

Job mobility in the career of European workers

The second major part in the Eurobarometer Mobility Survey deals with job mobility. In this article, we analyse the main characteristics of job mobility in Europe. We focus on the mobility levels in the European Union, and on the determinants of voluntary and forced mobility.

Intensity of job mobility over the career

Average number of jobs and job duration

The Eurobarometer Mobility Survey data allows us to calculate different job mobility indicators. To have a career-wide overview of job mobility behaviour of European workers, we look at the number of times respondents have changed employer and, in order to correct for the length of the labour market career, their average job duration. The average number of jobs of the respondents of the Eurobarometer Mobility Survey is 3.9; the average job duration amounts to 8.3 years. The following graph presents the distribution of the number of jobs in our population.

People who never changed employer

As can be seen in figure 1, many respondents have only had one employer in their career. It is obvious that younger respondents with a relatively short labour market career have not had as many opportunities to change employer as older respondents. The percentage of respondents who have never changed employer decreases with age until approximately 35 years. At that age the share of never mobiles more or less stabilises, to increase again for older respondents. In order to avoid counting in

youngsters for whom not changing employer does not necessarily indicates non mobility, we will define never mobile people as those who have never changed employer and are 35 years of age or older. With this definition of never

mobile respondents, we find that 23% of the respondents of the EB Survey never changed employer in their career.

A job for life?

Does the “job for life” still exist? With 23% of all Europeans older than 35 never having changed employer we would suggest that the answer to this question is yes. But will the job for life continue to exist in the future? And will job mobility rates remain the same or will they increase drastically in the future? It is often claimed that globalisation entails more flexible labour markets. Due to changing economic environments, frequent adjustments to shocks are inevitable. Labour market and job mobility would be on the rise as a consequence and the long term employment relationship are said to be increasingly replaced by a more heterogeneous and volatile service sector economy (Auer, 2005).

But how is this reflected in the data presented here? We find that the percentage of people who have never changed employer increases with age. In the older cohorts, we find the largest share of people who never changed employer. Younger cohorts are more mobile, but we cannot predict whether these younger people will remain mobile throughout their career or whether they will settle in a satisfactory job during the later stages of their career. In

the former case, overall job mobility would be on the rise and future job mobility rates should be higher than the current ones; in the latter case, job mobility is expected to remain at the current level, all other things being equal.

Looking at the attitude people have towards job mobility and their belief in the existence of a job for life, we find two indications pointing in different directions. On the one hand, young people think more often that job mobility is good for people, and we would on the basis of this finding expect the younger cohorts to be more mobile, probably even in the later stages of their career. On the other hand, we find the strongest belief in the job for life in this same group of young respondents, what would lead us to believe that young people too might settle in the later stages of their career, as we observe among older respondents who currently are in those later stages of their career.

The answer to our question is likely to be situated between these two extremes; job mobility will probably not stay at the same level as today and will rather increase moderately, but we have no reason to believe that younger cohorts will remain as job mobile in further stages of their career as they are today. The comparison of the level of job mobility as observed in this edition of the EB Sur-

vey and the level found in 2001 in the EB 54.2, would confirm our statement. Job mobility over the last 5 years has increased from 29.1% in 2001 to 32.1% in 2005 in the EU-15 countries. Other studies have indicated as well that no dramatic changes have taken place over the last years. For example, Auer (2005) finds that the average tenure has hardly changed over the nineties.

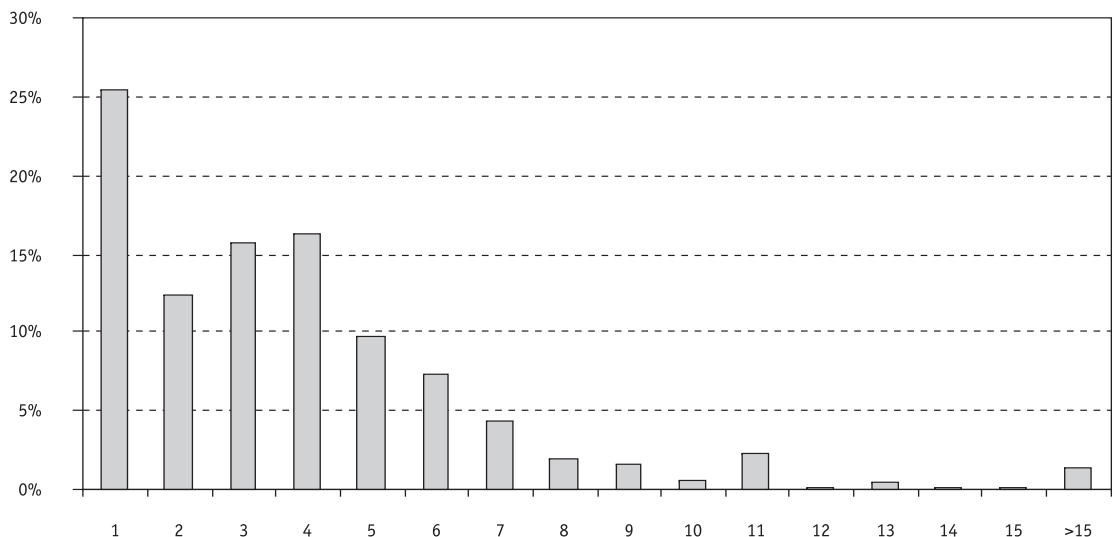
Recent job mobility

Level of recent job mobility

One out of four working respondents still works for their first employer (see previous section). This implicates that 75% of the currently working respondents have changed employer at least once in their labour market career. Figure 2 shows that about 50% of the currently working respondents have changed employer at least once over the course of the last 10 years, 32% of them have joined their current employer in the last 5 years. We find that 8% out of the entire working population, have changed employer as recently as during that last year (i.e. 2005).

The country with the highest recent job mobility rates, is Denmark. 16% of the Danish work force

Figure 1.
Respondents, by the number of jobs in the career



has joined their current employer as recently as within the last year. Other high recent job mobility scores are found in the Baltic Member States and in liberal Member States such as the United Kingdom and Ireland. Apart from the Baltic countries, Hungary has the most job mobile population of the group of new Member States. Most southern European countries (e.g. Greece, Malta and Portugal), and Austria typically show lower levels of job mobility. Spain and Cyprus do not follow this pattern and have moderate mobility rates.

Voluntary vs. forced job mobility

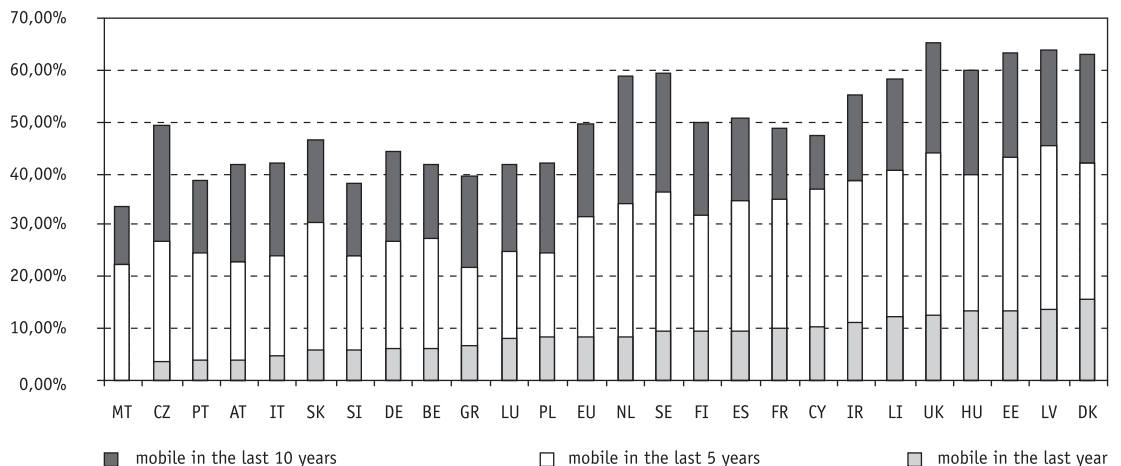
We are however not only interested in the timing of the most recent change of employer. Whether the last job hop occurred on a voluntary basis or rather on a forced basis, is an interesting additional dimension that allows for more in-depth analysis. We distinguish between forced and voluntary transitions by analysing why the respondent left his previous employer. Forced job mobility includes the following reasons: the respondent was made redundant, his contract expired, and finally he had to leave his job for health reasons. Voluntary job mobility includes labour market related reasons such as not liking the previous job, finding a better job and creating an own business. It also comprises household related reasons such as taking up caring duties for children, elderly or other dependent per-

sons and looking after the home. Other voluntary career breaks are finally the pursuance of studies or training, the desire to stop working and leaving the previous employer as a consequence of moving away. This classification yields the following results (figure 3): 65% of all most recent job changes among people who are working at the time of the survey occurred on a voluntary basis, while 38%¹ occurred on a forced basis. These percentages thus do not refer to the level of job mobility, but only concern the nature of the most recent job hop.

Looking at the biographic characteristics, we only find minor differences between male and female respondents when it comes to being forced to leave the previous employer or voluntarily doing so. Men proportionally make slightly more forced and less voluntary transitions than women, but the difference is quite small.

The differences for the different age groups on the other hand are highly interesting. We find a U-shaped relationship between the age of the respondents and the degree to which they were forced to leave their previous employer. Young people (aged 15 to 24) are more forced to leave their employer than average (46% vs. 38%). In the category of people aged 25 to 34, the degree of self-determination is highest with 69% voluntarily leaving their employer and 34% forced to do so. Between the ages of 35 and 64, the share of people who voluntarily leave

Figure 2. Job mobility over the last 10, 5 and 1 year, by country



their employer steadily decreases to barely 48% in the category aged 55 to 64. The percentage of people who were forced to leave their employer on the other hand, increases steeply with age, reaching 56% for this last category. Looking at the different reasons that we have grouped as forced reasons, we find that the older people are, the more they are made redundant and the more they report leaving their employer for health reasons. Expiry of the contract shows the opposite relationship with age; these reasons are more often reported by the younger categories, which is logical given the fact that it are mostly younger respondents who have other than permanent labour contracts.

When we look at the relationship between educational level and the proportion of forced vs. voluntary job transitions, we find that respondents who finished their full time education between the ages of 16 and 19 are worst of: they have the highest level of forced, and the lowest level of voluntary transitions. Respondents in the highest category of educational attainment, have the highest percentage of voluntary and the lowest percentage of forced transitions. This is in line with what we would expect to find based on the human capital theory. The more human capital endowments people possess, the better their chances to acquire a new job or to move to a better paid job offering a higher wage or better wage career prospects (Muffels and Luijckx, 2004).

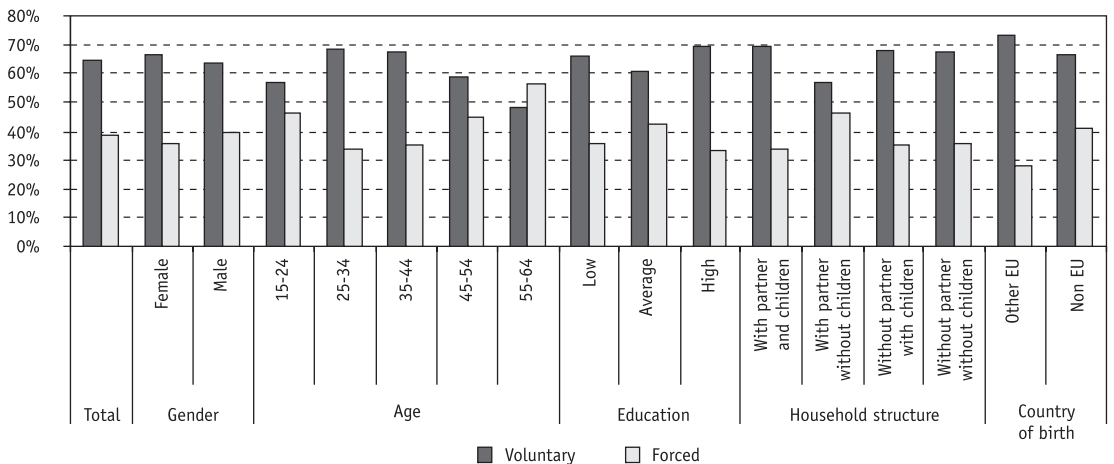
The household structure does not appear to have a very significant influence on whether the last job hop occurred on a voluntary basis or rather on a forced basis. The perceived effects, e.g. the high rate of forced job mobility among respondents with a partner but without young children living in the household, are likely to be due to other factors such as age rather than to the household structure in itself.

The shares of voluntary and forced transitions differ for natives and non natives. An important distinction however is to be made between people who were born in another EU Member State and people born in a third country. People who were born in another EU country are better off in the sense that they more often voluntarily leave their employer and are less often forced to do so (73% vs. 28%). Natives from a third country are on the other hand more forced to leave their employer (41%).

In order to estimate the influence of job characteristics on the nature of the last job transition, we look at the activity of the sector where the respondent was working before his transition and the title of the respondent's previous job (figure 4). The group of sectors that we have regrouped as "Industries" counts almost as many forced as voluntary transitions (51% and 53%). People working in the "public services sector" are best of; they are least forced to

Figure 3.

Voluntary vs. forced job mobility, by gender, age groups, educational level, household structure and country of birth



leave their employer and most often voluntarily do so.

The higher qualified occupations are better off in terms of the ratio of voluntary vs forced transitions. Service class workers report the highest percentage of voluntary reasons for their last transition (75%) and the lowest percentage of forced reasons (27%), whereas the picture is completely the reverse for unskilled workers, who even report more forced (55%) than voluntary (53%) transitions. Redundan-

cies increase as the qualification of the job decreases, both for white collar and blue collar workers. As can be expected, health related transitions are more prevalent among manual workers than among white collars.

A last influencing factor we will deal with, are the former labour market career events. Looking at the number of job hops and its relation to the character of the last transition, we find that the more respondents have changed employer, the smaller the

Figure 4.
Voluntary vs. forced job mobility, by characteristics of the previous job

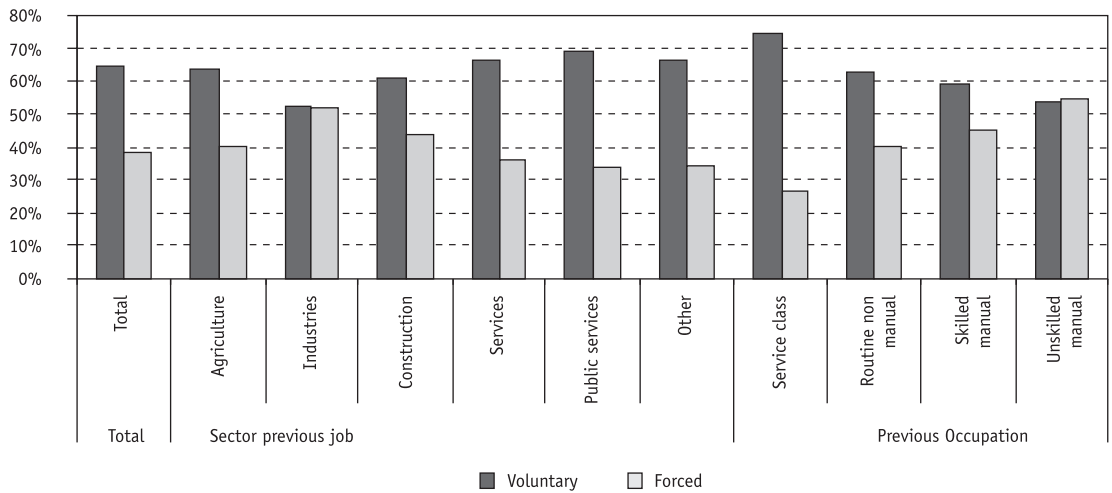
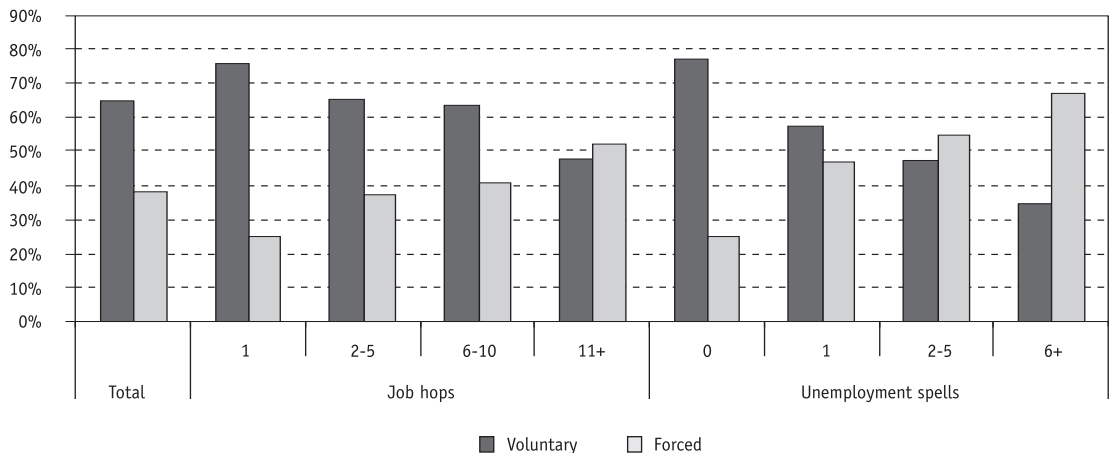


Figure 5.
Voluntary vs. forced job mobility, by number of job hops and unemployment spells



chance that the last job hop occurred on a voluntary basis, and, correspondingly, the higher the chance that the respondent was forced to leave his last employer (figure 5). We more in particular find that when people change employer for the first time, this change is in 76% of the cases on voluntary grounds. People who have changed employer more than 5 times make less voluntary and more forced transitions than average. Respondents who have changed employer more than 10 times report approximately as many voluntary as forced transitions.

Are people who have been unemployed in the past more forced to leave their employer than people who have never been involuntarily out of work for more than three months? The answer to this question clearly is yes. Respondents who have never been unemployed leave their employer voluntarily in 77% of the cases and are forced to do so only 25% of the time. This picture changes drastically for people who have been unemployed before. No matter when the unemployment spell occurred, for respondents who have been unemployed once in their career, the chance they voluntarily leave their employer drops to only 57%; the probability that they are forced to leave their employer increases to 47%. For people who have had two or more unemployment spells in their career, the ratio of voluntary vs forced transitions even inverts; they more often report being forced to leave their employer than voluntarily doing so.

Conclusion

'European' job mobility?

The Eurobarometer mobility survey data have shown that 'European' job mobility is an artefact, and that the differences between Member States are important and more or less consistent over all aspects of job mobility. Year-to-year job mobility is varying from almost nobody (in Malta) to 16% of all working people (in Denmark). At the high end of the job mobility scale we find Esping-Andersen's Social-Democratic and Liberal regimes. A last group of highly 'job mobile' countries are the Baltic countries Estonia, Latvia and Lithuania. The countries which show the lowest overall job mobility are the Southern European Member States. The Cor-

poratist welfare state regimes (Germany, France, Belgium, Austria and Luxembourg) and the 5 remaining post socialist new Member States (Poland, Hungary, Czech Republic, Slovakia and Slovenia) share the middle positions on our scale from high to low job mobility.

The two sides of the job mobility coin

A last important conclusion we may draw from our findings is that there are two sides to the job mobility story. If institutional arrangements are such that security and flexibility go hand in hand, job mobility is indeed a good thing, and both the economy and the individual worker may benefit from it. A good example is Denmark, where a flexible labour market is combined with generous economic support for the unemployed and active labour market policies that enhance the employability of unemployed people who do not immediately find a new job. Our findings however indicate that job mobility is more prominent among the more vulnerable groups in the labour market. People in these vulnerable groups are moreover more forced to change employer than people in other groups. When job mobility no longer is a free choice but rather a survival mechanism, the outcome is far less positive, especially for the employee himself. People who, because of their specific position on the labour market, their household situation or previous labour market career events, often have to change employer as a struggle for survival, may more easily become discouraged and may end up withdrawing from the labour market. It is therefore important that special attention is being paid to these groups and that the factors that render them more vulnerable are dealt with separately so that job mobility for these groups too can be a positive choice.

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Note

1. It is possible that respondents indicate both forced and voluntary reasons. Respondents who do so, are counted in both categories. Note that these percentages do not

reflect the number of forced vs the number of voluntary transitions; as only people who are currently working are taken into account, the indicated percentage of voluntary transitions is higher than it would be if we would take all people into account.

References

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