

Things will never be the same again?

Career prospects before and after
the onset of the Great Recession –
a multi-level perspective

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Petra Eggenhofer-Rehart, Michael Schiffinger
Department of Management, **WU** VIENNA



Study Focus

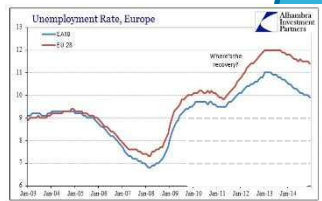


The „Great Recession“ has raised unemployment rates throughout the world, affects lower and higher educational levels (ILO 2013; Katz 2010; Kroft et al. 2016)

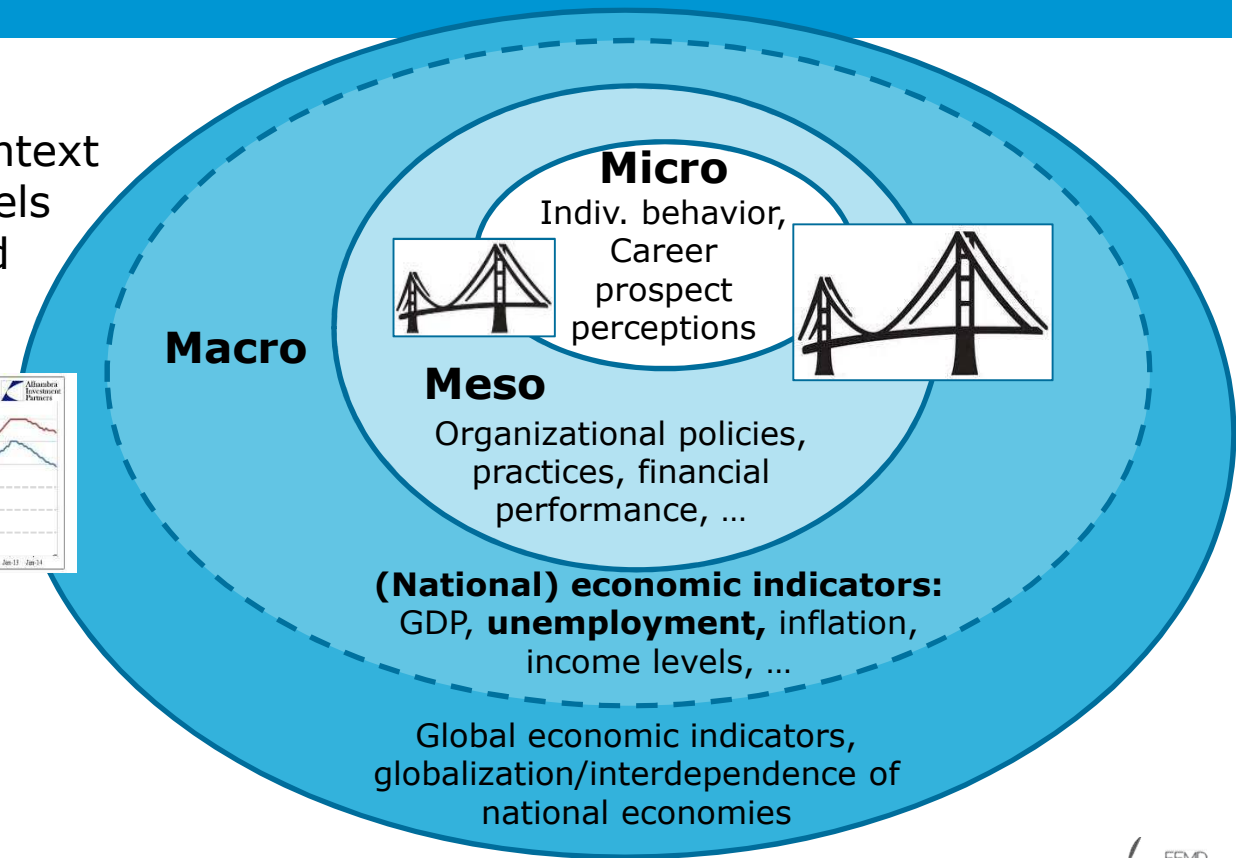
Economic situation is reported in the media: shapes public discourse and individuals' expectations of future developments (Garz 2013; Hollanders/Vliegenthart 2011)

Research Questions

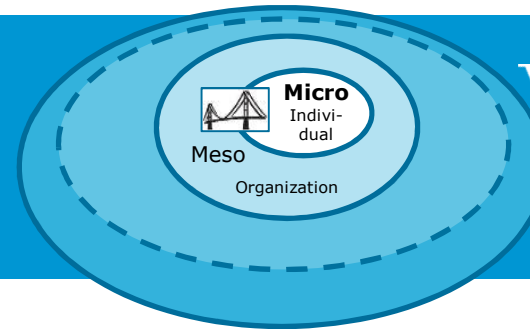
How does the economic context at the macro and meso levels affect individuals' perceived career prospects?



Does the Great Recession moderate these effects?



Career prospects I: Job (in)security



Dimensions/views of job (in)security

- Objective vs. subjective (Berglund et al. 2014; Borg 1992; De Witte 2005)
- Quantitative vs. qualitative (De Witte 2005)
- Cognitive vs. affective (Berglund et al. 2014; Greenhalgh/Rosenblatt 1984)
- State of *public awareness* – job insecurity at *company level* – *acute job insecurity* – *anticipation* of job loss (Mohr 2000)

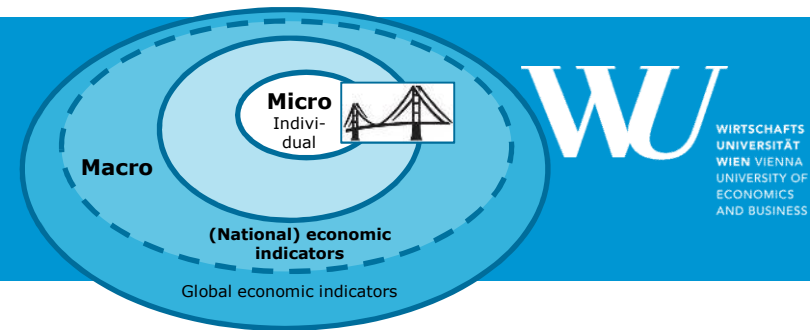
Focus of current study

- Subjective (perceived)
- Quantitative
- Cognitive
- Company level, public awareness

“individuals’ own perceptions of the
continuance of their employment”

(Berglund et al., 2014: 167)

Career Prospects II: Employability



Dimensions/views of employability

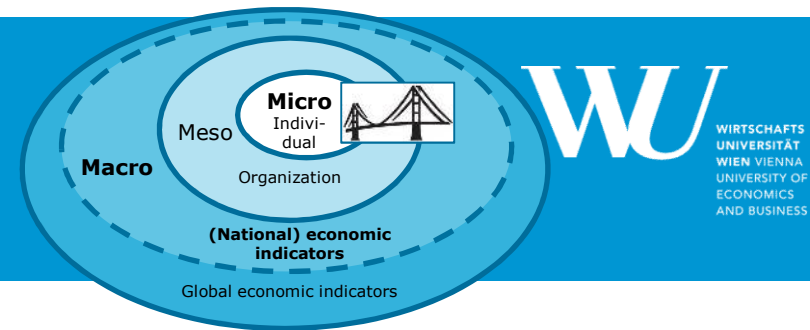
- Macro, meso, micro levels of analysis (Vanhercke et al. 2014)
- Ability to find (and sustain) employment (Green et al. 2011)
- Internal and/or external labour market (Forrier/Sels 2003)
- Objective vs. subjective employability (Vanhercke et al. 2014)

Focus of current study

- Micro-level
- Finding (adequate) employment on external labour market
- Subjective, i.e., perceived

„the individual's perception of his or her possibilities of getting new employment“
(Berntson/Marklund 2007: 281)

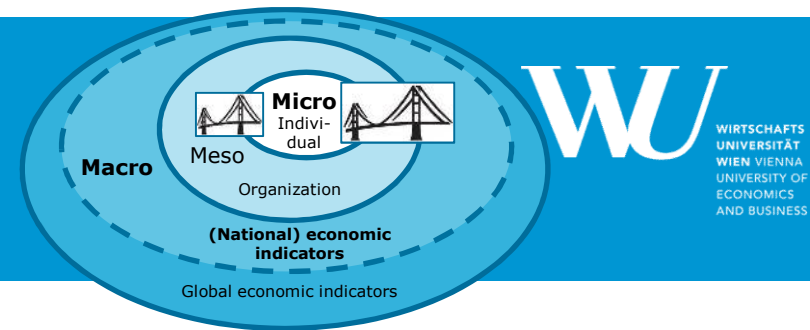
Predicting Perceived Employability



- Labour market job availability → objective employability (Berglund et al. 2014; Forrier/Sels 2003)
- Objective employability → perceived employability (PE) (Berntson et al. 2006; Green et al. 2011)

*H1: National unemployment rate is **negatively** related to PE.*

Predicting Perceived Job Security



- Widespread downsizing all over the country → unemployment rate
- Awareness of unemployment rate → expectations of downsizing by one's own employer → perceptions of job insecurity
(e.g., Green 2003; Muñoz de Bustillo/de Pedraza 2010; Nätti et al. 2005; Otto et al. 2016; Schwarz 2012)

*H2: National unemployment rate is **positively** related to perceived job insecurity.*

- Prosperous organizations have less need to cut costs, e.g. by downsizing
- Employees' awareness of their employer's prosperity → expectations of future downsizing

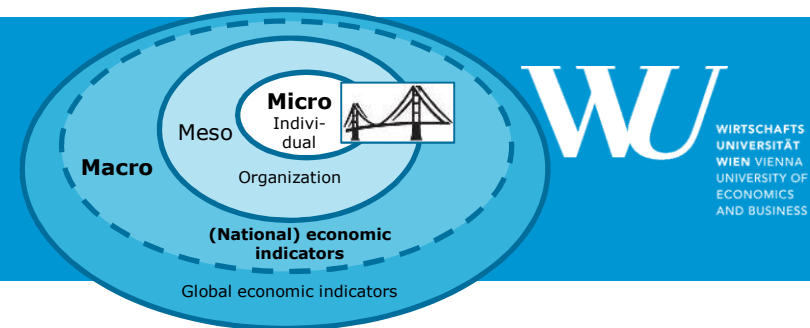
*H3: Employer prosperity is **negatively** related to perceived job insecurity.*

Economic Context as a Moderator I

- H1: National unemployment rate is negatively related to PE.
- The Great Recession affects economies and labour markets more severely and persistently than previous periods of stagnation (Elsby et al. 2010; Hout et al. 2011)
- Current crisis also affects highly educated individuals (Katz 2010; Kroft et al. 2016)
- Economic situation reported in the media shapes public discourse and individuals' expectations of future developments (Garz 2013; Hollanders/Vliegenthart 2011)
- Ongoing negative outlooks may create heightened awareness of one's vulnerability for difficulties to regain employment in case of a job loss.

*H4: The **negative** relationship between unemployment rate and PE is **stronger** for the „Post-Crisis“ period (2009-) than for the „Pre-Crisis“ period (-2008).*

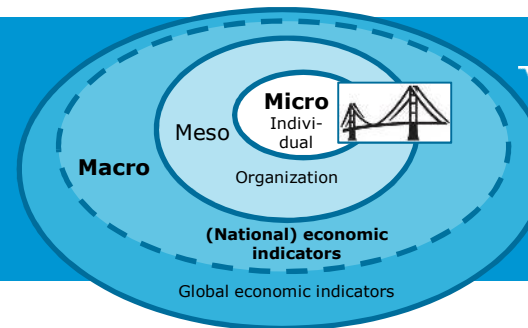
Economic Context as a Moderator I



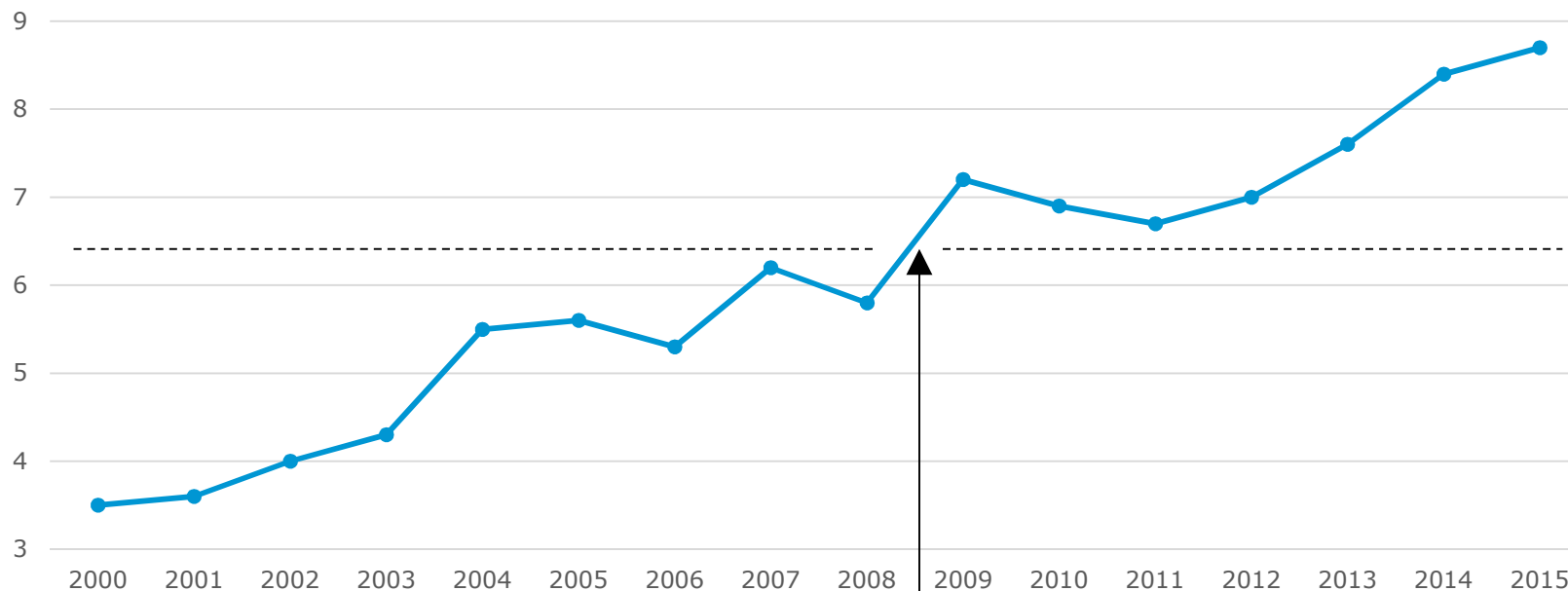
- H1: National unemployment rate is negatively related to PE.
- The Great Recession affects economies and labour markets more severely and persistently than previous periods of stagnation (Elsby et al. 2010; Hout et al. 2011)
- Ongoing negative outlooks reported in the media may create heightened awareness of one's vulnerability for **difficulties to regain employment** in case of job loss

*H4: The **negative** relationship between unemployment rate and PE is **stronger** for the „Post-Crisis“ period (2009-) than for the „Pre-Crisis“ period (-2008).*

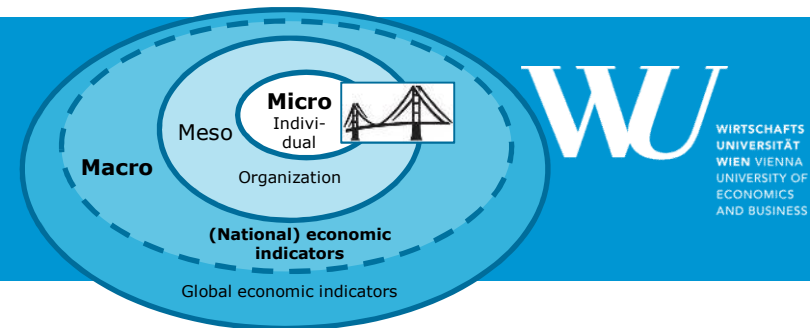
Economic Context as a Moderator I



Unemployment in Austria 2000-2015



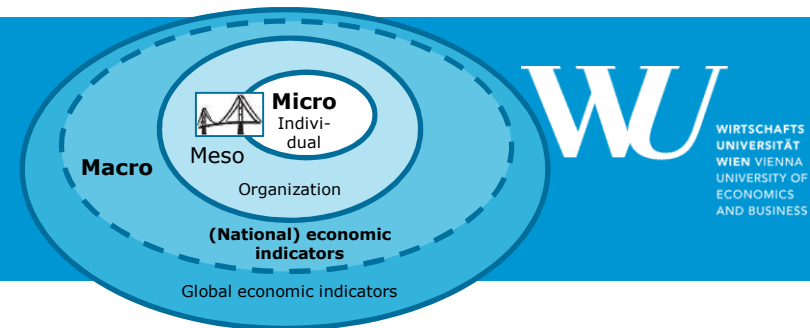
Economic Context as a Moderator II



- H2: National unemployment rate is positively related to perceived job insecurity.
- Severity of the Great Recession (Elsby et al. 2010; Hout et al. 2011) and media reports → individuals' expectations that their employer will be affected as well
- Ongoing negative outlooks may create heightened awareness of one's vulnerability for **potential job loss**

*H5: The **positive** relationship btw. unemployment rate and job insecurity is **stronger** for the „Post-Crisis“ period than for the „Pre-Crisis“ period.*

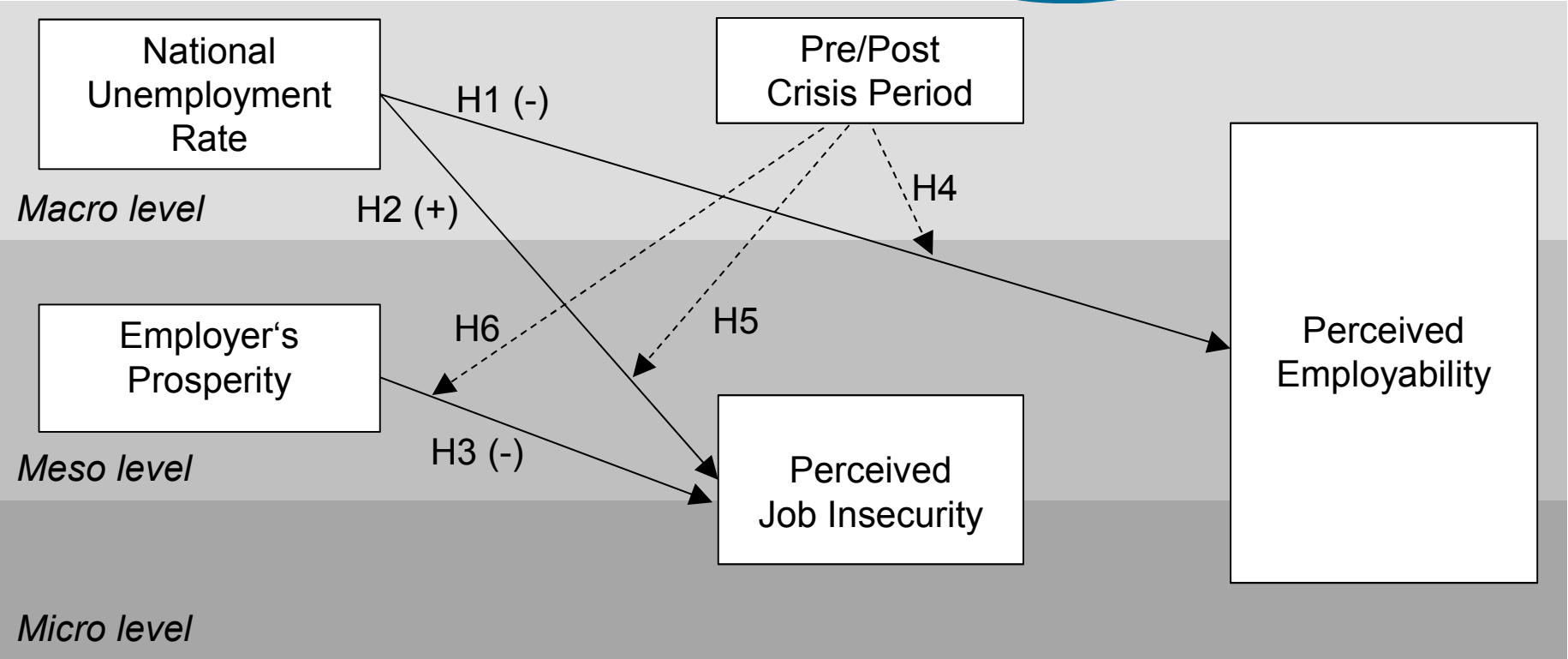
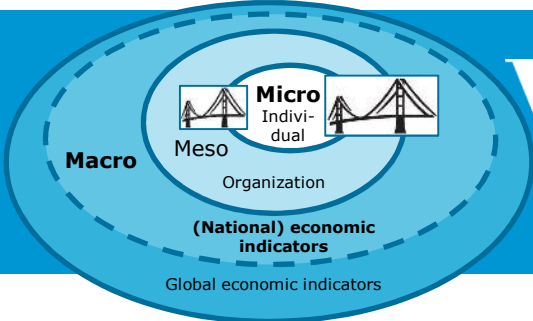
Economic Context as a Moderator III



- H3: Employer prosperity is negatively related to perceived job insecurity.
- Public discourse about rising unemployment and widespread downsizing
→ increased awareness of individuals re. their own vulnerability in case of downsizing in their own company

*H6: The **negative** relationship btw. employer prosperity and perceived job insecurity is **stronger** for the „Post-Crisis“ period than for the „Pre-Crisis“ period.*

Overview of Hypotheses



Research Design

- **Vienna Career Panel Project (ViCaPP)** www.wu.ac.at/vicapp
Current study: Graduation cohorts 1990 (n=156; 37% female), 2000 (n=510; 45% female)
- **Dependent variables:**
 - Perceived employability (PE): „How easily would you find an equally good new job?“
(1=impossible; 11=very easy)
 - Perceived job insecurity („How secure do you consider your current job?“)
(1=highly secure; 11=highly insecure)
- **Independent variables:**
 - Austria's national unemployment rate (university degree), years 2003-2013
 - Employer prosperity: Economic growth of employing organization in preceding year
(1=strong decline; 5=strong growth)
- **Moderator variable:** „Pre-crisis“ period (2003-2008) vs. „Post-crisis“ period (2009-2013)
- **Control variables:** Cohort, age, gender
- **Method:** Mixed linear model for longitudinal data (e.g., McCulloch/Searle 2001)

Results: Main Effects

	Dependent Variables	
n=664	Employability (H1)	Job insecurity (H2)
(Constant)	6.84 (.08) **	3.57 (.07) **
Unempl. rate	- .58 (.17) **	.28 (.17) *

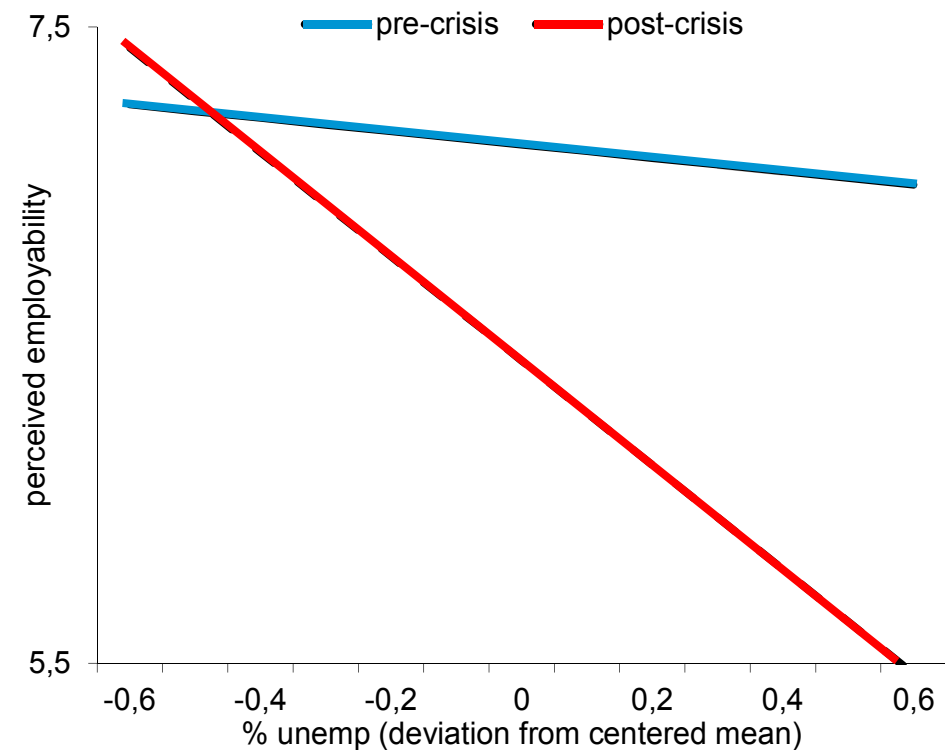
	Dep. Variable
n=620	Job insecurity (H3)
(Constant)	3.60 (.07) **
Org. prosperity	- .37 (.05) **

** $p < .01$, * $p < .05$ (one-tailed); standard errors (s.e.) in parentheses

Results: Context as a Moderator I

	Dep. Variable
n=664	Employability (H4)
(Constant)	7.13 (.09) **
Unempl. Rate	-.21 (.19)
Post-crisis (2009-2013)	-.68 (.13) **
Unempl. Rate x Post-crisis	-1.43 (.61) *

** $p < .01$, * $p < .05$ (one-tailed)
 standard errors (s.e.) in parentheses



Results: Context as a Moderator II

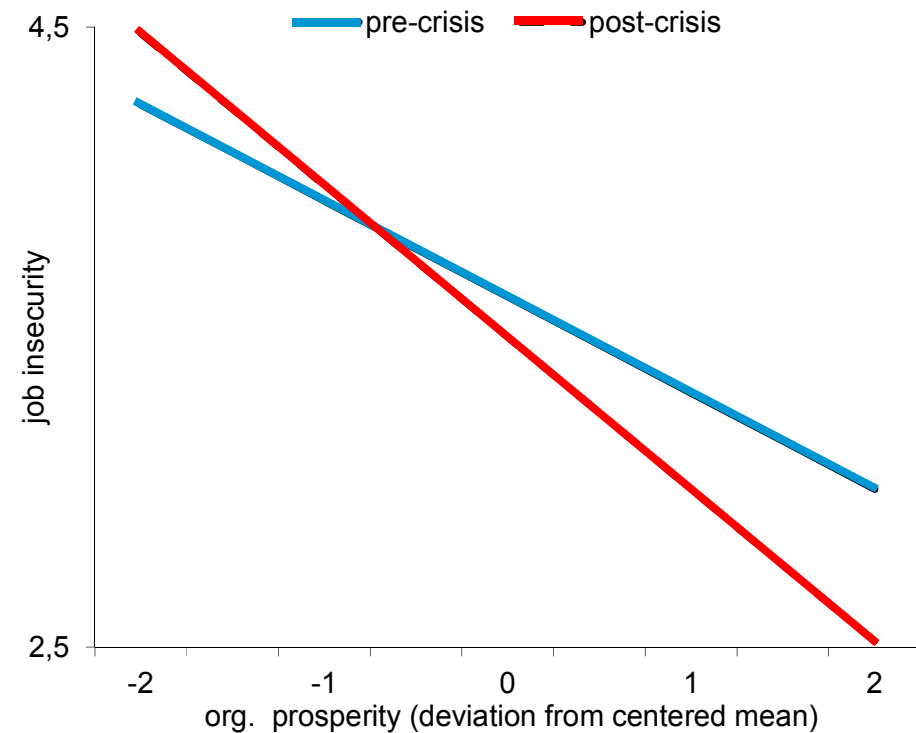
	Dependent Variable
n=664	Job insecurity (H5)
(Constant)	3.60 (.08) **
Unemployment Rate	.27 (.18)
Post-crisis (2009-2013)	-.10 (.12)
Unempl. Rate x Post-crisis	.66 (.60)

** $p < .01$, * $p < .05$ (one-tailed); standard errors (s.e.) in parentheses

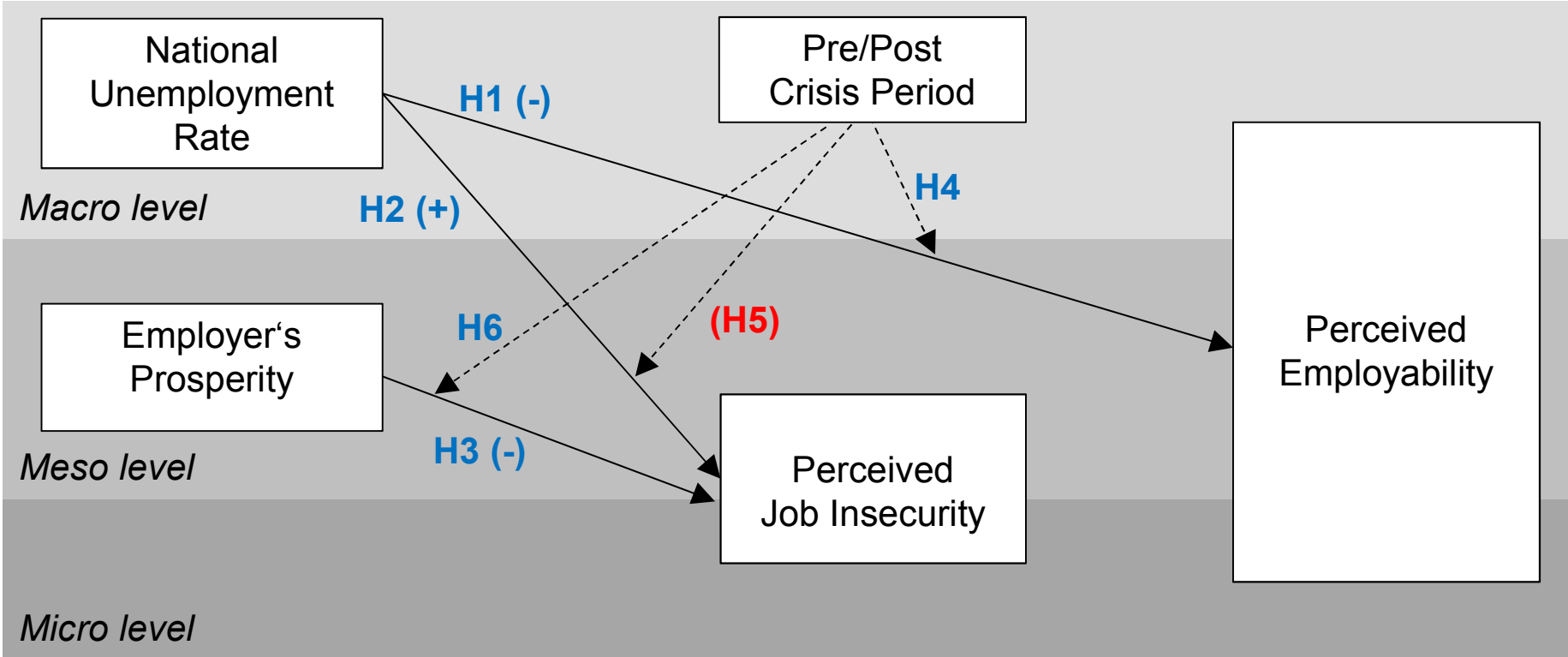
Results: Context as a Moderator III

	Dep. Variable
n=620	Job insecurity (H6)
(Constant)	3.63 (.08) **
Org. prosperity	-.31 (.07) **
Post-crisis (2009-2013)	-.13 (.12)
Org. prosperity x Post-crisis	-.18 (.10) *

** $p < .01$, * $p < .05$ (one-tailed)
 standard errors (s.e.) in parentheses



Overview of Hypotheses



Discussion

H1 National unemployment rate negatively related to perceived employability and job security:

H2 ***Macro-economic context is reflected in people's perceptions of their own position within the context (in the labor market).***

H3 Employer prosperity is negatively related to perceived job insecurity:
Individuals are receptive to developments at the organizational level.

H4 ***Great Recession has increased people's awareness of threats***
H6 ***(and opportunities) from both macro and meso context to their individual career prospects.***

Are self-perceptions shaped by intensified public discourse and/or by observations in one's own social context?

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