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Overcoming generational stereotypes through knowledge.



DESK RESEARCH ON GENERATIONAL DIFFERENCES IN PORTUGAL

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In Portugal, as in many other countries, generational employment trends have been shaped by various factors, including economic cycles, demographic changes, and shifts in labor market demands. Below is a brief overview of how employment among different generations has evolved.

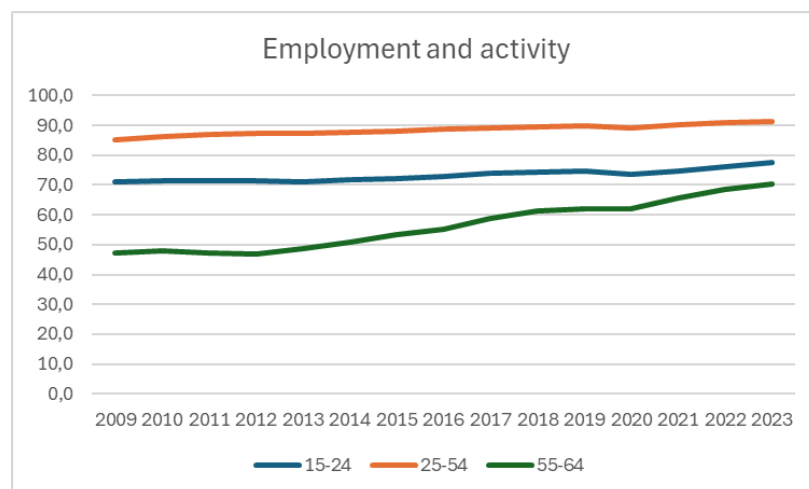
In recent years, many Baby Boomers have reached retirement age, leading to a gradual decline in their labor force participation. However, some continue working beyond retirement age due to financial reasons or personal choice, contributing to a diverse employment landscape.

Generation X has experienced fluctuations in employment opportunities due to economic recessions and recoveries. Currently in their peak earning years, they hold positions across various sectors and play a significant role in the workforce.

Millennials have faced unique challenges, such as entering the job market during economic downturns (like the 2008 financial crisis) and adapting to technological advancements that have reshaped job roles. They now constitute a substantial portion of the workforce, often prioritizing flexible work arrangements and career progression.

The oldest members of Generation Z are now entering the workforce, bringing strong digital fluency and a preference for tech-driven roles. Their employment trends are still emerging but are expected to significantly impact workplace dynamics, particularly in digital and creative industries.

In recent years, Portugal has made efforts to integrate younger generations into the workforce through education reforms and initiatives promoting entrepreneurship and digital skills. The following graphic illustrates employment levels and job activity according to Eurostat.



The graphic shows that in recent years, the 55–64 age group has experienced the largest increase in workforce participation. While other age groups have also seen growth in employment, their increase has been more moderate. However, all groups saw a decline in workforce participation in 2020 due to the COVID-19 outbreak.

COUNTRY SITUATION: Using also other sources like scientific articles or cultural/social articles, focus on the following aspects:

In Portugal, generational gaps in technology use are evident. Younger generations (Millennials and Gen Z) are more proficient in digital tools, remote work platforms, and automation, whereas older generations (Gen X and Baby Boomers) often face challenges adapting to digital technologies. The digitalization of work, accelerated by the pandemic, has led to generational tensions, as some older workers prefer in-person collaboration, while younger employees value digital flexibility. According to Eurostat (2019), 67% of Portuguese citizens possess only basic digital skills.

Portugal's tech industry, particularly in Lisbon's growing startup scene, is attracting more young professionals, while traditional sectors such as manufacturing and agriculture still rely on older workforce segments with lower levels of tech integration. Generational influences also shape workplace cultural norms. Older generations tend to uphold traditional values, such as hierarchy, loyalty, and long-term employment, whereas younger professionals embrace flexibility, innovation, and global collaboration.

The country is experiencing an increase in foreign professionals, particularly in tech and tourism, which is driving generational shifts in workplace cultural integration. Older employees often maintain traditional Portuguese work norms, while younger workers are more globally oriented. Portugal ranks third in the European DEI (Diversity, Equity, and Inclusion) Index. A Deloitte study found that 51% of companies report that DEI improves employee engagement, 44% say it boosts innovation and agility, 33% note improvements in customer service, 29% highlight better talent acquisition, and 27% believe it enhances organizational capacity.

Generational differences also extend to communication preferences. Older professionals in Portugal's corporate and government sectors generally prefer formal, face-to-face meetings and emails, whereas younger employees favor instant messaging platforms like WhatsApp and Slack, as well as virtual meetings. Language adaptation in the workplace is another point of distinction, with English becoming increasingly dominant in multinational companies. Younger generations are generally fluent, whereas older employees in more traditional businesses may struggle with language transitions.

Interpersonal work relations differ as well. Older Portuguese workers value long-term professional relationships and personal connections, while younger employees are more accustomed to fast-paced networking and digital collaboration. This also reflects in work-life balance expectations. While older generations prioritize job stability and long working hours, younger professionals seek flexible schedules, remote work options, and greater work-life balance.

Career progression paths vary between generations. Baby Boomers and Gen X employees have traditionally followed hierarchical career structures, whereas Millennials and Gen Z expect faster career mobility and skill-based promotions. Entrepreneurial spirit is more pronounced among younger generations, who are increasingly drawn to freelancing, startups, and gig economy jobs—aligning with the growing entrepreneurial ecosystems in Lisbon and Porto. In contrast, older generations tend to remain in traditional corporate or public sector roles.

Although Portugal has made progress in gender equality, workplace disparities in leadership roles still persist among older generations. Younger professionals, influenced by global trends, actively advocate for more inclusive workplace policies. Additionally, the country faces a significant educational gap, with older workers generally having lower formal education levels compared to younger generations, who often hold university degrees and international experience. This creates challenges in the workforce, modernization and upskilling efforts.

Lastly, regional labor market differences reflect generational trends. Urban centers like Lisbon and Porto are more diverse and technology-driven, attracting younger talent, whereas rural areas remain reliant on older workers in traditional industries such as agriculture and manufacturing.

CONCLUSION AND REFERENCES

The research highlights generational diversity in Portugal's workforce, shaped by demographic shifts, technology, and evolving labor demands. Baby Boomers are gradually retiring, while Generation X remains a key workforce segment. Millennials prioritize flexibility and digital adaptation, and Gen Z is entering the job market with strong tech fluency.

Younger generations excel in digital tools and remote work, whereas older workers often struggle with adaptation. The tech sector, especially in Lisbon, attracts young professionals, while traditional industries rely on older workers. Workplace culture is shifting from hierarchical structures to flexibility and global collaboration, driven by younger employees.

Communication preferences differ, with older workers favoring formal meetings and emails, while younger professionals prefer instant messaging and virtual collaboration. Work-life balance expectations also vary, as older generations value job stability, while younger workers seek flexibility and remote work.

Career paths are evolving, with Millennials and Gen Z favoring rapid skill-based promotions and entrepreneurship, while older generations adhere to traditional career structures. Despite progress in gender equality and diversity, disparities persist in leadership roles. Education gaps between generations present challenges in workforce modernization.

Regional labor markets reflect these generational divides, with urban centers like Lisbon and Porto attracting younger, tech-driven talent, while rural areas remain reliant on older workers in traditional sectors. Addressing these generational gaps is essential for fostering an inclusive and adaptive workforce.

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