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Do career aspirations change, and why? Cohort differences and effects of age and economic context over time

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Evolution of career landscape and career aspirations

Emergence of „new“ types of careers

- diversification of career paths
- relative prevalence of the „traditional“ organizational career decreases

*Arthur & Rousseau, 1996;
Cappelli & Keller, 2012*

Apparent „discomfort“ of employees toward new work arrangements

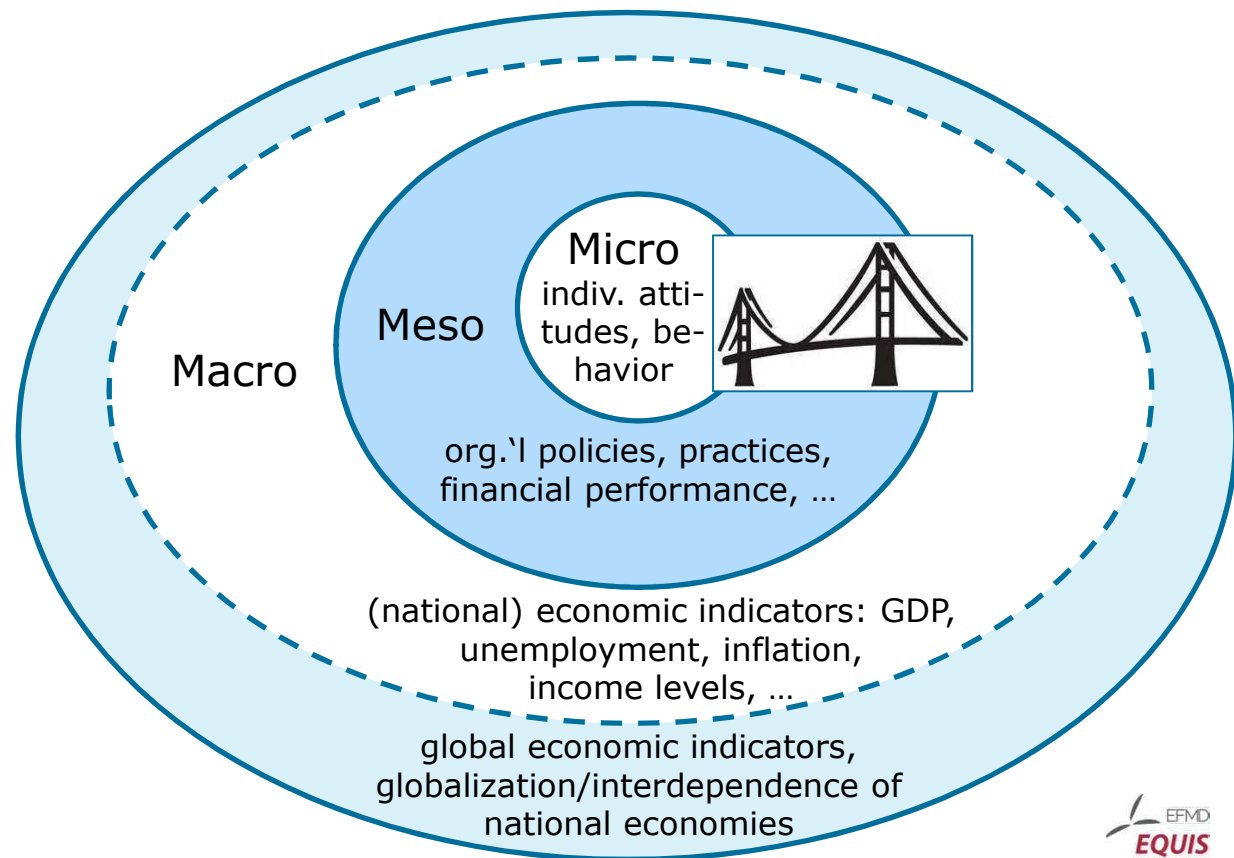
- More recent cohorts of business school graduates show a higher preference for traditional organizational careers than older cohorts
- Job insecurity is (still) perceived as a breach of the psychological contract

Mayrhofer et al., 2011

De Cuyper, Notelaers, & De Witte, 2009

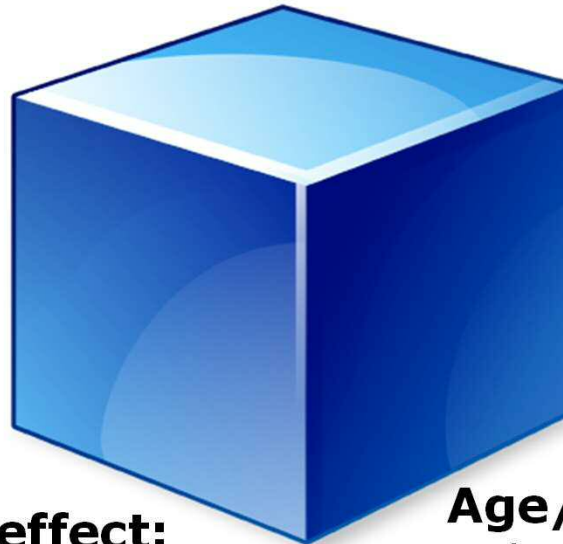
Focus of the study

- How does the desire for a secure and stable career change over time?
- Is the (change in) desire for security and stability related to macro-economic trends?



Cohort, age, and period effects

Cohort effect:
Cohorts behave differently because different contextual conditions have shaped their identities in different ways



Period effect:
Behavioural changes due to some significant event or major development in the socio-economic context

Age/maturation effect:
Behavioural changes over the lifespan due to people maturing and having to respond to changing life circumstances.

Generational/cohort differences

Socialisation hypothesis

Critical events and developments shape beliefs and values during the „formative years“

→ Generational groups with distinctive work values

„Cohort“: A set of individuals who enter a system at the same time and share experiences that distinguish them from others (e.g. business school graduates of 2010)

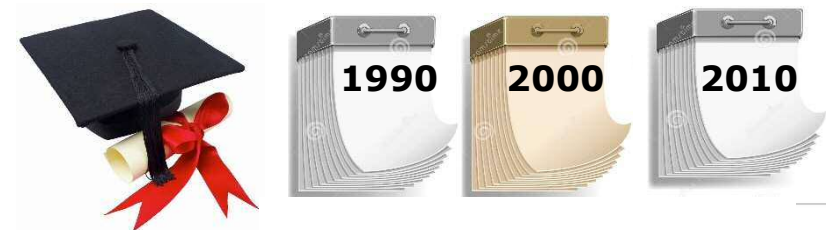
*Hypothesis 1:
Different cohorts of business school graduates differ in the extent to which they rate a secure and stable career as desirable.*

Inglehart, 1977, 2008

Mannheim, 1952; Schaie, 1986

Cennamo & Gardner, 2008; Dries et al., 2008; Lyons et al., 2007/ 2014; Ng et al., 2010; Twenge et al., 2010

Mason & Wolfinger, 2001



What shapes a cohort's career aspirations in the formative years?

Scarcity hypothesis: Socio-economic aspects in short supply during formative years will be viewed as particularly important.

Inglehart, 1977, 2008

Compensation hypothesis: When parents' desirable job features erode, the value that children place on these features rises, in particular when material well-being is affected.

Johnson & Mortimer, 2015

→ Perception of high unemployment and/or low income levels in the country implies instability and insecurity in the economic context and will lead to compensation

*Hypothesis 2: The average (a) **unemployment rate**, (b) **income level** during the formative years is (a) **positively**, (b) **negatively** related to the desire for a secure and stable career expressed at the time of entry into the workforce.*

Age effects on career aspirations

Traditional perspective: Once shaped, values remain stable throughout the life course

Glenn, 1980; Inglehart, 1977; Rokeach, 1973

Life cycle models: Changes occur throughout the life course due to maturing and/or changing life circumstances

Sullivan et al., 2009

Self-employment (lower security than being employed) appears particularly attractive to younger individuals

Blanchflower et al., 2001

Increasing responsibilities (e.g. supporting a family) related to extrinsic work values

Mortimer, 2005

Hypothesis 3: The desire for a secure and stable career will be positively related to age.



Period effects on career aspirations

Psychological reactance: Individuals strive to reestablish a threatened or eliminated freedom (e.g., freedom to choose a secure and stable high-income career)

Brehm & Brehm, 1981

Economic principle of supply and demand:
Equilibrium price (value) of a good (security/stability) increases as supply (number of vacancies, number of high-income jobs) decreases.

Hypothesis 4:

*The (a) **unemployment rate** (b) general national **income level** will be (a) **positively** (b) **negatively** related to individuals' desire for a secure and stable career.*

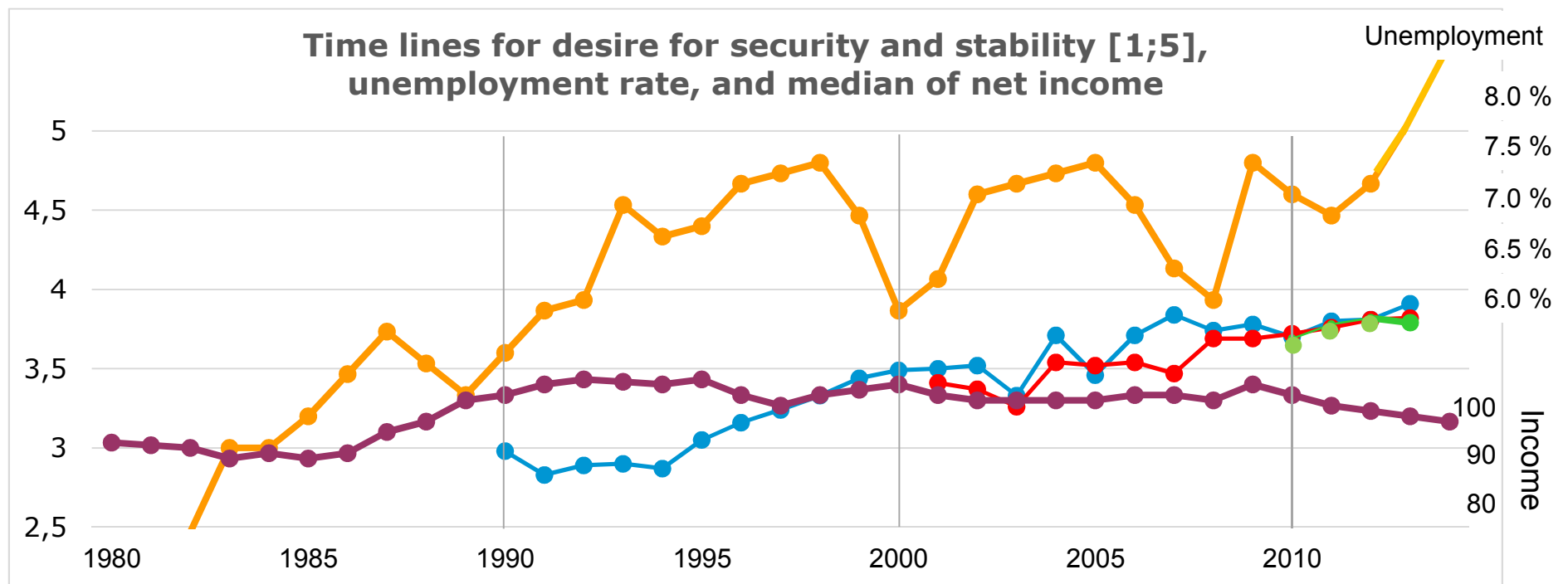


Research design

- Data from Vienna Career Panel Project (ViCaPP): multi-cohort panel study with WU Vienna alumni
- Dependent variable: Desire for security/stability in one's career www.wu.ac.at/vicapp
- Independent variables:
 - national unemployment rate
 - median net income level of employed workforce, discounted by inflation
- Control variable: Gender
- Measurement: Independent variables obtained for each year 1980-2013

Cohort	Measurement of dependent variable																							
1990	1990	91	92	93	94	95	96	97	98	99	2000	01	02	03	04	05	06	07	08	09	2010	11	12	2013
2000											2000	01	02	03	04	05	06	07	08	09	2010	11	12	2013
2010																					2010	11	12	2013

Results: Desire for Security/Stability, unemployment and income over time



- Cohort 1990
- Cohort 2000
- Cohort 2010
- Income level, acc. for inflation (Reference: 1998=100)
- Unemployment rate (national calculation method)

Intercorrelations

	Variable	mean	s.d.	1	2	3	4	5	6	7	8	9	10
1	Cohort	1.69	.74										
2	Career year	6.17	4.45	-.45									
3	Calendar year	2003.39	6.62	.77	.18								
4	Unemployment rate	6.74	.49	.32	.06	.43							
5	Unemployment lag 1	6.64	.53	.35	.08	.47	.57						
6	Unemployment lag 2	6.52	.59	.15	.28	.40	.15	.51					
7	Income	99.67	1.76	-.54	-.09	-.68	-.48	-.34	-.34				
8	Income lag 1 year	100.17	1.66	-.26	-.16	-.42	-.36	-.20	-.34	.65			
9	Income lag 2 years	100.26	1.70	-.20	-.03	-.22	.06	-.12	-.01	.14	.48		
10	Gender	.43	.50	.12	-.07	.08	.03	.04	-.02	-.05	-.01	-.02	
11	Desire for a secure and stable career	3.45	1.15	.16	.12	.25	.11	.11	.14	-.18	-.13	-.07	-.14

All correlation coefficients > .03 are significant.

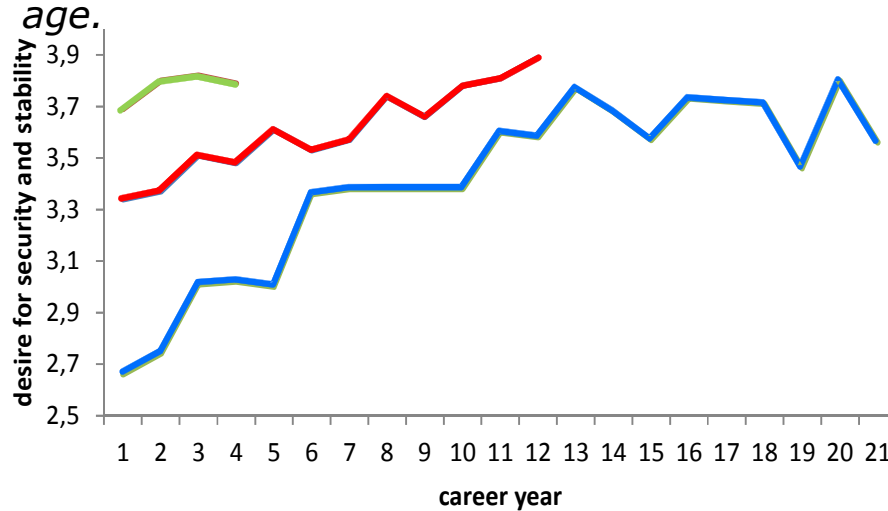
Cohort effect, age effect

*Hypothesis 1:
 Different cohorts differ in the extent
 to which they rate a secure and stable
 career as desirable.*



Cohort	estimate (s.e.)	sign.
Constant (=est. 1990 value)	3.288 (.020)	p<.01
Cohort 2000 vs. 1990	.298 (.030)	p<.01
Cohort 2010 vs. 1990	.484 (.046)	p<.01

*Hypothesis 3: The desire for a secure and
 stable career will be positively related to
 age.*



Predictor variable	estimate (s.e.)	sign.
Constant	4.310 (1.419)	p<.01
Cohort 2000 vs. 1990	.250 (.087)	p<.01
Cohort 2010 vs. 1990	.484 (.153)	p<.01
Career year (age)	.042 (.008)	p<.01
Calendar year	.011 (.008)	
Gender (female)	.303 (.028)	p<.01
Unemployment rate	-.019 (.032)	
Unemployment rate – 2 yrs	.063 (.027)	p<.05
Income level	-.009 (.011)	
Income level – 2 yrs	-.005 (.008)	

Do economic factors shape adolescents' career aspirations?

*Hypothesis 2: The average (a) **unemployment rate**, (b) **income level** during the formative years is (a) **positively**, (b) **negatively** related to the desire for a secure and stable career expressed at the time of entry into the workforce.*

Cohort	1990	2000	2010	r (DSS)
Desire for security and stability (DSS)	3.265	3.571	3.772	
Unemployment	4.085	6.125	6.672	.275**
Income level	91.301	99.732	99.901	.278**

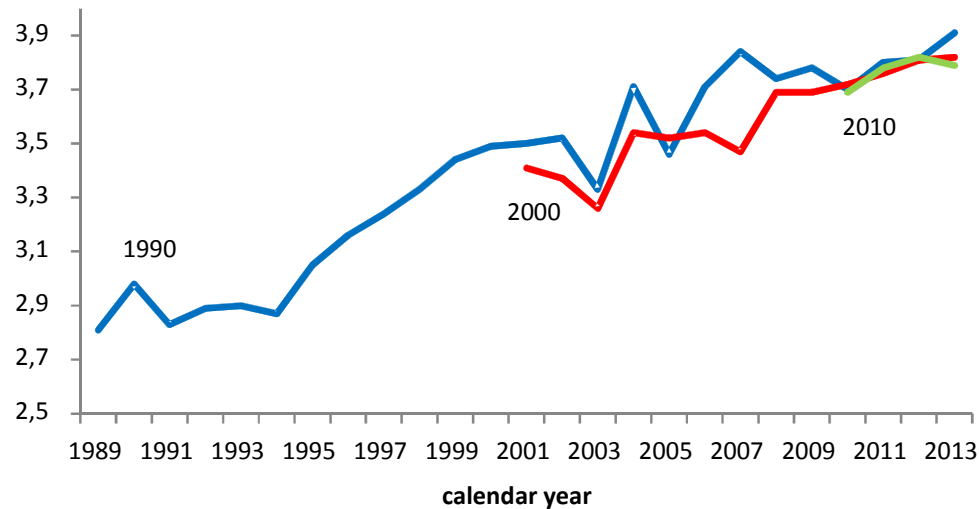


Period effects on career aspirations

Hypothesis 4a: The unemployment rate is positively related to individuals' desire for a secure and stable career.

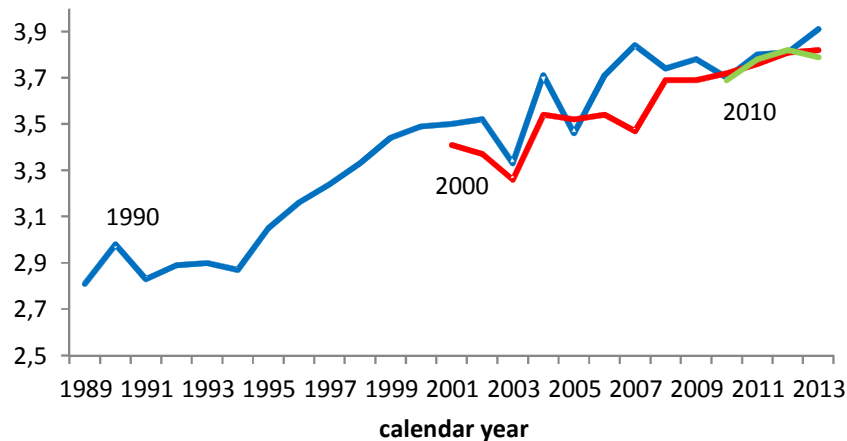
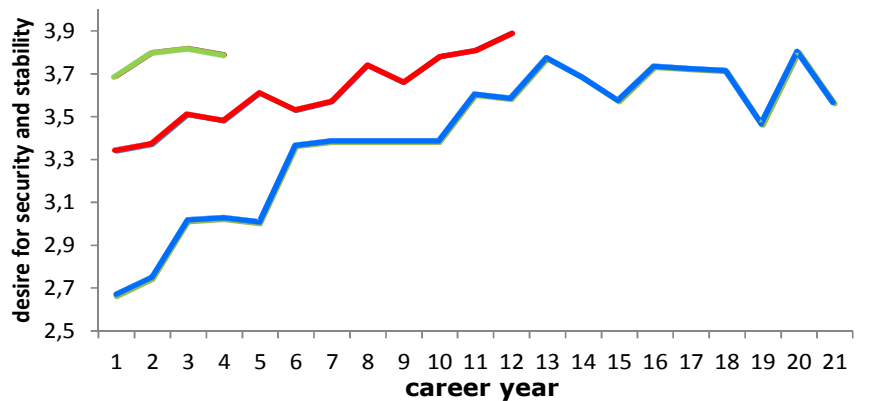










Hypothesis 4b: The income level is negatively related to individuals' desire for a secure and stable career.



Unemployment rate	estimate (s.e.)	sign.
Same year	.197 (.028)	p<.01
1 year earlier	.225 (.027)	p<.01
2 years earlier	.271 (.024)	p<.01
Income level	estimate (s.e.)	sign.
Same year	-.107 (.008)	p<.01
1 year earlier	-.085 (.008)	p<.01
2 years earlier	-.046 (.008)	p<.01

Cohort, age, and period effects



Predictor variable	estimate (s.e.)	sign.
Constant	4.310 (1.419)	p<.01
Cohort 2000 vs. 1990	 .250 (.087)	p<.01
Cohort 2010 vs. 1990	 .484 (.153)	p<.01
Career year (age)	 .042 (.008)	p<.01
Calendar year	.011 (.008)	
Gender (female)	 .303 (.028)	p<.01
Unemployment rate	 -.019 (.032)	
Unemployment -2 yrs	 .063 (.027)	p<.05
Income level	 -.009 (.011)	
Income level - 2 yrs	 -.005 (.008)	

Conclusion & some questions

- **Cohort differences:**
 - More recent cohort: higher desire for security/stability (regarding career stage)
 - Socialising effect of unemployment rate
- **Age (career stage) effect:** Older individuals – higher desire for security/stability
- **Period effect:** Desire for security/stability increases over the years
 - Unemployment rate and national income level contribute only slightly
 - Are there other (more relevant) economic factors?
- **Control variables:**
 - Gender differences: Females higher in desire for security/stability
 - Own income might play another role
- **Compensation vs. reinforcement:**
 - Data support compensation effect (scarcity hypothesis, Inglehart 1977)
 - Reinforcement effect in US studies (Johnson & Mortimer 2015): cultural differences in risk attitude?

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