

## 5. Agency and structure in career-related decisions: an example from the financial crisis in Portugal

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### SETTING THE SCENE

Deep in thought, Joana strolls around Hamburg's monumental port and looks out over the water. "What should I do?", she asks herself.

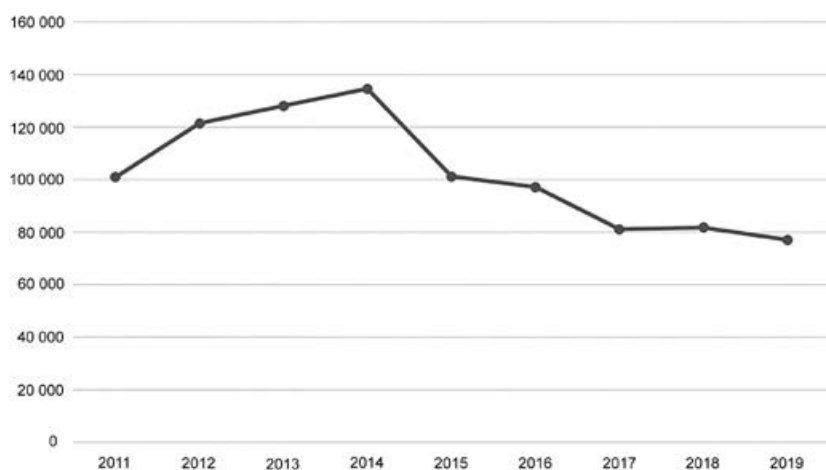
I really think the interview went well ... So, what if they offer me the job? Hamburg is a lovely city but it is not *my* city! Am I ready to leave my home and my beloved Lisbon? I'd tried this path and decided I didn't want to live and work abroad. Plus, it is one thing to go abroad to study, and have a clear end date and a view to coming back ... But this? This would be different ... All I've built so far – at work and outside work ... Am I ready to start all over again?

Joana's situation seems like a catch-22. A decision impossible to take lightly since the choice inherently requires giving up something extremely important to her. Individual choices, however, are never independent of the broader context in which they are embedded. Even the simple existence of certain options – including the job offer that Joana is expecting to receive – depends on the larger context. Let us examine the broader socio-economic and historical elements that defined her own home country, Portugal, at the moment of her dilemma, and those of her likely host country, Germany.

### CONTEXTUALIZING

It is 2012, the year in which Portugal was sanctioned by the European Central Bank, the International Monetary Fund (IMF) and the European Union (EU) for exceeding the permitted ratio between national GDP (gross domestic product) and debt. This came as the result of a severe deficit crisis in many countries, which forced the IMF to intervene in Greece, Portugal, Ireland, Spain and Cyprus during the sovereign debt crisis over the period

of 2010–2014 (Serapioni and Hespanha, 2019). Although the financial crisis affected the whole of the eurozone, the more fragile economies felt its effects more deeply (Serapioni and Hespanha, 2019). In particular, unemployment rates dramatically rose in those years, which had a direct effect on emigration – particularly that of young, qualified workers (King and Lulle, 2016). We can observe from Figure 5.1 that the emigration fluxes from Portugal closely followed the economic cycle: rising during the crisis (from 2011 to 2014) and falling with the economic recovery (starting in 2015).



Source: INE – Instituto Nacional de Estatística (Portuguese National Institute of Statistics).

*Figure 5.1 Trends in Portugal's emigration fluxes: number of emigrants per year*

Flipping the coin, it can be argued that while some countries face economic difficulties and consequently emigration rises, others might experience periods of growth and, conversely, have an increase in immigration. In this scenario, the capacity of the latter countries to attract qualified workers and offer them more job opportunities, more sustainable career advancement and higher wages will become stronger (Góis et al., 2016). The different economic dynamics will, therefore, induce different migration fluxes, leading to some countries exerting a greater attraction, while others correspondingly have a poorer retention capacity.

Looking at the net migration rates in European countries over the period of 2010–2014 (Table 5.1), we can observe striking differences both between and within countries from a temporal and dynamic perspective. In particular, we

can see how some countries – which in 2010 had positive net migration rates, meaning that they had more immigrants than emigrants – had, after four years, completely reversed their migration fluxes and presented a negative net migration rate. This means that over four years, there were more people leaving the country in search of work than there were people coming in from other countries seeking employment. The most striking examples of such movements are Belgium, Cyprus, Spain and Portugal. At the other extreme, we can find countries that already had some capacity of attraction in 2010 (i.e., positive net migration rate) and saw it increase even further over the course of the four years. Examples in this category include Austria, Luxembourg and Germany.

In an even more systematic way, we can observe that the countries that saw their GDP per capita increase over the years 2010–2014 also presented a positive difference in their net migration rates. This is the case, for example, of Lithuania, Latvia, Malta, Austria, Germany and Luxembourg. Conversely, at the other extreme, we observe that countries that experienced a negative variation in their GDP per capita also showed a decrease in their net migration rate. Most notably, this is the case of all the countries in the Southern European cluster (Italy, Greece, Spain, Portugal and Cyprus).

*Table 5.1 Comparison of EU GDP per capita (PPS) and net migration rate in the period 2010–2014*

	GDP per capita (PPS)		Net migration rate		GDP per capita variation rate (%)	Net migration differential
	2010	2014	2010	2014		
Lithuania	61	76	-25.2	-4.2	24.6	21.0
Latvia	54	64	-17.0	-4.3	18.5	12.7
Malta	87	93	0.2	7.1	6.9	6.9
Austria	128	132	2.6	8.7	3.1	6.1
Germany	121	127	1.6	7.2	5.0	5.6
Luxembourg	260	272	15.1	19.9	4.6	4.8
Denmark	131	129	3.0	6.5	-1.5	3.5
Sweden	128	127	5.3	7.9	-0.8	2.6
Estonia	66	79	-2.8	-0.5	19.7	2.3
Bulgaria	44	47	-2.4	-0.3	6.8	2.1
Ireland	132	138	-5.6	-3.6	4.5	2
Romania	52	56	-2.4	-0.8	7.7	1.6
Slovakia	76	78	-0.9	0.3	2.6	1.2
Czechia	84	88	1.4	2.1	4.8	0.7
Finland	118	113	2.6	2.8	-4.2	0,2

	GDP per capita (PPS)		Net migration rate		GDP per capita variation rate	Net migration differential
	2010	2014	2010	2014	(%)	
Netherlands	137	133	2.0	2.1	-2.9	0.1
Slovenia	85	83	-0.3	-0.2	-2.4	0.1
France	109	108	0.6	0.5	-0.9	-0.1
Poland	63	68	0.1	-0.3	7.9	-0.4
Hungary	66	69	1.2	0.5	4.5	-0.7
United Kingdom	111	111	4.2	3.3	0.0	-0.9
Croatia	60	60	-1.0	-2.4	0.0	-1.4
Italy	106	98	3.4	1.8	-7.5	-1.6
Greece	85	72	-5.9	-8.5	-15.3	-2.6
Portugal	83	78	0.4	-2.9	-6.0	-3.3
Spain	96	91	1.6	-2.2	-5.2	-3.8
Belgium	121	121	7.9	3.0	0.0	-4.9
Cyprus	102	81	19.2	-17.6	-20.6	-36.8

*Notes:*

Net migration rate = ((Immigrants - Emigrants) / Midyear population) × 1,000 inhabitants.

The volume index of GDP per capita in Purchasing Power Standard (PPS) is expressed in relation to the EU average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per capita is higher than the EU average and vice versa.

GDP per capita variation rate = ((GDP per capita 2014 - GDP per capita 2010) / GDP per capita 2010) × 100.

Net migration differential = Net migration 2014 - Net migration 2010.

Source: Eurostat.

## THE STORY

Joana (name changed) is a young Portuguese woman, born into and raised by a middle-class family. After high school, she enrolls on one of the first English-speaking programs at a highly reputed public university in Lisbon. During her studies, she also participates in the Erasmus program (an exchange program among European countries that allows university students, via dedicated scholarships, to spend at least one trimester at a foreign university). At the end of her course, she graduates in Economics and International Relations and goes on to do an internship in the field of international cooperation; specifically, she works as a diplomat's assistant in an intergovernmental organization in France. After one year, the internship contract comes to an end and, in 2004, she moves back to Portugal. There, within just a few months, she starts working as a consultant in one of the Big Four consulting firms.

This was quite a change from her original course of studies and opened the door for her to the management world. The consulting work is what Joana considers her “first real job” and it gave her the opportunity to help companies from many different sectors, such as the armed forces, healthcare, public administration and aviation.

From all these areas, my heart was with healthcare and I have done many projects in this sector.

Nearly four years into her consulting job, and with a genuine passion for the healthcare sector, she is motivated to take on a new challenge and decides to invest in furthering her education with an MBA. She applies for an International MBA (IMBA) at one of the best business schools in Europe, more specifically, in Spain. Joana is awarded a scholarship for women by the World MBA Tour and in 2009 completes her course among the top 20 students in the overall cohort of the IMBA students. The MBA is truly her passport to better things.

The MBA allowed me to transition to an industry where I had no inside experience.

She is hired as a Product Manager by a pharmaceutical firm in Lisbon. She works there for three years, satisfactorily but with little prospect of growing in her career, both in terms of competencies and in terms of official position. This is what lay behind her application for the job in Germany, and that is where we meet her – in the port of Hamburg.

## CLOSING THE SCENE

It is now 2021, and Joana agrees to be interviewed about her career path. Today, she is the Global Director of a product division for a multinational firm operating in the medical devices sector, having held that position since 2019. It is the same company she interviewed for in 2012. Back then, as she had sensed, the interview had gone pretty well, and she had been offered a job as Product Manager. She accepted it and started her career path with this company that she still works for today, being promoted to Marketing Manager for the European region before achieving the position she holds now.

I have lived now for eight years in Hamburg but because my job is EMEA related and now Global, I travel almost every week. So, Hamburg is more of a staging post than a real home, as my constant absence has made it difficult to socialize and establish friendships outside of work. Germany is very different from Portugal and when I started in my company there were very few non-German-speaking foreigners. So ... it was very hard because the company didn't yet have an international mindset.

Office etiquette was vastly different from what I was used to, and it was quite hard in the beginning. It all looked very “unfriendly” to me. Somehow, you make it work and eight years later I am still in the same company and happily watching its international transformation.

## REFLECTIONS

Joana’s story can help us understand the importance of conceptualizing *career success* as *subjective* and *multidimensional* (Dries et al., 2008).

To understand her reasons for pursuing and accepting the job offer in Germany, it would not suffice to assume a generic financial motivation (e.g., salary) or a desire to get ahead (e.g., promotion). These are traditional and objective ways of defining careers as “successful” (Dries et al., 2009) and are still largely used. Nonetheless, in her case the move was not immediately associated with a promotion and, while the salary may have been higher in Germany, the cost of living was also higher there. We should, therefore, employ additional and multiple criteria which, being subjective, may be relevant and important to some individuals but not others (Briscoe et al., 2021). Seven subjective career success dimensions have been identified by the 5C Group (Briscoe et al., 2021; Mayrhofer et al., 2016). They comprise learning and development, entrepreneurship, work-life balance, positive impact, positive work relationships, financial security and financial success. What is more, each of the seven dimensions captures two aspects, namely “importance” and level of “achievement”. Hence, we should take into consideration not only what people value most, but also the gap between those values and their current levels of achievement in each of the dimensions (i.e., the perceived discrepancy between their achievement level and the importance attributed to a given aspect of their career). Such gaps may be stronger motivators than absolute values of importance and achievement. This is consistent with control theory, which holds that individuals are motivated to act in an attempt to reduce the discrepancy they feel exists between a current and a desired state (Carver and Scheier, 1981). In this case, not only did Joana very much value the chance to take on the challenge of working on new and different projects that she could learn from and increase her competencies (i.e., she most likely attributed great importance to the subjective career dimensions of learning and development), but she also felt that her current job did not satisfy her needs at the level she wished it to. This provided the motivation to go after the job in Germany and to accept it.

As stated when setting the scene for this chapter, no career path can be understood in isolation from its broader context. In this case, we can see how two concepts largely used in the career literature but too often regarded as “individual attributes”, namely employability and boundaryless career

attitude, acquire specific meaning, or can manifest themselves thanks to the presence of certain contextual conditions.

*Employability* can be broadly defined as “the individual’s ability to keep the job one has, or to get the job one desires” (Rothwell and Arnold, 2007, p. 25). Even based on this simple definition, it is clear that the emphasis is on the individual and their ability to maintain or secure employment. Such emphasis is not entirely justified, as some authors have recently pointed out (Forrier et al., 2018) and which Joana’s story is testimony to. Regardless of who assesses it – be it an employee (Berntson et al., 2006), an employer (Hogan et al., 2013) or political decision makers (OECD et al., 2016) – employability ultimately involves a match between a person’s skill set and the demands and opportunities offered by a job at a given time. In this respect, Joana’s story reveals that it is hard to speak of employability in abstract terms, without contextualizing it (Fugate et al., 2021). We always need to consider, for example, a specific job a person may be employable for (e.g., the current one or different ones); a specific organization (e.g., employability may be associated with firm-specific human capital; Coff and Raffiee, 2015); and the time frame of one’s employability (e.g., employable in the present, or in the future in relation to anticipated changes in a job). Joana was employable in her job at the pharmaceutical firm she worked for in Portugal. Yet, as the country (and consequently the organization) was undergoing an economic cycle of recession, that same firm could not provide her with future employment opportunities that fitted her profile and ambitions. Instead, it was the multinational medical devices firm in Germany that she decided to move to that proved to be a better fit for her in terms of present and future employability. We can see how her previous investment in education (the MBA) and her previous work experience (in the pharmaceuticals sector) jointly contributed to enhancing her human capital and how this ultimately influenced her career success (Bagdadli et al., 2021).

A *boundaryless career attitude* identifies a preference for boundaryless careers (Arthur, 1994) and is explicitly concerned with the physical and psychological mobility of individuals. Conceptually, it comprises two dimensions, namely an organizational mobility preference and a boundaryless mindset. Organizational mobility preference is defined as “the strength of interest in remaining with a single (or multiple) employer(s)”, and a boundaryless mindset is conceptualized as “one’s general attitude to working across organizational boundaries” (Briscoe et al., 2006, p. 33). Accordingly, an individual with a boundaryless career attitude is comfortable and enthusiastic about having a career played out across several employers and geographical locations. Joana, with her career path, clearly displays a boundaryless career attitude. Moreover, we can observe that the context has shaped and likely strengthened her boundaryless career attitude. First, we can consider the broad institutional context, which is the EU with its open borders. This has offered

her opportunities for mobility that would have been way more complex in earlier times, or that might even have frustrated mobility ambitions. We could go as far as to say that Joana's boundaryless career attitude was first shaped by her early experiences abroad during the Erasmus program at university – again ascribable to the EU. Second, we can consider the specific socio-economic and historical circumstances that characterized the two countries in this story. Conditions in Portugal, with its acute crisis back then and the very limited initiatives the government put in place to retain talented people, acted as a push factor – facilitating, or reinforcing, a boundaryless attitude. The stable economy and the tradition of decent working conditions in Germany, on the other hand, acted as pull factors. Such considerations are particularly important in light of the criticism that has, over the years, been leveled at the concept of boundaryless careers (Inkson et al., 2012). Taking this criticism into consideration, an individual's agentic role in shaping their career should not be overemphasized, as boundaries do exist and can condition the road map that careers take. Our story clearly demonstrates that while Joana might have had an inclination for a boundaryless career, she did not initially pursue one. On the contrary, after all her previous experiences abroad she had returned to Portugal. It is only after 2012 that the context, brought about by several conditions in her home country, acted as an enabler of Joana's boundaryless attitude.

In keeping with the push and pull factors mentioned above, Joana's story allows us to reflect more broadly on the macro-contextual factors that play a role in individuals' career decisions.

Countries' migration fluxes (illustrated at the start of the chapter) constitute movements that have a strong economic impact. This is because the more attractive countries (i.e., those with positive net migration rates) gain benefits from the arrival of qualified people who will enhance their collective human capital, without having incurred the cost of their education. This phenomenon is known as *brain gain*. Conversely, the countries that undergo an economic crisis have fewer possibilities to offer new jobs, which leads to increasing (youth) unemployment rates and higher emigration fluxes. In this way, such countries lose their educational investments, together with the possibility of enhancing the country's human capital and, consequently, their potential for development (Giousmpasoglou and Koniordos, 2017). This depletion of a country's human capital due to its lower competitive advantage is known as *brain drain*.

The interplay between *brain gain* and *brain drain* has been the topic of much, often heated, debate among the EU institutions (Hasselbalch, 2017). In fact, the economic gains and losses associated with migration fluxes cannot be looked at from a Manichean perspective. Some authors propose that the *brain effect* resulting from investing in human capital can better flourish (and be harvested) in countries other than the one of origin, and that the emigration country would



receive its returns on investment through financial transfers (Hasselbalch, 2017). However, and from a strictly human resource management perspective, it is clear that the *brain drain* will directly and negatively affect the organizations that operate in countries undergoing an economic crisis. To what extent will depend on the impact the crisis has on the younger and highly educated workers' decision to stay or leave. Young and highly educated individuals like Joana, who tend to have more self-confidence and greater career expectations, would more likely find fulfillment of their career aspirations in foreign countries, exploiting opportunities for international mobility (Auriol, 2010; King and Lulle, 2016; Pires et al., 2016). Conversely, organizations in countries with more prosperous economic conditions would enjoy the *brain gain* of their country via greater availability of human resources – often at a lower cost (because migrant workers tend to be less demanding rewards-wise). Overall, it is clear that organizations' recruitment, career management and reward policies will all be much affected by country-level economic aspects, including the *brain gain* versus *brain drain* dynamics.

We are in the presence of a “global race for talent” that leads to a greater accumulation of talent where there is already significant human capital (Münz, 2014). In this talent race, both companies and workers will follow scripts hardly of their own choosing, and which they contribute to shape only in very small part. If we look at Joana's story in this light, we can regard her as an actor in a play that she has not written and that she will act out according to macroeconomic rules.

### BOX 5.1 STOP AND THINK

1. Would traditional models of career development (such as career stage models) be helpful in understanding Joana's career path? If so, what would they be able to explain? If not, what are they missing?
2. How can organizations design their human resource and career management practices with the goal to respond to major economic changes in their countries (e.g., in their country's GDP per capita)?

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