

Pejotization: Modernization of Work and Threats to Labor Rights

*Pejotização: Modernização do Trabalho e ameaças aos Direitos
Trabalhistas*

*Pejotización: Modernización del Trabajo y Amenazas a los Derechos
Laborales*

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Adriana Monteiro da Silva

adriana.silva81@fatec.sp.gov.br

Ana Paula dos Anjos Costa

ana.costa72@fatec.sp.gov.br

Bruno Carlos dos Rios

bruno.rios@fatec.sp.gov.br

Thalia Vitória Cardozo Neves de Albuquerque

thalia.albuquerque@fatec.sp.gov.br

1 – Faculdade de Tecnologia da Zona Leste

Abstract:

Pejotization is a process by which an individual worker is transformed into a legal entity to provide services. This practice has gained prominence on the contemporary scene as a way to make labor relations more flexible, while at the same time raising debates about the potential precariousness of labor rights. In this context, this article aims to investigate the daily lives of professionals hired under the Legal Entity (PJ) regime to analyze whether this type of work compromises the dignity of the worker or represents a modern and beneficial alternative. To this end, bibliographic research was conducted, and a qualitative questionnaire was administered to explore the current landscape of service provision. The results indicate that pejotization has a significant impact on a professional's life, encompassing financial, personal, and professional aspects. These factors contribute to a deterioration in the worker's quality of life. On the other hand, the study also highlights that when the PJ professional enjoys the rights provided for in their contract, it becomes a viable alternative for entering the job market.

Keywords: *pejotization; labor rights; modernization of work.*

Resumo:

A pejotização trata-se de um processo pelo qual o trabalhador, enquanto pessoa física, é transformado em pessoa jurídica para prestação de serviços. Esta prática tem ganhado destaque no cenário contemporâneo como uma forma de flexibilizar as relações de trabalho, ao mesmo tempo em que levanta debates sobre a possível precarização dos direitos trabalhistas. Nesse contexto, o presente artigo propõe investigar o cotidiano de profissionais contratados sob o regime de Pessoa Jurídica (PJ), a fim de analisar se esta modalidade de trabalho compromete a dignidade do trabalhador ou se refere a uma alternativa moderna e benéfica. Para isso, foram realizadas pesquisas bibliográficas e foi aplicado um questionário de natureza qualitativa a fim de explorar o cenário atual do mercado de prestação de serviços. Os resultados obtidos indicam que a pejotização acarreta impactos significativos na vida do profissional, englobando aspectos financeiros, pessoais e profissionais. Tais fatores contribuem para a deterioração da qualidade de vida do trabalhador. Por outro lado, o estudo também destaca que, quando o profissional PJ usufrui dos

direitos previstos em sua modalidade contratual, torna-se uma alternativa viável de inserção no mercado de trabalho.

Palavras-chave: pejotização; direitos trabalhistas; modernização do trabalho.

Resumen:

La pejotización es un proceso por el que un trabajador, como persona física, se transforma en una persona jurídica para prestar servicios. Esta práctica ha ganado protagonismo en la escena contemporánea como forma de flexibilizar las relaciones laborales, al tiempo que suscita debates sobre la posible precarización de los derechos laborales. En este contexto, este artículo tiene como objetivo investigar el día a día de los profesionales contratados bajo el régimen de Persona Jurídica (PJ), con el fin de analizar si este tipo de trabajo compromete la dignidad del trabajador o remite a una alternativa moderna y beneficiosa. Para ello, se realizó una investigación bibliográfica y se aplicó un cuestionario cualitativo para explorar el escenario actual en el mercado de prestación de servicios. Los resultados obtenidos indican que la pejotización tiene un impacto significativo en la vida del profesional, abarcando aspectos financieros, personales y profesionales. Estos factores contribuyen al deterioro de la calidad de vida del trabajador. Por otro lado, el estudio también destaca que cuando el profesional de la PJ disfruta de los derechos previstos en su contrato, se convierte en una alternativa viable para entrar en el mercado laboral.

Palabras clave: pejotización; derechos laborales; modernización del trabajo.

1. INTRODUCTION

The dynamics of the contemporary labor market pose challenges to the consolidation of traditional employment relationships, and pejotization (employment-based employment) emerges in this scenario as a practice aimed at making labor relations more flexible. This phenomenon, which involves transforming workers into legal entities to provide services, sparks intense debate over its nature: is it a modern adaptation to new market demands or a threat to labor rights?

Several authors have highlighted the complexity of employment relationships and the elements that characterize employment. Delgado (2023) emphasizes that the provision of services can constitute an employment relationship, but it is important to discern among the various existing regimes. In this context, Pejotization gains relevance because, by formalizing the relationship through a legal entity, it often masks the subordination, habitual nature, and onerous characteristics of traditional employment.

Authors such as Barbosa and Orbem (2015) signalize that pejotization (personalized employment) can serve as a tool for reducing labor costs. However, it also compromises the protection of workers' fundamental rights. Transforming an employee into a legal entity tends to weaken essential guarantees, such as vacation pay, 13th-month salary, FGTS (Government Severance Indemnity Fund for employees), and other protections provided for in the Consolidation of Labor Laws, creating a scenario of legal uncertainty and vulnerability.

At the same time, the analysis of labor law principles, as discussed by Martins (2023) and Martinez (2022), reinforces the need for factual reality to prevail over contractual formalities. This approach is crucial for identifying when pejotization is employed as a legitimate strategy for flexibility or when it represents an attempt to circumvent labor rights, placing workers at a disadvantage.

Given this scenario, this article seeks to investigate pejotization considering contemporary debates, questioning whether this practice represents a modern alternative that adapts to market developments or whether it actually poses a threat to workers' fundamental rights. By analyzing the specialized literature and the legal foundations underlying this discussion, the aim is to offer a critical reflection on the impacts of this contractual modality on worker protection and the legal security of labor relations.

2. THEORETICAL FOUNDATION

2.1 Employment Relationship

According to Cairo Junior (2012), whenever a person performs work, whether focused on the process or the result, with the view to meet the needs of another person, it is considered an employment relationship. Similarly, Delgado (2023) defines this term as a legal relationship in which the primary obligation

of one of the parties is to perform a task that requires human labor to be executed.

Resende (2020, p. 74, our translation) adds that, "every employment relationship is a work relationship, but not every work relationship is an employment relationship." Thus, the work relationship can be characterized as a genre encompassing all existing forms of work, including the employment relationship.

The categories that make up the employment relationship, except for the employment relationship itself, are generally not subject to the Consolidation of Labor Laws (CLT). Nevertheless, the employment relationship is subject to other specific laws, which will be discussed below.

According to Menezes and Cruz (2007), the self-employed person is not subordinate to direct orders from a superior; he has autonomy. You can define how and when you perform your work and are responsible for the resources you need to perform your function, not depending on an employer to provide these resources. Additionally, you do not have a fixed salary, as your income is determined by the volume and service you perform.

Regarding the temporary worker, although subordinate, as in a traditional labor model, he is the one who performs a task sporadically, without the need to establish an employment relationship, since this relationship arises from a temporary demand and does not correspond to an essential or complementary service for the organization, so that the presence of this professional at the company's facilities is punctual and according to the needs of the contractor (Leite, 2021).

According to Leite (2021), a temporary worker is one who, on a discontinuous basis, provides services to various companies without an employment relationship, and through the intermediary of the union or the Labor Management Agency (OGMO - *Órgão Gestor de Mão de Obra*). It is worth noting that, despite this requirement, the professional is not obliged to join a union and can choose whether to do so. In addition, pursuant to Law No. 12.023/2009, which governs this type of work, temporary workers have the same rights as workers with an employment relationship.

Regarding volunteer workers, Resende (2020) emphasizes that this work model cannot be characterized as an employment relationship, since it does not have an onerous purpose in the provision of services; it is done benevolently, unlike an employment relationship, which always has a financial purpose. Therefore, it is classified as a type of employment relationship.

Interns, students who carry out practical activities in institutions as a way of developing professionally, are hired by companies under Law No. 11,788/2008, which defines internship as:

An internship is a supervised educational activity at school, developed in the work environment, which aims to prepare students for productive work who are attending regular education in higher education institutions, professional education, secondary education, special education and the final years of elementary

education, in the professional modality of youth and adult education (Brazil, 2008, our translation).

A student can only be hired if they can prove they are regularly enrolled in an educational institution. Likewise, the internship may be mandatory, with completion required for course completion and diploma acquisition, or non-mandatory, with completion optional (Leite, 2021).

2.2 Employment Relationship

As defined by the CLT, in article 3 (BRAZIL, 1943, our translation), “any individual who provides services of a non-occasional nature to an employer, under the employer's dependence and in exchange for a salary, is considered an employee”. That said, such a relationship is composed of two poles: on one side is the employee, who performs the work he was hired to do in order to receive the due payment, and on the other is the employer, who is responsible for hiring the labor, managing and ordering the work and providing all the means for its completion.

According to Martinez (2022), for an employment relationship to be characterized as employment, all the qualifying elements must coexist. In this regard, there must be signs of subordination, alterity, non-eventuality, onerousness, and personal nature simultaneously. If these requirements are met, such a relationship will be covered by the Consolidation of Labor Laws (CLT).

In this regard, Article 7 of the Brazilian Federal Constitution addresses all the rights of urban and rural workers in various situations. These include the employer's obligation to pay compensatory damages in the event of arbitrary or unjust dismissal; minimum wage for the category; thirteenth-month salary; additional pay for professionals who work excessive hours and for night workers or those who perform duties that place them in unhealthy or dangerous situations; paid weekly rest; paid annual vacation plus at least 1/3 of base pay; maternity leave; and insurance against occupational accidents, among others.

2.2.1 Principles of Labor Law

These principles aid in understanding and applying labor laws, aiming to balance the relationship between employer and employee, ensure labor rights by filling gaps in the legal system, and contribute to the resolution of the case. Article 8 of the CLT states:

The administrative authorities and the Labor Court, in the absence of legal or contractual provisions, will decide, as the case may be, by jurisprudence, by analogy, by equity and other general principles and norms of law, mainly labor law, and, also, in accordance with uses and customs, comparative law, but always in such a way that no class or private interest prevails over the public interest (BRAZIL, 1943, our translation).

The Primacy of Reality Principle emphasizes that facts trump form as a mechanism for ensuring labor rights and preventing fraud (Leite, 2021). Therefore, the primacy of reality law investigates the worker's daily life, independent of the agreements expressed in the legal relationship.

Consequently, the employee—the weakest link in this relationship—will not be harmed if they find themselves in a situation where the formal agreement classifies them in a work category that does not reflect reality. Any rights violated by this condition will be reinstated.

Regarding the Principle of Continuity of Employment, it is assumed that employment contracts, in general, are indefinite and have no expiration date, except for temporary and fixed-term contracts (Martins, 2023). In other words, this principle prioritizes the continuity of such contracts to ensure the employee's continued employment and to allow them to enjoy rights such as vacation, 13th-month salary, advance notice, and others. Besides, it ensures a fixed income, enabling the employee to maintain financial stability and live with dignity.

In addition, Martins (2023) highlights that the Principle of Non-Waiver of Rights states that while the company still employs the worker, he or she cannot waive his or her labor rights, since the employer, who holds the power, could intimidate or induce the employee to waive such rights, wherefore ensuring that he or she receives the benefits guaranteed to him or her. Conversely, the employee can participate in an agreement that involves mutual concessions among the parties, provided it is a balanced, bilateral arrangement that considers both parties, respects the limits of the law, and is conducted transparently.

Finally, Ramos (2019) states that the Protection Principle guarantees the employee—the most vulnerable party in the employment relationship—the minimum guarantees provided by law, thereby neutralizing the inequalities that exist in this relationship, since the parties involved hold different positions of power. As a result, this commandment aims to protect the worker from possible injustices and abuses by the employer.

2.3 Hiring a Legal Entity

The PJ (Legal Entity) contract is a form of service provision in which the worker is not hired as an employee under the rules of the Consolidation of Labor Laws (CLT), but rather as a service provider through their own company, subject to other laws, such as the Civil Code. In this model, the worker establishes a legal entity, such as a microenterprise or small business, and issues invoices to the contracting company, rather than being paid directly as an individual. Accordingly, the main characteristic of the PJ contract is that it does not follow the provisions of the Consolidation of Labor Laws (CLT), which means the worker does not have access to labor rights typical of an employment relationship, such as vacation pay, 13th-month salary, FGTS (Government Severance Indemnity Fund for employees), and unemployment insurance.

In return, the PJ worker assumes responsibility for tax and social security management, paying their own taxes and INSS contributions. On the other hand, hiring companies benefit from lower social security and labor costs, making the model attractive to organizations. The Brazilian Civil Code governs this type of contract: Law No. 10,406/2002 (BRAZIL, 2002), which addresses the provision of services in general and establishes that service-provision

relationships are not considered employment relationships. According to art. 593 of the Civil Code (BRAZIL, 2002), one party agrees to perform a task for the other in exchange for remuneration, without this constituting an employment relationship. Therefore, the PJ contract is, in essence, a service-provision contract in which the worker acts through a legal entity rather than in a formal employment relationship.

Moreover, the PJ contract also has tax implications, since, by formalizing as a legal entity, the worker can opt for more advantageous tax regimes, such as the Simples Nacional (National Simple Tax), established by Complementary Law No. 123/2006 (BRAZIL, 2006), which offers simplified tax treatment for micro and small businesses. This allows the service provider to pay less in taxes than they would as an individual, which represents an advantage for both the service provider and the contracting company.

Nevertheless, the PJ contracting model presents risks, as the worker is left without social rights due to the lack of a formal employment relationship. Additionally, suppose there are signs of the company's subordination or control. In that case, the Labor Court may disregard the PJ contract and recognize a formal employment relationship, guaranteeing the rights under the CLT. Therefore, despite the tax advantages and flexibility, using a PJ contract to conceal a genuine employment relationship may result in the application of the labor guarantees provided by the CLT.

2.4 Definitions of Pejotization

Pejotization can be characterized as a fraud against labor law, aiming to mask a formal employment relationship through the creation of a legal entity (PJ) by the worker. According to Espinelli and Calcini (2020), in these cases, pejotization takes place precisely to conceal the subordination typical of an employment relationship, transforming the worker, who should be an individual, into a legal entity, thereby distorting the true nature of the employment relationship.

Oliveira (2013) explains that the term 'pejotization' derives from the acronym PJ (Legal Entity), reflecting the process by which a worker, at first an employee, becomes a service provider through a legal entity, which implies the loss of labor rights guaranteed by the CLT (Consolidation of Labor Laws). This transformation is often imposed as a condition for hiring or for continuing the relationship with the employer. Barbosa and Orbem (2015) emphasize that pejotization occurs when the employer requires the worker to establish a legal entity to keep their job, thereby imposing a condition intended to reduce labor costs and deprive the worker of their rights.

According to Ortiz (2014), pejotization can manifest itself in two main ways: the first occurs when the employer requires the worker to create a legal entity as a condition of hiring, for this reason distorting the employment relationship from the outset. The second occurs when the worker, often under pressure from the employer, decides to create a legal entity to maintain the relationship with the company and, after this, formalizes it with a service provision contract. These practices primarily aim to circumvent the application of the Consolidation of Labor Laws (CLT) and minimize social and labor costs. Even though, they

ultimately worsen working conditions by stripping workers of essential rights.

2.5 Characteristics of Pejotization

Pejotization occurs when, even with the worker's formalization as a service provider, typical characteristics of an employment relationship remain. This phenomenon has intensified as employment relationships have become increasingly mediated by legal entities. This is a practice in which the employer chooses to hire the worker through a legal entity (PJ), rather than establishing a formal employment relationship governed by the Consolidation of Labor Laws (CLT). According to Delgado (2023), pejotization distorts the fundamental characteristics of an employment relationship, such as subordination, onerous nature, personal nature, habitual nature, and alterity, which are essential to its establishment and to guaranteeing the worker's protection. In the case of pejotization, these characteristics are often disguised or adapted, undermining the legal security of the worker, who is deprived of essential labor rights, such as vacation, 13th salary, and FGTS (Government Severance Indemnity Fund for employees), and is also forced to assume financial burdens and business risks.

Subordination is one of the central characteristics of employment relationships, which manifests itself in distorted ways in pejotization (management). Although the formal relationship is with a legal entity, the worker remains under the company's control and supervision, adhering to fixed schedules, goals, and specific standards. According to Martins (2023), subordination occurs when a worker is subject to the employer's orders and conditions. In pejotization, even without the formalization of the employment relationship, the worker's dependence on the company persists, constituting a disguised subordination: the worker fulfills the same demands as an employee but without the rights due under the CLT (Consolidation of Labor Laws). This scenario creates a working relationship that, although seemingly not an employment relationship, possesses many of the characteristics of one, without the proper legal guarantees.

Another key aspect of pejotization is its onerous nature, which, according to Barros (2013), implies the payment of a consideration for the provision of services. However, distortion occurs when, upon being hired as a legal entity, the worker loses the typical benefits of an employment relationship. Furthermore, the legal entity worker assumes the typical burdens and costs of a legal entity, thereby increasing the worker's financial risk and vulnerability. They are responsible for taxes and fees related to their activity, which compromises their financial stability and puts them at a disadvantage compared to employees under the CLT (Consolidation of Labor Laws), whose burdens and risks are borne by the employer.

Personality, which in an employment relationship requires the worker to provide their services personally, is also distorted in the pejotization process. According to Delgado (2023), personality is one of the pillars of the employment relationship, as it implies that the worker performs their activities directly, without the possibility of replacement. Nonetheless, in pejotization, despite the formal relationship being with a legal entity, the worker is often required to

provide their services exclusively to the hiring company, without the ability to replace themselves or serve other clients. This situation constitutes a disguised personal relationship, as the PJ worker is held accountable for specific goals and results, but without the flexibility that characterizes independent service provision. For Martins (2023), this disguised dependence on the company reinforces the worker's subordination, thereby weakening their legal protection. Although the formal relationship is with a legal entity, the worker continues to have a subordination similar to that of an employment relationship, but without the rights that guarantee the legal security of a registered employee.

Habituality and alterity, in turn, manifest themselves in pejotization, albeit in a distorted form. Habituality is an essential concept in configuring the employment relationship, characterized by the continuous and repetitive provision of services. Barros (2013) emphasizes that continuity of work is one of the defining characteristics of the employment relationship. Nevertheless, in pejotization, the individual worker often performs their activities regularly and continuously for the same company, which characterizes habituality. The lack of formal recognition of this relationship prevents the worker from enjoying labor rights related to job security and compensation for length of service.

Alterity, which implies the employer assuming the risks of economic activity, is reversed in pejotization (self-employment). According to Delgado (2023), the PJ worker assumes the risks of economic activity, becoming vulnerable and lacking the legal protections that the Consolidation of Labor Laws (CLT) would guarantee a formal employee. They assume the risks of the business, but without the legal guarantees of an employment relationship, which contributes to the precariousness of working conditions and worsens their situation, as there is no adequate legal protection for the risks they assume individually. Consequently, pejotization distorts the conditions that should guarantee worker protection, making them more vulnerable.

In short, pejotization distorts the essential characteristics of employment relationships, creating a situation in which the worker, although formally hired as a legal entity, performs activities under conditions similar to those of a CLT employee. Subordination, onerous nature, personal nature, habitual nature, and otherness, which are fundamental to the establishment of an employment relationship, end up being adapted or disguised in this model, which leads to precarious working conditions and places the worker in a vulnerable position, without the rights and guarantees provided for by labor law.

3. METHOD

The study was developed through basic qualitative research (Godoi & Balsini, 2006) to highlight the impacts of pejotization and to capture participants' experiences and perceptions. Besides, the research is descriptively exploratory, comprising a literature review to introduce and contextualize this topic, as well as an empirical investigation of the contemporary organizational landscape. Data collection involved semi-structured interviews with professionals from various sectors and institutions. All participants' identities were protected,

ensuring their right to confidentiality. Consent for the recording and literal transcription of the interviews was also recorded. Finally, category analysis (Flores, 1994) was applied to the data. This methodology involves fragmenting, coding, and categorizing the events under study.

In addition, it allows responses to be organized into thematic axes, facilitating interpretation. The study was closed based on the response saturation criterion, that is, when the new interviews no longer yielded results different from those previously obtained, hence exhausting the various possibilities of the object of study. This strategy is essential in subjective research, serving as a methodological resource to ensure the depth and consistency of the data.

4. RESULTS AND DISCUSSION

It is noted that a significant portion of the professionals interviewed do not exercise the autonomy guaranteed in the employment contract to which they are formally linked, as the company they work for determines the tasks to be performed, how they are executed, establishes the working hours, and directly supervises the entire process—all conventional characteristics of subordination. Moreover, the hiring company's requirement for exclusivity is noticeable, preventing professionals from providing services to other institutions and, consequently, violating another right guaranteed by this type of work. Therefore, this constitutes an employment relationship disguised as a service provision relationship.

Table 1 – Typical characteristics of an employment relationship experienced by interviewees

Code	Category Definition	Unit
ALC	Includes the absence of contractual freedom, requiring exclusivity.	P1 - "It is exclusivity." P4 - "The company demands exclusivity."
FART	Includes a lack of autonomy to carry out work	P1 - "I do not feel independent, right, because I still need to fulfill many things, like schedules, tasks that are assigned and goals [...] Management oversees everything."
FART	Includes the lack of autonomy to carry out work.	P4 - "There is a hierarchy [...] It is very similar to a CLT [...] My tasks are always supervised, right?" P5 – "I have no freedom, no autonomy. I follow a hierarchy and am managed by a coordinator [...] The educational institution determines the day and time I have to teach. [...] It defines my goals and tasks; I have micromanagement."

Source: author (2025)

It is clear that these professionals are not subject to the hiring institution's internal rules and organize their work routines independently, fully exercising their autonomy in the workplace. It is worth noting that they have the freedom to provide services to other companies to maximize their network of opportunities and diversify their income sources. Therefore, these professionals act in accordance with the principles governing their respective work models.

It is worth noting that one of the main negative aspects of service contracts is the lack of legal support. If dismissed, there is no guarantee of mandatory financial support while they search for a new job. This means the responsibility for maintaining their livelihood during this period falls entirely on these professionals. Furthermore, financial instability, linked to the volume of services provided, creates a sense of insecurity because earnings are unpredictable. Consequently, these professionals live with uncertainty about how much they will earn the following month. Besides, the lack of a monthly limit on working hours can lead to long working hours due to high demand, impacting quality of life, as work consumes a disproportionate amount of their time.

Table 2 – Typical characteristics of a PJ hiring model highlighted in the daily lives of participants

Code	Category Definition	Unit
LTDI	Includes the freedom to work in different institutions.	P2 – “I can work for other clients, but currently I only work for this one. By choice.” P3 - "I can work for other clients. I have to stick to my schedule here, and I will work other hours when I have time." P5 - “I have the freedom to work with other clients.” P6 - "The company does not require exclusivity; it requires that I fulfill the workload I determined, so if I put in 24 hours a week, I fulfill 24 hours a week, regardless of whether it is day, night, afternoon, and in the other free hours I can provide services to other companies as well."
AMOL	It includes the autonomy to define the methods and organization of one's own work activity.	P2 – “ I do not have to follow any internal rules, whether it is clocking in or wearing the company uniform [...] And I can choose my working hours.” P3 - "I do not have to clock in, wear a uniform or follow any internal rules." P6 - "I am the one who sets my own schedule [...] I can change class days and make up the class I missed; in short, I control my class schedule [...] I am the one who defines my own tasks and goals."

Source: author (2025)

Table 3 – Negative impacts highlighted by interviewees

Code	Category Definition	Unit
PVGL	Includes the perception of vulnerability due to the absence of guarantees provided by law.	P1 - "A legal entity does not have vacations, does not have a thirteenth salary, we have no guarantees. We have work today, the next day we might not, there is no advance notice." P6 - "Job insecurity is what weighs most heavily on me."
PVGL	Includes the perception of vulnerability due to the absence of guarantees provided by law.	P5 - "I feel this lack of security in labor rights, so if I am laid off tomorrow, I have no benefits [...] I feel more of the lack of benefits and security that the CLT regime brings."
FIQV	Includes factors that impact quality of life.	P1 - "At certain times of the year, we do not work. And if we do not work, we do not get paid. And then one of the first questions is the issue of exclusivity. Suppose we do not work for two periods of the year because we cannot provide services to others. And the company I work for is on recess, we do not get paid either." P4 - "Because you do not know if the next month will be better or worse in terms of work demand, this does generate financial instability, it generates financial discomfort given that there is no predictability." P5- "In that work format, with high demands and demands, with no set time to leave, my mental health was completely shaken; it was extremely stressful. [...] It is kind of exploitative, really."

Source: author (2025)

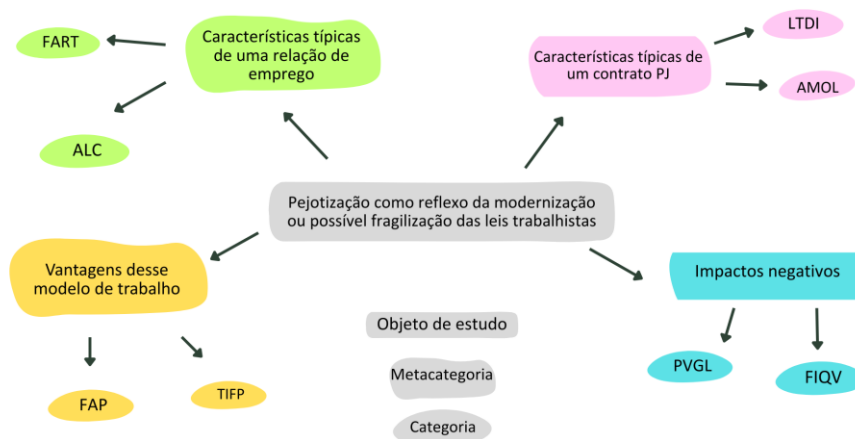
One of the main positive factors highlighted by interviewees is flexible working hours, which provide greater autonomy in defining one's own work schedule. This characteristic contributes to the balance between professional and personal life, especially when compared to the conditions of workers subjected to rigid, unilaterally determined work schedules by organizations. Additionally, the ability to provide services to multiple companies is seen as a positive, as this can increase income and, consequently, raise the standard of living and mitigate the negative impacts of financial instability —a previously highlighted downside of service provision.

Table 4 – Advantages of the PJ work model highlighted by interviewees.

Code	Category Definition	Unit
FAP	Includes flexibility as a positive aspect.	P2 - "At this moment, yes, flexibility is an advantage." P3 - "Flexibility is a plus for me. Being able to work my own hours is a plus." P6 - "You have greater flexibility, the workload is better, since you are the one who defines it."
TIFP	Includes working in other institutions as a positive factor.	P5 - "The only advantage is non-exclusivity, so at the same time that I teach at one educational institution, I can teach at another." P6 - "You can be hired by other companies, provide services in other places, right, which is an advantage."

Source: author (2025)

Figure 1 – Category System



Source: author (2025)

5. FINAL CONSIDERATIONS

Pejotization is a practice that has become increasingly common in Brazilian labor relations, driven by economic and technological changes and companies' search for greater flexibility in hiring. Nonetheless, despite its growing adoption, this model still raises many questions and controversies, above all when misused, masking employment relationships that should be protected by the Consolidation of Labor Laws (CLT).

In many cases, pejotization is implemented without guaranteeing employee autonomy and freedom characteristic of working as a legal entity. In these situations, obligations similar to those of a CLT contract are observed, such as direct subordination, time control, imposed targets, and exclusivity requirements, without workers having access to central labor rights, such as vacation, 13th-month salary, or advance notice. This creates insecurity, financial instability, and even impacts physical and emotional health, which characterizes precarious working conditions.

On the other hand, when the model is applied legitimately—that is, when the

professional has absolute freedom to define their routine and work methods, and to provide services to more than one contractor—the PJ model can represent a positive choice. Professionals who work independently in this format report advantages such as greater scheduling flexibility, the freedom to manage their time, and the opportunity to increase their income by serving diverse clients. In these cases, the model offers benefits that meet the new demands of the world of work.

Given these two sides, it is crucial that the topic continues to be debated and researched, as it is a contemporary issue that demands constant attention from scholars, legislators, and society at large. Furthermore, bodies such as the Superior Labor Court (TST) and the Federal Supreme Court (STF) play an essential role in monitoring and combating abusive practices, ensuring that contractual flexibility does not serve as an excuse for the withdrawal of rights. Therefore, it is necessary to strike a balance between modernization and social protection, building a work environment that values contractual freedom without sacrificing the dignity, safety, and essential rights that every worker should have.

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