Career trajectories with prolonged fixed-term employment in Germany, Poland, and the UK: does parental status matter?

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Research questions

- What are the <u>career outcomes</u> of individuals who enter the labor market via prolonged temporary employment (compared to other workers)?
- How are their career trajectories moderated by parental socioeconomic status?

We focus on two measures of labor market returns: occupational status (ISEI) and hourly wage, observed over 10 years.

We distinguish two types of entry via fixed-term employment: those followed by transition to permanent contracts within the first 3 years (stepping-stones) and those with persistent instability lasting 3 years (temporary)

We compare 3 countries with different labor market / institutional arrangements: corporatist (Germany), liberal (UK), and segmented (Poland).



Contribution

Labor market entry via fixed-term employment (measured at one point in time) need not be detrimental to the further career (e.g., Scherer 2004, de Lange et al. 2014, Passaretta, Wolbers 2016) – heterogeneity in temporary work.

We "take stepping stones out of the picture" to assess the career trajectories following the most vulnerable workers (trapped in long term temporary work).

We study the role of parental status - a key driver of labor market inequalities (Barbieri, Gioachin 2022), and how it interacts with young adults' status at time of entry

We provide a more nuanced view of *"labor market success"*:

Different outcomes and relationships between them have rarely been studied – improvement on one outcome does not preclude penalties on other outcomes; trade-off effects (Mathijsen et al.; Fauser 2020; Kopycka 2023).

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Who is more vulnerable?

Common assumption – those who stay "trapped" in temporary jobs / low skilled workers

But...

...studies note the increasing exposure of workers in high skilled professional / creative occupations to sequences of temporary employment (Häusermann et al. 2015; Hoskins et al. 2018):

- Prolonged instability at career entry need not imply occupational penalties.
- In some cases (e.g., "boundaryless" careers; Marler et al. 2002), it may also not imply wage penalties.
- Conversely, stepping stone entries may be associated with occupational and wage penalties – those who cannot afford to stay in unstable professional / creative work transition to a less demanding and less paid, but stable job (Ortiz 2010; Passaretta, Wolbers 2016; Kopycka 2023).



The role of social background

[We focus on higher educated labor market entrants.]

- 1. Parental resources pave the way to a "better" temporary entry by:
- (a) providing an economic safety net to children facing financial instability in professional / creative occupations
- (b) allowing them to establish themselves in their occupation (early investment in career to allow for later stabilization)
- (c) facilitating their access to "boundaryless" careers;

2. Parental resources protect against the risks of temporary entries to professional careeers by easing direct access to permanent jobs with better promotion opportunities.



Data & Measures

Employment biographies – up to 10 years of work activity after leaving full-time education (minimum length 3 years)

Germany: SOEP 2003-2018, N: 2156 United Kingdom: UKHLS 2010-2019, N: 2043 Poland: POLPAN 2001-2018, N: 568 (no data on income)

Career entries: stable vs stepping-stones vs temporary Parental SES at age 14 (occupational scales: ISEI for Germany & UK; monetary rewards for Poland; higher value; centered) Education: below secondary, secondary, completed higher education



Methods

1. Socio-economic distribution of entry-paths

Multinomial regression, dependent variable: path of labour market entry Predictors: gender; education; parental SES; year of labour market entry; marital status (dummy); migration background (dummy; excl. Poland)

2. Multilevel growth curve models for career progression

Dependent variable: ISEI score / earnings

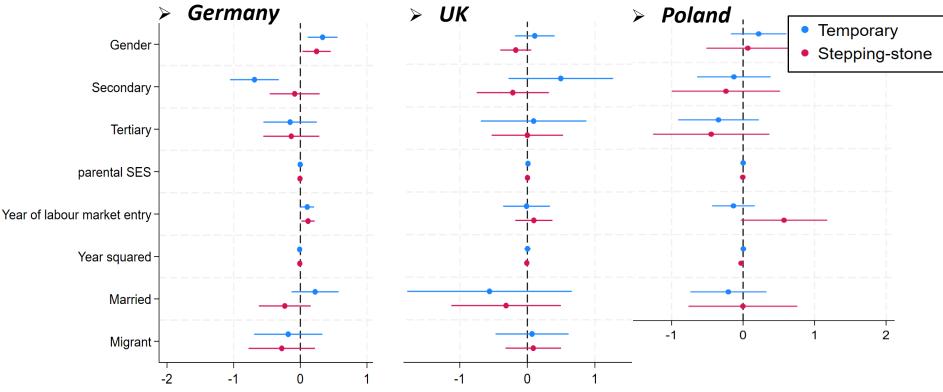
Independent vars: career year, labour market entry path, education, parental SES Control variables: gender, year of labour market entry (dummy)

M1: with triple interaction terms: career year * entry * edu

M2: with fourfold interaction term: career year * entry * edu * parSES



Results 1a. Distribution of entry paths

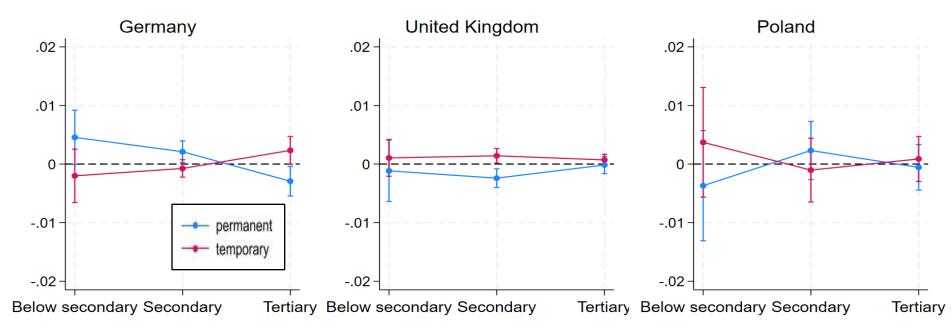


> Parental SES does not protect against temporary entries



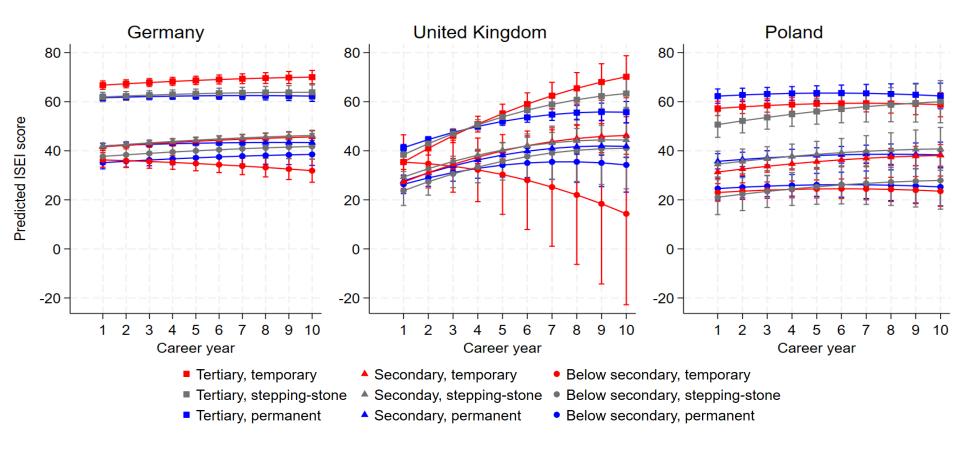
Results 1b. Distribution of entry paths: conditional effects

- ✓ Average marginal effects of parental SES on the probability of entering employment via permanent vs prolonged temporary work, by education
- ✓ [stepping stones not included for clarity of presentation]



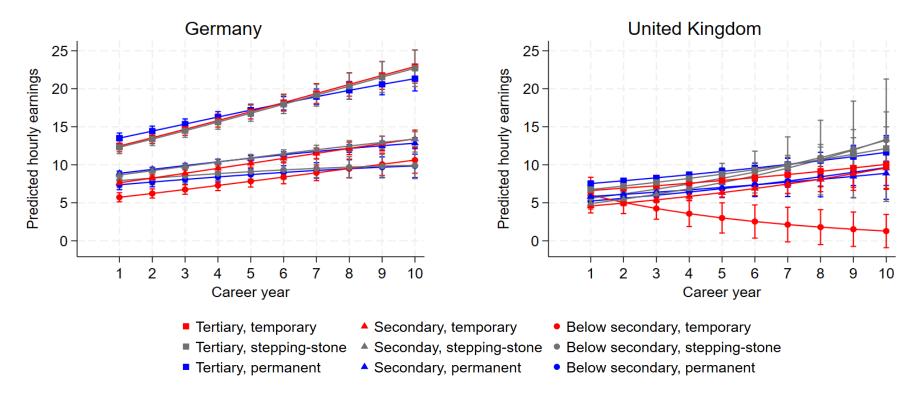


Results 2a. Career trajectories (ISEI) by type of entry & education





Results 2b. Wage trajectories by type of entry & education

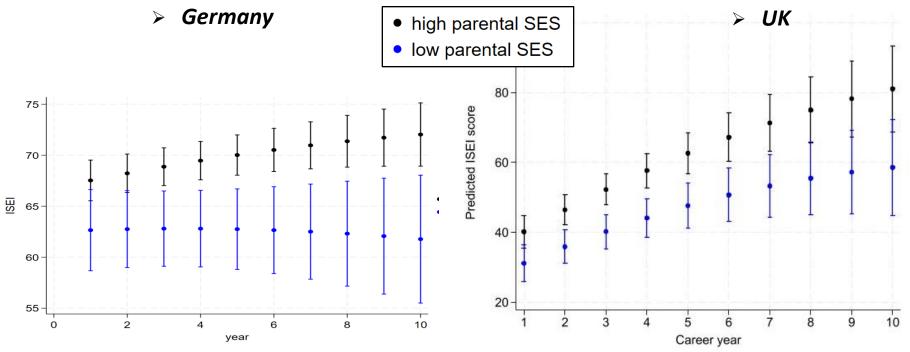


> In terms of earnings – no sign of the "lucky temporaries"

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Results 2c. ISEI trajectories of HE graduates by parental SES

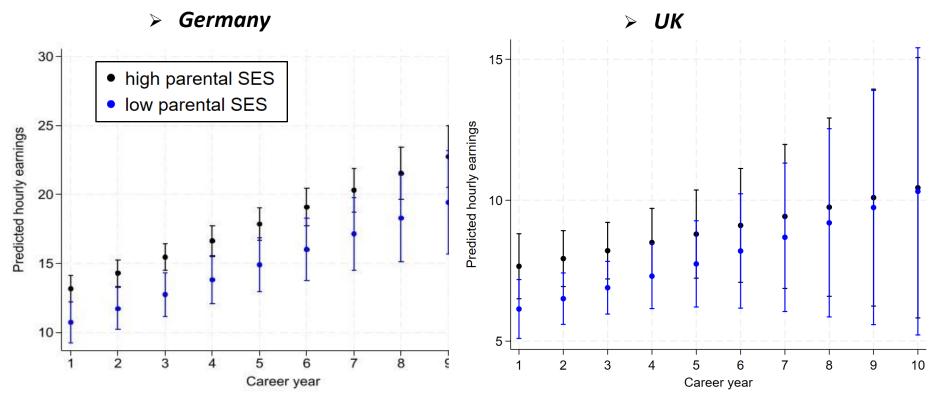


> Parental SES: "high" (90th centile of the SES measure) vs "low" (10th centile)

> In terms of ISEI – "lucky temporaries" from higher status families – in Germany



Results 2d. Wage trajectories of HE graduates by parental SES



> In terms of earnings – no sign of the "lucky temporaries"



Summing up

- Temporary entries rather evenly distributed also when stepping stones are left out of the picture
- Parental status does not protect against prolonged temporary work at the start of career. In Germany temporary entries are even more likely among the higher educated if they come from high SES families! No significant effects for other countries
- Some temporary entries among higher education graduates are beneficial in terms of occupational status attainment - in Germany, to a lesser extent UK; but not in Poland
- We see no evidence of "boundaryless" temporary entries with higher wages compared to other higher education graduates
- The "best" (in terms of ISEI) temporary careers are experienced by higher educated children from high-SES families – especially in Germany
- Parental status boosts childrens' occupational status by allowing to compensate for initial instability?



The story behind the findings?

(at least in Germany, less so in the UK)

 Education has long been viewed as a key driver of intergenerational mobility, in principle offering career opportunities regardless of family background (~ meritocracy)

But given changes in employment patterns in professional and creative occupations education may no longer be enough to attain these positions.

– are we heading towards a society where only those with a favorable background can afford the most ambitious professional careers?





Oxford University's other diversity crisis

Good luck trying to become a professor if you don't have family money



Thank you!

Dynamics of youth employment precarity: Drivers, trajectories, and outcomes in a cross-national perspective (CNB-Young)

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crossnationalbiographies.edu.pl/en/







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Country context

These mechanisms are moderated by country institutional context: EPL / EPL gap, unionization, characteristics of the educational system.

(also important: general economic conditions, housing market, welfare system, cultural context: industrial structure and organizational culture: how much value is placed on worker attachment and well-being in high skilled occupations).

UK: low incidence of temporary contracts, high mobility into permanent work, lower penalties & fast convergence (Booth et al. 2002; Gash 2007; Gebel 2010).

Germany: high EPL moderated by strong unions and vocational specificity – smooth entry via stable jobs for many low skilled and manual workers. Some mobility into permanent work; mixed evidence on convergence (Scherer 2004; Gash 2007; Gebel 2010; Fauser 2020)

Poland: high incidence of temp contracts, high occupation / wage penalties, low mobility into permanent work, concentrated among high-skilled workers (Kiersztyn 2016; 2021)

Operationalizing 3 year entry paths

Yearly employment statuses:

- P permanent contract
- O other work (e.g., self-employment)

T – temporary contract (any kind)

J – joblessness

Permanent: minimum 2 observations of permanent work, excluding stepping-stones, for example: P–P–P P–T–P O–P–P P–J–P

Stepping-stone: minimum 1 observation fixed-term followed by permanent (last observation permanent), for example: T–P–P T–T–P T–J–P

Temporary: minimum 2 observations temporary excluding stepping-stones. O is treated as unstable work if accompanied by T in the sequence (suggests that O is a short-lived job), for example: T-T-T P-T-T T-O-T T-T-J

(Excluded: if 2 or more observations of O or O accompanied by P – too little is known about O.)



Operationalizing 3 year entry paths

Temporary vs permanent employment:

UKHLS: 'Leaving aside your own personal intentions and circumstances, was your job: [1] a permanent job or [2] was there some way that it was not permanent?'. Subjective evaluation of permanency!
POLPAN: What type of contract did you have in your job? Temp includes fixed-term employment contracts, civil law contracts, irregular work, & apprenticeships



Incidence of labor market entry paths by education – ISEI sample

> Germany	Labour market entry path				
V Germany	Education	permanent	temporary	stepping-	Total
	Below secondary	85	63	52	200
	Secondary	602	235	349	1,186
	Tertiary	278	188	148	614
	Total	965	486	549	2,000

× 1117		Labour market entry path				
> UK	Education	permanent	temporary	stepping-	Total	
	Below secondary	49	8	22	79	
	Secondary	466	128	167	761	
	Tertiary	526	98	233	857	
	Total	1,041	234	422	1,697	



Incidence of labor market entry paths by education – wage sample

		Labour market entry path				
Germany	Education	permanent	temporary	stepping-	Total	
	Below secondary	85	63	52	200	
	Secondary	602	235	349	1,186	
	Tertiary	278	188	148	614	
	Total	965	486	549	2,000	

	Labour market entry path			
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> UK

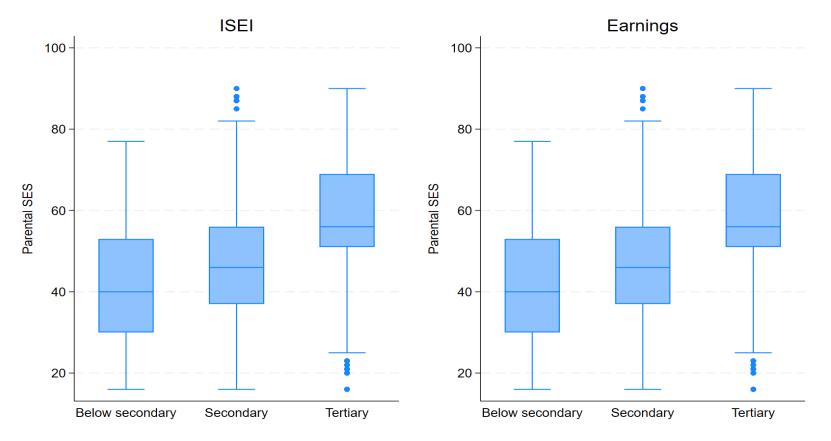
Incidence of labor market entry paths by education – Poland

> ISEI sample

	Labour market entry path				
Education	permanent	temporary	stepping-	Total	
Below secondary	36	61	15	112	
Secondary	79	116	27	222	
Tertiary	93	93	28	214	
Total	208	270	70	548	

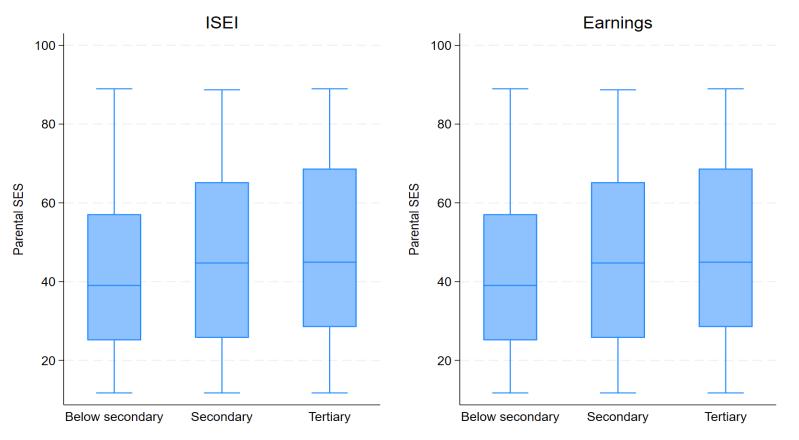


Parental status & education: Germany



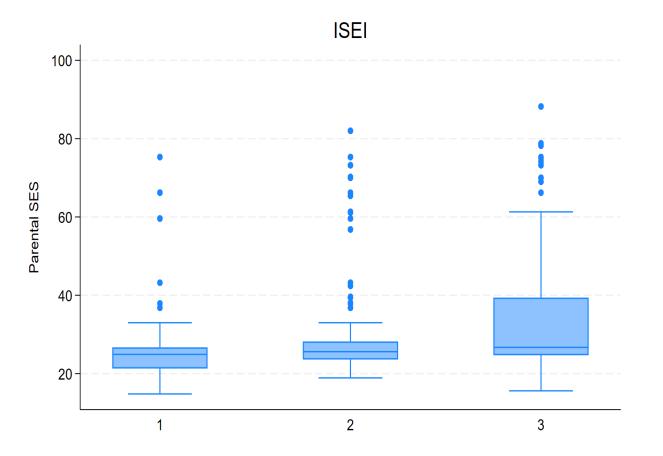


Parental status & education: UK





Parental status & education: Poland



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Results 2c. ISEI trajectories of HE graduates by parental SES (Poland)

