	5.714
	Total	35	100.0
17. There is conducive employee promotion practice.	Strongly disagree	4	11.4
	Disagree	17	48.5
	Neutral	8	22.8
	Agree	4	11.4
	Strongly agree	2	5.7
	Total	35	100.0
18. I have equal chance to be promoted in the company.	Strongly disagree	5	14.2
	Disagree	16	45.7
	Neutral	6	17.1
	Agree	5	14.2
	Strongly agree	3	8.5
	Total	35	100.0

19. After the exam I received the feedback.	Strongly disagree	12	34.2
	Disagree	13	37.1
	Neutral	6	17.1
	Agree	3	8.5
	Strongly disagree	1	2.8
	Total	35	100.0

Source: survey, 2025

According to Mirza, (2008) most employees are not interested in working in a dead end job. Promotion is a strategic move to retain an employee, particularly if he/she happens to be a good performer and also it impresses that upward mobility is possible for an employee if he/she performs well. Similarly, respondents were asked to tell their awareness related to promotion opportunities in CBE (item 13), and about 40% of respondents agreed that they have an awareness of promotion opportunities in CBE, about 25.7% of respondents have shown their disagreement and 17.1% of them neither agreed nor disagreed. From this we can say that the bank has created the awareness of promotion opportunities to its employees.

According to (NIPM HR Institute,Kolkata,India) Promotion channels or paths should be identified and recorded on paper. This process is related with job analysis and career planning of an organization but concerning item 14, about 22.8% of respondents agreed that the promotion paths of CBE is clearly stated; whereas, and around 34.2% of respondents disagreed and the rest 20% neither agreed nor disagreed to this issue. From this opinions, it is possible to conclude that majority of employees think that the promotion paths or directions of CBE does not clearly stated. Concerning item 15 of the above table, 45.7% of the respondents said that the exam for promotion is related to with their applied job position. About 17.1% of respondents disagreed and about 25.7% have no opinion. From this it is possible to say that the majority of employees have positive perception regarding the exam for promotion relation with their applied job position.

According to NIPM drawing up an organization chart to make clear to all the ladder of promotion. Where there is a job analysis and a planned wage policy, such chart is quite easy to prepare. Making the promotion system clear to all concerned who may initiate and handle cases of promotion. Though departmental heads may initiate promotion, the final approval must lie with the top management; after the personnel department has been asked to check from its knowledge whether any repercussion is likely to result from the proposed promotion. But **r**egarding item 16, about

11.4% of respondents replied that the internal employee promotion of CBE is clear and transparent and 42.8% of respondents replied disagree with the statement. However, 22.8% neither agreed nor disagreed. From this it is possible to say that the internal employees' promotion is not clear and transparent for the employees.

In relation to the existence of conducive employee promotion practice in CBE (item 17), only 11.4% of respondents agreed that there is conducive employee promotion practice in the Bank; whereas about 48.5% of respondents disagreed on the existence of conducive employee promotion practice in the Bank. The rest 22.8% are neither agreed nor disagreed. From this result it can be conclude that the Bank has a problem of implementation of convenient employee promotion to their employees.

Respondents were asked to rate whether they have equal chance to be promoted in the bank or not (item 18), about 45.7% of respondents disagreed; whereas, 17.1% of respondents neither agreed nor disagreed. However, the rest 14.2% of employees agreed. From the overall response of this item the majority of employees do not think that there is equal chance during the promotion in the bank.

Employees were asked whether they get feedback or otherwise after exam and their responses are described in the above table (item 19), about 8.5% of the respondents were agreed that they get feedback after taking examination for promotion, while the majority or 37.1% of the respondents disagreed that they did not get any feedback after the examination at all and 17.1% of respondents neither agreed nor disagreed to this issue.

4.5. Promotion bases of internal employee promotion

Table 4.4 Promotion bases of internal employee promotion

Items		Frequency	Percent
20. Which one of the following promotion bases is applied in the bank	Seniority based	19	54.2
	Competency based	4	11.4
	Both competency &seniority based	12	34.3
	Total	35	100.0
21.Which One of Promotion Bases	Competency based	13	37.1
	Seniority based	7	20

Are Preferred By You For Promotion Practice Of CBE	Both competency &seniority based	15	42.8
	Total	35	100.0
22. The major criteria used by the bank , when the bank implemented promotion bases	Educational back ground	5	14.2
	Work experience	15	42.8
	Performance appraisal	2	5.7
	Examination & interview	13	37.1
	Total	35	100

Source: survey, 2025

According to Dessler, G. (1994) there is three main promotion related decisions that are based on seniority, competence or some combination of the two. Having this in mind respondents were asked about their thinking of which one of employee promotion bases are applied in the bank, which one of promotion bases are preferred by them and related to promotion bases which major criteria is used by the bank.

Accordingly, above table 4.2.4, view concerning item20, the majority, 19 (54.2%) respond to the question that the bank mostly applied seniority based promotion for internal employee promotion, 4 (11.4%) respond based on competency, whereas 12(34.3) based on both competency and seniority based. From the above result the majority of employees think that the bank is focused on seniority based promotion.

Concerning item 21, about 13 (37.1%) of respondents are preferred competency based promotion practice, 6 (20%) preferred seniority based promotion practice and about 15 (42.8%) are chosen both competency and seniority based promotion practice. Based on the above result most employees are want to implement both competency and seniority based internal employee promotion practice, this thinking is supported by most scholars. According to Rosenberg, H.R., & Billiopf, G.E., (1983) both seniority and merit as basis suffer from certain limitations, therefore, a sound promotion policy should be based on a combination of both seniority and merit. A proper balance between the two can be maintained by different ways: minimum length of service may be prescribed, relative weight age may be assigned to seniority and merit and employees with a minimum performance record and

qualifications are treated eligible for promotion, seniority is used to choose from the eligible candidates.

Concerning item 22, based on their response the respondents are requested to select the major criteria used by the bank during the implementation of employee promotion bases and 5(14.82%) respondents stated that based on educational back ground, 15(42.8%) say that based on work experience, 2(5.7%) respondents believe that the criteria is performance appraisal and 13(37.1%) respondents stated that examination and interview are the major criteria during the implementation of promotion bases. Another study made in Pubali Bank by Maksuda Hossain, Abu Md. Abdullah and Shila Farhana, (2012) shows that Pubali bank considers promotion based on some factors like, educational qualification, merits, seniority and availability of vacant positions. But from the response of CBE' s employees we can clearly understand that the major criteria used by the bank during the implementation of promotion bases are work experience at the first stage and examination and interview at the second stage. This shows it is expected a lot of work by the concerned parties of the bank to enhance the criteria of educational back ground and performance appraisal in order to promote an employee perfectly.

4.6. Respondents' view on problems of internal employee promotion

Table 4.5 Respondents' view on problems of internal employee promotion

Item		Frequency	Percent
23.. Do you think that there is biasness during? promotion of an employee	Yes	23	65.7
	NO	12	34.3
	Total	35	100.0

Source: survey, 2025

Jones,David and Gerald Makepeace. (1996) stated that employers are generally aware of laws prohibiting discrimination in hiring and firing, but they often do not realize that similar considerations apply to promotions. Basically, it is as illegal to apply different standards for promotion to different member of your work force as it is to apply them to hiring. You may not use subjective standards that have a disparate impact on protected groups in either case. Employers must be constantly on guard to be sure that promotion policies that appear to be neutral on paper actually avoid any discrimination when put into practice. Having this in mind (item 23and item 24) respondents were asked to express their thinking about bias; either it is happening during the

promotion of the employees or not and about 23(65.7%) of respondents are agreed that there is bias during employee promotion practice and about 12(34.3%) are not believesthere is bias during the implementation of employee promotion. From this data it is possible to understand that the majority of respondents were believed that there is bias during promotion of an employees. The reasons for their thinking about the bias of employee's promotion practice, as stated in the open ended question are personal, religious and political relationship, poor uniformity during the implementation of human resource procedure, poor human resource information recording and management system, sometimes the branch manager recommendation to the candidate employees may put a pressure to the examiner to be biased and lack of follow up by higher officials lead to promotion bias.

As per their response of the majority of employees; lack of clear and transparency of promotion practice, fail to consider personal merit or competency and focused on service experience in other words unable to pay attention for those both qualified and experienced employees, poor employees data management, the problem related to the time of service year like most of the time those who are CSO and wont to apply for other positions they must serve the bank about four years and those who are junior customer service they must serve the bank about one year to become customer service officer, unable to show exam result for those candidate employees, employees think that the management trainee position that are employed from outside the bank are affected to the internal employee promotion practice, the exclusion of performance and educational based promotion, the right person is not assigned at the right place, lack of uniformity and information gap about employees history and finally employees document is not checked properly. As it is stated in the open ended questions the respondents were asked to express their ideas about the ways to solve the problems of employee promotion practice. The respondents mentioned that the promotion practice should be clear and transparent, promotion must be based on both competency and seniority and supported by educational background and personal skills, during the promotion process the bank must be considered or applied PMS appraisal, creating of good Human resource management and recording system, the bank should create awareness among employees and should accept comments and suggestions regarding the promotion practice as well as promotion criteria, after announcement of vacancy for internal employees the bank must prepare enough preparation time for the test or interview and feedback should be given after the examination, human resource and other concerned body always must be sticking to the policy and procedures of the bank and strictly follow the procedure and regulations.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of findings

Regarding the demographic characteristics of respondents, the study found out that the majority of respondents are male. Majority of respondents are found to be in age group of 20-29. Related to educational background, 80% of employees are first degree holder and 20% are master's degree holder. Similarly, majority of respondents have served the Bank between two and five years.

Around 31.4% of the respondents agreed on the issue of CBE is promoted and fill vacant posts at all levels internally as long as qualified staff exist.

The majority of the respondents with 40% proportion are disagreed about CBE is stick to the principles of promotion for performance and achievements.

The majority 40% of employees are disagreed on the Bank's encouragement of using competency and fitness to the post.

Around 40% of respondents are neutral about the idea of the priority of women and disabled whenever candidates score equal points.

Among the respondents 34.3% of respondents strongly disagreed that employees are eligible for promotion after one year of service.

Around 37.1% of employees agreed that vacancy circulars are timely distributed.

37.1% of the respondents agreed that promotion procedures criteria are acceptable and clearly stated.

The majority of respondents agreed on the relevancy of promotion examination for their current job position and had 42.8% proportion.

The majority 40% of respondents have an awareness about the promotion opportunities in CBE.

Around 34.2% of the respondents believe that the promotion paths are not clearly stated.

The majority of the respondents with 45.7% of proportion agreed that the exam for promotion is related to job position they applied.

The majority 42.8% of employees think that employee promotion of CBE is not clear and transparent

Most of the respondents with 48.5% proportion are disagreed about CBE conducive employee promotion practice.

45.7% of respondents think that there is no equal chance during the promotion of employees within the company.

Around 37.1% of respondents expressed that after the exam there is no a feedback.

Among the respondents 54.2% of respondents stated that CBE is applied seniority based promotion practice.

Most of the respondents with 42.8% proportion preferred that both competency and seniority based promotion practice.

The respondents agreed that both 42.8% of work experience and 37.1% of examination and interview respectively are the major criteria's used by the bank during the implementation of promotion bases.

The majority of respondents with 65.7% of proportion think that there is biasness during promotion of an employee.

5.2 Conclusions

The first objective of this research is to assess the promotion policy and procedures of CBE wolkite branch. The finding of the research shows that internal promotion examination contents are relevant for the employees' current job position as stated in HRM policy and procedures. CBE promotes and fills vacant posts at all levels internally, as long as qualified staff exist and the vacancy circulars are timely distributed. However, it has a problem like the Bank did not encourage the employees using competency and fitness to the post as stated in the HRM policy and procedures of the Bank, the employees are not eligible for promotion after one year of service, the Bank hasn't commitment to the principles of promotion for performance and achievements and also a problem related to the priority to women and disabled whenever candidates score equal points.

The second objective of this research is to assess the promotion bases that are practiced in CBE. The finding of the research shows that CBE is mostly used seniority based promotion practice. But the employees are chosen to apply both competency and seniority based promotion practice. And also during the implementation of the employee promotion the Bank is used work experience and examination and interview respectively.

The third objective of this research is to assess the perception of employees about promotion practice of the bank. The finding of the research shows that employees have awareness about promotion opportunities in the bank and the promotion exam is related to the job position they applied. But the employees perceived that employees' promotion paths are not clearly stated, internal employee

promotion of CBE is not clear and transparent, there is no conducive employee promotion practice, there is no equal chance during the promotion and after the exam they did not get the feedback.

The fourth objective of this research is to identify the major problems of employee promotion practice and ways of overcoming those problems. The finding of the research shows that the major problems of employee promotion practice are lack of clear and transparency of promotion practice, fail to consider personal merit or competency and focused on service experience in other words unable to pay attention for those both qualified and experienced employees, poor employees data management, the problem related to the time of service year like most of the time those who are CSO and want to apply for other positions they must serve the bank about four years and those who are junior customer service they must serve the bank about one year to become customer service officer, unable to show exam result for those candidate employees, employees think that the management trainee position that are employed from outside the bank are affected to the internal employee promotion practices, the exclusion of performance and educational based promotion, the right person is not assigned at the right place, lack of uniformity and information gap about employees history and finally employees document is not checked properly.

5.3 Recommendation

Based on the findings and conclusions of the study, the following recommendations have been forwarded. The internal promotion examination contents are relevant for the employees' current job position as stated in HRM policy and procedures. CBE is promoted and fill vacant posts at all levels internally, as long as qualified staff exist and the vacancy circulars are timely distributed. The employees have awareness about promotion opportunities in the Bank and the promotion exam is related to the job position they applied. Thus, this is a positive trend that must be encouraged further. However,

As stated in HRM promotion policy and procedures the Bank must implement the encouragement of employees through competency and fitness to the post. And also in order to have a sound promotion policy, CBE should be promoting the employees by using both competency and seniority based promotion practice with a support of performance and educational background of employees rather than depending on seniority based promotion practice.

Individual contributors must be eligible for promotions that recognize and reward their role as contributors. So the employees must be eligible for promotion after one year of service as stated in the HRM policy and procedures of the Bank.

The study recommends that CBE must be committed to the principles of promotion in order to achieve better performance and achievements.

In order to enhance the moral and motivation of women's and disabled employees the Bank must focus and prioritize women and disabled whenever candidates score equal points as stated in the HRM policy and procedures of the Bank.

The Bank must consider for accelerated promotion in case of extra-ordinary performance of an employee by relaxed the promotion criteria in order to attract the employees who perform extra-ordinary activities to the Bank.

In order to have clearly stated promotion paths to the employees of CBE the bank must give employees exposure to what everyone else in the company does. Maybe another department is a better fit for their skills. And a Bank must be building a grid of the various levels of each position within the organization. A promotion is an important decision since it doesn't only involve change in rank but also more duties and responsibilities so in order to have conducive employee promotion practice the Bank must be taken in to consideration of careful assessment and evaluation of performance, length of service (seniority), merit and ability, educational/technical qualification, assessment of potential, spacing of the promotion and career span of the individual.

The study recommends that CBE should provide feedback and show exam result for successful and unsuccessful applicants because it would specifically help the candidate as to why they were rejected and what remedial actions they might take to be more successful in the future as it is believed essential to motivate employees for applying for promotion.

The study recommends that during employee's promotion CBE should assigned the right person at the right place and it should be allowed or give chances to the internal employees to obtain a management trainees position rather than allowed only external candidates.

CBE should increase the awareness of middle and line managers about the Bank's promotion policy and procedures in the course of executing promotion practices in order to minimize personal biasness and lack of uniformity since its process has been carried out in a decentralized way.

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APPENDEX

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

SURVEY QUESTIONNAIRE

Dear Respondents:-

The aim of this survey question is to gather data to assess the employee promotion practice of CBE, to assess the policy and procedures of employee promotion, to identify the employee's perception about the over all of promotion practice, to assess the promotion bases of employee promotion practice and to identify problems related to employee promotion practice. Therefore I kindly request you to fill this questionnaire genuinely assuring that the data will be used solely for the intended professional purpose and is subject to ethical rules of research at Wolkite University Collage of businesse economic department of management

Please follow the instructions and answer all questions. Your answers will be treated strictly confidential.

Part One:- Demographic and other information

Please put tick mark (√) in the circle with most closely represents your personal situation.

1. Gender Male [ ] Female [ ]

2. Age 20-29 [ ] 30-39 [ ] 40-49 [ ] Above 50 [ ]

3. Educational qualification

Diploma [ ] First Degree [ ] Master's Degree [ ] other [ ]

4. Work experience in CBE in years

0-1[ ] 2-5 [ ] 6-10 [ ] 11-20 [ ] Above 21[ ]

Part Two: - Employee promotion policy and procedures survey questions.

Please put tick mark (√) in the box corresponding to the option that identifies your level of overall agreement on the true feeling you have on a five point scale where 5 is strongly agree" and 1 is strongly disagree".

(1=strongly disagree 2=disagree 3=neutral 4=agree 5=strongly agree)

	Promotion Policy and procedures	1	2	3	4	5

5	CBE promote and fill vacant posts at all levels internally, as long as qualified staff exist.					
6	In its internal promotions, CBE stick to the principles of promotion for performance and achievements.					
7	CBE is encouraged me using merit (competency) and fitness to the post.					
8	CBE is giving a priority to women and disabled whenever candidates score equal points.					
9	New employees are eligible for promotion after one-year of service.					
10	Vacancy circulars are timely distributed.					
11	The criteria that are under promotion procedures are acceptable and clearly stated.					
12	The contents of the internal promotion examinations are relevant for my current job position.					

Part Three:- Please answer the following questions that are related to the employees perception of promotion practice**.**

Please put tick mark (√) in the box corresponding to the option that identifies your level of overall agreement.

(1=strongly disagree 2=disagree 3=neutral 4=agree 5=strongly agree)

	Employees perception	1	2	3	4	5
13	I aware of the promotion opportunities in our organization.					
14	The promotion paths are clearly stated.					
15	The exam for promotion is related to job position that I applied.					
16	The internal employee promotion of CBE is clear and transparent.					
17	There is conducive employee promotion practice.					
18	I have equal chance to be promoted in the company.					
19	After the exam I received the feedback.					

Part Four:- Please answer the following questions that are related to the promotion bases practices**.**

20. Based on your thinking which one of employee promotion bases are applied in the Bank?

Seniority based [ ] Competency based [ ] Both competency and seniority based [ ]

21.Which one of promotion bases are preferred by you for promotion practice of CBE.

Competency based [ ] Seniority based [ ] Both competency and seniority based [ ] 24.

22. During the implementation of promotion bases which major criteria is used by the bank?

Educational back ground [ ] Performance appraisal [ ]

Work experience [ ] Examination and interview [ ]

Part Five:- Please answer the following questions that are related to the problems of employee promotion**.**

23. Do you think that there is bias during promotion of an employee?

Yes [ ] No [ ]

24. If your answer to Q.23is yes, what is the reason for bias during the promotion of the employee?

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25.What are the major problems of employee promotion practice?

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26.What should be done to avoid the problems of employee promotion practice?

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THANK YOU FOR YOUR COOPERATIONs