

# Perceived employability and the Great Recession: Effects of the macro-economic context



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# Study Focus

The „Great Recession“ has raised unemployment rates throughout the world and continues to affect 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

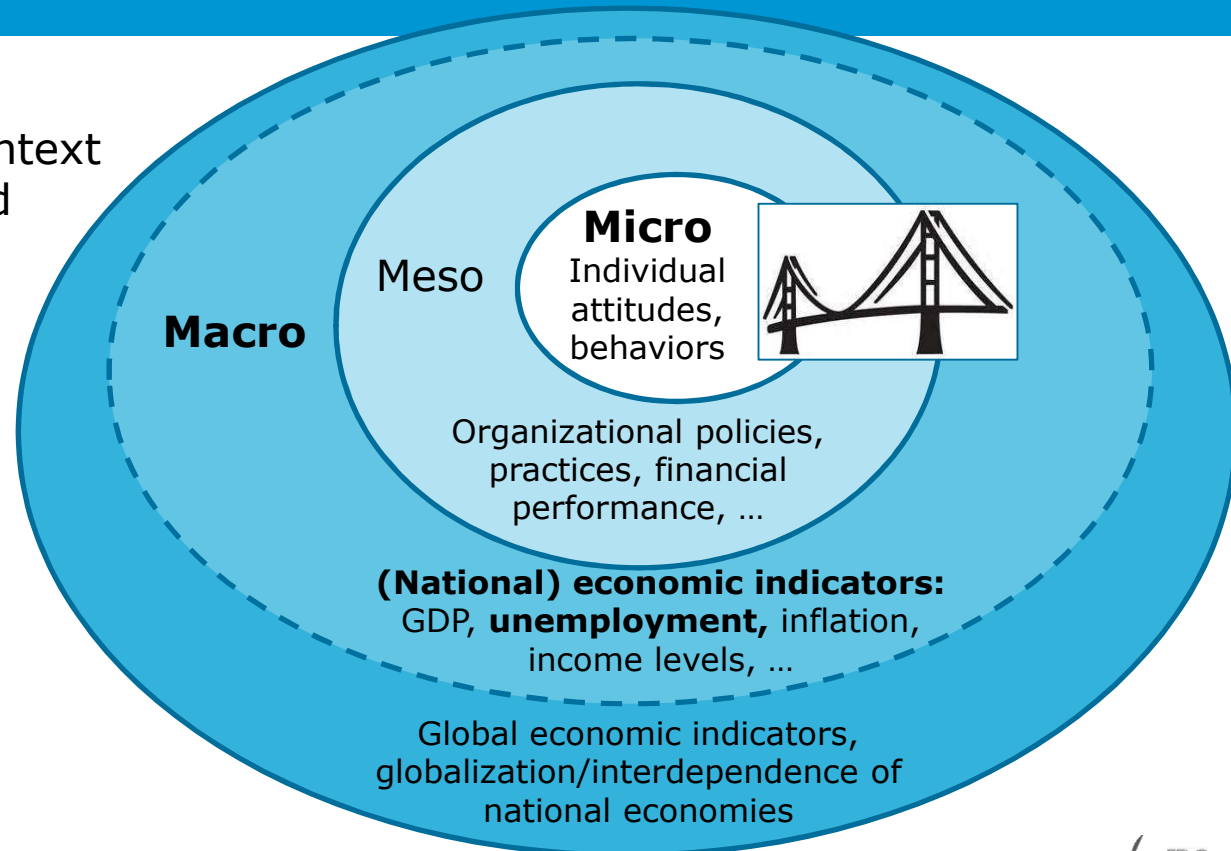
(Garz 2013; Hollanders/Vliegenthart 2011)

# Research Questions

How does the economic context affect individuals' perceived employability?  
(Structural predictors)

How do micro-level variables affect perceived employability?  
(Individual predictors)

Does the Great Recession play a role?



## Dimensions/views of employability

- Macro, meso, micro levels of analysis (Vanhercke et al. 2014)
- Ability to find and sustain employment (Green et al. 2011)
- Objective vs. subjective employability (Vanhercke et al. 2014)

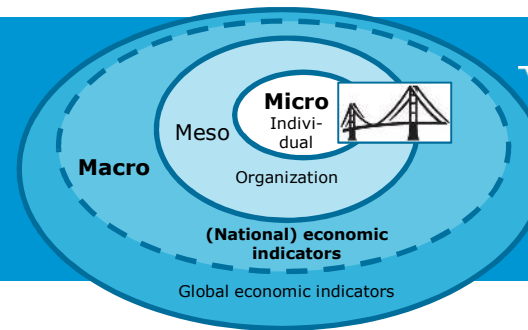
## Focus of current study

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

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

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# Employability: Structural and Individual Predictors



- Labour market job availability → objective employability (Berglund et al. 2014; Forrier et al. 2009)
- Objective employability → perceived employability (PE) (Berntson et al. 2006; Green et al. 2011)

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

- Human capital investments increase career success and PE (Berntson et al. 2006; Judge et al. 1995; Wittekind et al. 2010)
- Current career success (income, ascribed) *signals* that one possesses career capital, thus employability (Connelly et al. 2011; Judge et al. 2010)

*H2/3: Income/ascribed career success is **positively** related to PE.*

# Career Success as a Moderator

- Labour market job availability → objective employability  
(Berglund et al. 2014; Forrier et al. 2009)
- Individual's skills and qualifications → obj. employability  
(Berglund et al. 2014; Wittekind et al. 2010)
- Shortage of jobs puts employers in a power position to select individuals with highest career capital (higher expected job performance)
- Career capital is signalled via current career success and income

*H4a/H4b: The **negative** relationship between unemployment rate and PE is **weaker** for individuals with **high** income/ascribed career success.*

# Economic Context as a Moderator I

- 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 potential job loss.

*H5: The **negative** relationship between unemployment rate and PE is **stronger** for the „Post-Crisis“ period (2009-) than for the „Pre-Crisis“ period (-2008).*

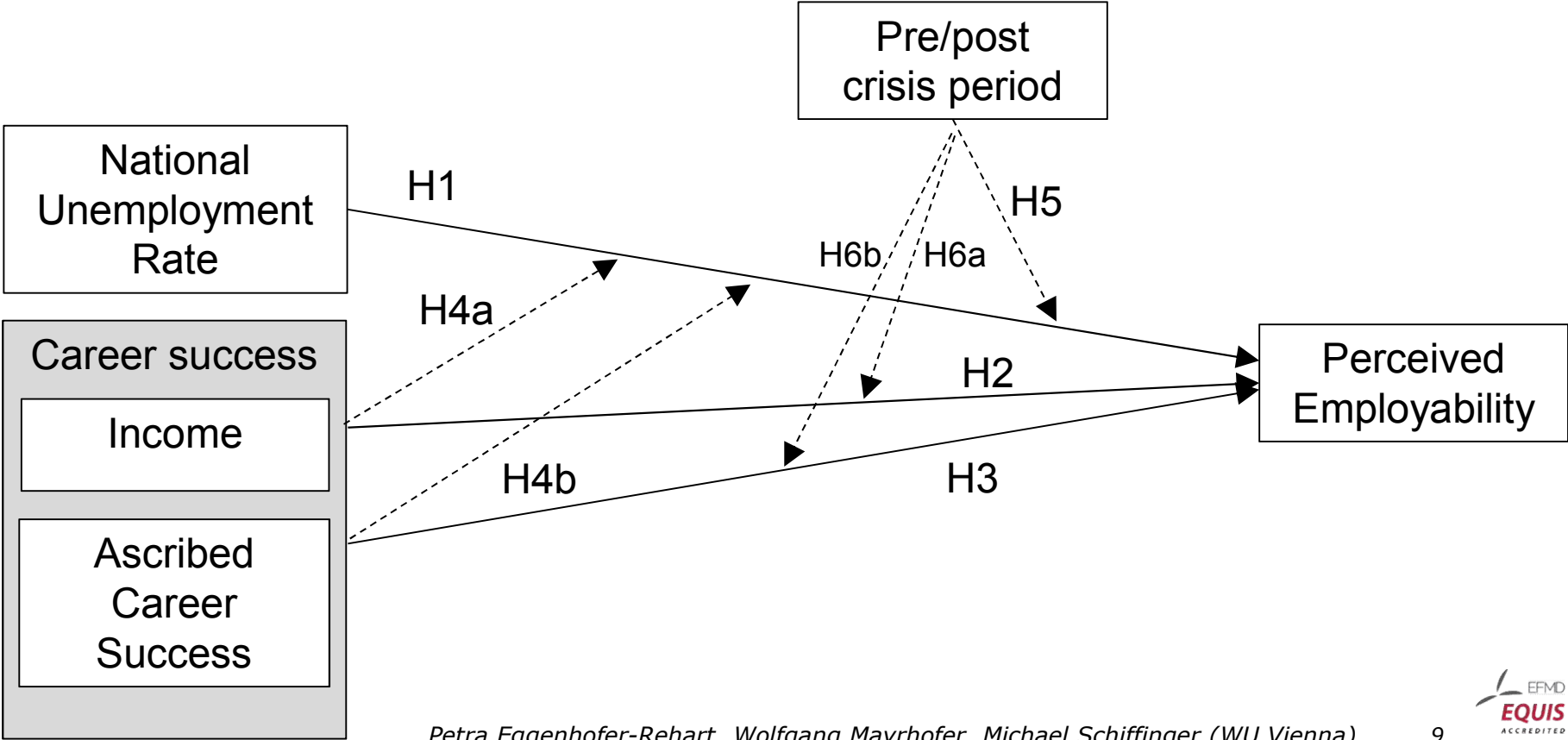
# Economic Context as a Moderator II

- Educational level had stronger effects on PE during economic decline as compared to economic upturn (Berntson et al. 2006)
- Greater differences btw. people with low vs. high qualifications regarding PE during economic downturn (Green et al. 2000)
- Economic downturn: Increased awareness of human capital as a critical enabler of employability
- Similarly: Career capital (signalled via career success indicators) may play a more critical role during recession

*H6a/H6b: The **positive** relationship btw. income/ascribed career success and PE 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](http://www.wu.ac.at/vicapp)  
Current study: Graduation cohorts 1990 (n=156; 37% female), 2000 (n=510; 45% f)
- **Dependent variable:** Perceived employability (PE). Single-item measure („How easily would you be able to find a new job as good as the previous one?“ 1;11)
- **Independent variables:**
  - National unemployment rate
  - Career success:
    - Salary (attained rank within the sample)
    - Career success ascribed to individual by others in work context (1;11)
- **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

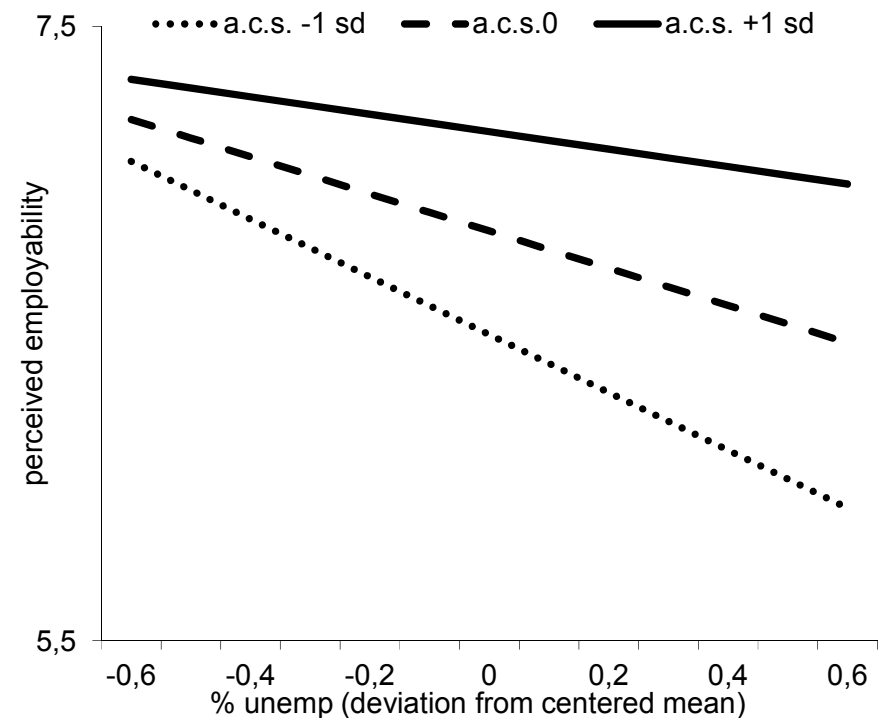
| n=664        | Unemployment rate (H1) | Income (H2)   | Ascribed career success (H3) |
|--------------|------------------------|---------------|------------------------------|
| (Constant)   | 6.84 (.08) **          | 6.32 (.12) ** | 5.34 (.22) **                |
| Effect on PE | -.58 (.17) **          | .01 (.00) **  | .17 (.00) **                 |

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

# Results: Career Success as a Moderator

| n=664                            | Unempl. Rate<br>x Income<br>(H4a) | Unempl. Rate<br>x ACS<br>(H4b) |
|----------------------------------|-----------------------------------|--------------------------------|
| (Constant)                       | 6.84 (.08) **                     | 6.83 (.08) **                  |
| Unempl. Rate                     | -.75 (.18) **                     | -.61 (.17) **                  |
| Income                           | .01 (.00) **                      | -                              |
| Ascribed career<br>success (ACS) | -                                 | .17 (.00) **                   |
| Unempl. Rate<br>x Income / ACS   | -.01 (.00)                        | <b>.17 (.08) *</b>             |

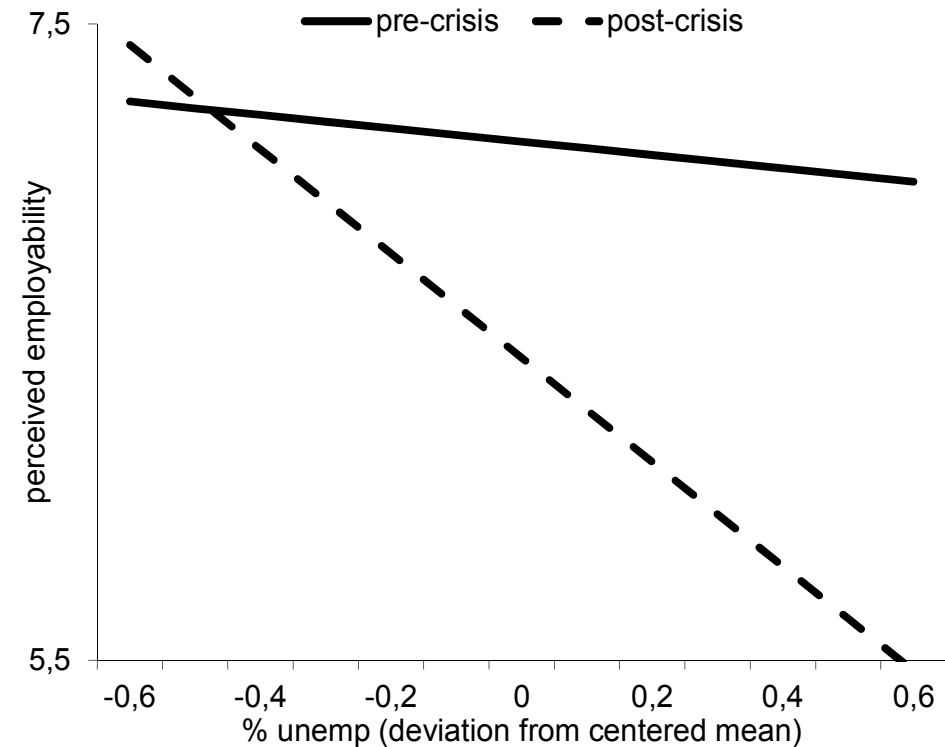
\*\*  $p < .01$ , \*  $p < .05$  (one-tailed); standard errors (s.e.) in parentheses



# Results: Context as a Moderator I

| n=664                         | Unempl. Rate<br>x „Post-Crisis”<br>(H5) |
|-------------------------------|---|
| (Constant)                    | 7.13 (.09) **                           |
| Unempl. Rate                  | -.21 (.19)                              |
| Post-crisis<br>(2009-2013)    | -.68 (.13) **                           |
| Unempl. Rate<br>x Post-crisis | -1.43 (.61) *                           |

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



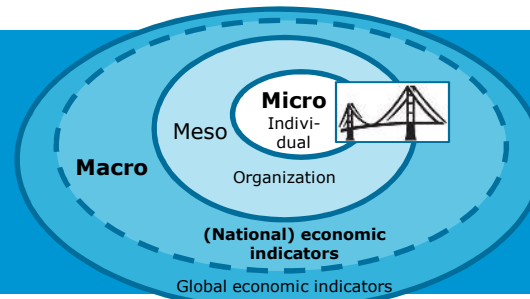
# Results: Context as a Moderator II

| n=664                              | Pre-/Post Crisis x<br>Income (H6a) | Pre-/Post Crisis x Ascribed<br>Career Success (H6b) |
|------------------------------------|------------------------------------|---|
| (Constant)                         | 6.55 (.14) **                      | 5.47 (.32) **                                       |
| Pre-/Post Crisis                   | -.57 (.19) **                      | -.45 (.43)  |
| Income                             | .01 (.00) **                       | -   |
| Ascribed career<br>success (ACS)   | -                                  | .19 (.04) **  |
| Pre-/Post-Crisis<br>x Income / ACS | -.01 (.00)                         | -.04 (.05)  |

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

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# Discussion



- H1** National unemployment rate negatively related to PE: **Context (structure) is reflected in people's perceptions of their own position within the context.**
- H2** Income and ascribed career success positively related to PE: **Current career success as a signal of one's career capital, increases expectations of future career success.**
- H3**
- H4a** Ascribed career success buffers expected threat from context to one's employability: **Others' perceptions shape influence of context on self-perception**
- H4b** Income does not: **Threat of status loss? – „Employability“ ≠ „Employability“**
- H5** Great Recession has increased people's awareness of threats from context to their individual career prospects: **Are self-perceptions shaped by intensified public discourse and/or observations in one's own social context?**
- H6ab** Great Recession has not strengthened the role of career success as a signal of E.: **Past career success as a context-independent signal of one's career capital**

감사합니다 Natick  
Grazie Danke Ευχαριστίες Dalu Obrigado  
Thank You Köszönöm  
Спасибо Dank Gracias  
谢谢 Merci Seé  
ありがとう

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