



## MAIN MOTIVATION FACTORS OF HUNGARIAN LABOR-MIGRATION IN THE EUROPEAN UNION

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### Annotation

This paper tries to analyze the motivations of Hungarian labor-migration in 2017 and provides insights into this labor-migration-flow as well. Nowadays the labor-migration is determinative part of the whole labor market of modern economies and it is closely related to the process of globalization. Employees working abroad are parts of globalization processes. The development of employment and these kinds of labor-flows have been effected by the enlargement of the European Union (EU). In the EU member countries the willingness to work has been increased by this labor-flow. Migration and mobility are parts of the incentives of labor market on European level in the EU policy. Formerly if we heard that word: labor-migration, we hardly focused on the flow of emigration; we associated mainly with the process of immigration. But now the discourses about migration focus rather on emigration, than on immigration. It is important to mention that this publication, do not focus those migration flows, which can be seen nowadays towards Europe from Eastern and African countries. The authors do not analyze the reasons and motivations of this „new Exodus” either. The authors of this article do focus mainly on the relevance and importance of Hungarian labor-migration, and its motivations. The authors do not analyze any kind of political aspect of the topic. Being the labor-migration a timely topic, it is worth discussing, because year by year the number of Hungarian foreign employment is increasing. While in Hungary the Hungarian employed population is gradually decreasing. In Hungary, the relevance and importance of migration is highly perceived. That is why these things gradually should have been incorporated in national labor market, educational and other policy plans. Moreover, the tendency of labor-migration is often talked about in media. According to statistical data, there is continuously increasing emigration in this field. Most of the job seekers prefer work to abroad, than in their own country. In globalized labor-market, the labor-migration is considered to be so natural, not only because of that fact that moving is a part of our life, but for some other reasons too.

KEY WORDS: labor-related emigration; mobility; motivations; working abroad; cluster analysis.

### Introduction

There is increasing number of migrant workers, who want to implement their plans abroad or to achieve their goals there. A new country may be an opportunity for them to become what they want to be, do what they want to work and then their dreams come true. If they can integrate, they might even feel home in a foreign country.

Hungarians having good or perfect training and qualifications, they can start working in their motherland. It is important to mention, that formerly a certain job is said to fulfill the employees for a long time, at least until the retirement. Nowadays, we can not say this is true. On one hand, it is not only because of the workers having increased demand and desire for new experiences, and hope in their jobs. Although on the other hand, they do not always find the right job. What does it mean the right job? Those jobs, which confirm with their employees' qualifications, experiences and last but not least, the employees get sufficient remuneration.

There are people who are not able to pay bills and increased costs by their domestic wages and revenues. The working poor phenomena is an emerging issue in the EU (Bruder-Obádovics 2012). It is not an easy situation and they have to rethink their life, opportunities, and possibilities.

Working abroad, do not only mean new start, but living and working quite far from the motherland, and leaving home families, in hope of a better paying job.

This research is a part of a larger investigation about international career, Hungarians working abroad.

### Purposes

The reasons of labor-migration and motivations of Hungarians working abroad have been changed for the past 10 years. Formerly, the focus was on desire for new adventures of unknown field or learning languages in foreign country. These motivations were considered to be the main driving forces, but nowadays this trend has been taken a new direction.

We can even think that Hungarians migrate abroad hoping for better wages and better living circumstances.

What are the main causes of Hungarian labor-migration: *economic crisis, uncertain situations, difficulties in living conditions, economic constraints, and discomfort due to foreign currency loans, hopeless situation, or debt burden?*

Researches and surveys on increasing labor-migration revealed some new evidences, which modulated significantly the knowledge on labor-migration.

There are many differences amongst destination countries. The labor-migrant population heading to these countries is fragmented. Labor-migration is increasing to new destination countries that is why, the structure of migration will likely transformed to new pattern.

## Review of literature

The number of Hungarian migrants abroad and job seekers abroad has been increased since 2007 (Fig. 1.). According to Gödri (2015) the influencing factors may be:

- deteriorating economic and labor market processes,
- growing demand for the East Central European labor force in main migration destinations,
- the lack of economic growth, decline in real wages,
- increasing difficulties of young people in entering into domestic labor market, high youth unemployment,
- reforms implemented in higher education system,
- serious financial deprivation, which especially characterize young people.

The enlargement of the EU has had a great influence on the development of employment, on the labor flows, and therefore the willingness to work increases in the EU member countries as well. (Poór 2013)

For some decades Europe has grown into a huge, common market, in which freedom of movement is quite large. The free moving of persons was realized when there were no mass migration movements in the EU. (Scheffer 2016)

Formerly if we heard that expression: migration, we associated mainly the process of the immigration and did not focus the emigration. That process could hardly come to our mind. (Hárs 2008)

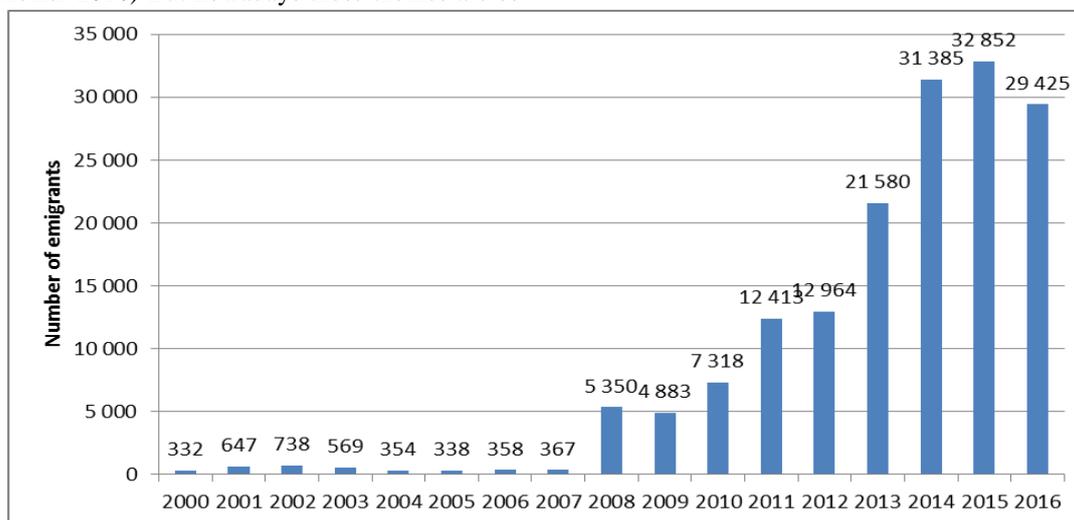
The starting point must be in any case that the problem of immigration and integration is not a separate thing. (Scheffer 2016) But nowadays these themes are so

up to date and we have to discuss about it.

Working abroad is part of the labor market in modern economies, and is closely related to the process of globalization. In globalized labor markets, the labor migration is considered to be so natural. The expansion of the capacity of the European countries appreciated in the European Union. (Hárs 2010)

As migration is growing, more and more European countries are forced to negotiate their immigration policy. Those countries like Spain, Italy and Greece have become immigrant countries for the last 10-15 years. (Scheffer 2016)

We can see different work intensities amongst working in the EU member states, but overall, a growing proportion appears. In this process, due to the economic crisis a little slowing down was seen, but it is only temporary. There are countries where the direction of migration flows has been increased. Because of their proximity to Hungary, Austria and Germany are the two most common countries of destination, where the practice of emigration, has essentially unchanged. Employees also direct towards new countries where they can find large variations of jobs. Based on various statistical data sources the share of the Hungarian nationals involved in foreign employment for a shorter or longer period in the EU. According to statistics we can say that the structure of employment is different in some countries. In Austria and in Germany, typically skilled workers are working, while the U.K. labor market attracts more educated labor (European Parliament 2015). It is clear that in these countries, especially in the United Kingdom, there is a major presence of the over-qualified foreign workers.



**Fig. 1.** Number of emigrants from Hungary having Hungarian citizenship, 2000-2016

Source: Eurostat (online data code: migr\_emi1ctz)

Hungarians traditionally preferred Germany and Austria as main destination countries for labor emigration and skilled laborer are most likely involved in labor emigration. The more recent magnet countries for labor emigration, mainly the United Kingdom and some other EU countries attract more qualified labor with secondary or higher education. The jobs offered are less qualified; however, over qualification of the migrant labor is

common in these countries. The labor emigrants who employed in Germany are more likely employed for a longer period and become resident in the destination country while those who are employed in Austria or in the United Kingdom and other EU countries are more connected to the home country. They regularly go home to see their family and more frequently return to the home

labor market or commute between the home and the foreign labor markets as well. (Rédei 2007)

That is why, it is important to mention that some flow start to the direction of the parent countries.

Following a shorter or longer period of foreign employment labor migrants return to the national labor market and remarkably share of them is returning as unemployed. Hungarian labor emigration is increasing in a period when mainly return migration is on increase, due to the effects of the crisis. Signs of return migration are evident; return migration is stronger from the new destination countries. Return migration was considerable during the crisis; nevertheless the share of returnees is high on general. The reason is connected to the fact that returnees can hardly find a convenient job and they are unemployed during the transition period while they are looking for a good job at home or return abroad.

This feeling is dual, because you have to cope with the idea that their lives would never be the same again, and with a hopeful look forward to the future, to turn their knowledge into money. If it is not possible to achieve at home, then go abroad. (Hárs 2008)

In the future, the labor migration will play a significant role in the political, social and economic decisions as well. It does not matter at all whether this trend shows how the employees go to work abroad.

We can see the structural unemployment problem in developed societies. There are so many unemployed people, having no adequate qualification for that job or there are less opportunities and specific job offers, which they are not willing to undertake. (Szabó 2006)

The economic reasons (income, unemployment) as relevant factors for migration, are the topics of studies e.g. of Ciarniene and Kumpikaite (2011), Rabe and Taylor (2010), Cattaneo (2008).

However, a great deal of migration is not primarily economically motivated: international movement is also motivated by an expression of more varied tastes and lifestyle choices, the kind of multiple complex motivations and migration trajectories (Chong and Clark 2015, Luthra et al. 2014, Favell 2008, González-Ferrer 2010).

Moving is a part of our life. When we have to make a decision, not only knowing and understanding new things, searching challenges, but our natural curiosity are become driving forces as well. (Hárs 2010)

We know that receiving extra income is quite inviting thing, that is why people can change their location and they are willing to change. However, the international labor migration is not only for searching better wages and jobs, but also can offer new opportunities, economic advance for employees' families too. (Poór-Karoliny 2013)

If the production does not encourage employees to achieve higher level of activity, then they will invest less to their own development of intellectual skills. The real positive test of migration is that people can acquire experiences, skills and transform them to intellectual capital forge in wealthier countries and then they return to an underdeveloped economic environment to use that knowledge. In a well-organized economy the costs and interferences due to the migration, which may be

problem, can be solved more easily than if such policy does not exist. (Rédei 2009)

The generalizations related to international migration cannot be applied universally to everyone. (Sik et al. 2001)

The question is what will be the consequences in the future? What interventions are needed in order to keep the knowledge in Hungary and invite employees back home? It is not always so easy to find a job after working abroad and coming home to Hungary. The accumulated financial resources allow the individuals to find a new job in their home country, waiting for the best job offer. They may try to get a job as a registered unemployed in the hope of finding the right job or they go abroad again.

### Analyzed problems and goals

The Eurostat data collections - including the Labor Force Survey (LFS) - do not examine labor-related emigration structures. Therefore, we had to collect data for motivational factors of Hungarian labor-related migration. This study focuses on five hypotheses:

**Hypothesis 1:** Based on the survey data, the importance of factors influencing labor-related migration decisions can be demonstrated. What are the main reasons for job seekers to decide working abroad? What are their motivations? The summary of useful information obtained via survey analysis. (The H-1 hypothesis is checked by the results of Frequency analysis, Concordance analysis).

**Hypothesis 2:** Based on factors influencing labor-related emigration decisions, respondents can be classified into relatively homogeneous clusters, thus major motivational profiles can be identified. (The H-2 hypothesis is checked by the results of Cluster analysis).

**Hypothesis 3:** There are significant differences in migration profiles of different age groups: In group of younger emigrants, there is not only economic motivation but also self-realization as well. (The H-3 hypothesis is checked by the result of the Chi-square test).

**Hypothesis 4:** There are significant differences in migration profiles of permanent migrants (stayers) and returnees: In the group of stayers, there is prevails an economic motivation but self-realization as well. (The H-4 hypothesis is checked by the result of the Chi-square test).

**Hypothesis 5:** There are significant differences in willingness to return of different age groups: In group of younger emigrants, there is not only economic motivation but self-realization as well. (The H-5 hypothesis is checked by the result of the Chi-square test).

### The sample and methods

The questionnaires have been made via Internet. The group of respondents: Hungarians living and working abroad. The surveying period was between 13 July 2017 and 10 August 2017). The sampling method was snowball sampling strategy.

The sample was 110 respondents. Respondents can give their e-mail address, in case they want to receive the results of the research, but normally the questionnaires have been made anonymously. The sample is large enough in a statistical point of view.

**The questionnaires:** There are 52 questions:

The respondents answered some questions by 6-grade Likert scale (from 1-absolutely disagree to 6-absolutely agree). There were multiple choice options in some questions. As an introduction, there were 3 questions: gender, age (in categories), and qualification.

**The database:** An Excel database has been created. However, these data had to be „cleaned”, because the responses were not evaluable all times.. There were different forms of the answers given by some of the respondents to that question: In which country do you work? For example there were different forms: U.K., United Kingdom, Britannia, Great Britain and Northern Ireland. These versions can be standardized, as United Kingdom. There were 110 evaluable questionnaires, which could be used for analysis.

**The methods:** The importance of labor-related emigration factors are based on the average of 6 grades Likert scale. The measure of respondents’ agreement (the consensus study) has been used by *Kendall's coefficient of concordance (W)*.

The main motivational profiles have been identified by the *K-means clustering method*.

In dispersion of migration profiles we have examined possible differences among different age groups, as among permanent migrants (stayers) and returnees by *Chi-square test and adjusted residuals*.

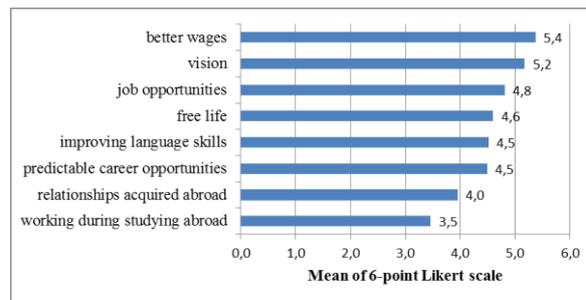
Chi-square test was used to examine possible differences in willingness to return of different age groups.

**Results**

**Output and analysis:** Now lets look at the details of the output. Analyze the results obtained, and check the correctness of hypotheses.

**Result (H1):**

Based on the results of 6-grade Likert scale, the most influential factors of decision of working abroad are better earning opportunities and vision of future. The labor migration had the least impact by experiences in foreign countries and experiences gained during the study period.



**Fig. 2.** The importance of labor-related emigration factors based on ratings on 6-grade Likert scale

Source: Authors’ calculations based on survey data (2017)

Based on value of Kendall's coefficient of concordance ( $W = 0.242, p < 0.01$ ), there is a statistically demonstrated agreement among respondents regarding the importance of the labor-related emigration factors.

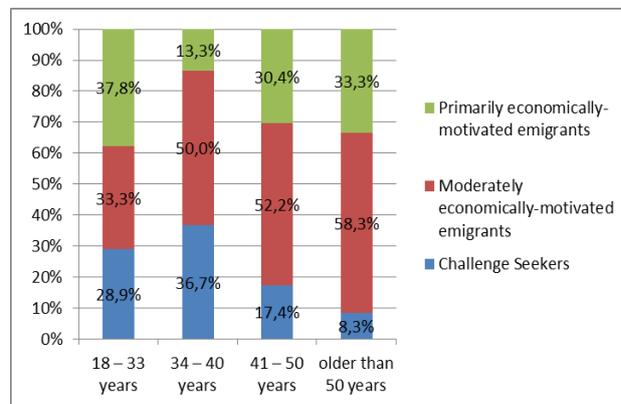
**Result (H2):**

Based on K-means clustering results, three migration profiles have been identified (Table 1).

It is interesting that better wages and better livelihood abroad are important factors in all the three clusters, but in Primarily-economically-motivated-emigrants, everyone considered this factor important. In the other two clusters, better wages and better livelihood are considered by 70-70% of respondents as important factors.

**Result (H3):**

Based on the results of the chi-square test ( $p < 0.01$ ) significant difference has been justified among age groups according to migration profiles (Fig. 3).



**Fig. 3.** Percentage of respondents by three migration profiles for four age groups

Source: Authors’ calculations based on survey data (2017)

Based on the adjusted residuals, it can be seen that the proportion of moderately economically-motivated emigrants is significantly lower among the 18-33 year age group. There is significantly lower proportion of challengers in the group older than 50 years.

It is interesting that there is considerably higher proportion of challenge seekers in the 34-40 age group

and there is significantly lower proportion of primarily-economically-motivated-emigrants.

The third Hypothesis has been only partially proven because the „Challenge Seekers” profile, which is based on the results of the investigations and is related to the need for self-realization. It is true in different ratio, and they appeared in four age groups.

**Table 1.** The cluster averages (centroids) for grouping respondents by their opinions about of motivation factors on decision to labor-migration, using K-means clustering method

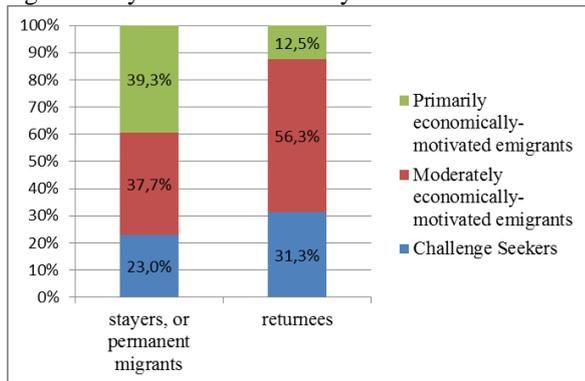
Factors	Cluster		
	Challenge Seekers (n=29)	Moderately economically-motivated emigrants (n=49)	Primarily economically-motivated emigrants (n=32)
Learning in foreign university	0.1	0.1	0.2
Learning languages	0.6	0.2	0.4
Family reunification	0.0	0.2	0.1
Marriage	0.0	0.1	0.1
Better earnings, better living abroad	0.7	0.7	1.0
Providing job opportunities abroad	0.5	0.4	0.8
Planning career opportunities and career advancement	0.5	0.1	0.5
Adventurousness	0.8	0.0	0.5
Inevitability in home country	0.1	0.4	1.0
Uncertainty	0.1	0.2	1.0
Hopelessness	0.0	0.1	0.9
Lack of vision in home country	0.2	0.6	1.0
Fear of unemployment	0.1	0.1	0.6
Indebtedness due to loans	0.0	0.1	0.2

Note: The values in the table indicate by clusters how many respondents considered the factor relevant (0 = no one, 1 = everyone)

Source: Authors’ calculations based on survey data (2017)

**Result (H4):**

Based on the results of the Chi-square test ( $p = 0.027$ ) significant difference has been found among permanent migrants (stayers) and returnees (Fig. 4.). Stayers are significantly more economically motivated.

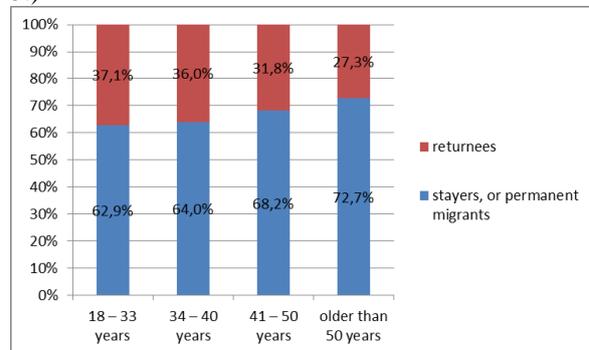


**Fig. 4.** Percentage of respondents by three migration profiles for stayers and returnees

Source: Authors’ calculations based on survey data (2017)

**Result (H5):**

Although the result of the Chi-square test ( $p = 0.928$ ) does not suggest significant difference between the age groups according to willingness to return, it can be seen that the proportion of stayers is increasing with age. (Fig. 5.)



**Fig. 5.** Percentage of respondents by willingness to return for four age groups

Source: Authors’ calculations based on survey data (2017)

## Conclusions

Decisions on moving abroad are preceded by planning and thinking. But in some cases there are individuals who make a sudden decision and start to visit an unknown area. They had already real hope that they can expect more abroad. New atmosphere, the challenges, and the novelty can also act as a motivation for them.

The decision of working abroad is not so easy to take with respect at all. Leaving the own country after a recognition is a step by step process. After that their lives would never be the same again any longer.

After all, the hope of a better quality of life has been the motivation to go away from the environment where they were born. They evaluate their current situation and future prospects, and eventually came to the conclusion that elsewhere they may implement their plans, earn enough money to live a more livable life. If we live in a challenging environment, we also do more to ensure such compliances.

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