

Does occupational mobility improve job satisfaction?

RESEARCH BRIEF 3

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- The impact of occupational mobility on job satisfaction depends on the direction of travel on the occupational ladder.
- Upward occupational mobility (defined by a change of occupation from lower to higher skilled occupational class) leads to a significant increase in job satisfaction upon initial turnover. However, the ‘honeymoon’ effect dissipates over time as individuals settle into their new jobs.
- Downward occupational mobility (defined by a change of occupation from higher to lower skilled occupational class) does not generate a ‘honeymoon’ effect upon turnover. Instead, it results in dissatisfaction that lasts for several years after the transition.
- Compared to upward and downward occupational mobility, lateral occupational mobility (defined by a change of occupation within the same broad occupational class) has least impact on subsequent job satisfaction trajectory.
- The effect of occupational mobility on job satisfaction is moderated by the individual’s personality, particularly in terms of one’s level of neuroticism.
- While emotionally stable employees quickly return to their baseline wellbeing regardless of the direction of occupational mobility, those high in neuroticism react more strongly to both upward and downward mobility. The effect is particularly striking for downward mobility, which is followed by a steep decline of job satisfaction that lasts for at least four years after turnover.
- Downward occupational mobility appears to have stronger and more enduring effects on job satisfaction compared to the transient positive effect of upward occupational mobility. In other words, ‘bad is stronger than good’.

Having explored how the quality of work is highly differentiated by occupation (Research Briefs 1 and 2), we next explore whether mobility across occupational categories is a route to higher job satisfaction. Moving to a higher quality occupation may not necessarily lead to improved job satisfaction given the disruption a career change may incur. Moreover, any improvement in job satisfaction may be transitory as workers adapt to their new working environments. Research on job change has revealed a ‘honeymoon-hangover’ pattern during the turnover process, which refers to the fact that job satisfaction typically peaks initially following a job change (the ‘honeymoon’) but subsequently falls back to the baseline level over time (the ‘hangover’). However, it has yet to explore how this pattern is affected by the nature of occupational mobility or whether there are significant individual differences in employees’ reactions to career changes.

### ***Direction of occupational mobility***

To capture the nature of career change, we focus on the direction of occupational class mobility. As the previous research brief has shown, occupational class is a reasonable proxy for overall job quality. We argue that upward occupational class mobility is an important means for individuals to improve their well-being. As physical well-being is maximized through the satisfaction of material needs and social well-being through the gratification of the desire to gain approval, respect, and admiration from others, moving up the occupational ladder can improve both dimensions of well-being by increasing job resources and eliciting more positive perception from others. By contrast, downward mobility is expected to adversely affect an individual’s subjective well-being. Besides its negative impact on access to economic and social resources, downward mobility can also lead to over-qualification, a condition in which individuals have more skills, experience and abilities than required for their jobs. Failure to obtain a job at one’s expected level can lead to feelings of disappointment and frustration.

While occupational mobility can induce well-being fluctuations at the time of turnover, its impact is likely to dissipate over time. Set point theory suggests that subjective well-being is largely determined by genes and remains generally stable over the life course. Although external life events may shift subjective well-being in the short-term, individuals will gradually regress to their baseline after they have adapted to changed life circumstances, a process described as the ‘hedonic treadmill’. Based on set point theory, we propose that although upward mobility initially generates a significant ‘honeymoon’ effect due to the upgrading of one’s occupational class, this effect will gradually wear off after individuals have adapted to their new job tasks, responsibilities and resources. Similarly, downward occupational class mobility will initially generate significant dissatisfaction due to a loss of job resources and social status, but with sufficient time, people will return to their baseline well-being after coming to terms with the new realities.

### ***Individual differences in reaction and adaptation to occupational mobility***

To add nuance to our findings, we also investigated whether the impact of occupational class mobility on job satisfaction trajectories may depend on personality traits. Given previous research has shown the traits of extraversion and neuroticism are most strongly associated with subjective well-being, we focus on these traits. Drawing on biopsychological theories which suggest that individuals high in extraversion are particularly sensitive to gains while those high in neuroticism are particularly sensitive to loss, we propose that extraverts are likely to experience a greater increase in well-being in the condition of upward occupational class mobility. They are more likely to become excited about higher financial rewards and social status which leads to stronger reactions to upward occupational mobility. By contrast, individuals characterised by high levels of neuroticism will suffer a greater loss of well-being in the condition of downward occupational mobility because of their stronger sensitivity to punishment stimuli. Highly neurotic employees are more likely to feel entrapped by moving into a lower quality job that decreases their financial and social resources, which can lead to stronger feelings of frustration and disappointment. Following the initial career transition comes the stage of adaptation, which is a process that allows constant stimuli to fade into the background so that individuals can use resources to deal with new stimuli in the environment that requests immediate attention and actions. Accordingly, the speed for adaptation is determined by how soon the new stimuli will be incorporated as part of background in one’s life. As individuals high in extraversion and neuroticism are expected to demonstrate greater responses to occupational mobility, they are likely to experience a longer process of adaptation following the career transition compared to their introverted or emotionally stable counterparts.

### ***Data and methods***

The analysis was based on the British Household Panel Survey (BHPS). The main independent variable is the direction of occupational class mobility which is measured by comparing an individual's occupational codes before and after turnover, based on the Standard Occupational Classification 1990 (SOC90) system. Upward occupational class mobility is defined as a change of 3-digit SOC90 code from low-skilled to intermediate or highly skilled occupational category, or from intermediate to highly skilled occupational category. An example of upward class occupational mobility is a change of job from secretary (SOC90: 459) to office manager (SOC90: 139). The opposite transition is defined as downward occupational class mobility, an example of which is change from primary school teacher (SOC90: 234) to nursery nurse (SOC90: 650). Lateral mobility is defined as a change of occupational code within the same broad occupational class, such as changing from career adviser (SOC90: 392) to school inspector (SOC90: 232). Based on this definition, a total of 35,018 occupational changes were observed during the eighteen-year survey period, of which 9,213 (26.3%) involved upward occupational class mobility, 18,383 (52.5%) involved lateral occupational class mobility and 7,422 (21.2%) involved downward occupational class mobility. We use time dummies to capture of the timing of occupational class mobility and employed fixed-effect models to control for time-invariant individual heterogeneity. In all fixed effect regressions we control for age, education level, tenure, gross monthly pay, type of work contract, workplace size, employer change, ownership sector, marital status, number of children, physical health, and survey year.

## Results

Figure 1 shows the effect of upward, lateral and downward occupational class mobility on job satisfaction trajectory for all employees. It can be seen that job satisfaction typically declines sharply in the year prior to occupational class mobility (t-1), which suggests that low levels of job satisfaction trigger subsequent turnover. Consistent with our expectation, upward occupational mobility generates a significant 'honeymoon effect' at the time of turnover (t), while downward occupational class mobility has the opposite effects. The pattern of adaptation, however, shows an interesting asymmetry between the effect of upward and downward mobility. While individuals who moved up the occupational class ladder returned to their baseline well-being by the third year after turnover, those who moved downwards suffered a prolonged loss of well-being that continued for at least four years after the transition.

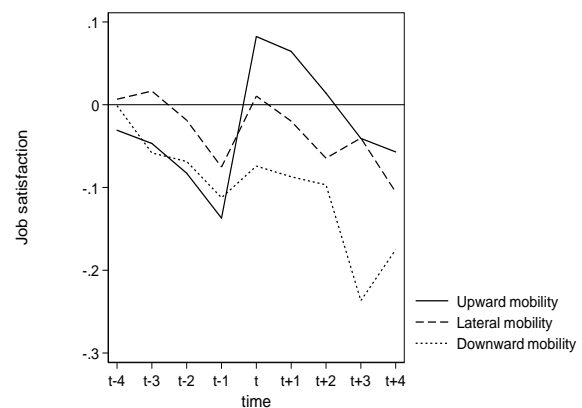


Figure 1. Effect of upward, lateral and downward occupational mobility on job satisfaction (all employees)

Turning to the moderating role of individual personality, we found that extraversion did not amplify the effect of upward mobility. However, neuroticism does exacerbate the negative effect of downward mobility. Figure 2 compares the job satisfaction trajectories of individuals who reported the highest (top 20%) and lowest (bottom 20%) neuroticism scores. While there are hardly any differences in job satisfaction among emotionally stable employees regardless of their direction of occupational class mobility, those who are highly neurotic experienced greater reactions to both upward and downward mobility, with the gap between the two groups growing over time. An intriguing finding in Figure 2 shows that the negative effect of downward mobility emerged not at the time when individuals moved down the occupational hierarchy but in the subsequent years. It may reflect the entrapment effect as those high in neuroticism may experience greater anxiety when they are stuck in a stressful situation. This finding shows that even when individuals do not differ in their initial responses to a career change, a lagged effect may emerge over time.

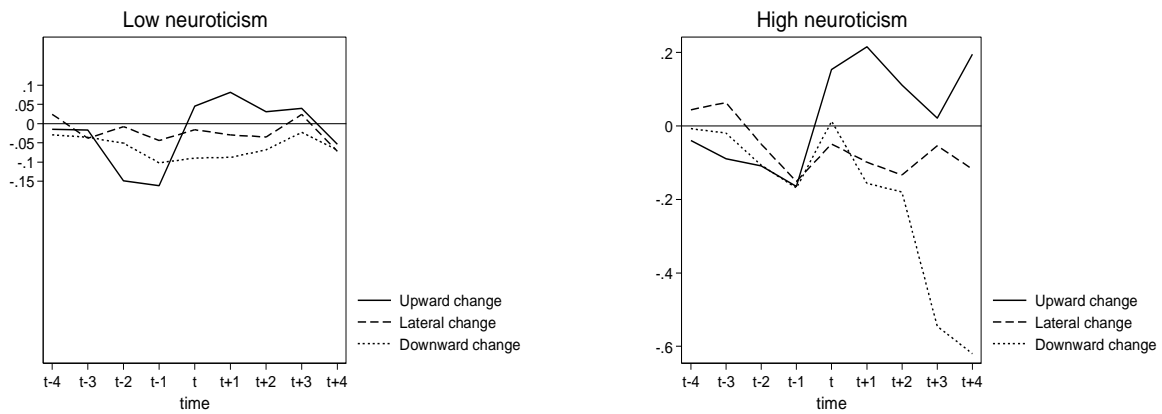


Figure 2. Effect of upward, lateral and downward occupational mobility on job satisfaction by level of neuroticism: top fifth vs. bottom fifth

### Conclusion

Occupational class mobility provides an effective yet largely unexplored way of improving the quality of working life. We find that upward occupational class mobility leads to improved job satisfaction, although individuals return to their baseline eventually. Lateral, and especially downward occupational class mobility leads to a deterioration in job satisfaction that can last for many years after the transition. These findings are consistent with the view that losses have greater effects than gains on individuals' subjective well-being. In other words, "bad is stronger than good".

We conclude that when individuals change the direction of their careers, they need to avoid overestimating the positive characteristics of other occupations and underestimating those of their own. Unless the transition involves upward occupational class mobility, and so an improvement in objective job quality, they are unlikely to find the grass greener on the other side. From a management perspective, the onus, then, should be on employers at the recruitment and selection stage to offer a fair representation of not just what the job involves, but also what it could potentially involve, particularly when potential recruit is changing career. A realistic job preview with more information on what the new occupation more widely entails would help. Additionally, this study highlights the need to pay special attention to employees who have moved from higher to lower skilled occupations as this group is vulnerable to a long-term decline of job satisfaction following the transition. The risk is particularly high among those who are characterised by high levels of neuroticism. Prior research shows that enriched job design that allows sufficient discretion over task planning and execution has significantly positive effects on job satisfaction. We speculate these benefits are particularly pronounced for those who are overqualified for their jobs, which often results from downward occupational mobility. High involvement human resource practices which support learning, autonomy and job crafting may mitigate the negative impact of downward occupational mobility by helping individuals find new ways to engage their skills and talents. For government, the publication of a range of job quality indicators by detailed occupation categories based upon high-quality representative data can make the implications of career changes more transparent to those pondering a career switch. At present, generally only information on pay is widely available, while information on more critical intrinsic aspects of work are of central importance to employee well-being.