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**Patterns of transition to employment: Comparing two generations of workers in Portugal**

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**Abstract**

Our research compares the transitions patterns of two generations of workers, the Xers (those who were born in 1963 – 1980) and the Millennials (those who were born in 1981 – 1996). We interviewed 19 people in Lisbon (Portugal) to find their occupational trajectory since the first entry to the labour market. We found four paths of transitions for Millennials and two paths for Xers. Although the Xers have been affected by reforms of regulation allowing the use of flexible arrangements, they were less likely to be assigned to precarious jobs, while the job precariousness is a regular feature of Millennials' transition. While some Xers move through temporary contracts, they were unlikely to have unemployment spell. The temporary jobs represented a stepping-stone to permanent job for Xers. The Millennials mostly report unemployment spells in the transition from one temporary contract to another. The findings suggest that the Millennials are at risk of being entrapped in low quality jobs.

**Keywords:** Transitions to employment, generational segmentation, career pathways, Portugal

**Introduction**

The concept of the segmented labour market has gained prominence in the context of increasing job flexibility to address the duality of job characteristics. While, the primary submarket involves job stability, high wages, skills acquired through on-the-job training and job ladders and is characterised by internal labour markets, the secondary market has the opposite features (Doeringer and Piore, 1971; Reich, Gordon & Edwards, 1973; Leontaridi, 1998). Segmentation is a consequence of employers' decisions regarding human resource management (Oliveira, 1998). In this theoretical approach, the organization does not have a neutral position anymore and becomes “an active agent in the labour segmentation throughout their strategies and division of labour in insertion positions” (Oliveira, 1998: 19; Doeringer and Piore, 1971: 90). In their division of labour, the company has a small group of employees, which are part of the “core” of the organization, the “hard core” of a company, and a large majority of employees hired based on

different flexible arrangements. Furthermore, studies within segmentation perspective show some categories of workers are over-represented and locked in secondary segments. Kalleberg (2011) argue that the ability to take advantage of labour market opportunities has generated market winners, those who have access to good jobs, and market losers, who face a large decline in job quality. However, current research has failed to find consistent evidence of possible generational differences in the distribution of workers among segments.

The goal is to identify transition and careers patterns in the labour market, as well as, to ascertain factors that affected those models. We are particularly interested in comparing two generation of workers: the Xers and Millennials. We try to answer to the following research questions: How different are the patterns of entry and career of the Xers and Millennials? Are the new generation of workers closer to the so-called bad jobs? Are the non-standard forms of employment that youth face today as explanation for their precarious situations? To what extent the macro-level changes affected their employment conditions? This research attempts to answer to these questions through an analysis of the professional trajectory of a set of workers (n=19) that entered labour market in different contexts.

Patterns of transition to employment have been studied over the past several decades and have raised concern about rising precariousness in employment (Barbieri, 2009, Kalleberg, 2011; Sennett, 2011; Standing, 2011).

Studies on the Portuguese labour market show that employment relationship model was characterised by full time and permanent employment after the social revolution of 1974, in the 1980s (Sá, 2010). This contributed to the “statism of the corporative period of the Portuguese state after the 25<sup>th</sup> April revolution” (Carvalho, 1998: 73). The reforms in the labour market regulation were introduced in the context of the integration of Portugal in European Community. The legislation on the fixed-term contracts was introduced in 1976, which created a new labour market model based on flexible arrangements, as we can see by the labour package of 1989 (Carvalho, 1998). The author underlines that forms of precarious employment emerged in the context of such regulation. However, some literature indicates that precarious trajectory, based on job insecurity and low wages characterised the employment of low skilled male breadwinner in Portugal 1940s (Sá, 2009).

## **Data and Method**

Our research compares the transitions patterns of two generations of workers, the Xers (those who were born in 1963 – 1980) and the Millennials (those who were born in 1981 – 1996). Although, research on the generation subject focus on the date of birth (Howie and Strauss, 2007). A generation consists of a cohort shaped by events or circumstances, which follows observable historical pattern, so we focus on the date of entrance in the labour market to study their trajectory and how their trajectory was affected by circumstances. The use of a different perspective on the cohorts' generation (through the date of entering the labour market) gave us the possibility of selecting the cases according to the European Union accession (1986), the growth of the youth unemployment in Portugal (2001) and the economic crises (2008). Therefore, we defined Millennials as the ones that entered the labour market between 2006 and 2013 and the Xers between 1986 and 1995. We designed a research based on a qualitative method and interviewed a sample of workers in these two generations (n=19) about their professional trajectory in the first three to five years of labour market integration. To analyse the data, we did a coding of segments of the interviews by the dimensions of the analysis designed in the research project. We used the MAXQDA as software for that effect.

**Table 1** – Analytical Framework

<b>Concepts</b>	<b>Dimensions of analysis</b>	<b>Variables</b>
<b>Transition to employment</b>	Contracts	Level of qualifications the person had at the time of the entrance
	Stability	Level of qualifications the person had the end of the 5 years' trajectory
	Organizational (hours)	Were they necessary for the job in question or any job they had
	Level of qualifications	Transition from temporary job to permanent job
	Level of Wage	Type of employment contract Working hours Wage Functions / tasks Unemployment situations Welfare support from the State
<b>Motivation Expectation</b>	Projection of the present	What was the expectation in the first job, in the second and so on (emigration, new qualification, get another job?)
	Projection of the future	
<b>Precariat</b>	Perception of precariat	Projection from now on
		Feeling of Stability Feeling of Instability
<b>Welfare</b>	Independence from the family	Access to full housing (gas, electrics, etc.) Access to education
	Financial Autonomy	Access to full social protection
<b>Family support</b>	Provision of welfare	leaving parents' home
	Reciprocity	help from parents regarding food, place to stay, monetary exchange, return to parent's home)

**Table 1 - Participants Characterization**

Participants	Xers (1986-1995)				Participants		Millennials (2006-2013)		
	Birth Dates (1963-1971)	Labour market trajectory	Professional activities	Qualifications at the moment they entered the labour market	Birth Dates (1981-1989)	Labour market trajectory	Professional activities	Qualifications at the moment they entered the labour market	
E2	1971	1995-2000 (24 years old <sup>1</sup> )	Computer software developer	Incomplete B.Sc. in Sociology (ISCTE, 1990-1994); Training course in application software development (European Social Found, 1994-1995)	E1 <sup>2</sup> 1987	2010-2015 (23 years)	Analyst in a market research company; Banking assistant (back office); Store assistant; Call centre operator; Technical assistant in a public hospital	Licentiate in sociology (ISCTE-IUL, 2006-2010)	
E3	1965	1990-1995 (25 years)	Technical Assistant of business and sales (farming products); Journalist (Sports), Journalist (Travel magazine)	Licentiate in Agronomy engineering (Escola Superior Agrária de Santarém, 1990)	E4 1985	2006-2011 (21 years)	Store assistant; Banking assistant; Receptionist in a bookstore; Supermarket assistant, Data analyst	Incomplete B.Sc. in Psychology (UL, 2004 – 2006); training courses of librarian and web design and programming	
E5	1965	1987-1992 (22 years)	Interviewer of urban rehabilitation; administrative assistant in public administration	Secondary education	E6 1987	2011-2016 (24 years)	Human Resources technician	M.Sc. in Psychology (UL, 2006 – 2011) and post-graduation in human resources development (ISCTE-IUL, 2014 – 2015)	
E7	1969	1986-1991 (16 years)	Secretary/administrative in a beauty centre; Secretary/administrative glass industry	Lower secondary education	E13 1986	2013-2016 (26 years)	Technical support in the area of social studies in the public administration (Health Department); Analyst in a market research company	Licentiate in Human Resources Management (ISCTE-IBS)	

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<b>E8</b>	1963	1986-1991 (23 years)	Accountant in a private company; economist in public administration	Licentiate in management (ISEG, 1981 – 1986)	E14	1988	2012-2016 (24 years)	Risk analyst, Data base operator; Financial analyst	Licentiate in Economics (Catholic University, Lisbon)
<b>E9</b>	1964	1987-1992 (23 years)	Interviewer in market research company; secretary/typist in public administration	Secondary education	E15	1981	2006-2011 (25 years)	Events promoter, Human resources technician	M.Sc. in Psychology (UL, 2000-2006)
<b>E10</b>	1964	1986-1991 (22 years)	Assistant in a job centre; secretary/typist in public administration	Secondary education	E16	1987	2009-2014 (22 years)	Social Service assistant; Data analyst	Licentiate in Social Work (Catholic University, Lisbon) and M.Sc. in Gender Studies (University of Leeds)
<b>E11</b>	1964	1986-1991 (21 years)	Secretary/administrative in a private college; Social educator in Casa Pia; Secretary/typist in public administration	Secondary education	E18	1984	2008-2013 (24 years)	School teacher	Licentiate in Cultural and Turist Management (IPT, 2004 – 2007) and M.Sc. in Touristic strategies and strategic management of touristic companies (UHLT, 2007 – 2011)
<b>E12</b>	1966	1987-1992 (21 years)	Interviewer of urban rehabilitation; Sociologist in public administration	Frequency of B.Sc. in Sociology (Universidade Nova de Lisboa, 1984 – 1987); Licentiate in Sociology (1989)	E19	1989	2013-2016 (24 years)	Psychologist in a school	M.Sc. in Psychology (UL, 2007 – 2012)
<b>E17</b>	1967	1987-1992 (20 years)	Administrative in the Stock market; Secretary in a Consultant firm; Human resources technician	Secondary education					

## **Empirical Findings**

The empirical evidence points to three patterns of transition and trajectory of the sampled workers. We briefly describe those patterns in the next paragraphs.

### **(Un)employment**

The findings suggest a division of transition to employment paths among the two generations examined in this research. The workers of the Xers generation have not reported any spell of involuntary unemployment, while only few Millennials, (two) have never experienced an involuntary unemployment. Furthermore, some Xers changed job for better working conditions, but they were not dismissed nor did not have their contracts terminated. On the other hand, Millennials often faced involuntary unemployment after the termination of their fixed term or temporary job. This dualization indicates a generational segmentation in the labour market that divides the younger workers, hired on flexible basis and the older workers with fixed and permanent contracts.

Furthermore, the Xers even though the Xers have been affected by reforms of regulation allowing the use of flexible arrangements, they were less likely to be assigned to precarious jobs. For the Xers, the temporary jobs represented a “stepping stone” to permanent and better jobs and without spells of unemployment. The job precariousness is a regular feature of Millennials’ transition. They often pass through flexible contracts, which are renewed by a new temporary contract and with spells of unemployment in this transition. The Millennials frequently report unemployment spells in the transition from one temporary contract to another and see in flexible arrangements a “trap” towards a precarious career path. The major concern for the Millennials is the risk of unemployment linked to the flexible arrangements they have. This risk of unemployment is absent in the Xers path. Their trajectory has influenced this perception about generation differences. The Xers perceive job flexibility differently because they had more employment prospects (see Table 1.1).

## **Precariat Perception**

In addition to the contractual arrangements that illustrate the difference among generations, there is a subjective approach to flexibility. It consists of the perception of workers from the two generations regarding their precariousness in the labour market. The findings show that some of the Xers have been affected by the use of flexible arrangements, but they did not perceive this spell of flexible contract as a source of precariousness. We can underline that the perception of precarious is absent among the Xers interviewees, and, for them, it seems to be not related with the contractual relation with the employer, as we can read see in the following Table (1.1). For the Millennials flexible arrangements represent usually a synonym of precariousness. Some convey further sense of insecurity, which arises from the uncertainty related to the contract renewal (E12). The triangle of precariousness, insecurity, and uncertainty illustrate better the labour market conditions of Millennials.

### **“Stepping stone” vs. “traps”**

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**Table 2 - Content Analysis**

**Xers (1986 – 1995)**

**Millennials (2006 – 2013)**

*“I didn’t think about that back then, I didn’t have that kind of instability, I didn’t felt that. If something happened and I lose my job, I would easily get another (job), but, to tell you the truth, I didn’t think I was going to lose my job. I always changed jobs because I wanted to, because I earned more or because it was near my home” (E17 – GXs)*

This sentiment is not shared by the millennials. Even when they have permanent contracts: *“I feel precarious, because, although I am permanent at my job, in what extent is it not precarious if you’re in a job that you don’t like? So, I don’t know how I see my future. I would like to say that, now that I’m permanent, everything’s going to be alright, but the fact is that’s not what I feel because at any time my bosses can move the company to another country where the workforce is cheaper, because that is what happened to us, that’s why I have my job, because they moved the service they had in the UK to Portugal, because is cheaper” (E16 – GMs)*

*“in my job, they always said we were going to stay when we entered in “false” self-employment<sup>3</sup> and they kept their word. So, I guess I never felt that insecurity” (E12 – GXs)*

Those who don’t have this kind of employment relation, feel even more precarious - *“I feel instable because I’m always on the edge to see when they are going to renew my contract or I lose my job, when do I start searching for a new job. This is all a cycle and my vision of the future is always in short-time” (E14 – GMs)*

*“...if you don’t have the basis, how can you proceed with the rest? So, it has a lot of impact, this instability, it prevents you to do projects in long-term” (E4 – GMs)*

*“I felt that the people in the newspaper weren’t going to quick me out, so I never felt insecure” (E3 – GXs)*

For the Millennials, the only ones not feeling precarious are the ones working on the public sector and third sector – *“It was when I started to have a regular income, I had a permanent contract, I was protected and at the end of the month I knew for sure that neither me or the person I was with, were going to be fired...that was when I started to travel more, to have a different kind of life” (E1 – GMs)*

*“From the expectations I had initially, they were overcome...in my job they told me I was going to stay and I stayed” (E19 – GMs)*

*“what I think is that, back then, the “false” self-employment were a new thing and we didn’t even think that having a green receipt or a permanent contract made much difference” (E2 – GXs)*

*“I finished my graduation when I was 24 and after the 2 years as an event planner I was in my 26/27 years old and, what I fear the most, was the fact I didn’t had any perspective of future. I wanted to have other options. Not that I was without money or anything because at that time I was in my parents’ house and they didn’t want me to contribute with anything but I didn’t have any perspective on what was going to happen in the future”; “Now, after 10 years, I don’t have that stability that I predicted” (E15 – GMs)*

<sup>3</sup> People who work on an independent contract basis when they should work on a dependent contract basis.

**Table 3** - Type of trajectory of Xers & Millennials

<i>Type of trajectory / employment arrangements<sup>4</sup></i>	<b>Xers</b>						<b>Millennials</b>					
	Short term	Temporary work agencies	Internships	Permanent <sup>5</sup>	Dependent self-employment	Part time	Short term	Temporary work agencies	Internships	Permanent	Dependent Self employment	Part time
<i>“Stepping Stone” to Permanent jobs</i>	E3, E9, E10, E11, E17		E5, E10, E12	E3, E7, E8, E17	E2, E3, E5, E8, E9, E11, E12		E1, E16		E19			
<i>“Traps” between spells of unemployment and a cycle of flexible arrangements</i>							E1, E4, E6, E13, E14, E15, E18	E1, E14	E6, E13, E14, E15		E1, E15, E16	E1, E14, E18

<sup>4</sup> Employment arrangements in the first five years of career path

<sup>5</sup> Participants who enter directly to the job on a permanent contract basis

The findings reported in Table 3 indicate that only one participant had a transition between flexible arrangements (internships) to a permanent job. The other two experienced a transition between spells of unemployment (case of E1) and a transition through flexible arrangements (dependent self-employment, short time contract). Instead, the Xers although they experienced a transition through flexible arrangements in their transitions to employment (internships to short term contract, short term to dependent self-employment) they all moved to a permanent position which puts them in the “stepping stone” argument. The flexible arrangement can be seen as a “screening device” for the employer to place the worker on a permanent basis for Xers generation. Other moved from a permanent contract to a short-term contract because they changed sector of activity, which but then went transit to a permanent contract. Whereas for the Millennials generation it seems to be motivated by other factors, notably dismissal costs.

## **Conclusion**

Our paper explored the transition patterns and trajectory of a set of two generations workers in Portugal. The empirical evidence illustrated two major features: the Xers generation experienced flexible contracts as well as the Millennials. However, the consequences were different. While for the Xers, the flexible arrangements represented stepping stones to permanent position, the entrapment in low quality jobs characterised the employment conditions of Millennials. Some workers of the latter experience long time in flexible job, others take less time. This is however a common path of Millennials.

They are unable to have enough contributions to the social security system to gain access to the unemployment allowance; they can only access to other schemes of social assistance. They have to depend on “family-welfare” as the Bismarckian social insurance leave them out of protection against the uncertainty in the labour market.

The results achieved should be examined with caution. We used a snowball sample to gain access to interviewees. So, further research is needed to deepen our understanding on the employment conditions of different generations of workers and preferably based on random sample and quantitative data.

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