

Decision-Making Dilemmas in Career Choices under Prolonged Poverty

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Background

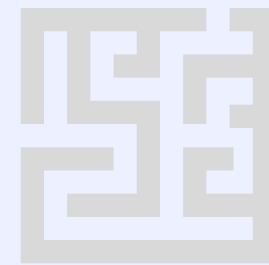
Employment is one of the solutions to escape from poverty. Yet, not all jobs facilitate the mobility.

Immediate support vs long-term stability, growth opportunities vs precarious conditions?

Can decision-making under poverty be reduced only to individual agency? Are cognitive traits and universal human tendencies enough to explain such complexity?

Developing countries realities

High level of poverty, weak safety nets
Informal work domination



Structural barriers

Limited welfare
Unstable labour markets
Institutional gaps constrain choices

Regional disparities

Job quality and opportunities vary sharply between urban and rural areas
Urban jobseekers & firms face barriers beyond personal effort
Development favours cities → more jobs in urban areas
Rural poverty remains higher → migration



Global-local mismatch

Western-built theories often fail to capture these realities
Research focus also diverges: developed contexts examine both job access and quality, while developing ones emphasise disparities

Background

Theory	Proposition	Limitation
Prospect Theory (Kahneman et al., 1991; Kahneman & Tversky, 1988; Tversky & Kahneman, 1974, 1981, 1992)	Choices are judged relative to reference points; losses weigh more than equivalent gains; judgements rely on heuristics and distorted probabilities; decisions involve both intuitive and analytical processes	Too general for socio-economic contexts, poverty decision-making influenced by contextual constraints; limited external validity of experiments
Scarcity (Mullainathan & Shafir, 2013b; Shafir, 2013)	Poverty narrows attention and induces trade-off thinking; scarcity reduces mental bandwidth, limiting cognitive capacity	Inconsistent findings, weak evidence, replication challenges
Construal (Trope et al., 2007)	Psychological distances are cognitively related; distance shapes and is shaped by level of construal; construal influences prediction, preference, and action	Insufficient exploration of cognitive mechanisms in poverty, institutional and social barriers
Temporal Discounting (Trope & Liberman, 2003)	The value of outcomes declines when their realisation is delayed	Limited real-world applicability across demographics
Time Perspective (Zimbardo & Boyd, 2008)	Time orientation shapes thought, emotion, and behaviour	Limited context-sensitive frameworks
Self-efficacy (Bandura, 1993, 1994)	Belief in domain-specific competence enhances motivation, persistence, and performance	Structural and systemic challenges
Social Cognitive Career (Lent et al., 1994)	Career decisions are guided by self-efficacy, outcome expectations, and goals	Structural and systemic challenges
Locus of Control (Rotter, 1990)	Expectancies range from internal (personal control) to external (chance or others)	Life outcomes beyond control in poverty
Planned Behaviour (Ajzen, 1985, 1991, 2002)	Behaviour is predicted by intentions, which are shaped by attitudes, norms, and perceived control	Cultural and socio-economic influences
Coping Strategies (Snel & Staring, 2001)	Coping involves four types of effort: cutting expenditures, intensifying household use, engaging in market activities, and seeking external support	Lack of long-term solutions for upward mobility

Table 1. Comparison table of decision-making theories in poverty settings

Source: prepared by authors



Research Question

How do individuals living in poverty in Indonesia interpret and navigate structural, institutional, and socio-cultural constraints when making employment decisions, and how do they connect these choices to aspirations for improved economic and social well-being?

Research Conceptualisation

Y axis – type of process, phenomena mechanism	Normative (rules/ values)	Personal values and moral codes	Social norms and expectations	Institutional laws, policies, systemic norms
		Personal values, moral beliefs, internalised norms, kaleidoscope, life course scarring	Social norms, strength of weak ties, social capital, agency/culture, kaleidoscope	Institutional policies, laws, labour market norms, culture & structure in labour policies, macroeconomic ideologies/ structures
	Behavioural (external actions)	How individuals act and decide	How groups act together	How institutions act
		Coping strategies, decision-making actions, scarring, scarcity	Kaleidoscope, strength of weak ties, social networking, social capital, social coping behaviours	Participation in institutional programs, engagement with government systems, institutional behavioural design
	Psychological (internal processes)	How individuals think, feel, and perceive	How groups share collective psychological frames	How institutions create collective mental models and narratives
		Self-efficacy, locus of control, construal, temporal, time perspective, scarcity, well being, general decision making	Identity formation, social cognitive career, planned behaviour	Collective mental models, cultural narratives created by institutions
	Individual		Social	Structural/Institutional
X axis - Level of analysis, who and where				

Table 2. Theoretical map

The study investigates how individuals interpret and respond to policies, social norms, and networks that shape both opportunities and constraints. The study is positioned at the **intersection of social-psychological, social-behavioural, and social-normative processes**. Rather than examining institutional structures directly, it focuses on **meso-level processes** that link social meanings, norms, and interactions between policy contexts and individual action.

Methodology

The study does not aim to create models or give advice on better choices. It seeks to revisit earlier theories and test their relevance to the lives of the urban poor.

Constructivist Grounded Theory (CGT)

(Charmaz, 2006)

Builds theory directly from participants' experiences and meanings.

Focuses on meaning-making, agency, and social processes behind employment choices.

Explores how people balance short-term needs vs long-term goals under limited opportunities.

Enables flexible, iterative data analysis that adapts to emerging insights.

Situational Analysis (SA) (Clarke, 2005)

Examines how institutions, discourses, and power relations shape individual decisions

Contextualises personal choices within broader social and policy systems

Reveals the dynamic interplay between structure and agency in the employment context



Enabling the development of a context-sensitive theory that explains how individuals navigate employment decisions under poverty while situating these choices within broader structural, cultural, and discursive forces.

Research Setting



Figure 1: Indonesia map

Research process and verification flow

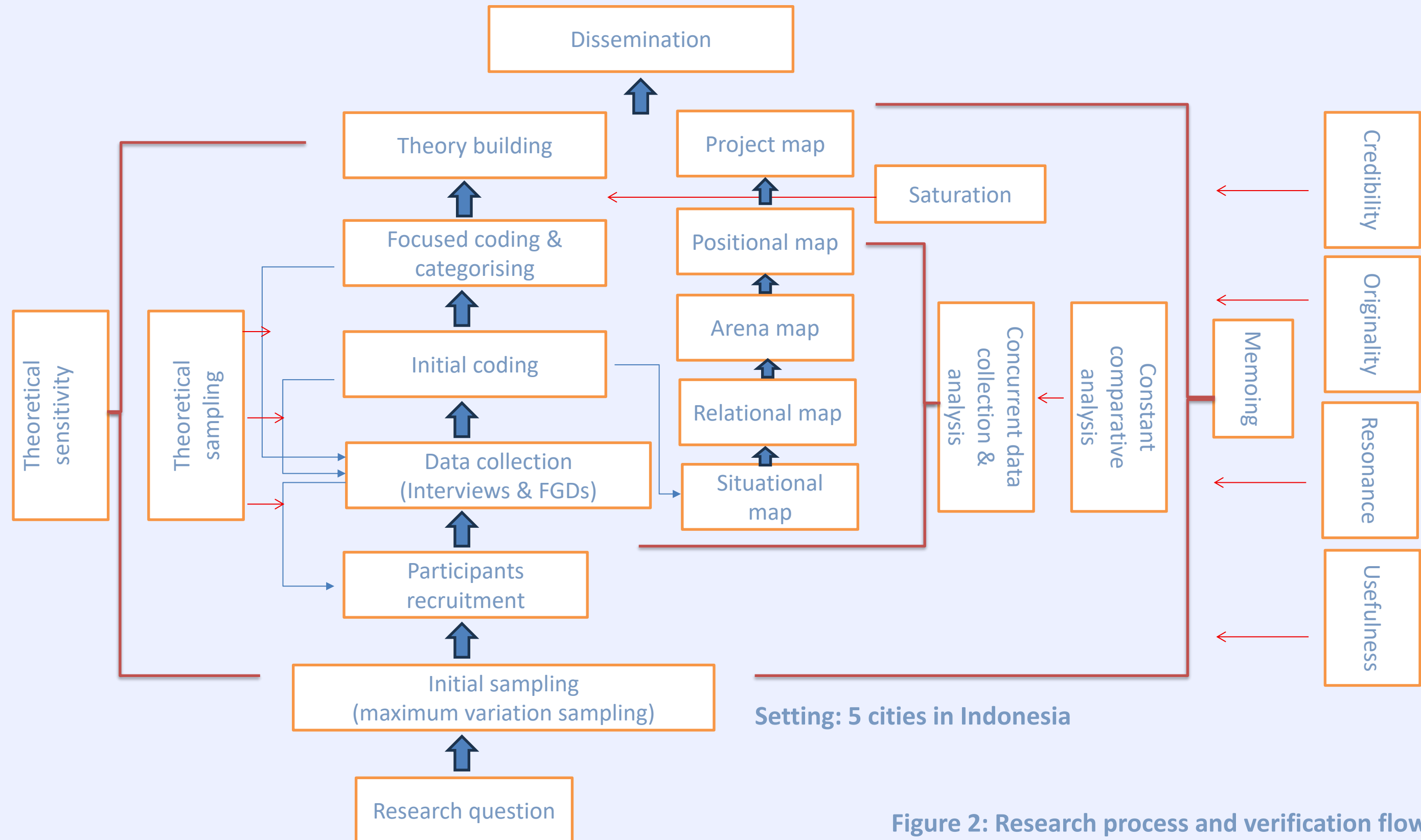


Figure 2: Research process and verification flow

Source: adopted from Charmaz (2014); Chun Tie et al. (2019) and made some changes by the researcher

Sampling

Maximum variation sampling (Patton, 2015) → theoretical sampling (Charmaz & Thorenberg, 2021; Corbin & Strauss, 2015)

Economically Disadvantaged	Upwardly Mobile	Upper-income
Fresh Graduate (Vocational) – Waitress	Individuals who started from low-income jobs but grew their own businesses into more successful ventures	Successful Entrepreneurs
Fresh Graduate (Bachelor’s Degree) – Counter sales	People who have acquired specialised skills through vocational training or apprenticeships and have moved into better-paying, more stable jobs.	Overseas graduates choosing apprenticeships over high-paying jobs.
Bachelor’s or Master’s Graduate – Online motorcycle driver	Individuals who were from poor families successfully acquired blue or white collar positions with enough salaries	Unemployed
Young, Mid, and Old Age – Parking attendant, construction workers, scavenger, security, porter, street <u>cobler</u>	Individuals who began in informal work (like street vendors or casual labour) and transitioned to online platforms to create businesses, such as e-commerce or digital content creation	Affluent individuals choosing civil service over high salaries
Women & Men (Young, Mid, Old Age) – Street Food Vendor, beggar, & street musician		High-salary white-collar employees
<u>Marbot</u> (Mosque Caretaker)		
Women (Young, Mid, & Old Age) – Household personal assistant,		
Women (Young, Mid) – Sex Worker		
Unemployed		
People with disability		

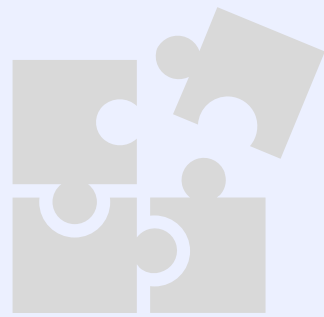
Table 3. Example of targeted participants



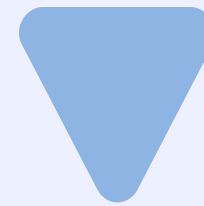
Key Questions Guiding Investigation

- ▶ How do individuals facing financial and social constraints make employment decisions?
- ▶ How is “meaning” constructed under conditions of constraint, and in what ways do individuals use personal and relational resources as survival strategies?
- ▶ To what extent is well-being, understood as both a subjective experience and a valued outcome, a motivating factor in these decisions?
- ▶ Are concepts like meaningful and decent work relevant only for more privileged groups, or do they resonate, even implicitly, with the aspirations of those living in poverty?
- ▶ What institutional, cultural, or value-based influences shape these decisions?
- ▶ What role can social policy and social work practice play in equipping poor individuals to make better employment decisions and improve their long-term well-being?

Original Contribution



Development of a context-sensitive framework, better captures how poverty influences decision-making capabilities



Guiding the design of policies and interventions that respect agency, aspiration, and dignity



Discussion and Feedback