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## Upsetting Events and Career Investments in the Russian Context

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# ESMT WORKING PAPER

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## Upsetting Events and Career Investments in the Russian Context

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# Abstract

## Upsetting Events and Career Investments in the Russian Context

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In this paper we examine the role of disruptive or upsetting events in people's professional lives and explore how they influence individuals' investments in their careers. Based on previous research we have assumed that due to considerable societal and economic changes in Russia and the reported negative consequences felt by many individuals, the context of that country is a fruitful arena for an investigation of the role of upsetting events on individuals' careers. At the same time, despite the negative events and a disruption of many traditional career-supporting structures, a significant number of Russians managed to reinvent their careers and achieve tremendous objective and subjective success in their careers in a relatively short time period .

This paper examines stories about career investments of 140 successful entrepreneurs from Russia. A significant portion of these people explicitly reported influence of upsetting events on their own career investments. Based on the exploration of career stories, the paper introduced a typology of the upsetting events in the Russian context. The events were generally classified into those that represented "macro" and "micro" upsetting events. Macro events refer to changes in socio-economic, and political systems. Micro events refer to the events that only concern the individual him- or herself, or may include events at work or at home. Our analysis of the career investments of the Russian entrepreneurs using the intelligent career concept shows that when faced with the upsetting events individuals tend to (a) reconsider their existing events, (b) divest from their old ways of knowing, and (c) invest in relatively new ways of knowing.

Our study calls a particular attention to the role of career divestments, or discontinuing certain ways of investing in order free resources for a different investment expected to be more fruitful in terms or returns. Attention to

divestment may be warranted due to the increased unpredictability of working lives of today's career actors.

This study contributes to responding to a call for a better understanding of the role of upsetting events on people's careers and the society at large. We also bring further our understanding of human adjustment to the sometimes upsetting changes in their surroundings through working life, thus enhancing our understanding of the role of careers in socio-economic systems. Last but not least, the study also contributes to a better understanding of careers in modern Russia. With the increasing role of Russia on the international political and economic arena, understanding people through looking at their working lives is a good start for multiple potential research endeavors in the fields of career research and beyond.

**Keywords:** Careers, intelligent career investments, career divestment, upsetting events, Russia.

**JEL Classification:**

## **Introduction**

The widely used definition of career is “the evolving sequence of a person’s work experiences over time” (Arthur, Hall, & Lawrence, 1989, p.8). The term “sequence” in this definition assumes presence of a number of career stages (Hall, 2002), which often include major adjustments by career actors to successfully move ahead in life and work. New career stages may begin by discovery of new opportunities or re-evaluation of initial dreams or aspirations. They can also be prompted by external events.

With increasing instability in social, economic and political situation in many countries, changes taking place at global and local labor markets, there are more and more idiosyncratic negative or upsetting events that interfere with individuals’ planned career paths and dreams. These upsetting events may have their roots in the societal shifts (e.g., disappearance of certain occupations due to progress), economic trends (e.g., delocalization of jobs), actions of organizations (e.g., downsizing, flattening hierarchies), governmental interventions (e.g., discontinuing support for certain types of activities or occupations), military conflicts (e.g., disappearance of jobs as a result of war), personal reasons (e.g., family circumstances leading to a break or change in career), unfriendly actions of other people (e.g., unfair competition, destruction of entrepreneur’s property leading to close of business), disasters, illnesses, dramatic personal circumstances, etc. In line with the general theme of the 24<sup>th</sup> EGOS Colloquium, we address the role of upsetting events in the development and management of individual careers.

Influences of events on careers have been always of interest for career researchers (Bright, Pryor & Harpham, 2005). However, so far no single influential theory has been developed. The existing research uses different terms to explain the core concept of influence of various events in people’s careers. These include: chance (Roe & Baruch, 1967), serendipity (Betsworth & Hanson, 1996), happenstance (Miller, 1983), and synchronicity (Guindon & Hanna, 2002). However, all of them refer in general terms to “unplanned, accidental, or otherwise situational, unpredictable, or unintentional events or encounters that have an impact on career development and behavior” (Rojewski, 1999, p. 269) (in Bright et al., 2005).

In this paper we specifically focus on disruptive or upsetting events and explore how they influence individuals’ investments in their careers. Based on our previous research (Khapova and Korotov, 2007) we have assumed that due to considerable societal and economic changes

in Russia and the reported negative consequences felt by many individuals, the context of that country is a fruitful arena for an investigation of the role of upsetting events on individuals' careers. At the same time, despite the negative events and a disruption of many traditional career-supporting structures, a significant number of Russians managed to reinvent their careers and achieve tremendous objective and subjective success in their careers in a relatively short time period (Khapova & Korotov, 2007; Korotov & Khapova, 2007; Korotov, 2008).

### **Upsetting Events in Russian Careers**

We conceptualize upsetting events in careers as occurrences of negative societal, economic, or personal changes that are not under control of the career actor and that lead to a disruption in the planned and preferred career path or to inability to continue the previously held career path. These events are upsetting because they are, at least initially, perceived by the career actor as putting to risk previously made investments in his or her career and making future career progress bleak and unlikely to be attained. Negative affect attributed to the event makes an important part of our conceptualization of upsetting events.

These events can occur at different stages of one's career: sometimes they happen in early stages of one's professional life (e.g., during one's professional studies or soon after obtaining one's professional qualification), in the middle of up to that moment very successful (objectively and/or subjectively) career, or at later stages of one's career, cancelling return on any of the previous investments in career (and, in this case, probably life in general).

Russia with its recent profound social, economic, and political changes can be viewed as an example of a context in which upsetting events can be observed at various possible stages of one's career development. Thus, we can consider a student of a leading technical university studying for a degree in Experimental Physics who realizes in the middle of his studies that a life long research career path guaranteed to graduates of this university doesn't exist any more. First of all, the individual always dreamed about a research career in Physics. The individual has invested a considerable amount of time and effort to prepare for competitive entrance to the university in question, he has worked very hard during the first three years of studies, but now, still facing three years of hard work ahead, he realizes that this hard work will not lead to the expected results. Moreover, people who up to this moment have been

important role models (e.g., professors or researchers) experience a significant career disruption themselves and are no longer a reliable source of career support. Following Arthur, Claman and DeFillippi's (1995) "intelligent career" framework, one can see that the individual in question has made significant investments in knowing-why, knowing-how, and knowing-whom. Although these investments might have been very promising before, by now they seem to be no longer relevant or valid for continuous success in the future.

Alternatively, we may consider a career of a military officer who has made a number of investments up to this moment leading to a so far very successful career. For example, this person may have strongly believed in his role as "protector of Fatherland" from the "aggression plans of American imperialists" (the ideology parlance often used in Communist times in Russia). From early youth he probably has never dreamed of a career different than this one. However, the knowing-why investment at this very moment stops to bring the desired returns. The military officer finds out that his professional *raison d'être* makes no sense any more. There is no longer respect in the society for what he is doing, and he starts questioning what he has been spending his time on. Moreover, the knowledge and skills developed throughout years of successful military career are not applicable to civil life. Time and effort spent on developing military mastery are of no use for the future. Knowing-how investments stop making returns. Finally, it turns out that through years of military service the social connections and role models of the individual in question are also among the military, and this, probably, is less helpful for finding new career options in civil life. Knowing-whom investments are not as productive as they used to be for making continuous progression through career stages in the military.

Finally, we may consider an individual at a relatively late temporal stage in her career. While under stable circumstances she could have been at the generativity stage of her life development (Erickson, 1950), with her career endeavors concentrated on passing her skills and knowledge to new generations, the society dismisses her previous experience and career achievements (e.g., as a Communist Party executive office employee). Moreover, people may question the morality of her investment in knowing-why, laugh at the skills and competencies (knowing how), and despise her social capital (other Communist apparatchiks), undermining the value of her knowing-whom investments.

## **Intelligent Career Investments**

For an investigation of the impact of upsetting events on people's careers in the Russian setting we look at how such events influence their "intelligent" career investments. We use Arthur, Claman and DeFillippi's (1995) "intelligent career" or three ways of knowing framework (individual investments in knowing-why, knowing-how, and knowing-whom) to examine the *content* of investments people make in their careers to overcome disruption or set back in their careers and to eventually succeed objectively and/or subjectively. This approach assumes that throughout their careers, individuals invest in developing three career competencies, or three ways of knowing: knowing-why, knowing-how and knowing-whom. Knowing-why refers to employees' identity and motivation, and answers to the question *why* people work. Knowing-how refers to employees' skills and expertise, and answers to the question *how* people work. Finally, knowing-whom refers to employees' relationships and networks, and answers to the questions with *whom* people work. The intelligent career framework responds to the elevated role of the subjective career in the contemporary – knowledge-driven, global - economy. It places the subjective career, rather than any one organizational or societal view of the objective career, in charge of the direction and purpose of career development (Khapova, Arthur & Wilderom, 2007). Still, given the interplay between objective and subjective career success (Hughes & Coser (1994)), we think that this framework could serve as a useful lens for exploring the outcomes (both subjective and objective) of exposure of careers of people in Russia to upsetting events.

Since its introduction, the intelligent career model has been successfully used, for example, to examine patterns of career adaptation within a changing national context (Arthur, Inkson and Pringle, 1999; Cadin, Bender, & Saint-Ginie, 2000), explore gender- and family-related differences in career adaptation (Valcour & Tolbert, 2003), explore the ways in which people can develop more effective mentor networks, and determine predictors of managerial success (Eddleston, Baldrige, & Veiga, 2004). Khapova and Korotov (2007) used the intelligent career framework to examine the content of career investments people made throughout three periods of time in Russia: before 1990<sup>th</sup>, during the economic and political transition, and in Russia in the new millennium. Korotov and Khapova (2007) also used this framework to analyze career investments of career entrepreneurs, or people who manage to exploit unusual and risky options for accelerated career advancement.



There are already indications that thoughtful investing in three ways of knowing predicts career success. In particular, Eby, Butts, & Lockwood (2004) found that people's investments in all three ways of knowing lead to the subjective career success. Khapova, Ussi, Arthur and Dikkers (2008) found significant relationships between knowing-why, knowing-how and subjective career success; and a significant relationship between knowing-whom and the objective career success of 800 Dutch lawyers.

Following Khapova and Korotov (2007) and Korotov and Khapova (2007), we also use the intelligent career framework to explore what people do with their intelligent career investments to overcome what may at least initially seem an inevitable negative disruption in the course of their career development and to achieve success, often not foreseen or expected initially.

### **Research Methodology**

To start our investigation, we went to read and analyze 140 articles about careers of Russian entrepreneurs published in 2005 and 2006 in the Russian daily newspaper "Business". The articles were eventually collected and put together in a three volume book set (Gansvid, I. (Ed.) (2006a, b), Soloviev, A. (Ed.) (2007) ) as reprints from the newspaper. Each of the articles is dedicated to one Russian entrepreneur, and is about 3000 words long. The articles are based on the direct interviews conducted by journalists with the entrepreneurs. Although prepared by journalists, we believe that the texts can be treated as career histories of entrepreneurs similar to other types of historical or archival data used in research using career history approach (e.g., Jones, 2001; Higgins, 2005).

As our data is a social construction of the stories of entrepreneurs, our sample is inevitably biased. We primarily look at people who ended up being successful, at least at the time of being written a newspaper article about. We are also limited by the sample of career stories of individuals who chose to become entrepreneurs rather than build their careers under the conditions of being employed by someone else. Accepting that becoming an entrepreneur may be just one of possible career outcomes, we nevertheless think that the data we have allows us to make observations regarding various types of upsetting career events and explore their influence on the people. The foundation for this assumption is that virtually all of the career

actors in our sample had not been entrepreneurs prior to at least one or two upsetting events that had an impact on their previous career paths.

We have specifically set our research target as identification of traces of negative or upsetting events as perceived by career actors and reflected in their career histories. In the first round of reading and analyzing the stories in front of us, we set to code instances of events that were perceived by the career actors as upsetting and having an impact on the development of their careers up to that stage. Looking for repeated regularities (Glaser and Strauss, 1967; Miles and Huberman, 1994), we classified the events initially seen as upsetting into the categories that we roughly put together as “Macro” and “Micro”. By “Macro” upsetting events we mean the instances of disruption or disturbance that have a potential effect on a significant number of career actors. On the contrary, “Micro” upsetting events are those that are affecting, at least at the instance of the impact, a specific career actor and have no visible effect on other people in the general working population.

It should be noted that we specifically classify upsetting events according to the reported perception of the event by the career actors in our sample. What is perceived as a negative event and a disruption at the time of direct encounter, may turn out to be a blessing in the future. Recent work on impasses in one’s career and/or life suggests that those moments may be important and even necessary events for the next move (Butler, 2007). Nevertheless, it is the specific upsetting event or a combination of several upsetting events at the moment of its occurrence that disrupts the perceived normal course of one’s career trajectory. We have found evidence of specific reference to upsetting events in about close to one third of our sample. Although virtually most of the people in the articles that we studied had lived through perestroika and subsequent socio-economic changes in the country, not all of them mentioned the impact of these events as specifically negative.

We then went to explore the impact those various events had on research subjects (as reported in the articles) and the coping mechanisms, or responses of career actors to the perceived negative impact of the upsetting event/s. Using the intelligent career framework discussed above (Arthur, Claman and DeFillippi’s (1995)) we looked at the kind of adjustments people made to their career investments when affected by upsetting events.

## **Exploring the Presence of Upsetting Events in Russian Careers and Their Impact on Career Investments.**

### *Typology of Upsetting Events in Russian Careers*

Our analysis of what was perceived by the career actors in the sample used by us to be an upsetting or disruptive event, can be clearly separated into two major categories: the events that had an impact or potential impact on virtually every person in the Russian (or Soviet) society, and the events that only affected a specific individual. We classified the former as “Macro” upsetting events and the latter as “Micro” upsetting events.

Within the category of “Macro” upsetting events, the first and most often noticeable one is the overall change in the socio-economic and political system in the former Soviet Union, dissolution of the latter, and launch of the new economy in a new country – Russia. An article about an entrepreneur featured in our data sample notices that with the change came difficult times (Gansvid, 2006b: 58-59):

“Employees [of the research institute where the protagonist was employed] were left with nothing else to do, but to open some kind of their own business, just not to die of starvation.”

Vladimir Poryvayev who currently splits his time 50/50 between working as an HR manager in a large financial company and as an owner of “Treasure-Seeking Company of Vladimir Poryvayev”, worked for secret services and the successor of KGB. He mentions (Gansvid, 2006b, 360):

“I liked being on service to the Fatherland. Frankly speaking, had the pay been better, I would have stayed in the military. However, it was impossible to feed a family of four for a monthly salary of \$200. So I decided to go on my own in 2001.”

The story about another individual, Igor Volkov, a person who moved into an advertising job soon after perestroika, reports (Gansvid, 2006b: 34):

“According to Igor, he decided to move into advertising because life was pretty difficult. In the early 1990s nobody in the country was clear about what was going on. One had to find a way to live somehow.”

Scorikov and Vondracek (1993), Korotov, Makeshin, & Stepanova (1995), and Khapova & Korotov (2007) notice a significant shift in people's careers at that time. As this development was rather all encompassing, influencing lives of many people, we classify it as a "Macro" upsetting event. Another type of upsetting events is the disappearance of certain jobs, occupations, or decreased need for certain types of skills. Again, we see it as a macro event, although it did not necessarily affect the whole population. Nevertheless, all of the employees in a similar situation could have been affected, regardless of their own specific actions or inactions. Here is a description of a career path of Evgeniy Kharchenko who currently heads a company producing bullet vests and protective helmets (Gansvid, 2006b: 163):

"...Evgeniy Kharchenko had a significant journey in science and along the career ladder. He first graduates from Novocherkassk Polytechnic Institute. He then got a job with the Central Research Institute for Specialized Machine-Building that was primarily engaged in development of composite materials for missiles and space equipment. Then he defended his Candidate of Science Dissertation, followed by a Doctor of Science Dissertation. He became a professor, and he received the State Prize of the USSR [a highest level Award for scientific or management achievements]. All that to face eventually the fact that the State was brutally cutting the budget of the defense-oriented research institutes, that salaries were getting smaller and smaller, and that the prospects were getting increasingly vaguer."

Observations from the articles in our sample are in line with what Zhukova & Korotov (1998), Khapova & Korotov (2007) report as the disappearance or significant reshaping of certain occupations and required competencies in the post-Perestroika time.

One more type of "Macro"upsetting events having an impact on careers of Russians is a systemic financial crisis that hits all aspects of working life. In the recent Russian history it is August 1998 that is a mark of, at least initially, broken hopes and organizational and personal tragedies. With quick devaluation of national currency, increased debt, inability to pay for supplies from foreign countries, and closing down of many businesses, early success of building careers under conditions of capitalism was marked for many people with loss of initial results of several years of hard work and hopes for a successful future. It should be noted that the 1998 financial crisis entailed closing down of many Russian businesses, as well as withdrawal of many multinationals from the Russian market leading to a large number of lay-offs and move of employees across various occupational sectors (Kets de Vries,

Shekshnia, Korotov, and Florent-Treacy, 2004). However, the 1998 financial crisis eventually turned out to be a good opportunity for many local entrepreneurs and producers who for the first time found themselves able to compete with foreign-made competitive products. Valery Kostyukovich, a protagonist in one of the stories in our sample, says (Gansvid, 2006b, 83):

“[We were on vacation at the Black Sea. We were calling our office in Moscow from pay phones, as we didn’t have mobile ones at that time.] All of a sudden we are told [by employees in Moscow] that there is something weird going on. All stores keep sending us cash, and that we have hard time coping with it. Please come back! Frankly, it took us some time to agree to do so. That’s because the news is good, and not bad. In two days, however, we interrupted the vacation and returned to Moscow. Moscow met us with a crisis. Foreign-made materials and components became unaffordable: the prices grew five times.”

Elena Afonina, owner of the company producing large size clothes for women, recollects (Gansvid, 2006b, 27):

“We survived the [economic crisis of 1998] with a lot of hardships. ...[The crisis] helped me learn how to deal with my own money: what can I save on, how can I demand delivery on the tasks established, and how to understand where mistakes are made, and what kind of mistakes are those. We learned to count the money. Actually, that was the time when we created our first business plan.”

The above three types of upsetting events in the Russian career environment – radical socio-economic and political change, disappearance of certain types of occupations or decreased demand for specific competencies, and financial and/or economic crisis – may be seen as macro upsetting events, as they are not related to the actions/inactions of specific individuals. Practically every person involved in work related activities could potentially be affected by such events. The “Macro” events described above affected people’s career in Russia. It not, however, too far fetched to imagine the impact of similar events on individuals in many other parts of the world.

There also are occurrences of situations in which an individual finds him- or herself facing a disruption in the normal course of career development. These events, however, are not affecting all of the people in the workforce, but rather a specific man or woman concerned. These situations can be classified as “Micro” upsetting events. Such events may be caused by

actions or inactions of a particular career actor, or by actions/inactions of other people directed at him or her. The circumstances of a particular individual are unique, but they may have a significant impact on the career trajectory.

One type of upsetting events is a business or professional mistake or set of mistakes made by a career actor or other stakeholders around him or her. Thus, in 1995 Natalia Bobrova, then a student of the Physics department of Moscow State University, decided to earn a couple of hundred dollars by offering her French skills at a tourist exhibition in Moscow. She prepared a resume that mentioned her three months of vacation in France experience and some translation work done there. Natalia came to the exhibition and started moving from booth to booth offering her resume and expecting someone to want to buy her skills. She was not successful in gaining employment through this type of career search. However, she had the time to observe the discussions other people had at the exhibition and meet hoteliers who felt a bit at a loss at the event. This combination allowed her eventually to discover a completely new niche (and passion) – representing hotels in Russia (Gansvid, 2006a, 111-115). A mistake in the approach chosen for finding a temporary employment led to a great career opportunity.

Igor Galkov, currently head of Fort company producing mayonnaise, remembers the time when he and his companions decided to sell alcoholic beverages. With the growth of business, he built his own storage facility and started offering space there to friends and acquaintances. One of the acquaintances brought a shipment of suspicious goods to the storage facility. The place was later raided by police. The incident was very upsetting for Igor, but it helped him eventually envision a business where he would be in control and avoid mistakes like this one (Gansvid, 2006a, 152-157).

Another type of upsetting events is an unfriendly action or a set of actions by other individuals, or lack of professionalism on the part of other people or organizations involved in business processes. Alla Nikishova, the owner of the company “The First Moscow Scale Model Workshop”, recalls her experience of working in a large Russian construction holding companies as head of the marketing department (Gansvid, 2006b, 345):

“...I kept hearing complaints of my colleagues about being tortured by makers of scale models [of buildings]. They let the company down, they don't meet the deadlines, they make it impossible to work with them. I made a suggestion to the management: why

don't we create our own production of scale models. There is huge room for that, as the company has many construction sites. Why should we outsource this work? I can take charge of that. I will learn how to do it myself, and I will teach employees, and I will be able to guarantee meeting the deadlines.”

Andrey Glukhovtsev, currently an owner of a fire-place building studio, started his work with buying leather in Central Russia, and then selling it to leather goods manufacturers in Yugoslavia. When he sent his largest shipment of leather to that country, no money was paid to him. Yugoslavian counterparts asked him to come to Belgrade for a meeting, but at that moment Americans started bombing the city. Glukhovtsev says (Gansvid, 2006a, 160):

“The business went under. I won't lie: it is much more pleasant (if such things can be pleasant at all) to consider myself to be a victim of an American aggression than an idiot who was simply taken advantage of.”

Some individuals face a disruption in their career trajectory due to personal misfortunes, such as family crises, health issues, personal financial loss, or due to personal idiosyncratic features closing access to their dream occupations. Here is an example of Vasiliy Malyavko, currently the owner of Rock-Arsenal, a company producing paraphernalia for rock fans (Gansvid, 2006b, 98):

“We had a car accident involving a new Volkswagen on Leningradsky Highway. It would cost us \$3000. At that moment this was an unthinkable amount of money for us, and the [Volkswagen owner] was a very powerful man: he had three containers of his own at Luzhniki [at the time the largest market place in Russia]. We were supposed to return what we owed for the damage during Summer months, so we decided to go for work in a food stall that was owned by our friends at the Kursky Railway Station.”

Another example is that of Igor Skvortsov, currently Director General of a para-plane design and manufacturing company. As a child, he dreamed of becoming a military pilot, like his father. However, as Igor is 1m90cms tall, he couldn't be accepted to a flight school, as pilots were expected to be significantly shorter to fit into the cabin and the emergency ejection seat. Due to the same height challenge he was not admissible to civil pilot training. He went for a military career, but couldn't fly. The story about Igor continues (Gansvid, 2006b, 382):

“Igor couldn't fly. Every minute planes were taking off and landing near him, and her was trying to come up with a new dream, for example, that of making a military

career. However, he had his personal opinion about everything taking place at the military regiment, and this opinion often contradicted that of his commanders. He soon realize that he would never become a General, so he quit the military service as soon as reforms started in the country. The State offered him retraining. There was no option to train for a pilot, but he could train to become an accountant or an economist.”

The story of Antonina Tsitsulina, owner of Smart Games, a company designing and selling developmental toys and games for children, is even more dramatic. She was a career military woman married to a career military man. In late 1990s she had a baby who was diagnosed with a serious brain disease and an almost inevitable retardation in future development. Antonina started fighting for her son’s health and future. She started gathering information about various available early child development and rehabilitation methods. She quit the military and on a part-time basis went back to school to study Psychology. In parallel she started to develop programs for early child development and rehabilitation. When she succeeded in the task of helping her son adapt to the society around him, she started consulting people concerned with issues of early child development. Eventually, she thought about starting her own business developing and selling tools for this purpose (Gansvid, 2006b, 412-414).

Last but not least, accidents and natural disasters can also be seen as upsetting events, that bring about new career opportunities. Thus, Alexander Yermilov, owner of a Russian chanson café, started his entrepreneurial activity under the impression of a fire that burnt his student residence. While observing the fire destroy his place of living as a student, he heard another student play guitar and sing a song about the cosiness of fire. Yermilov fell in love with Russian chanson at that very moment. Ironically, when he opened his business, he actually had to experience a fire once again – his café was set to flames (Gansvid, 2006a, 195).

### ***Coping with Upsetting Events***

Analysis of career stories in our sample suggests that many of the individuals in our sample were exposed to various upsetting events. Out of the 140 stories, at least 30 specifically mention perceived impact of an upsetting event on the professional activities and lives of the individuals concerned. We specifically counted events when stories about entrepreneurs that



we used for our study expressed at least initial feeling of regret or negative emotion about what has happened to them. Presence of negative affect in the mentioning of the event was critical for us to classify the event as upsetting. Once again, we have to underline that almost all of the people reported in the stories used in our work, due to the nature of the times they started their careers in, can be classified as those who have gone through the difficult times of drastic socio-economic change in Russia in the 1990s (Khapova & Korotov, 2007). Therefore, it is safe to assume that almost all of them had experience with some kind of potentially upsetting event in their careers.

In addition to identifying the types of upsetting events that have an impact on people's careers, of interest to us are the coping mechanisms of those who were faced with disruption in their expected career trajectory. We discuss these mechanisms in light of investments in three ways of knowing: knowing-why, knowing-how, and knowing-whom.

Unlike in situation under the relatively stable socio-economic and political conditions, as various career researchers would suggest, our career actors did not invest sequentially or complementarily in the same identity, same domain of skills and competencies, or same type of relationships. Instead, the stories show that when faced with the upsetting events, our career actors (a) *put to scrutiny or reconsidered* their existing investments, (b) *divested* from their old ways of knowing and (c) *invested* in relatively new ways.

### *Knowing-Why*

As some of the stories show, upsetting events often prompted our sample's career actors to look critically at and/or reconsider their career investments. They asked themselves to what extent they could continue investing in what we classify as ways of knowing with the expectations of achieving career success. Such reconsideration in many cases led to actions. For example, the actions included withdrawing from a programme at a university, after realizing that the chosen profession after the graduation will be useless in light of the fresh economic and social developments. There were also many examples of people withdrawing from their occupations, such as academics and doctors moving from then low paid jobs (that under the previous economic system were prestigious, relatively well-paid, but also very demanding from the point of view of human and social capital expected for success) into new types of jobs in the private sector, leaving behind their already well developed professional identities.

In our sample, Georgij Papunashvili, an academic with a PhD degree in Sea and Fishery had to leave his field of academic interest when the former USSR fell apart. He noted (Gansvid, 2006a, 298):

“Perestroika came about... and, as one would say, it became more difficult to breath. Attitudes towards science have been changing.”

Being a person of education, as he calls himself, Goergij Papunashvili became active in promoting Christianity across new independent states of the former Soviet Union, which brought him significant monetary rewards through publishing relevant literature. When this activity stopped bringing him profit, he turned to banking, and that shift required him to earn a new academic degree. Currently an owner of an auditing company, Papunashvilli still considers himself to be a missionary (not unlike during his Christianity promotion times), although at this time the missionary activity is in the field of passing on professional knowledge to others.

Most of the people in the sample demonstrated some kind of withdrawal from their previously developed work-related identity, or “career divestiture,” in terms of “divesting” from the old “knowing-why” which was no longer valid. A career divestment refers to letting go of some of the previously developed identities in order to free resources for new career investments. Divesting from “knowing-why” can be seen as an important process of change in one’s identity that is required for a successful transition (cf., Bridges, 1980). Understanding at a certain moment that previous “knowing why” investment fails to bring in a return that is commensurate with the magnitude investment made may lead to giving up that old identity and developing a new one. In some cases a divestment of this sort means giving up values or ideals that were driving their professional life in the past. In our sample, it is for instance Vladimir Averkiev (an academic with a PhD in physics-mathematics), who

“...next to his scientific colleagues also tried to make sense of the market economy. First, he started to sell calendars at the metro stations. Next, focused on selling fresh vegetables.” (Gansvid, 2006a, p. 94 )

By moving into entrepreneurship, Averkiev might have to stop seeing himself as someone who is above daily life, and for whom commercial activities may be seen as something less desirable and less valuable to society as academic work (a value that had been developed through years of socialization into the academic profession). The challenge of the change is

actually in making a shift in one's identity. Ibarra (2003, 2005) suggests that a radical career change demands starting doing new things, developing new networks, and telling a new story about oneself. In the context of transition to capitalist economy in Russia, the identity shift meant that people had to do what they would never have done under previous conditions, would deal and socialize with the people that they would never consider equals (or even despise) under different conditions (e.g., in the Soviet Union commercial activities and profit seeking were considered to be lowly and even dirty), and would talk about themselves in a new way (e.g., present their products or services at commercial exhibitions).

Finally, our career actors impacted by what they perceived to be an upsetting event responded by investing in relatively original identities and work-related activities. For example, Irina Mochalova, Director of an educational consulting firm "Parta", through organizing funding for her daughter's one-year long exchange program in the USA, discovered a then relatively unexplored area of the educational consulting. Unlike other parents who wanted to send their children for a year at private US schools, she decided to send her daughter to a public school. The fees for the latter were only five thousands dollars instead of twenty-eight thousand charged by private schools. She invested a great effort in finding needed money through attracting nineteen more paid students who also wanted to go for an exchange program and whose parents were willing to send them to a public school and could afford it. As she further comments (Gansvid, 2006a, 263):

"Only after the first group of students departed, I realized that I have in my hands a working business – educational consulting."

In terms of the intelligent career model, upsetting events helped participants reassess the return on investment (in terms of objective and/or subjective career success) from their existing (or previously made) knowing-why investment. If the investment made no sense any more, a new one was made. Khapova & Korotov (2007) provide examples of people in the Russian labor market who during transition times gave up formerly prestigious positions of medical doctors or university foreign language instructors in order to start working as medical representatives for Western pharmaceuticals or as receptionists in offices of multinationals. Medical degrees and knowledge of languages were the skills in high demand during the transition period in Russia. As most people with the medical degree considered it too risky or to painful (for example, anticipated a significant potential identity threat) to apply for the positions, those who were among first movers ended up having tremendous opportunities for

accelerated development and eventually quick managerial growth, although in a field that was different from their initial area of professional socialization. The receptionists with university pedigree and knowledge of languages often could use the communication channels in order to pursue opportunities as new options started to open with growth of Western business in Russia. Quickly adding professional skills to their linguistic abilities, many of them managed to get training and promotions in various business functions.

### *Knowing-How*

Individuals facing upsetting events may quickly notice that their previous investments in knowing how no longer support them in the career progression. In some cases the careerists in the stories used for our research actually were in the process of acquiring a set of skills or competencies when an upsetting event took place. For example, they may have been studying for a specific major at a university, when the change in the socio-economic situation or labor market made development of such skills a futile investment. In this case, some individuals divested from obtaining the skills that do not seem promising in terms of providing adequate returns. Upsetting events in some cases also suggested that acquisition of new skills or competencies was required. Think of the example of Andrej Gluhovzzov – a graduate of Economics from one of the universities in Moscow. He suffered from a number of upsetting events throughout his career. First, he lost money on the raw leather which was sent to the former Yugoslavian manufacturer, just before the beginning of the Balkan war of 1990s. On his next job as a manager of a large flour-grinding company, he became a victim of a company bankruptcy and of a stolen company car, for which he had to pay back to his employer from his personal savings. However, Andrej Gluhovzzov, recovered from these events, and came up with a new idea to focus on a fire-place business. About his knowing-how re-investment, he comments (Gansvid, 2006a, 161):

“Before starting-up his company, Gluhovzzov... decided to master fire-place business from mistakes of others. For this, he joined a firm “Gaitan” ... he learned a lot of new and interesting things: that there are four other companies which operate in Moscow and that there is still space on the market; that market is growing; that there are different styles of the fireplaces, and which styles sell better... he also learned that his employer “Gaitan” is likely to break down soon, due to the managers’ systematic withdrawing of money from the revenue.”

New business and new types of activities that were required in the work settings of the careerists in our studies made many of them engage in learning new things. To do that, it was necessary to stop developing professionally in the area that was no longer feasible and instead invest in new learning opportunities. Those included self-education, getting employed with the objective to learn certain skills, or going back to school for a new degree. For some people, such as for example Aleksandr Djukov, that meant retraining in a completely new area. Aleksandr, educated as an engineer, and disturbed professionally from his initial career investment in the defense industry, had to reinvest in learning about financial diversifications, correlations, and other financial matters to become one of the most successful financial consultants in Russia, as well as Chairman of the Board of Directors of transnational financial consulting company SWS.

For Georgy Papunashvili, there were several instances in which learning new skills became an important task under the impact of an upsetting event. One of the upsetting events that would fall under the above-mentioned “micro” classification, was the lethal sickness of his wife which required him to quickly find new income-generating opportunities (in modern Russia serious diseases imply a significant financial burden, as many treatments are not available under the mandatory medical insurance regime). Papunashvili started delivering accounting lectures to young accountants and auditors as a moonlighting activity. That contributed to his own learning of new skills. Eventually, he used the knowledge obtained for launching a business in the field of public accounting and auditing (Gansvid, 2006a, 296-301).

However, in line with the social learning theories (e.g., Bandura, 1977), we also found that initially obtained skills were nevertheless often instrumental to connecting to the new business opportunities, and consequently obtain new knowledge and expertise. These skills included degrees in economics, or a leadership experience within the Komsomol – the communist youth organization in which career actors obtained their first leadership and networking skills. Kets de Vries, Shekshnia, Korotov, and Florent-Treacy (2004) provide many examples about how such skills learned under the communist regime become a powerful career-enhancing asset in the post-Communist world.

### *Knowing-Whom*

Interestingly, in most of the career stories, people, contacts, relationships, and all other possible “knowing-whom” made significant impact in our subjects’ careers. In the story of

Nadezhda Bolotova (Gansvid, 2006a, 116-121) the acquaintance she made on board a plane had changed her career from being a small self-employer retailer into the president of a group of companies “Ledovo,” which is currently the key distributor of frozen fish and surimi in the Russian Federation (with 35% of the surimi market, and 95% of the salt delicatessen market, and an annual revenue of 20 million Euro).

However, there were also stories, in which previous investments in knowing-whom were marked with an upsetting feeling. For example among our sample there was a story of Urina Vitorgan who decided to start her own business after experiencing a socially unfriendly environment of her present employer. She observed (Gansvid, 2006a, 130):

“In front of me colleagues were turning from friends into nasty competitors.”

Ironically, connections were also the factor that made her new business successful. She contacted her exiting contacts to distribute the first set of the theatre tickets when she started her own theatre booking business..

Interestingly, among the stories of the Russian successful entrepreneurs in our sample, there were hardly any stories which referred to the influential role of “strong ties” in Granovetter’s (1982) terms. In very few cases family, close friends, and other people with whom our career actors had strong ties were influential in career trajectory relaunch. On the contrary, most of the successful business were developed with the facilitation of “weak ties” (Granovetter, 1982). These relationships transcended local relationships boundaries both socially and geographically. This is for example, like in the story of Nikolai Kanavin, when one of his university fellow students, whom he met earlier but never established any relationship with, came up to him and said (Gansvid, 2006a, 213):

“Nikolai, I was thinking about it and now have decided that I would like to do business with you”

This chance interaction established what later became a successful consequence of business activities. The example of Nikolai Kanavin example suggests that one of the important features of Russian entrepreneurs who managed to overcome the influence of upsetting events was their ability to use weak ties, to see the value in them, and to overcome possible internal resistance to do business with people whom you don’t know extremely closely.

Individuals facing an upsetting event may realize that their previous set of contacts, role-models, or providers of support fail to provide them with the resources necessary for continuous success (or even survival). Getting out of an upsetting situation may require from career actors to get together with other individuals who serve as a better resource for the changed circumstances or new reality.

## **Discussion**

Based on the exploration of career stories of 140 successful Russian entrepreneurs, this paper showed how various types of upsetting career events impacted working and/or personal lives of many career actors, required them to assess and evaluate the effectiveness of their career investments, and prompted them to make new career investments. We examined these re-investments in terms of the intelligent career concept's three ways of knowing (knowing-why, knowing-how and knowing-whom). Below, we discuss several issues which emerged from our analysis, and which have important implications for future careers research.

### ***Career divestments***

The experiences described in the stories of our career actors suggest that their adjustment to the impact of upsetting events often involved a significant identity change. Part of the adjustment required developing a new way of answering to the "Who am I?" question. Success in re-launching one's career trajectory often meant moving away from what has been anchoring the person in his or her working life so far. Knowing-why divestment is the process through which the person stops identifying him- or herself with a particular job, role, view of self in the world of work, or career path and opens him- or herself to new opportunities.

Hall (1986, 2002) proposes the importance of two metacompetencies for successful career development and management. A metacompetency is conceptualized as a foundation for development of other competencies. In Hall's (2002) opinion, there two critical ones are adaptability and identity learning. Adaptability is beneficial only when identity learning is present, i.e., when the person can learn to gather self-related feedback and change his or her own self concept as appropriate.

Upsetting career events may be seen as instances that mobilize the processes of identity reconsideration and change and letting go of the past identities. Ibarra (2005: 17) argues that

“events motivate exploratory behavior by setting up in motion mental processes whereby the person begins to more acutely consider alternatives to the current situation.” Recent work on psychological impasses (Butler, 2007) suggests that unpleasant moments of feeling stuck and not knowing what to do next may be important for becoming a springboard into a better professional or personal future. One of the critical factors in the success of the people in our sample seems to be the ability not to continue being stuck with the investments that make no sense any longer.

The experience of the people in the sample suggests that in order to move into the new career trajectory people have to stop defining themselves in terms of what fails to work. Divesting is the phenomenon that is related to the notion of sunk costs. The latter, in investment terms, means throwing good money after bad, i.e., continuing to invest resources into something that is not working and should be written off. However, many people do honour sunk cost (Arkes & Blumer, 1985; Staw, 1982; Staw & Ross, 1989), and continue to invest without the return. The entrepreneurs in our sample were quick to realize (consciously or not) the danger of honouring those sunk costs. In essence, people in our research sample managed to make sense of the circumstances around them and their own embeddedness in those circumstances. Weick (1995) argues that sensemaking is the process of placing elements of one’s history or one’s environment into a framework, answering to surprising situations, gaining meaning of things, and developing interactions in order to come to a mutual understanding of events and elements of the environment. It is not a simple interpretation of things (i.e., not explaining one word by others), but rather a phenomenon of simultaneous authoring and interpreting. Assessment of the effectiveness of past investments may be seen as part of the sensemaking process. Ibarra (2005) asserts that when the meaning associated with one’s pre-existing selves changes, the probability of getting engaged in exploring new activities and new relationship networks heightens.

The stories that we used for our research do not tell us much about long-term consequences of career divestments. The limitations of our research design do not allow us to dwell into possible regrets that people might have about their decisions. We can’t really know to what extent people are free from their previous investments, particularly the knowing-why ones. It is not unfeasible to foresee that there are some vestiges of previous identities in people who are now doing something completely different. Thus, some of the participants of Korotov and Khapova’s (2007) research had previously invested in the identity of a physicist. Having



obtained the skills for a career in Physics they, under the pressure of circumstances that we classify here as upsetting events, moved into different work fields. Both eventually graduated with MBA degrees from the same business school. While one of them, a Marketing Director, clearly identifies himself as a marketing professional, the other, a general manager, from time to time refers to himself as a physicist.

With change in the economic situation becoming the norm all over the world, and with significant social changes in many large parts of the world (e.g., China and other Asian economies, Eastern Europe, and some countries in Africa and Middle East), the question of divesting may become more acute. It is not unthinkable to forecast the need for career actors to reassess their knowing-why investments in developing economies as well. With globalization and delocalization of jobs, economic trends may force people to reconsider their own professional identities in order to respond to the pressures of upsetting career events in their up to now relatively stable domain of work and life. Previous work on going through transitions and making change in one's professional and/or personal life (Ebaugh, 1988; Bridges, 1980; Ibarra, 2003, Korotov, 2005) suggests that assessing one's past identity and changing it may be a difficult undertaking. Learning further how people divest from their knowing why in order to make a new investment may be an important task for career researchers willing to contribute to real help to career actors in various societies. Exploring how people divest may lead to important insights for careerists and those who help them with their careers, e.g., counsellors, coaches, HR professionals, etc.

### ***Interdependence among the Intelligent Career Investments***

Our research also provided support to the theoretical assumptions of Parker, Khapova, and Arthur (2007) about interdependency of the three ways of knowing. Many of our stories showed that one's new knowing-whom might affect an individuals' knowing-why, which in turn require an acquisition of a fresh knowing-how. Think of our earlier reference to the story of Nadezhda Bolotova who from a small retailer became a president of a group of companies "Ledovo" with a leading market share in the business of fish and surimi and salt delicatessen. Her knowing-whom obtained through a small talk in an airplane determined her knowing-why, that is the business she quickly engaged in. In turn, when her new financial situation allowed her some reinvestments she invested in further developing her knowing-why, but this

time in the *why* which she always wanted to be. During her interview, she noted (Gansvid, 2006a, 121):

“Currently my most important business project is to invest in myself. I developed a sort of R&D agency: I learn who I am, I develop myself, and realize myself. There are already a vocal project, dancing project. I also plan to make paintings, and may be even make a movie ... My self-investigation activities help me to do my business more effectively. I change, advance and in this my business also advances.”

There is also a story of Faris Al-Obadi, who once as the one in the auto-service business, imported a Harley-Davidson motorbike for one of his friends (knowing-whom), and then for a few more friends. This experience (knowing-how) prompted him to open a Harley salon in Moscow, thus shaping his new identity (knowing-why).

In their paper, Parker, Khapova and Arthur (2007) argue that “career studies need to move beyond studying simple influences on career success.” They argue that “it is *processes* rather than individual variables that predict contemporary career success.” The stories of our career actors obviously support this assumption.

### ***Upsetting Events and Careers***

Our study demonstrated that the relationship between upsetting events and careers needs further investigation. Among some of the pressing issues are:

- a) *The extent to which a career is the result of planned course rather than a series of accidental lucky and/or upsetting events.* For example, Ross and Nisbett (1991) in their Fundamental Attribution Error theory suggested that people have a tendency to attribute behavior to dispositions rather than to situations (Ross & Nisbett, 1991). According to Caplow (1954) “error and accident often play a larger part than the subject is willing to concede” (p. 214). Salomone and Slaney (1981) and Williams et al. (1998) also found that individuals seem to attribute planfulness and rationality to their career decisions that to an outside observer may appear accidental.
- b) *The extent to which certain personality traits influence individuals reporting presence of upsetting events in their careers.* According to Lefcourt (1966) individuals with an internal orientation tend to view themselves as having control over and personal

responsibility for the direction of their lives. Externals, on the other hand, are more likely to feel themselves powerless to control events. Thus, it is reasonable to expect that upsetting events may be perceived to play a different role in career decision making for individuals with an external and those with an internal locus of control. A recent study of Bright, Pryor, and Harpham (2005) showed that more external control individuals tended to report more chance events in their careers than their internal control counterparts. One may look further into investigating the various roles of what we call “Macro” and “Micro” upsetting events on career paths of actors with different loci of control.

- c) *The extent to which gender influences individuals reporting upsetting events in their careers.* Analysis of stories used for our research tentatively suggests that women tended to explicitly indicate the importance of upsetting events in their careers. On the contrary, men were more likely make no reference to the upsetting events. Future research is needed to examine differences in perceptions of upsetting events among women and men.

## **Conclusion**

This paper examined stories about career investments of 140 successful entrepreneurs from Russia. A significant portion of these people explicitly mentions effects of upsetting events on their own career investments. Despite all the limitations of the study due to the methodology involved, we managed to find a number of interesting repeated regularities that, in our opinion, enhance our knowledge of career actors’ reactions and responses to negative or upsetting career events in general , and that also shed new light on the careers in Russia in particular.

Based on the exploration of career stories, the paper introduced a typology of the upsetting events in the Russian context. The events were generally classified into those that represented “macro” and “micro” upsetting events. Macro events refer to changes in socio-economic, and political systems. Micro events refer to the events that only concern the individual him or her self (e.g., health), or may include events at work or at home. The results of the analysis of the career investments of the Russian entrepreneurs showed that when faced with the upsetting events individuals tend to either (a) reconsider their existing events, (b) divest from their old ways of knowing, and (c) invest in relatively new ways of knowing. Future research is needed

to better understand (i) the role of upsetting events in individuals' careers, (ii) the extent to which certain personality traits attract more chance events, or influence individuals reporting chance events in their careers, and (iii) the extent to which gender plays a role in attracting chance events, and/or influences individuals reporting chance events in their careers.

Our study calls a particular attention to the role of career divestments, or discontinuing certain ways of investing in order free resources for a different investment expected to be more fruitful in terms or returns. Attention to divestment may be warranted due to the increased unpredictability of working lives of today's career actors.

This study contributes to responding to a call for a better understanding of the role of upsetting events on people's careers and the society at large. We also bring further our understanding of human adjustment to the sometimes upsetting changes in their surroundings through working life, thus enhancing our understanding of the role of careers in socio-economic systems.

Last but not least, the study also contributes to a better understanding of careers in modern Russia. With the increasing role of Russia on the international political and economic arena, understanding people through looking at their working lives is a good start for multiple potential research endeavors in the fields of career research and beyond.

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