

FACULTY OF JURIDICAL SCIENCES

Lecture-22



Employee Demotion

Employee demotion is the reverse of employee promotion. It is the act of downgrading an individual's rank and status as a result of disciplinary action. This can be because of an employee's work, behavior, violation of rules, etc.

Demotion is one of the most dreadful situations an employee can suffer. It harms employee motivation, morale, and peace of mind. What's even worse is that there are countless reasons why a worker might face this dilemma. This brings us to our next matter.

A demotion refers to a permanent reassignment to a lower position than the employee had worked previously. The position will generally have a lower level of responsibility or required skill, and a lower pay grade than the previous position.

Demotions can be either voluntary or involuntary and can occur due to poor employee performance, position elimination, disciplinary actions or organizational restructuring. A demotion can allow a company to retain an employee it deems valuable by returning him or her to the previous position. However, it is also possible that the employee will not respond well to the demotion, and if the demotion is a result of employee misconduct, it can send the message to other employees that the company is lax about disciplinary action.

Demotion becomes necessary,

- If a company curtails some of its activities and employees with longer service bump persons in lower jobs with shorter service.
- It may be used as a disciplinary weapon.

Demotion will serve its purpose if it satisfies the following conditions;

- A clear and reasonable list of rules should be framed, violation of which would subject an employee to demotion.
- This information should be communicated to employees.
- There should be a proper investigation of any alleged violation.

- If violations are found, there should be a consistent and equitable application of the penalty, preferably by the immediate supervisor.
- There should be a provision for review.

Causes of Employee Demotion

- Lack of workplace discipline
- Inadequate knowledge of the assigned work/designation
- Organizational Restructuring
- Declining performance
- Violation of company rules
- Improper work ethics

Types of Demotion

1. Voluntary Demotion.
2. Involuntary Demotion.

Voluntary Demotion

A permanent employee may request a voluntary demotion to a vacant position in a class with a lower salary rate, provided that the employee has previously achieved permanent status in that class or the request for demotion is to a related class in the same job series as defined by the Personnel Commission.

Involuntary Demotion

An involuntary demotion is a disciplinary action and, as such, is subject to the disciplinary procedures in these Rules and Regulations.

Advantages of Demotion

1. Forces Employee To Leave The Company
2. Save on Salary Expenses
3. Lowering Legal Risks
4. Developing Employees' Skills
5. Keeping Promising Employees' In Organization
6. Phasing Out Unnecessary Departments and Positions