Doctor of Business Economics

Demotion, the End of a Taboo?
Obstacles and Opportunities of Demotion in the Workplace

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Abstract

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Technological and societal changes put pressure on organisations and their employees and cause work-related issues. This context challenges us to seek for new ways of working and to research the role of demotion. Therefore, there is a need for knowledge and insights into the concept demotion. Career theories, tournament theory and organisational justice theory contain several dimensions of the so called hard and soft line within HR. These schools of thought within HR influence the employer’s comprehension of demotion. The diverse theories evoke questions in a demotion context: “what could possibly be the contribution of demotion to the organisation and does the employer perceive demotion as an obstacle or as an opportunity”? To be able to answer these questions this dissertation studies the demotion concept, analyses the motives for practicing and not practicing demotion and studies the occurrence of demotion in Belgium. A self-designed survey and follow-up focus group interviews give a deeper understanding of which dimensions Belgian HR professionals relate to demotion and how they motivate their practice of demotion.

The focus group data explain in depth the survey results in accordance with an explanatory mixed methods design. The results indicate that demotion relates to five key dimensions: base salary, fringe benefits, authority, function level and job content. The outcomes demonstrate two groups of HR professionals. One group associates demotion with financial aspects which is in line with the hard school of thought within HR. The other group associates demotion with function level, authority, job content but not with financial aspects which is in line with the soft school of thought within HR. The research indicates that motives for practicing and not practicing demotion are also associated with the hard and soft schools of thought within HR. Optimization and performance are the primary motives for practicing demotion. The motives for not practicing demotion are often financial aspects, fear for demotivation, taboo and a lack of vacancies. Longitudinal data of EU-SILC 2007-2011 (Statistics on Income and Living Conditions) provide insights in the frequency of function level, authority and salary demotions in Belgium. We can conclude that demotions occur far more often today than generally assumed. This dissertation contributed to the insights and understanding of the concept of demotion, the practice and the non-practice and the occurrence of demotion in an organisational setting.