

# 7 Steps To Return a Demoted Employee Back to Work



Employees may be demoted for a number of reasons. Some common reasons include:

- A great employee may have been promoted into a position that was not a great fit and the situation needs to be altered.
- An employee may have engaged in misconduct that was serious enough to warrant a demotion but, through negotiation or need, the organization decided it was in their best interests to keep the employee on board.
- The organization may have decided or needed to reorganize and, as a result, eliminated a role, entire team or department but wanted to retain an employee; however, there were no other roles of equal position.
- An employee, for personal reasons, may choose to take a step back from a role and ask to be reassigned to another role a step back on the hierarchy.

When you have reached the decision to demote an employee, it is important to have a plan in place to navigate the challenges and emotions in the situation. Assuming the decision is made and the employee is in agreement and willing to proceed in a new, reduced role, there are a few steps you can follow to improve the odds that this process will be a success.

## **Implementing A Demotion and Return To Work Plan**

- 1. Inform the employee of the decision to demote.** If the demotion is a result of performance or misconduct, then these issues have already been discussed during a process of progressive discipline (read more about progressive discipline here: [4 Steps to Progressive Discipline](#)). If the demotion is tied to genuine restructuring and/or economic factors, explain the situation and emphasize that you value the employee's contributions and want to retain him/her. Provide the employee with options that include leaving with a severance package. Provide a letter explaining the situation.
- 2. Explain the employee's options for leaving and staying.** This should include information about wages, seniority, and whether a promotion will be possible again in the future. Explain what staying would look like and let the employee consider his/her options for 3-10 days (depending on your organization's policies and the particulars of the situation). If possible, provide the employee with the option of a paid leave while the decision is being made.

**3. Announce the interim situation generally.** While maintaining confidentiality, inform the employee's team that there are changes in the organization and the employee's role. If the employee selects to take leave from work and no final decision has been made, explain that the employee is taking time off for a few days but will be returning. Although the employee may not return, the less speculation you create the better, so focus on the fact that the employee is planning on returning. To all others outside of the team, including customers or clients, respond to any inquiries by saying the employee is away from work for a few days and offer no other details.

**4. Define the new role for the employee.** If the employee agrees to the demotion, clearly define the employee's new role and acknowledge your mutual agreement in writing. Identify the expectations for the demoted employee including, if relevant, behaviour and performance expectations. This information needs to be clear to the employee and the employee's supervisor.

If there are **behavioural concerns** that have led to this demotion, clearly lay out the expectations for improved behavior. If applicable, caution the employee that termination could follow if improvement is not apparent within a given time frame. Be sure to provide a short timeline for improvement (4 weeks may seem like a short period of time, but if you have already followed the progressive disciplinary process, you will have already provided the employee with an opportunity to improve behaviour).

For **performance problems**, offer the employee at least a 3 month window to meet performance standards for the new role.

Note: a demotion could be cause for a constructed dismissal claim, even if the employee agrees to the demotion. In agreeing to take the new role, an employee could be attempting to mitigate losses.

**5. Create a return to work plan.** Include a start date, new job duties, supervision process, a communication plan, and performance expectations. Remember to update any previous employment agreements/contracts or a new employment agreement to reflect the new role (this is an often overlooked step in the process). Ensure that this employment agreement is fair and not only one-sided, as a one-sided agreement that provides benefit primarily to the organization may not stand a court test. If the demotion was a result of performance or behaviour concerns you may consider a period of probation as part of the role and contract.

**6. Return to work communication.** Managing the situation often begins from the announcement of the change. Even when an employee has been demoted for conduct or performance issues, the odds of success dwindle if the announcement does not focus on the positive. Announce first to the team the demoted employee will be joining that he/she will be assuming a new role. Announce this with the details that you would normally include when welcoming a new hire. Focus on the strengths and skills the person brings to the team. If the employee was demoted due to restructuring and/or economic conditions, then transparency is almost always the best policy. Let the employees know that changes are being made that are designed to help the organization be successful and as a result some jobs will be changed or eliminated.

**Consider saying something like this:**

*'As you may have heard, management has been trying to address challenges we are all facing as a result of changes in the industry (or economy). After much consideration,*

*we have decided to make changes that will impact how we do business. In some cases, this will result in job losses or changes.'*

*'Today, we are pleased to inform you that John has decided to remain with our organization and join (rejoin) your team in the position of \_\_\_\_\_. We know that John's strengths in \_\_\_\_\_ and \_\_\_\_\_ will enable him to jump right back into the team/join your team and begin making a contribution very quickly. John would like us to say, on his behalf, that he is pleased with the opportunity to stay with/join your team and looks forward to getting right back to work quickly.'*

**7. First Day Back.** Supporting the employee and setting him/her up to succeed includes providing an opportunity for success. When the employee returns to work in the new role, let him/her get to work on a project that will utilize the employee's skills and strengths immediately. If performance issues are part of the equation, provide the employee with an idea of the supervision process and provide ongoing feedback on how well the employee is achieving performance benchmarks. If relevant and possible, provide the demoted employee with a mentor or peer-coach for support and ongoing training.

It is often difficult and uncomfortable for all involved when an employee returns to work after a demotion. Managing the process with forethought and supporting the employee, employee's manager and the team by focusing on the positives and the future will give you better than a fighting chance to make this succeed.

## **HR Insider Resources:**

[4 Steps to Progressive Discipline](#)

[How To Create A Probationary Contract & Model Clause](#)

[Can Employment Agreements Be Airtight? Avoiding Common Pitfalls](#)

[Top Ten Must Haves For Employment Agreements](#)