1 Introduction: career perspectives

LEARNING OBJECTIVES

After reading this chapter you should be able to:

- Define career.

- Distinguish between individual and organizational career perspectives.

- Identify the new types of careers.

- Understand the impact of environmental factors on careers.

- Explain how organizations can work alongside individuals to match their mutual needs.

- Understand career system management within the general HRM framework.

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Introduction

In the past, careers have taken various forms. However, the present generation is witnessing a sea change in the shape of careers. From the lifelong career as an archetypal model, quite often fulfilled, we are moving to a world of work where stable employment with the same organization is not only the exception, but also not even the ideal type aspired to. Within organizations we are seeing a fluidity of structures and a continuous re-shaping of configurations, which are reflected in dynamic career systems. Both people's and organization's perspectives on career planning and management have changed.

The change in the shape of careers has not occurred in isolation. It is just one aspect of changes that are taking place, at a seemingly ever-accelerating pace, in society in general, and in management in particular. Businesses and public organizations are experiencing rapid developments in many areas – the economy, technology, society, politics and relationships – that have wide implications for the planning and management of careers.

The development of people has always been considered to be an organizational role. Organizations must invest in and develop their assets, and the statement that 'people are the most important asset of the organization' may now be a cliché, but any cliché was once a novelty. With concurrent changes in individual perspectives, the management of organizations and society generally, the notion of *career* and consequently its management, has been transformed.

Career perspectives: individual v. organizational

The meaning of career planning and management depends very much on whether an individual or organizational perspective is taken. Many observers have viewed career management as a process by which individuals develop, implement and monitor career goals and strategies.[1] Much of the literature on careers has indeed focused on the individual view. However, in the early 1990s Gutteridge *et al.* stated 'The focus of career development has shifted radically, from the individual to the organization'[2]. Still the pendulum seems to be shifting back to an individual orientation of managing careers, which follows a general trend of the modern age that emphasizes individualism rather than collectivism, in particular in Western societies.[3] This book takes a more balanced

approach, arguing that organizations can, and perhaps should take a lead role in planning and managing careers, but also that this role will be different from that prescribed in the past by those who have studied the area of careers. Much of this book examines the organizational side of career systems.

What is a career?

The answer depends on the viewpoint of the questioner. A career belongs to the individual but in much, if not most, employment, the career will be planned and managed for the individual by the organization. The organizational structure forms the (internal) 'road map', providing identifiable positions, interrelationships between these positions, the qualities necessary to fill them, and moreover, mechanisms to enable people navigate this road map. This way organizations can take a leading role and have control over career planning and management.

Psychologists define career as, 'The pattern of work-related experience that span the course of a person's life'.[4] Arthur, Hall and Lawrence from the USA regard career as 'an evolving sequence of a person's work experience over time'.[5] On the other side of the ocean, Arnold defines career as 'the sequence of employment-related positions, roles, activities and experiences encountered by a person'.[6] Careers can indeed be seen as a sequencing of an individual's life, work roles and experiences, if one limits one's perspective to that of the individual. Nevertheless, careers take place in specified social environments, and in particular in organizations – a crucial point missed by many scholars who analyse careers from psychological perspective only. The normal or typical professional career usually follows a sequence of developmental phases, each of which is delineated by a distinct shift in the individual's sense of self, but each is shaped and influenced by the organization in which the person works.

The variety of definitions, only a few of which are presented here, re-emphasizes that *career* involves a process of progress and development of individuals, which is sometimes described as the life stories of people. Nevertheless there is in the careers domain a substantial overlap between individual and organizational roles.

What is the area of study?

The concept of a career builds on several theoretical disciplines, but as the formulation of career theory was quite individually focused, its development was traditionally dominated by psychologists. However, careers are, to a certain extent, a 'property' of organizations, and managed by them as part of HRM.[7] An approach that takes into account an organizational orientation may provide a more balanced definition: 'a process of development by [an] employee along a path of experience and roles in one or more organizations'.[8] Career management is part of HRM. The basic roles of HRM are to obtain and retain employees, and career systems deal with the latter role, of retaining (and sometimes releasing an excess of) employees.

Recent studies have put into focus the changing meaning of careers. Many

have examined the shift from long-term relationships to transactional, short-termism.[9] At one time people would have expected to serve an organization for their entire working life. Now people expect the organization to serve them, and over a timespan that could easily be only two to three years. Planning horizons have shortened, the future needs of organizations have become less clear, and subsequently both individuals and organizations struggle to re-define careers and the mutual role each side should play in their management. The main shift is from careers that offer secure employment for all, to careers that provide 'opportunities for development'. The development has ceased to be merely an organizational obligation, and rather rests with the individual. Similarly, in a recent review of the literature on career writing during the last century, Sullivan[10] has identified two prominent streams of research in career studies: developmental stage theories and the boundaryless career, emerging at the end of the 1990s. Another core stream in the study of careers is career choice theories.

Another distinction that is sometimes made in the study of careers is between the concepts of the individual focus and those of the organizational/cultural focus. However, convergence is better than distinction as a way of understanding careers. Balancing individual and organizational needs is the goal of many career models and writing about them.[11] The need to satisfy and comply with individual and organizational requirements has long been established,[12] and individual aspirations are developed within organizational contexts and career systems.[13] A broader perspective would treat the wider environment – professional, organizational and cultural – as the reference point for individual career aspirations.

Balancing individual and organizational needs

Herriot and Pemberton[14] offer the model presented in Figure 1.1. They outline four properties they feel an established career model should possess. These are:

(a) Conceptualization (i.e. taking into account not merely the organization, but also the business, political and economic environment)
(b) Cyclical and processual nature of the model
(c) Subjectivity (rather than normativity) for the meaning of career success

and

(d) Interactive nature in the sense of relationship between the organization and the individual.

Let us examine the model from both the organizational and individual perspectives.

The first proposition of the model associates the business environment with the organization in terms of strategy, structure and processes. As will be shown later (Chapter 4), these correspond with philosophy, policy and practice. This conceptualization means that factors such as sector of operation, national culture, business activity or prosperity of the market influence the strategic goals set by organizations, how organizations are designed and structured and the prac-
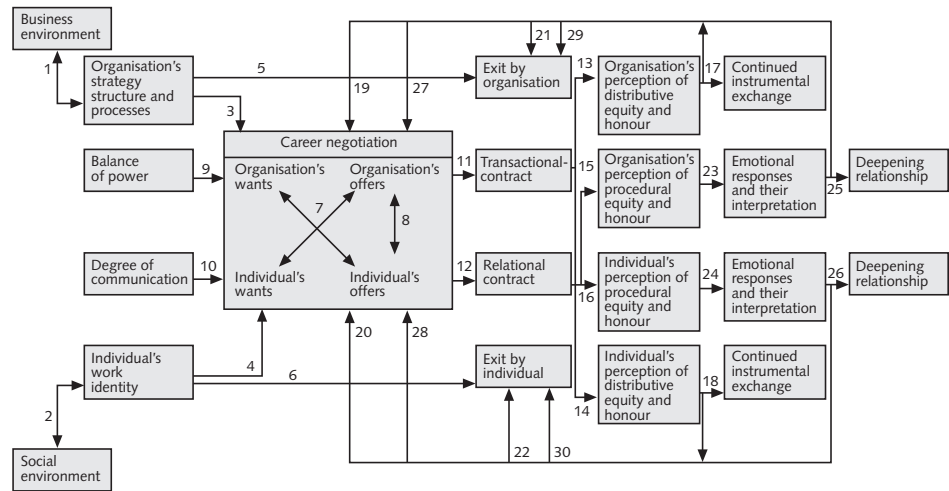
Figure 1.1 A contractual model of careers

Source: P. Herriot and C. Pemberton (1966) 'Contracting careers', *Human Relations*, 49(6) p. 760.

tices they apply for managing people and processes. The model argues that the Internal Labour Market (ILM) is an ideal archetype, i.e. that promoting from within is the best approach to career management, but that absolute ILM never occurs in practice.

From the individual perspective, proposition 2 suggests that the social context in which people grow and develop influences their values, norms and beliefs. These, in turn, influence their career aspirations, career choice, and progress.

Propositions 3 and 4, respectively, argue that organizational strategy, structure and processes will determine what organizations need from people and their careers, whereas people's identities will determine what they wish to gain from the organization. Similarly propositions 5 and 6 reflect the ways in which organizations and people conclude their contractual relationships.

At the core of the Herriot and Pemberton model lies the element of mutual recognition, negotiation and agreement about the 'give and take', the psychological and contractual agreement organizations and individuals consent to (or believe they have agreed upon). It is the point of equilibrium between what people offer to the organization and what they expect in return, and vice versa. Other influential factors on this core process are the balance of power (proposition 9) and communication between the parties (proposition 10).

The intermediate outcomes of the core process are manifested in two types of relationship between the individual and the organization. These can be transactional, calculated 'deals', on the one hand (proposition 11), and relational, even emotional, bond relationships (proposition 12) on the other. The transactional relationship is instrumental (in that services are provided in exchange for compensation). The relational relationship reflects mutual commitment. In practice both types exist in any employment relationship. There is then the perception of distributive justice (propositions 13 and 14) and of procedural justice (proposition 15 and 16). (On distributive and procedural justice, *see* Exhibit 1.1.)

EXHIBIT 1.1	**Procedural and distributive justice**[15]

Procedural justice

Perception about justice or fairness that occurs when the process utilized to set work outcomes and benefits is seen as fair and reasonable.

Distributive justice

Perception about justice or fairness that occurs when the actual work outcomes and benefits are seen as fair and reasonable.

As a result of the perception of organizational justice, people and organizations will continue to exercise instrumental exchange if they perceive that there is adequate distributive equality (propositions 17 and 18). They will not do so if they believe there has been a breach of the 'contract' – in such a case they will try to re-negotiate the contract (propositions 19 and 20) or leave the organization (propositions 21 and 22). In a primarily relational contract, the impact of organizational justice will be mainly on the emotional element, and if the contract is perceived as fair the positive interpretation (propositions 23 and 24) will be reflected in a deepening relationship (propositions 25 and 26). Breach of a contract would similarly lead to an attempt to try to renegotiate the contract (propositions 27 and 28) or to leave the organization (propositions 29 and 30).

Question

Think about your latest career move (this can be your first job search, an internal move within an organization, a move to another organization or starting your own enterprise). How can you analyse that move in light of Herriot and Pemberton's model? How significant was your perception of both procedural and distributive justice as an input in making your decision?

Herriot and Pemberton's model places at its core the traditional conception of requiring a match between individual and organization in terms of needs, wants and provisions. It is a dynamic model in the sense that, in line with the Open Systems approach,[16] events are cyclical. The model views an organizational career as a continuous sequence of renegotiations of psychological contracts (see later chapters for a more detailed discussion). The contracts are 'signed' between the employee and the organization. This leads to the question of whether a psychological contract can exist with an entity that is not a person. In practice the 'contract' is agreed with people that represent the organization (managers, HR department).

All in all, the model is reinforced by evidential support suggested by Herriot and Pemberton, and fits well with the evolving nature of organizational careers.

Labour markets

Employers' requirements from the labour market are complex. They face a highly competitive, global market, in which flexibility is essential to cope with continually changing trends and positions. As a result, when seeking staff, they look for people with multiple competencies, high skills levels and capable of high performance. At the same time they also need a highly flexible workforce. Commitment is still important, as is loyalty, but such sentiments now tend to be towards the profession, the team or the project, and not necessarily to the organization. Non-traditional workers – people who work in alternative arrangements such as on-call workers, independent contractors, temporary workers or agency workers, as well as contingent workers called in to work in emergencies – form an increasing proportion of the workforce. Some may opt for the non-traditional career route from choice whereas others are forced into this path by the lack of other opportunities. One phenomenon that is beginning to emerge is that people who wish to work full time but cannot find a single full-time job are opting instead for multiple part-time jobs. All of these alternative contractual work arrangements are part of the general flexibility that companies need to apply in their operational practices.

In addition to the acquisition and maintenance of knowledge and capabilities, one element crucial for organizational competitiveness is 'to know what you know' – whom these competencies reside with. For example, in a large project, different people will be needed at different stages. The organization should be able to detect where these people are, what they are occupied with, and further, how to utilize the newly gained knowledge. If there is a lack of resources, the organization needs to know where they can buy them; or how to outsource these activities. Networking relationships with the wider business environment are necessary in such a case.

**EXHIBIT
1.2**

The temptation of temping...

In October 1946, with an office in Detroit, Michigan, and two employees, William Russell Kelly started a new company to meet the office and clerical needs of Detroit-area businesses. The company was staffed by housewives and students – people who had flexible schedules. Growth was fast, and involved lending employees to customers. Kelly's development of this new type of service – creating a pool of people with a variety of office skills to provide temporary help for offices – marked the beginning of the modern temporary staffing services industry.

Companies realized that using reliable temporary employees made good business sense. Temporary employees, especially women, discovered a good way to find work for short periods of time. Soon it became apparent that the relationships with the 'mother company' can be long term, and that the services need not be restricted to low-level skills jobs. The next stage was internationalization.

The business community recognized that such temp companies offer flexibility, diversity, quality, and above all – delivery of performance.

Exhibit 1.2 continued

Some comparisons…

Kelly Services entered the *Fortune 500* in the late 1990s (ranked 384 in 2001). The company employs more than 800 000 employees annually. Let us compare it with another Detroit-based company, General Motors. General Motors is currently *Fortune* No. 3 (and by 2001 had held the No. 1 position for 32 of the 44 years in which the list has been in existence). General Motors employed only 355 000 people in 2001 in 44 countries (395 000 people in 1998). Both Kelly and GM are dwarfed by Manpower's 1.9 million staff (2001 data), operating in 61 countries. Manpower, a leading company, was ranked 182 in the 2001 *Fortune 500* list.

Both Manpower and Kelly Services started their business in the late 1940s (1948 and 1946 respectively). At the time GM had many more employees than it has today. Both became international in the mid-1950s. Today, a curious fact is that Manpower's largest market is France, followed by the USA.

Business growth is a characteristic of the temp service sector. Good news for these companies. But what about their staff? Generally temporary employees tend to have less training, lower payment, no stability, and ambiguous job security as compared with permanent employees. (That is, they have no secure role, implied from their status, and only a low level of job security from their employing temp agency.)

Since the Industrial Revolution the organizational career has evolved as the norm. Of course, the traditional organizational career was never applicable to all: redundancies were not invented in the late 1980s, though that was when they became so frequent and on such a large scale. Small businesses and sole traders have always existed. Even in Japan, lifelong employment was promised and provided only by large firms, which employed just one-third of the workforce. However, this was the role model for a 'proper' and desired career. Career success has been defined in terms of progression up the hierarchy. Derived from this definition is expectations – what each person would expect from their career, and in particular, from the employing organization, in relation to their career. If individuals see it as solely their own role to manage their career, the organization is neutralized from its role as partner in the management of careers.

The level of involvement is diverse, ranging from irrelevant, through to a supporting role, a directive role, and up to a controlling or managerial role. Two cases illustrate the extremes of involvement. The first is the portfolio career person, who manages his or her own career, and who has no need of organizational mechanisms to manage, direct or support their career development.[17] The other extreme can still be found in large bureaucracies (e.g. army systems), where new recruits are set on a clear career path, planned and designed, at least for their first few years of service, and managed from the top until they reach the higher ranks (e.g. when they become officers). In most organizations, however, there is a certain degree of freedom, but the amount depends very much on the sector, the profession, the size of the organization and the state of the economy. Medical

doctors still have to invest some seven years in their basic training, and further time in their specialization. To change career, even within the profession, would mean a further investment in time and effort, and is neither popular nor usual – one rarely finds medical specialists changing to another specialism, e.g. a general practitioner or a heart surgeon becoming an orthopaedic surgeon or an anaesthetist, etc. Moreover, people from outside the profession cannot embark on a career in the medical field. The same is true in any chartered profession, but even for others long-term investment is needed to start making a living in a new career. However, the opposite route is available. Many medical doctors can opt to leave the role of active practitioner, and become managers in the health service, combine consultancy with other activities (this is a form of portfolio career), or move to academia or politics, etc. Other professions, especially in the information technology sector, are more likely to witness career transitions.

The changing nature of careers

Arthur *et al.*[18] have indicated that the concept of a career is not the property of any one theoretical or disciplinary view. They present eight viewpoints on the career concept (those of psychology, social psychology, sociology, anthropology, economics, political science, history and geography), mostly within the boundaries of the behavioural sciences. New trends in this framework are manifested in the need to fit contemporary changes in culture and economic conditions. These lead to different shapes of career. The theoretical framework encompassing them started with the boundaryless career.[19] This was followed by individual perspectives such as the Protean career (a concept of individual-focused career, introduced in 1976 and gained wide recognition in the 1990s; *see* Chapter 3 for elaboration)[20] and the perspectives of the organization and the wider society such as the post-corporate career (*see* Chapter 4 for elaboration).[21] These approaches to the management of careers have developed as a result of the deterioration of order and the relative simplicity associated with clear and open organizational structures and procedures. To understand the new career systems scholars may benefit from utilizing non-conventional approaches. One recent such exercise was an attempt to build on the New Science as a source for understanding careers. With the turbulence and lack of structure and order evident in the realm of careers, even Chaos Theory may well prove useful in this regard.[22]

Organizational careers: the rumours of their death have been premature

However, there is a change, a transformation, and a transition. The notion of career and the meaning of career success have moved, perhaps been upgraded. Mounting the hierarchy is no longer the sole criterion. Inner satisfaction, life balance, autonomy and freedom have entered the formula (for further elaboration *see* Chapter 3). Many would recognize the true nature of the situation as being analogous to the following statement: