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Perspectieven op loopbanen.

Glebbeek, Arie Cornelis

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Summary

This thesis sheds light on occupational careers in the Dutch labour market. Although there have been previous studies about the careers of specific occupational groups, not many have investigated careers right across the labour market. This lacuna is due to a lack of mobility data that has existed for many years. Among other things, this situation has led to the curious fact that occupational mobility has been discussed very little or not at all in the conventional textbooks of labour economics, while from a theoretical point of view this mobility is nevertheless considered to be one of the major market clearing mechanisms. Moreover, any empirical testing of the mobility barriers that are presumed to exist in the labour market do not usually reflect the economic and sociological literature on labour market segmentation. "The absence of studies of mobility is noteworthy because many of the important ideas in labor market theories concern the nature of job moves within and between labor market segments", Hachen asserted as late as 1990.

This situation is gradually changing due to the release of data gathered from the Labour Supply Panel of the *Organisatie voor Strategisch Arbeidsmarktonderzoek* (OSA: Organization for Strategic Labour Market Research). *Perspectives on Careers* is based on an integrated file of the panel data of 1985, 1986 and 1988. It contains data on 6851 respondents and includes carefully recorded labour market careers in the period from 1980 to 1988.

The term 'perspectives' in the title of this thesis points to the fact that careers can be viewed from various analytical viewpoints. We look at careers from the perspective of career patterns, status attainment, occupational and/or employer moves, job chains and career lines. In addition, there are three theoretical perspectives. Within the scientific explanations of labour market careers a distinction can be made between the *individualistic* perspective (e.g. the human capital theory and the status attainment model), the *structuralist* perspective (vacancy chains and vacancy competition), and the *selection* perspective (job-competition and tournament mobility; Thurow, Rosenbaum). All three perspectives figure in the analyses of this study, and, in several cases, the structuralist perspective and the selection perspective are compared. In these cases, it

than for the latter. The selection perspective is discussed in detail in Chapter 2.

This discussion of the selection perspective is a reformulation of the theory of *labour rationing* theory (developed in the seventies) with a solid micro-foundation. This micro-foundation is the recently developed efficiency wage theory. The theory thus reconstructed can be summarized as follows:

- 1 Efficiency wages are paid in a large part of the employment relationship. As a result, the labour market is *rationed*. This means that a) the mechanism of equalizing differences in the labour market thus consists of net unequal wages, and b) *selection criteria* imposed by the employer in the allocation process.
- 2 These selection criteria may involve various personal attributes. The criteria are so systematic that they affect people as well as jobs.
- 3 The attractiveness of the rationed jobs may generate new selection criteria. Thus, new selection criteria are being.
- 4 These structural effects are caused by:
 - labour market-endogenous qualifications, and
 - internal labour markets.

This theoretical framework makes it possible to test hypotheses relating to careers and mobility. The theory has its most crucial implications for the fact that structural effects lead to diverse mobility opportunities in different positions. Specific mobility patterns thus emerge from the segmentation as defined above. *Especially, the effects should be evident.*

However, before we could subject these hypotheses to an empirical analysis some preliminary work had to be taken. These consisted of checking the data base (Chapter 3), assessing the reliability of the indicators (Chapter 4), and developing a conceptual framework as a point of reference for the identification of structural effects. The career model was developed in several steps. The model was then tested in a multi-step process. The effect of education is stronger in the col-

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appears that less empirical evidence can be found for the former perspective than for the latter. The selection perspective on careers is discussed in more detail in Chapter 2.

This discussion of the selection perspective focuses on a reconstruction and reformulation of the theory of *labour market segmentation*. The old segmentation theory (developed in the seventies) leaned heavily on typologies and lacked a solid micro-foundation. This micro-foundation can be created by means of the recently developed efficiency wages theory, which also provides a basis for postulating the existence of structural effects on careers. The segmentation theory thus reconstructed can be summarized in four propositions:

- 1 Efficiency wages are paid in a large segment of the labour market to control the employment relationship. As a result, this part of the market does not clear and jobs are *rationed*. This means that:
 - a the mechanism of equalizing differences does not work and the labour market thus consists of net unequal positions; and
 - b *selection criteria* imposed by the demand side come to play a decisive role in the allocation process.
- 2 These selection criteria may involve both personal characteristics and career attributes. The criteria are so systematic that they result in a segmentation of people as well as jobs.
- 3 The attractiveness of the rationed jobs varies along with their ability to generate new selection criteria. Thus, *structural effects* on careers come into being.
- 4 These structural effects are caused by two mechanisms:
 - labour market-endogenous qualification;
 - internal labour markets.

This theoretical framework makes it possible to formulate several *research questions* relating to careers and mobility. Particularly in this area, the segmentation theory has its most crucial implications. Selection practices and structural effects lead to diverse mobility opportunities for various groups and from various positions. Specific mobility patterns thus constitute the logical outcome of segmentation as defined above. *Especially in careers the effects of segmentation should be evident.*

However, before we could subject the research questions formulated along these lines to an empirical analysis some preliminary studies had to be undertaken. These consisted of checking the *reliability* of the occupational codes in the data base (Chapter 3), assessing the *validity* of the available mobility indicators (Chapter 4), and developing a *career model* that could serve as a reference point for the identification of structural effects on careers (Chapter 5). This career model was developed in several steps and analysed by means of LISREL. The model was then tested in a multi-sample analysis to examine whether the effect of education is stronger in the collective sector than in the market sector.

The reverse proved to be the case, however.

The remaining chapters describe the careers from a more analytical viewpoint: the perspective of *career patterns* (Chapter 6), variations between *branches of trade and industry* (Chapter 7), and variations between *occupational groups* (Chapter 8). The discussion of the latter perspective constitutes the first Dutch application of the concept of *career lines*, as formulated in the USA by Spilerman and Spenner, Otto and Call. Chapter 9 further specifies this perspective by distinguishing jobs according to their *structural mobility potential* (another notion of Spilerman's).

Of the many results yielded by this study, we would like to emphasize three points:

1 It was not easy to represent career patterns adequately in terms of *chains* of positions and events. Chapter 6 suggests various concepts to do so, which have been tested with varying success. We feel that the INTEXT (ratio between internal and external mobility) and VRIJWIL (ratio between voluntary and involuntary mobility) variables that we have created may be very useful in follow-up career research. An attempt to classify career patterns on the basis of job level sequences proved substantially less successful, however.

What could not be achieved through a classification of integral career fragments did prove possible with the career lines composed of *synthetic cohorts* (Chapter 8). These could be interpreted adequately and related to the contextual variables as expected. This was partly caused by the fact that in this case we did not need to base our analysis on chains of positions but only on single job moves, and also by the fact that it was possible to interpret the patterns at the aggregate level instead of the individual level.

2 Differences in mobility patterns according to occupation provide an objective basis for a sensible classification of labour market segments. On the basis of patterns of occupational and employer moves it proved possible to group entire occupational groups together into four *labour market segments* that could be distinguished on theoretical grounds. The differences between these segments proved remarkably consistent in further analyses and matched the theoretical expectations.

Particularly important is our finding that occupational labour markets and internal labour markets *gradually become closed* to newcomers, something which is implied by the segmentation theory. From middle age onwards, newcomers from outside the labour market must be satisfied with an entry in secondary segments. However, on the basis of a skilled career line, people can move to other occupational fields until far into their careers. What is striking here is that opportunities for mobility from occupations requiring lower qualifications deteriorate at a younger age than from occupations requiring higher qualifications.

3 *Internal labour markets* could be identified in the study. They appeared to be located in the sectors v... These theoretical premises have been... industrial sectors typology, which we in... can be satisfactorily interpreted in term... ment relationship (Chapter 7). On these... labour markets are mainly found in lar... professional services, where measurem... highest, and the mutual trust of emplo... test.

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3 *Internal labour markets* could be identified on the basis of patterns of attachment to the employer, age-earnings profiles, and internal mobility. They also appeared to be located in the sectors where they were theoretically expected. These theoretical premises have been empirically based on Stinchcombe's industrial sectors typology, which we introduced in the Netherlands and which can be satisfactorily interpreted in terms of the modern theories on the employment relationship (Chapter 7). On these grounds, it can be argued that internal labour markets are mainly found in large capital-intensive industries and in the professional services, where measurement problems and damage potential are highest, and the mutual trust of employer and employee is put to the severest test.

There are, however, indications that the extent to which employees in these markets are able to profit from advancement opportunities strongly depends on personal characteristics (education, gender) and the career phase (age). (Cf. Chapters 6 and 9.) This is one of the results of our study that have led us to prefer the selection perspective on careers to the structuralist perspective.