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

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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?

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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)
- 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)
Employability: Structural and Individual Predictors

- Labour market job availability $\rightarrow$ objective employability
  (Berglund et al. 2014; Forrier et al. 2009)

- Objective employability $\rightarrow$ 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 \(\rightarrow\) objective employability
  (Berglund et al. 2014; Forrier et al. 2009)

- Individual’s skills and qualifications \(\rightarrow\) 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).**
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

- National Unemployment Rate
  - H1
- Career Success
  - Income
  - Ascribed Career Success
  - H4a
  - H4b
  - H6a
  - H6b
- Pre/post crisis period
  - H2
  - H3
  - H4b
  - H5
- Perceived Employability

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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% female)

- **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:**

- **Control variables:** Cohort, age, gender

- **Method:** Mixed linear model for longitudinal data (e.g., McCulloch/Searle 2001)
## Results: Main Effects

<table>
<thead>
<tr>
<th></th>
<th>n=664</th>
<th>Unemployment rate (H1)</th>
<th>Income (H2)</th>
<th>Ascribed career success (H3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>6.84 (.08) **</td>
<td>6.32 (.12) **</td>
<td>5.34 (.22) **</td>
</tr>
<tr>
<td>Effect on PE</td>
<td>-.58 (.17) **</td>
<td>.01 (.00) **</td>
<td>.17 (.00) **</td>
<td></td>
</tr>
</tbody>
</table>

** p < .01 (one-tailed); standard errors (s.e.) in parentheses
# Results: Career Success as a Moderator

<table>
<thead>
<tr>
<th>n=664</th>
<th>Unempl. Rate x Income (H4a)</th>
<th>Unempl. Rate x ACS (H4b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>6.84 (.08) **</td>
<td>6.83 (.08) **</td>
</tr>
<tr>
<td>Unempl. Rate</td>
<td>-.75 (.18) **</td>
<td>-.61 (.17) **</td>
</tr>
<tr>
<td>Income</td>
<td>.01 (.00) **</td>
<td>-</td>
</tr>
<tr>
<td>Ascribed career success (ACS)</td>
<td>-</td>
<td>.17 (.00) **</td>
</tr>
<tr>
<td>Unempl. Rate x Income / ACS</td>
<td>-.01 (.00)</td>
<td>.17 (.08) *</td>
</tr>
</tbody>
</table>

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

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### Results: Context as a Moderator

<table>
<thead>
<tr>
<th></th>
<th>Unempl. Rate x „Post-Crisis“ (H5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>7.13 (.09) **</td>
</tr>
<tr>
<td>Unempl. Rate</td>
<td>-.21 (.19)</td>
</tr>
<tr>
<td>Post-crisis (2009-2013)</td>
<td>-.68 (.13) **</td>
</tr>
<tr>
<td>Unempl. Rate x Post-crisis</td>
<td>-1.43 (.61) *</td>
</tr>
</tbody>
</table>

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

**p < .01, * p < .05 (one-tailed)

`% unemp (deviation from centered mean)`

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### Results: Context as a Moderator II

<table>
<thead>
<tr>
<th></th>
<th>Pre-/Post Crisis x Income (H6a)</th>
<th>Pre-/Post Crisis x Ascribed Career Success (H6b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(Constant)</strong></td>
<td>6.55 (.14) **</td>
<td>5.47 (.32) **</td>
</tr>
<tr>
<td>Pre-/Post Crisis</td>
<td>-.57 (.19) **</td>
<td>-.45 (.43)</td>
</tr>
<tr>
<td>Income</td>
<td>.01 (.00) **</td>
<td>-</td>
</tr>
<tr>
<td>Ascribed career</td>
<td></td>
<td>.19 (.04) **</td>
</tr>
<tr>
<td>success (ACS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-/Post-Crisis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>x Income / ACS</td>
<td>-.01 (.00)</td>
<td>-.04 (.05)</td>
</tr>
</tbody>
</table>

** 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 Ascribed career success buffers expected threat from context to one's employability: **Others' perceptions shape influence of context on self-perception**

H4a Income does not: **Threat of status loss? – „Employability“≠„Employability“**

H4b 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?**

H5 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**

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References (1)


