

When Organizational Change Breaks the Promotion Deal



An employee spends three years preparing for a management role. She trains new colleagues, accepts difficult assignments and fills in when her supervisor is away. Her reviews describe her as someone with leadership potential. Then a restructuring removes the management layer she was working toward.

She keeps her job. Her salary stays the same. Leadership describes the change as an opportunity to work in a flatter, more agile organization. From her perspective, the opportunity has disappeared while many of the expectations remain.

HR needs to recognize this consequence before announcing a new structure. Organizational change can disrupt an employee's career without eliminating the employee's position. If the employer redesigns reporting relationships while leaving career development to individual managers, it may create avoidable departures, weaker succession coverage and a credibility problem it can't solve through better launch communications.

The task is to identify which opportunities the change removes, determine what the organization can realistically offer instead and help managers discuss that future honestly. Employees don't need a guarantee of promotion. They need a credible understanding of what contribution and progression can mean in the organization they now work for.

The career consequence can disappear from the business case

Restructuring proposals typically show positions removed, reporting lines changed and payroll affected. They may say little about the development opportunities that disappear with those positions.

A team lead role might have provided a first experience of supervision. A regional assignment might have helped employees learn commercial decision-making. Junior analysis might have prepared people for more complex work. Consolidation or automation can remove those experiences even when the employer intends to retain most employees.

The workforce implications extend beyond employees who expected the next vacancy. Managers may lose a route for developing successors. Specialists may take on greater responsibility without a recognized progression path. Employees at smaller locations may find that the remaining opportunities require relocation.

HR should include those effects in the design review. Ask where employees previously gained experience, how the proposed structure changes that route and whether a practical alternative exists. An organization chart can become simpler while career development becomes more difficult.

Separate expectations from enforceable commitments

The CIPD describes the psychological contract as the relationship shaped by everyday actions and statements and how each party interprets them. It distinguishes that concept from the legal employment contract. [1]

That distinction is useful for HR. An employee may reasonably feel that a career expectation has been undermined without having an enforceable right to a promotion. Conversely, a restructuring may affect contractual rights even if management believes the employee should welcome the change.

Don't dismiss either issue. Review offer letters, employment agreements, incentive terms, development plans and relevant communications. Ask what managers have said about progression and whether anyone made specific commitments. Obtain legal advice on the actual circumstances where terms, duties, status or compensation may change.

Under the common law, constructive dismissal can arise without a formal termination. In *Potter v New Brunswick Legal Aid Services Commission*, the Supreme Court of Canada explained the assessment of employer conduct and substantial changes to essential employment terms. [2] The decision doesn't make every lost promotion prospect a constructive dismissal. Its relevance is that retaining an employee's salary doesn't by itself settle whether a significant workplace change is legally permissible.

The governing framework depends on jurisdiction and employment status. Quebec's civil law, collective agreements and applicable statutes require their own assessment. A general career communication plan can't substitute for that review.

Audit the opportunity before the announcement

A career impact assessment can begin with the job families most affected by the proposed change. Record the roles being removed or consolidated, the experience they provided and the employees currently preparing for them.

Then examine the proposed structure. Which roles still offer progression? What competence will they require? How often are vacancies likely to arise? Are opportunities accessible across locations, shifts and working arrangements? A theoretical path that depends on a vacancy nobody expects isn't a credible answer to an immediate concern.

Include developmental assignments, not just promotions. Employees may lose access to budget responsibility, client exposure, supervision or problem-solving work. Those

losses can affect future employability even if formal career levels remain unchanged.

Avoid treating a manager's nomination as the only evidence of employee interest. Some people have never been invited into a succession discussion. Offer a way for employees to express their aspirations and have their relevant experience assessed consistently.

The outcome should identify where the new design creates a gap between expected contribution and available progression. Leadership can then decide whether to alter the structure, fund a different development route or acknowledge a limitation it can't resolve.

Put a financial value on the exposure without inventing a turnover forecast

Imagine a hypothetical Canadian employer with 12 employees preparing for roles that disappear in a restructuring. Management wants to understand what additional departures could cost. It shouldn't assume all 12 will leave, or attribute every future resignation to the change.

Instead, HR and finance can examine scenarios. Suppose replacing one employee would require \$9,000 in recruitment costs, \$6,000 in temporary support and 100 hours of onboarding from colleagues at an assumed \$60 an hour. Those items total \$21,000 per departure.

If three additional departures occurred, the illustrative replacement and transition exposure would be \$63,000. If six occurred, it would be \$126,000. These Canadian-dollar figures are assumptions for decision-making, not turnover benchmarks or a prediction of employee behaviour. They exclude possible lost output, which should only be added when the business can estimate it without double counting.

Now compare a proposed development response. Four paid specialist assignments carrying an assumed \$5,000 annual premium would cost \$20,000. Add \$12,000 for structured coaching and \$10,000 for workload coverage, producing a \$42,000 programme cost.

The lower programme cost doesn't establish that the investment will prevent three departures. Employees may leave for other reasons, and the assignments may benefit people who would have stayed. Leadership should assess whether the programme builds needed capability, offers meaningful progression and has a plausible retention benefit. The scenario makes the potential stakes visible without pretending to prove causation.

Make specialist progression real

A flatter organization may offer fewer management positions while still needing deeper expertise. A specialist pathway can provide a useful alternative if the work supports it and the employer defines what progression means.

Start with the contribution. A more senior specialist might resolve complex cases, set technical standards, coach colleagues or improve a process across locations. Specify the scope, authority and evidence required. Then evaluate the role and establish appropriate compensation through the employer's normal process.

Simply adding senior to a title won't address a career concern if the employee gains no additional authority, recognition or earning opportunity. Nor should the pathway become a way to assign management responsibilities without the support or compensation those responsibilities warrant.

Some employees want to manage people; others prefer expertise. Don't assume that one route compensates everyone for the loss of another. Explain the available options and let employees make informed decisions about their own goals.

A smaller employer may not have enough work to sustain several specialist levels. It can still offer meaningful assignments, skill development or external qualifications, but it should be candid about the limits of internal advancement. Credibility is more valuable than an elaborate pathway the business can't support.

Replace lost experience with deliberate assignments

Where the change removes a developmental role, identify the capability employees still need and create a practical way to acquire it. An employee preparing for commercial leadership might own a defined budget or present a customer analysis to decision-makers. Someone developing supervisory skills might lead an approved project with coaching and clear limits of authority.

The assignment needs a purpose beyond keeping the employee interested. Define the business result, the learning objective, the support provided and how readiness will be assessed. Explain whether successful completion affects eligibility for future opportunities, compensation or neither.

Protect time for the work. If the employee must maintain a full workload while taking on a development assignment, the opportunity may become unpaid overwork in practice. Assess applicable pay and hours requirements and decide what duties will move.

Managers also need capacity to coach. Feedback delayed until the end of a project rarely helps an employee improve while the work is happening. Schedule reviews around consequential decisions and ensure another qualified person can provide support if the manager becomes unavailable.

Look for unequal access to the remaining opportunities

A restructuring can concentrate career opportunities without anyone intending to exclude employees. Fewer regional roles may mean greater dependence on head office visibility. Informal selection may favour employees who already work closely with senior leaders. A training programme held outside normal hours may be difficult for caregivers or shift workers to attend.

HR should review how opportunities are advertised, who is eligible and what selection criteria measure. Ask whether a location requirement is necessary for the work. Assess whether scheduling or delivery can change without undermining the assignment.

Relevant human rights and accommodation obligations need to be considered in the actual circumstances. Don't assume that applying the same requirement to everyone establishes fairness. At the same time, avoid collecting sensitive employee

information merely because a career review is underway. Use appropriate, protected processes and obtain advice where needed.

Track access and outcomes at a level that protects privacy. Who applied, who was selected and who completed the assignment? Where a group is repeatedly absent, investigate the process before concluding that its members lack ambition.

Equip managers to have an honest conversation

Employees will ask questions that the announcement presentation can't answer. What happens to the development plan we discussed? Am I still being prepared for a larger role? Will I continue supervising others? Does my pay reflect the new responsibilities?

Give managers the facts and the boundaries of their authority. They should know what has been approved, which options remain open and when an unresolved question will receive an answer. They shouldn't improvise promises to reduce discomfort.

A useful response acknowledges the specific change and explains the next practical step. A manager might say that the team lead role has been removed, that the previous development plan therefore needs revision and that HR will review two available assignments with the employee by a named date. That provides something concrete without guaranteeing an outcome.

Avoid telling employees that the change creates opportunities unless those opportunities can be described. Nor should a manager suggest that disappointment shows a lack of commitment. An employee can continue performing well while reasonably questioning whether the new structure supports their career.

After the conversation, document agreed actions accurately. Keep factual employment records separate from speculation about whether the employee is likely to leave. Treat retention discussions with appropriate confidentiality.

Review retention measures for what they can deliver

A retention payment may help maintain continuity during a transition. It won't necessarily restore a career path. If the employee sees no future after the payment date, the organization may simply postpone the departure.

Where such payments are considered, identify the business purpose, eligibility, terms and cost. Review consistency and obtain appropriate advice. Employees doing comparable transition work may have legitimate questions about why only selected colleagues receive additional compensation.

Longer-term responses should follow the work the organization expects to need. Development assignments, specialist progression and internal mobility can support retention while creating useful capability. Funding them solely to discourage departures risks building programmes that lack an enduring purpose.

Some employees will decide the new organization doesn't offer the career they want. The employer should plan knowledge transfer and respectful transitions rather than

make commitments it can't keep. A departure handled honestly can be less damaging than a prolonged cycle of reassurance and disappointment.

Check whether the revised deal is credible

During the first 90 days after the restructuring, review whether development commitments are being delivered. Have assignments started? Have workloads changed? Are managers providing feedback? Do employees understand the criteria for progression?

Use employee feedback alongside observable evidence. A development plan marked complete doesn't establish that the employee received meaningful experience. Ask what work they performed, which decisions they made and what capability they demonstrated.

Track relevant departures and examine stated reasons carefully. Exit interviews provide useful information but don't establish a single cause. Compare patterns over time and with the affected job families' circumstances. Don't claim that a retention initiative worked merely because nobody left during its first month.

HR should take material gaps back to leadership with decisions attached. If there isn't enough meaningful work for a promised pathway, revise the commitment. If managers lack coaching capacity, provide it or narrow the programme. If employees have assumed responsibilities beyond the evaluated role, review the role rather than allowing the discrepancy to become permanent.

The career consequences of change belong in the business case before the announcement and in the operating review afterward. When leadership removes a step from the organization chart, HR should be able to explain what that step provided, what replaces it and what the employer is prepared to say to the people who were working toward it.