The Future of Careers

Linda Holbeche
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Acknowledgements

I am very grateful to all those who have made this research possible, including the many respondents to various questionnaires in the last three years. In particular I would like to thank Sarah Henbrey, Personnel Manager of the Centre for Defence Analysis, John Bailey, Development Advisor for KPMG and Derek Osborn, Development Manager for the Post Office, for their kind support in the development of case studies. I am very grateful to DERA for their kind permission to publish the diagrams and tables included in this report. In addition, thanks are due to the following for their generous collaboration in a Roffey Park seminar on the future of careers held in March 2000: Professors David Guest and Peter Herriot, Dr Wendy Hirsh, Dr Yochanan Altman and Dr Yehuda Baruch.

Thanks are also due to the Roffey Park research team, in particular Christina Evans for her work on case studies, Caroline Glynn and Pauline Hinds for their analysis of questionnaires and Krystyna Fijalka who has managed the report production process.

Linda Holbeche, May 2000
The Future of Careers

Executive Summary

“The death of the career is exaggerated”,
John Monks, General Secretary, TUC
May 17, 2000

Writing in the Guardian in response to an article claiming that the ‘wired world’ is leading to new forms of employment such as portfolio working, John Monks points out that most of the UK labour market consists of permanent full-time jobs. However, he goes on to state that “there are important changes going on across all industrialised economies and in the world of work. The nature of careers is changing. But any serious analysis has to be based on facts, rather than assertion”.

This report aims to carry out a ‘stocktake’ of current trends with regard to careers, to assess the current state of developments and make some limited predictions about future developments based on those trends. The findings are drawn from Roffey Park research into careers carried out over the period 1998-2000 and include references to contemporary careers, management and business literature. Methods used include questionnaires, focus groups and case studies. The purpose has been to explore the extent to which the ‘psychological contract’ is perceived to have changed in practice and how individuals and organisations are adjusting to changing concepts of career. In particular, the research has been designed to assess if, and to what extent, claims of the death of career have been exaggerated.

The first section of the report looks at the changing economic, political, technological and social context of careers. Drivers for organisational change are examined, especially the effects of technology on the workplace. One tentative conclusion is that technology appears to be leading to an increasing polarisation of the workforce; this is not just a case of technology ‘haves’ and ‘have nots’ but a more fundamental reshaping of the nature of work. Some jobs have been upskilled by technology, while many others have effectively been deskilled.

In some ways, change is rapid. Technology is bringing about the birth of new businesses and, increasingly, enabling international working. The impact of global competition is making itself felt in the increase in merger and acquisition activity and various forms of partnership working. To be successful in complex marketplaces, employers need employees who can respond to the demands of new ways of working, including flexible working patterns, the ability to work across organisational boundaries and to cope with ever-increasing workloads. Knowledge is becoming a key commodity and the Information Age is ‘officially’ here. Job roles are evolving in the light of these shifts. Highly skilled ‘knowledge workers’ are increasingly recognised as organisations’ key assets, and the role of managers generally appears to be also undergoing a gradual transformation towards facilitator and enabler rather than director.

Yet in other ways change is slow. Despite the potential business benefits of diversity, the numbers of women and members of ethnic minorities reaching senior positions in UK organisations remain small. Working patterns remain relatively static, with full-time permanent employment remaining the dominant form, despite the needs of many employees for greater flexibility. While flexibility should offer benefits to employers too, there appears to be a lack of imagination, especially with regard to professional jobs, about alternative working patterns. In May 2000, a woman MP declared that, despite loving her job, she will not stand at the next UK general election since the working hours at Westminster are
incompatible with having a family life and that Parliament operates as a ‘public school club’. For employees who are able to opt for flexible working there is usually an important price to be paid in terms of career progression.

The second section of the report examines the extent to which careers have actually changed. Key elements of the ‘old’ psychological contract are supposed to be job security and the possibility of career progression for employees in return for loyal service and good performance. According to the literature, the ‘new deal’ is about employability rather than security and progression. Careers become self-managing but develop in partnership with organisations. They are supposed to be more mobile, with employees acquiring skills and experiences in different organisations. Careers become less based on a long-term relationship with a given employer and are much more a transaction based on negotiated needs.

The research findings suggest that in some ways the contract appears to be much as before: employees still want job security and clear progression routes. Given a choice, most of our respondents would prefer to develop their careers in their current organisation or sector. On the whole they are not looking for mobility. Employers on the other hand have generally been successful in conveying the message that careers are to be self-managing – usually by offering little or no help to employees on this front.

The effect of this is complex. On the one hand, employees recognise that they cannot look to their employer for a lifelong career and a distinct lack of trust in the employer comes through our findings from employees. This has the effect of loosening the conventional ties of loyalty and there is some evidence in sections of the labour market which are buoyant that skilled employees are prepared to move jobs to achieve what they want. Over half of respondents to our latest careers survey were considering a job move in the near future. Loyalty to the employer appears to be much less of a retention factor than in years gone by, especially for younger employees who are alert to the more transactional nature of the employment relationship.

In other ways there appears to be a more fundamental shift going on. According to these findings, a staggering 98% of respondents have taken the employability message seriously and report that they have been working on increasing their employability in the past year. Many now consider themselves to be highly marketable and there is some consensus about what employability means at the moment. For almost all of our respondents, employability means the ability to get a job outside their current organisation. Respondents talk of employability involving breadth as well as depth of experience, whether this is acquired in one sector, profession or role. Few talk of specialism, or generalism alone as employability factors. Track record, including reputation and experience, is another key feature but opinions are divided about the value of age to employability. While many older respondents feel that they are now at their peak, many report organisational prejudice and lack of opportunity to use that experience.

Perhaps the biggest ‘missing link’ is the organisational piece of the career partnership. Respondents were on the whole critical of provision within their organisation although many commented favourably on the training which they had received. For most people, the most important forms of development were on the job, through new experiences and opportunities at their current level or through promotion. What they wanted was support in making lateral moves possible – and this was sadly lacking on the whole. Most respondents wanted clarity within which they can plan their own careers. This clarity includes understanding the organisation’s strategic direction and therefore being able to work out the skills they will need to be effective in the future. It also includes having clear
career paths so that people can make reasoned choices. People want access to good advice and the chance to talk realistically about the options available to them.

The roles of HR and line managers in supporting career development are examined. Top management are generally reported to be unconcerned about careers, except with respect to their own succession. There is often a lack of impetus from the top to treat career issues seriously. Line managers are generally said to be too busy to be able to help support career development and individuals themselves claim that they lack time to develop themselves. Opportunities for development are often missed due to pressure of work. One encouraging move is the development of a number of ‘virtual’ corporate universities which aim to provide on-demand learning, linked to business need, via the intranet and internet.

HR in particular has a key role to play since many of the factors which have a bearing on the new psychological contract are concerned with issues other than careers, such as work/life balance. These factors, alongside careers, generally should be the subject of effective HR policies and strategies. Similarly, since knowledge workers are increasingly recognised as a key element of an organisation’s competitive advantage, particular attention needs to be paid to developing career options which attract and retain them. At the moment, initiatives underway in many organisations are reported to be piecemeal and typically abandoned when cost-saving initiatives are introduced.

Section three looks at what two organisations are doing to enable knowledge workers to have clarity of career development options. The CDA/DERA case is a particularly interesting example of how a cohesive set of development activities forms part of a strategy to enable scientific knowledge workers to have a satisfying career and at the same time provides relevant outputs to the organisation and its customers. Similarly, the KPMG case shows how one professional service firm is addressing the need to provide interesting and varied career options within an overall aspiration towards work/life balance.

The report suggests that in some organisations, encouraging career mobility may be counter to the interests of the organisation. In such cases, strategies aimed at encouraging employability and tenure within the organisation are advocated. However, the individual/organisation partnership on careers cannot sit in isolation from the social context. Career mobility, which is supposed to benefit employers and employees alike, needs to be supported by an effective infrastructure. People contemplating such careers need access to good advice and the real possibility of changing jobs without pension penalty. Ironically, at a time when it seems that more people are willing to contemplate a more mobile career, and feel confident that they are employable, current proposed UK legislation on taxation and recommended retirement age in the public sector may effectively undercut any trend towards mobile careers. It is ironic, but possible, that such changes may revive the traditional notion that the only viable form of career is one which continues mainly in one organisation until the age of 65.

So is the career dead? Yes and no. While many people still aspire to old style promotions and job security, most have pragmatically accepted the need to manage their own career by building their employability. Unquestioning loyalty towards and faith in the organisation to look after the interests of employees appear to have gone. Employee/organisational relationships are becoming more transactional and organisations are generally becoming slowly aware that the rules of the game are changing. Simply offering old style ‘fast track’ programmes, while enticing to some, may not be enough to retain people since new career entrants have a strong sense of what is important to them. People want a range of options, new ways of defining what success looks like and the chance to have work/life balance. Career management initiatives may have to become more relational and individually focused if they are to attract and retain the best in the future.
Introduction

For the past decade or longer, white-collar careers have been in crisis. The concept of career itself is undergoing massive change. Once upon a time, the idea of having little job security, short-term contracts and being only as good as your last piece of work applied mainly to blue-collar workers, especially those in relatively unskilled roles. However, the widespread restructuring of organisations, driven in part by the need to achieve shareholder value through cost savings, has challenged the notion that any job, including those of managers and professionals, is secure.

The focus of this report is how employees perceive careers to be changing in this context. I shall explore the notion of the ‘psychological contract’ and whether people feel that a new contract is emerging. In particular, I shall look at the kinds of emerging career options which may be appropriate to so-called ‘knowledge workers’.

In Section One I explore the following questions:

- What are the macro political, economic, technological and sociological changes which are driving the increasing need for organisational flexibility and a changing work culture?
- In what ways is the psychological contract changing within specific sectors of the UK economy and for specific groups within these?

In the Section Two, findings from the Roffey Park Management Agenda and Strategic HR surveys are used to address the following:

- How do people perceive the psychological contract to be changing and what is the impact on them of these changes?
- What does employability mean and how does it work in practice?
- What do people need to do to prepare themselves for a continuously changing organisational context which includes the requirement for greater flexibility?
- How much are people actually supported in making themselves employable in practice?
- Who are the key ‘players’ in career development?
- What discernible shifts are taking place within the careers field?

Section Three includes two case studies which explore:

- Developing knowledge workers in a professional service firm
- Developing new career tracks which will enable specialists to have a variety of forms of career progression.

These illustrate how organisations can prepare employees to be employable in a constantly changing environment without undercutting the notion that employees are responsible for their career.

Methodology and research instruments/ procedure

The findings are primarily drawn from responses to Roffey Park’s Management Agenda - a questionnaire whose format was both structured and open-ended. People were able to choose from a number of responses to some questions and the findings as presented here do not include a more detailed breakdown of responses. I have attempted to draw some general inferences and point out specific correlations where these may have more general interest. I have also drawn comparisons where appropriate with findings from the 1998 and 1999 Management Agendas.
The questionnaire was completed by respondents from all sectors of the economy. Surprisingly perhaps, given the reported context of job insecurity and the changing environment within organisations today, the majority of respondents (54%) have worked for their organisation for more than 8 years, with 38% reporting that they had been with their organisation for 11 years or more. This perhaps suggests that the notion of frequent job changes and ‘portfolio’ careers are more talked about than actually happening.

In addition, I have drawn on other relevant Roffey Park research such as the Strategic Human Resources survey carried out in 1999 and my 1998 study of High Flyers and Succession Planning. Further details of the Management Agenda and methodology can be found in the Appendix.
Section One
Chapter One

The changing context of careers

It is often said that careers exist only in the context of organisations - careers are shaped by organisations and sometimes individual careers shape organisations. What can be perhaps more confidently be asserted is that organisations usually provide the context for careers and that the factors affecting organisations will also be likely to affect careers. Organisations shape, and are shaped by, their changing economic and social context. The main drivers of these changes include the globalisation, consumerisation and the scientific-technological revolution which is leading to the creation of new products, services and even industries, (such as advent of the .com companies). This context is changing organisational structures and the nature of paid work in ways which affect all employees, whether they are in ‘white-’ or ‘blue-collar’ jobs.

Trends in the global economy

In the increasingly global economy, boundaries (geographic, market sector) are changing, creating both threats and opportunities for businesses. Global trade is becoming more demanding as new competitors appear from the new, faster markets to challenge time-honoured ways of doing things. Much manufacturing capability has migrated from the developed world to parts of the developing world. The economy of the West is becoming predominantly a service economy, with the UK in particular seeing the development of high technology, financial services and travel and tourism as major growth areas. National governments have tended to liberalise and deregulate their national economies.

Kenichi Ohmae, author of *Triad Power* (1985) suggests that the route to global competitiveness is to establish a presence in each area of the Triad – Japan, United States and The Pacific, Europe, and to use each of the three Cs of commitment, creativity and competitiveness to achieve business success. Ohmae points out how globalisation will ultimately affect all aspects of a nation's economic life:

“The essence of business strategy is offering better value to customers than the competition in the most cost-effective and sustainable way. But today, thousands of competitors from every corner of the world are able to serve customers well. To develop effective strategy, we as leaders have to understand what’s happening in the rest of the world, and reshape our organisation to respond accordingly. No leader can hope to guide an enterprise into the future without understanding the commercial, political and social impact of the global economy."

Socially, the trend towards the service economy has coincided with the growth of consumerism and demands from customers for high quality goods, tailored to their needs, but at reasonable prices. In the UK the 24 hour shopping and service culture is taking root, with changing working patterns an inevitable result. From the customer’s point of view, having service available round the clock is the main consideration. From the organisation’s point of view, the need to provide continuous service is leading to experimentation with flexible staffing provision. Some organisations are increasingly using the capability provided by technology to run help desks and other operations on a ‘sun-time’ basis from different parts of the world. In other cases, organisations are becoming increasingly reliant on different types of flexible worker who can provide the cover required.
On the technologies front, the much predicted convergence of telecommunications, computing, multi-media and transport is under way and is now radically altering the technological options available to organisations. E-commerce is becoming the 'normal' way to do business. Technology is both driving change and supporting change. As competition in the service economy becomes more intense-and the financial services industry is a prime example of this- the trend towards market consolidation through acquisitions is often a defensive move to avoid being swallowed up by bigger players. At the same time, major political shifts have opened up vast new markets for capitalist goods and services, such as China, while closing down some 'traditional' markets. Many international organisations have developed global manufacturing, customer service and other operations in an attempt to compete effectively in the global marketplace.

Many pundits argue that we are now in a new industrial era or at least on the verge of the Information Revolution which will take us out of the machine age. In the Information Age, the individual is king or queen, with corresponding freedoms of choice.

The implications of this are significant:

- The very nature of the firm, of the workplace is changing
- Work itself, and the nature of the employment contract are undergoing major change
- People may be starting to change their view about what a career looks like
- Organisations have not yet got to grips with the changing nature of career expectations

The changing nature of workplaces

Given the social, economic, political and technological drivers for change, the organisational structures and work practices which were familiar a few years ago are undergoing a serious, longer-term appraisal. Tyson (1995) argues that the 1970s was still the period of mass production, reflecting the end of manufacturing on any scale in the UK.

Certain characteristics were typical of organisations of the time. These were mainly large concerns, with command and control management styles. Labour flexibility was limited and there was often vertical integration. Structures were based on the division of labour, a central unity of control, a large pyramid of managers and supervisors, working in remote command chains. Often thought of as slow to change and inflexible, such structures often had the merit from some employees' point of view of relatively paternalistic employer attitudes which included offering a degree of job security.

In the 1980s, perhaps influenced by the ideas of Schumacher (Small is Beautiful, 1973), many large organisations tended to decentralise and created independent business units. These business units often acted as local fiefdoms. Achieving a 'corporate' approach could be difficult. Labour flexibility was still relatively low.

The 1990s are often described as being characterised by leaner organisations with responsive structures which are, in theory, freer, more flexible and participative. Core processes have been redesigned and collaborative relations established with suppliers. Many organisations have delayered their management structures, although truly 'flat' structures are rare even amongst consultancies. Team working, Total Quality approaches, horizontal integration and medium labour flexibility are also typical of this time. Some pundits describe this as the 'post-modernist' era which represents the end of the period of large bureaucratic production. One study describes this new industrial order as emerging from 'best practice' firms in Japan, Germany and Italy. The common features include an emphasis on high value-added products, a skilled workforce, flexible inter-firm transactions and a widespread use of networking (Cooke & Morgan, 1990).
Many commentators, including some of the architects of business process re-engineering which produced many of the ‘right-sizing’ initiatives of recent years, now acknowledge that in many cases the trend towards lean organisations has gone too far, in some cases with social consequences. One current example is the reintroduction in the UK of the role of municipal park-keeper. The removal of this role in the 80s and 90s, an obvious target of cost-reduction moves, has proved pivotal in enabling vandalism and socially inappropriate behaviour in parks to go on virtually unchecked.

The impact of technology on work

Technology appears to be having a polarising effect on work. While Gallie et al. (1998) conclude that New Employment is based on a general upskilling of the workforce, Hudson (1989) argues that the use of technology, productivity gains and deskilliing of jobs through the use of advanced technology represents just a reworking of modernist production methods. The impact of technological change appears to be a general deskilliing of jobs for the majority and a shrinking number of jobs which require more knowledge owing to technological complexity. Knowledge, rather than traditional skills, becomes a key element of job prosperity as well as a free-floating commodity.

As early as 1990, researchers were warning about the danger of a two-tier Europe in which knowledge-intensive activities went to favoured regions, and low added-value production was relegated to the regional periphery (Cooke and Morgan, 1990). More recent reports have highlighted the widening economic gap between regions in the UK with inequalities being caused by the booming southern economy (Huggins, 2000).

Labour-intensive work is being replaced by capital-and technology-intensive work. The wide gap between such jobs calls into question older conceptions of class and social mobility. Gaps also appear with regard to access to information since, whilst this is available to those with the skills to use electronic communication technologies, much conventional dissemination of information, through the media, has been simplified in recent years. Aronowitz and DiFazio (1999) argue that the information gap is a potential hazard to liberal-democratic societies which work on the basis of plebiscitary participation.

Aronowitz and DiFazio also suggest that technological change has been ‘routinized’, and that notions of human capital, by which training and skill development are an important part of building the knowledge economy, are called into question. For as general economic indicators have improved in recent years, the kinds of jobs being created are mainly ‘unstable and mediocre’. These authors argue that the principal effect of technological change—labour displacement – is unmitigated by economic growth. They suggest that the growing numbers of women who entered the workforce from the 1970s onwards, together with a weakening of trades unions, have both produced an oversupply of labour and provided few real protections for the workforce.

.com companies

The gap between the technological ‘haves’ and ‘have nots’ perhaps explains why the turbulent arrival of the internet start-up companies has been viewed with some scepticism by many industry watchers and investors. Predominantly set up and managed by young entrepreneurs, often working to shoestring budgets and demonstrating active partnership among the managing team, their manner of doing business and failure to produce early profits fails to conform to conventional definitions of a ‘good investment’.

Perhaps to gain investor confidence, the emerging structures of many dotcom companies appear to reflect those of conventional US-style organisations. One newly floated company
already boasts four vice presidents. However, the nature of work in a start-up company appears to differ from many people’s more restricted experience when working for longer-established organisations. Employees appear to have many opportunities to broaden their skills, responsibilities and experience – because the appointments have not yet been made which will result in people being confined to their job description. As Catherine Ostler, UK editor of PeopleNews.com says of her role:

“And this is where the culture shock comes in. All journalists have an understandable antipathy to the language of marketing and MBAs, but join a start-up and there’s only so long you can snort at deliverables, assets and functionality, or say ‘For God’s sake speak English’ without looking as if you’re not a team player” Ostler, C.(2000).

High commitment work practices
The unscrambling of the conventional employment relationship in which organisations could expect loyalty from employees in return for job security, has led many organisations to struggle with alternative ways to win commitment from employees. Many studies have suggested that substantial economic benefits are to be gained by adopting high commitment or high performance work practices in contrast to conventional ‘scientific’ management typical of ‘modernist’ organisations. These high commitment work practices are characterised by the following:-

• Suggestion schemes, quality circles, problem-solving groups or other forms of employee participation in idea generation
• Employee participation in decision-making
• Freedom of expression
• Extensive team work, including self-managing teams
• Reformulation of work to make best use of upgraded skills

Participation and involvement mean that power shifts from middle managers to those further down the organisational hierarchy- those closest to the customer or the production process.

Often described as ‘Japanese’ management practices, the business case for implementing such approaches is strong. Jeffrey Pfeffer (1996) cites the MIT investigation of the worldwide motor vehicle assembly industry reported in the book The Machine That Changed The World by Womack, Jones and Ross (1990). The assembly plants which had adopted flexible or lean manufacturing methods and associated employment-relation practices far outperformed others using mass production methods. Other studies (Dunlop and Weil, 1996) of the textile industry have found that companies which operate team-based work and compensation, as well as training for multiple jobs experienced 22 per cent higher growth in gross margins in the 1988-1992 period than other similar companies.

In another US study, Mark Huselid (1995) explored the impact of high commitment work practices using measures of financial performance. He produced a sophisticated index which showed that a one standard deviation increase of high commitment work resulted in an annual increase in sales of over $27,000 per employee. What was interesting about this study was that it was found that the effectiveness of these work practices was not contingent on a firm’s strategy but consistently led to performance improvements.

Companies operating such approaches include Levi-Strauss, Motorola and Honeywell. What is common about so-called ‘high performing’ companies is their agenda to create relationships with employees which support their business objectives. Employee relations are therefore a priority. It is important to be clear about the kind of relationship the business strategy requires, and “to push the execution of employee relations policies down to the lowest level possible, compatible with the corporation’s overall values” (Tyson, 1995). Corporate values are most clearly visible in reward policies which are sometimes used to
instil specific values. Profit-related pay and share ownership are obvious manifestations of value statements about the worth of people to an organisation. Similarly, communications transmit values though usually more is understood by the behaviour of the people conveying the message, than by the words used.

**Just another form of control?**

Some researchers argue that such practices could be just another way for managers to gain control over labour through ‘attitudinal restructuring’ (Wood, 1989). This would suggest that a variety of HRM approaches, such as encouraging teamworking, widespread communications, the development of shared visions etc are merely ways of controlling in different ways which are no less directive than the command and control structures of previous decades. Such approaches are intended to encourage employees to self-regulate their attitudes and behaviours to be consistent with business needs and peer pressure.

Despite the evidence, from organisations which practise Total Quality that these practices work from a business perspective, diffusion seems to be slow. The main barriers appear to be that the focus of management has traditionally been on the financial and strategic aspects of the business, rather than on employee relations. Since high commitment work practices require major up-front investments, such as in training and higher rates of pay, a willingness to take a risk that these measures will pay off is required; and many management teams are risk-averse. Pfeffer points out that managers’ own perception of their role and that of other people can interfere with effectiveness. If managers believe that they should be the people leading the organisation and coming up with ideas about how things should be done, they are not likely to welcome that idea that the organisation’s success actually depends on many other people, often more junior, throughout the company. Delegation remains an under-developed skill for many managers.

Political and power barriers can also get in the way of implementing high commitment work practices. Managers may not wish to accept that previous approaches introduced by them may not have yielded such good results as these methods. Similarly, middle managers whose roles are usually most affected, if not removed by high performance work practices, often resist their introduction. The relative power of advocates of high performance work practices (usually Human Resource professionals), measured in part by relative salary levels, is often lower than that of the chief critics of such approaches (often finance directors). Interestingly, a study by A.T.Kearney found that in Japan, different priorities meant that Human Resources and Manufacturing were tied to the highest pay levels of functional heads.

**Network Organisations**

The new millenium is said to be the start of the era of nimble or ‘agile’ production, where labour flexibility will be high and employees will be consciously managing their own careers. Organisations will focus on their core competencies, rather than just their current processes. Rather than being a fixed entity, the organisation will be a task-oriented organic structure. It is likely to be characterised by a small core centre and alliances with suppliers and customers. The challenge here will be to create organisations, however decentralised, which are completely unified and co-ordinated, and where employees experience high levels of participation and commitment. Matrix structures, for instance, have now become well-established integration devices, though these are not without their problems.

The dynamic network structures predicted by Charles Handy in 1995 are able to achieve maximum leverage of their core competencies by relying on their external or internal partners to carry out other parts of the value chain. Small network firms are thus able to act as a much larger organisation is able to, through accessing partner organisations with bigger marketing and distribution companies. Conversely, bigger companies such as Motorola and Nike are able to act in a more agile way by linking up with specialist providers.
**Cellular organisations**

More advanced network and cellular organisations may not be yet fully with us but they appear to be on their way. Some industries, such as the media and communications, appear to be further down this line than others. Perhaps the most adaptive form of structure, a cellular organisation is made up of cells, such as self-managing teams, autonomous business units etc and knowledge and information is shared between cells equally. In such an entity, the organisation functions as a facilitating mechanism to promote the application of the knowledge skills of its members, rather than functioning as an employer. Employees become effectively self-managing and are entirely responsible for their own development.

In such firms, the flexible and the informal will need to co-exist with formal, integration mechanisms. Trust will need to replace other control mechanisms. Long-term relationships will be vital to the development of trust. In such partnerships, quality is only as strong as its weakest link. Advanced network organisations are said to be characterised by ‘continuous investment in training and education for all of its member firms’. (Allred at al.)

As we look ahead, ‘agile’ production methods suggest that global companies will increasingly rely on virtual teams to maintain 24 hour production and customer service world wide. The setting up of call centres and service centres reflects the fact that work is not now limited by location but is increasingly governed by cost and the skills of the available workforce. Handy’s description of the virtual organisation was one consisting of small groups of colleagues united by mutual trust and enabled by information technology. This has implications for individuals who, when their job is outsourced, are encouraged to be enterprising. In such situations, different groups of people are likely to fare differently. People with knowledge intensive skills are likely to fare better than former employees of declining industries who may not find much call for their skills.

**Mergers, acquisitions and partnerships**

Partnerships of various sorts are on the increase, with 36% of Roffey Park’s Management Agenda respondents suggesting that their organisation currently works in some form of strategic alliance. Whether these are public-private partnerships, joint ventures or informal professional communities between self-employed individuals, alliances are mainly a response to increasing competition. In the UK many of the partnerships are between small and medium-sized enterprises (SMEs) who now provide more employment and business turnover than large firms and public organisations put together. They account for 57% of the workforce and 54% of the turnover. Small firms are starting to collaborate on certain business functions such as joint marketing to get into export markets. For employees, operating in such alliances means using a range of skills and approaches, such as collaborating and building mutual trust, which may challenge conventional views of the competition.

Mergers and acquisitions are also on the increase. These are particularly marked in sectors where there is intense competition, such as the financial services or the hospitality industry. The trend towards mergers and acquisitions, prior to dispersal or demerger, seems well-entrenched. Amalgamations such as those achieved through mergers and acquisitions, or corporate alliances such as partnering arrangements and joint ventures, are among the key features of the changing employment landscape and the flexibilisation of work. Aronowitz and DiFazio argue that “turnover of ownership and control of even the largest corporations, combined with technological changes undermines the very concept of job security”.

The 1990s saw the whole field of mergers and alliances becoming more mature, focused and strategically driven. The dominant logic of European mergers and acquisitions in the late 1990s and the new millennium is strategic focus. Whether buying or selling, businesses are
clarifying or re-defining their core capabilities and key markets. They are looking at all their operations and re-assessing their value in strategic terms. Nothing appears so sacred that it cannot disappear under the auctioneer’s hammer.

According to management literature, gone are the bad old days of the 1980s when mergers and acquisitions were at times seen to be more driven by greed or fashion than by any great commercial logic. Gone too is the tainted image of M&As as a needless exercise in debt creation, an image brought about by many over-inflated price deals and some spectacular failures. There appears to be widespread consensus among M&A consultants and investment analysts including Deutsche Bank (which at the time of writing had recently abandoned plans to acquire Dresdner Bank) that deals in the 1980s were often unrelated acquisitions, whereby conglomerates simply expanded their portfolio of activities.

Now, mergers and acquisitions appear to be viewed as a respectable and legitimate tool for effecting change, though there has recently been some critical comment in the liberal press expressing concern at the cultural control and job market implications of mergers. Management teams are generally spending more time analysing suitable targets and considering a whole raft of issues around strategic and cultural fit. They are making greater efforts than before to explain and justify their decisions to key stakeholders – not just financial analysts and institutions, but shareholders, customers and employees. Typically though, mergers have both structural/mechanical and personal/cultural aspects to them. At the time of deal-making and planning for integration, Roffey Park researchers found that generally little attention was paid to the personal/cultural aspects of mergers, especially careers.

The majority of transactions in the 1990s were related or horizontal acquisitions, whereby companies refocused on their core businesses. An analysis of the M&A scene at the end of 1994 by Investment Dealers Digest (1) reveals a significant trend towards using M&As to achieve strategic alignment. 1994 showed a marked increase in deals as companies emerged from the European recession. The Digest’s analysis lists how leading companies in sectors such as the automotive, chemical, pharmaceutical, manufacturing, telecommunications, insurance and banking have either shed non-core businesses, or bought related businesses.

Investment Dealers Digest also speaks of the growing confidence of public companies to restructure themselves and sell off significant chunks of their portfolios: the growing value of such sell-offs “reflect the larger and bolder divestitures being executed by major companies under the rubrics of corporate restructuring, intensifies refocusing on core competencies and redeployment”. The journal goes on to declare that the increasing waves of ‘strategic deal making’ has “reaffirmed the role of mergers and acquisitions – regardless of size- as the preferred device of the 1990s for positioning businesses to both handle the concurrent challenges of competition and ensure their survival in an often uncertain future”. This is perhaps not surprising given that readers of this journal are predominantly involved in investment banking and who have a vested interest in seeing share prices improve with the prospect of an acquisition – except for the acquired company.

Given the large sums of money spent on M&As and their perceived importance as a business tool, there has been no shortage of effort to assess whether they succeed or fail. Many of the studies have focused on financial criteria of ‘success’ and ‘failure’ and most merely speculate that human issues may have a bearing on outcomes. As early as 1967, Kitching (1967) led the way by pointing out that almost half of the 22 companies that he had studies had failed to yield their expected financial results. Hall and Norburn provide a summary of 27 major studies into the financial benefits of all types of M&As completed between 1970 and 1987. All of these studies suggest that financial gains are at best neutral.
These findings stimulated parts of the research community during the 1980s to discover the reasons for the disappointing performance of M&As. Much of this research hinges around two themes; achieving success through financial fit or business portfolio fit. Plainly, economic factors on their own did not explain or even help predict which acquisitions would succeed or fail. As the idea of synergy and fit became more influential, more attention has started to be paid to the role of management, their capabilities, their ability to implement strategy and integrate activities. Since many mergers have failed to achieve their strategic ambitions, issues relating to employee morale, motivation, willingness to work in ways required in the merger became subject to scrutiny. The ‘people’ elements of mergers were becoming more obviously linked to the issue of success and failure, especially in the post acquisition phase.

When researchers turned to management teams to ask them what they believed influenced success or failure, the lists compiled by top managers revealed that their agendas, perceptions and priorities were apparently similar to those of the research community. For example, a major survey of over 200 chief executives by the Wall Street Journal and Booz Allen and Hamilton ranked the ability to integrate the company and achieving synergies as the top two factors (1985). Similarly, a survey of 101 CEOs and senior managers of large companies by London Business School and Egon Zehnder (1987) revealed that the most frequently cited reason for acquisition failure was people and organisational problems.

Overall, research into the human dimensions of M&As remains fragmented and small-scale. However, from the mid 1980s, a steady stream of researchers has started to ask whether human factors are the missing link in M&A research. One of the few recent works which focuses on the human implications of mergers is the Roffey Park study (Devine, Hirsh et al., 1999). This research identified the multiple waves of change to which people working in merging organisations are subject and the destabilising effect of major organisational culture change. Employees generally experience anxiety about their job security and, even when their job is not at risk, about their career prospects. Even for people on ‘fast track’ programmes, mergers inject an element of unpredictability since there is new and unknown competition for key roles.

Mergers and acquisitions represent only one, but possibly radical, form of organisational change which is contributing to the increasing flexibilisation of the employment landscape. However, they highlight many of the career dilemmas which individuals may be experiencing whether their organisation is undergoing evolutionary or revolutionary change.

**The flexibilisation of work**

‘Flexibility’ has become a buzzword in the 1990s referring both to the need for organisations to structure themselves so that they are highly responsive to the changing environment and the effect this has on the structuring of employment. Currently around 29% of employees work part-time or in some other form of flexible working pattern in the UK. In most of the organisations in the Roffey Park Management Agenda surveys, flexible working accounts for up to 25% of the workforce. Part-time and shift working is of course well established in the retail and leisure industries. The number of part-time jobs is increasing faster than the number of full-time jobs. By 2006, the number of individuals working part-time is expected to increase to 31% as a result of both organisational and individual needs (DfEE, 1997-8).

In the Agenda surveys, the most common form of flexible working on offer is part-time work, followed by fixed term contracts. Job shares are also on the increase, but are still relatively rare in professional roles. Less common are term-time only working, ‘key-time’ working, voluntary reduced hours, associate schemes etc. What is less clear from our survey is whether the flexible working patterns have been imposed by employers, or whether employees have been able to opt for them.
Telecommuting is also gaining ground. Work which does not need to be carried out in an office, such as sales, insurance etc has long been carried out from a variety of bases, including employees’ homes. The idea appears to be gaining ground that a much wider range of jobs can be based away from an office environment, thanks to technology. Companies such as BT, who supply the electronic infrastructure and are introducing other technologies such as Solstra to enable people to work from home, have seen this side of their business grow significantly in recent years.

Telecommuting produces a number of benefits for organisations. It allows office buildings to be disposed of and their capital released. It also means that people are more likely to focus on their job when they are meant to be working since there are fewer ‘social’ distractions. However, there is some evidence that, despite the benefits to many telecommuting employees, such as being spared the physical commute to the office, some employees feel a sense of loss of the community aspect of organisations. Working from home was increasing in some sectors including IT and employees were generally well equipped with the relevant technology to make teleworking feasible.

Many respondents predict the ongoing outsourcing of non-core activities. For managers, to the challenge of managing a more flexible workforce, which includes greater numbers of contractors and temporary staff, will be added the need to manage knowledge when staff have no strong loyalty to the organisation. This is perhaps an area which many organisations represented in our sample have yet to get to grips with. Relatively few appear to have strategies for managing intellectual capital or see knowledge management as a priority.

**Transitions**

Herriot, Hirsh and Reilly (1998) have suggested that the increasingly flexible nature of the workplace means that people in work will undergo many transitions such as:

- moving from organisational to self-employment or unemployment
- working part-time rather than full-time
- changing one occupation or functional specialisation for another, or becoming a generalist rather than a specialist
- working in a different sector, country, organisation or two or more organisations instead of one
- being promoted, demoted, moving sideways or to a different but similar job
- having their role enlarged or changed because of others being made redundant
- changing the role contents or objectives within the same job
- moving from one project team to another
- staying in the same role, but become a survivor of downsizing
- being involved in one or these transitions, or several simultaneously.

There is no doubt that flexible working can bring benefits to both employers and employees. Certain groups of people in the Roffey Park Agenda survey (often employees of long-standing) preferred to work flexibly. These included people returning from long term sickness, staff who have to travel long distances to get to work, individuals wanting to give more time to interests outside work and single people with a need for more time than money. The majority of people wishing to work flexibly were working mothers or individuals wanting to take time out to study. Working fathers and people with caring responsibilities, especially for elderly relatives, were also keen to work flexibly.

However, the benefits of flexible working can sometimes be outweighed by the longer-term career disadvantages, even where the employee has chosen to work flexibly. The majority of
part-time workers are women. Julie Mellor, head of the Equal Opportunities Commission, apparently receives complaints from men who are envious of women’s working patterns: “Men look at what women have achieved and they would like the same thing—more part-time work, more flexible hours. But the long hours’ culture prevents them even thinking about it” (Mellor in Sarler, C).

Yet as Carol Sarler points out, much part-time and flexible work is low status and offers little chance for progression. Women in the UK earn on average 20% less than their male counterparts. Sarler also suggests that “a woman who gives up a chunk of her career to spend time with the children is statistically unlikely ever to see her salary later catch up with her male colleagues”.

Despite the potential benefits to them, many organisations in our surveys were not prepared to consider flexible working for certain kinds of role, especially professional and managerial roles. For women in professional roles, for example in Professional Service Firms (PSFs), the idea of leaving at five o’clock in order to spend time with children is still generally frowned on. In PSFs women account for a small minority of senior partners (13% within Anderson Consulting and 15% within Ernst and Young – source Perrin, 1999). Janet Beck, a partner in PricewaterhouseCoopers, speculates that some women may be put off applying for consultancy careers partly because of perceived difficulties in combining consulting with a stable home life. PwC ‘are trying to project an image of an appreciation of diversity’. Ernst and Young has put in place a flexible working policy that includes job sharing, career breaks, part-time working and family leave.

Ironically, the notion of flexible working appears hedged about by some very firm boundaries, in some cases imposed by central government. Many people who are currently working flexibly in the UK, may find that proposed tax law changes result in their being taken onto the books as employees by companies with whom they work in association - whether they like it or not. Whilst such changes are designed to close tax loopholes, they may well further restrict the options of people willing and able to contemplate a self-employed career.

**Long hours culture – the intensification of work**

The flexibilisation of work is matched by its intensification. Long working hours are becoming commonplace, especially in the UK. A Joseph Rowntree study (1999) found that two-thirds of surveyed employees said that they ‘always’ or ‘regularly’ worked longer than their basic working hours, with just over 30 per cent of full-time male employees regularly working more than 48 hours per week. Similarly, in the 1998 and 1999 Roffey Park Management Agenda surveys there appeared to be widespread stress amongst respondents caused by the long hours, uncertain employment prospects and unclear expectations. In the 2000 survey, demands on employees show no signs of abating. Even the Palace of Westminster is no exception to this, causing particular difficulties for MPs with young families.

Stress seems to be on the increase in the UK. This is spawning a new ‘stress-busting’ industry, according to the popular press. City workers can now enjoy holistic therapy treatment during lunch periods and some firms are hiring specialists in Indian head massage to provide relief to employees at their desks. Survey respondents report constantly rising expectations of employees with regard to both the quality and quantity of output, as well as a requirement that employees will learn new skills and do more with less. Change, demands for innovation and long working hours are still the norm in respondents’ organisations. Despite these demanding conditions, the majority of respondents report themselves as still being relatively loyal to their employers.
Interestingly, although these conditions appear to be pretty general, regardless of sector, the way in which people are responding to them appears to polarise into two broad reactions. On the one hand, as last year, the majority of people still perceive the additional pressures on them to be stressful. 91% talked of increased stress affecting relationships. Several groups of comments refer to the way in which unreasonable workloads can result in quality being compromised, as well as wear and tear on the individual. Some people report that their health has suffered as a result of heavy workloads and lack of balance between work and other parts of their lives. This negative situation is compounded when there appears to be a lack of recognition of the problem, and of employees’ achievements, on the part of the line manager.

This is where the combination of lack of recognition, increased workloads, poor management and lack of career opportunities prompted 57% of managers in the Roffey Park Management Agenda survey (1998) to contemplate changing their jobs. People are being expected to continuously raise standards and output levels, develop new skills and do more with less. While the Joseph Rowntree study suggests that supportive relationships between line managers and employees may ease the impact of workplace stress, they do not cure it. The study also found that some forms of supervisory support, such as performance appraisal systems and other forms of ‘feedback’, can generate feelings of frustration and hostility, particularly if employees lack the resources to do the job or have unrealistic targets. In some cases, managers are voluntarily ‘downshifting’ i.e. stepping off the career ladder, or in some cases leaving paid employment altogether, in order to ‘get a life’. Others are subject to pressures which can undermine their performance.

The issue of work-life balance is increasingly recognised as potentially affecting business results. The UK government and many organisations are now developing policies aimed at enabling employees to have balance. Pressure groups such as Mothers in Management are calling for employers to create a ‘smart-hours’ rather than ‘long hours’ culture. The group suggests that long hours threaten the health of all employees and have a domino effect on their families. Campaigners want to shame people into leaving work at the office rather than taking it home.

Diversity

In two current Roffey Park research projects, dominant trends suggest that creating a context in which organisations can benefit from diversity makes sense from a business perspective. According to the Management Agenda, for instance, mergers and acquisitions and various forms of strategic alliance including international joint ventures, are causing employees to work across organisational boundaries. A separate Roffey Park research project is currently exploring the human issues of working in alliances. Employees need to be able to deal with complexity and ambiguity, build bridges between different groups and create high performing teams with employees from other organisations.

Diversity is therefore gaining topicality as a business issue since there are clearly benefits to be gained, especially for international organisations, in encouraging diversity. Organisations are increasingly recognising the need to build a culturally rich and flexible workforce who can more fully relate to clients and colleagues from other parts of the world. However, despite the potential business benefits of encouraging diversity, and the proliferation of diversity policies in UK organisations, the proportion of ethnic minority employees in professional and managerial roles in organisations located outside the major conurbations is low.

Similarly, though there are now more women in junior and middle management roles than a decade ago, the numbers of women achieving senior positions remains small. Barriers have long existed to women’s recognition and advancement in the workplace, the so-called ‘glass
ceiling’. In the US, the federal bipartisan Glass Ceiling Commission (1995) found that 95-97% of senior managers of Fortune 1000 industrial and Fortune 500 companies are men, yet white males make up only 43% of the workforce. 1999 US figures suggest that while women make up 47% of the workforce, only 1.9% of top jobs are held by women.

Of course, debates about why this state of affairs is slow to change show no signs of abating and various theories are put forward to explain the phenomenon. Dr Gael McDonald, dean of the Faculty of Business at Unitec Institute of Technology suggests that many women reject the corporate environment because of ‘a vague and deep-seated sense that they do not belong there’. Recent writings on the glass ceiling suggest that women and members of minority groups who have reached middle management are not being kept out of upper management positions, but that the glass ceiling exists at lower levels than once thought, i.e. at supervisory management levels.

Other research suggests that one factor may be the different ways in which men and women pursue their development. A number of development methods common to both men and women were identified. These were learning through assignments, through hardships and through other people. According to this study, men learned more through assignments than women, while women learnt more than men through hardships and other people.

Both men and women spoke of lessons learned from the following:
- Directing and motivating employees
- Self-confidence
- Basic management values
- How to work with executives
- Understanding other people’s perspective
- Dealing with people over whom you have no authority
- Handling political situations

Others sources of learning differed. Men spoke about learning more from:
- Developing technical/professional skills
- All about the business
- Coping with ambiguous situations
- Shouldering full responsibility
- Persevering through adversity

Women on the other hand spoke about learning more from various forms of ‘self-awareness’:
- Personal limits and blind spots
- Taking charge of career
- Recognizing and seizing opportunities
- Coping with situations beyond your control
- Knowing what excites you

In a sense, the learning experiences of men appear to be more outwardly focused (and more likely to be visible to others). At the same time, both types of learning experience will be relevant in today’s more ambiguous contexts. Indeed, the more personal forms of learning favoured by women would appear to fit well with the development of ‘emotional intelligence’. Though there appears to be increasing interest in the idea that top managers should have demonstrable levels of emotional intelligence, very few companies seem to have yet developed mechanisms for selecting people on this basis, or for developing EQ amongst executives.
Implications for ‘top’ manager positions

Predictors of top management career attainment, i.e. what leads to people winning the top jobs, include experience in line departments, more than staff departments. Members of top management groups are more likely to have worked in corporate headquarters where they establish connections with key decision-makers, and to have held a variety of positions, with both vertical and lateral job changes. Many of the women high flyers in my 1998 study were in functional roles such as HR and Marketing. Most of these women were keen to break out of the functional straightjacket and gain some general management experience, together with line responsibility.

Another predictor appears to be length of tenure, with managers with longer tenure typically experiencing greater career success. Women have a higher turnover rate than men. A study of reasons why female executives leave their organisations found that most leave because they feel that their work is undervalued or that they receive differential treatment on the job (Rosener, 1996).

Another study found that women often seek out organisations which show signs of welcoming diversity, providing a better means for them to use their talents and the chance of equal pay and benefits. They are moving into other areas than the traditional retail, consulting, training and education arenas and into sectors such as construction, transportation and agri-business. Women are also more likely than men to change career tracks, to contemplate self-employment and start their own business. A 1997 survey by WISE (Women in Self-Employment) showed that women are 49% more successful than men in starting up their business.

According to Hurley et al.(1997), employees with executive potential “should focus less on advancing their education because, academically speaking, ‘what you know’ is less important than ‘who you know’.” Since breadth of experience is important, a wider range of lateral moves may be an important preparation for top jobs. Organisations may need to consistently offer a range of opportunities to all their employees, whether or not they are destined for the top since they keep employees learning and interested. Hurley et al. argue that since longer tenure will be advantageous to preparing people for the top jobs, companies should not be changing their human resources policies to cater for the more mobile worker but should reward tenure.

Conclusion

In this context of ongoing change and ever more competitive marketplaces, businesses are going to continue to be under pressure to be cost-effective, innovative and to produce shareholder value or its equivalent. Not only employers but employees are now in a global marketplace where labour can often be supplied more cheaply in parts of the developing world. Clearly, recruitment and career development strategies need to be aimed at ensuring that organisations and employees are able to derive the potential benefits of a diverse workforce. Simply replicating previous and current recruitment patterns is unlikely to enable an organisation to break out of its paradigms.

The demands on organisations to improve their processes and on employees to develop the skills and mindsets to cope with increasing workloads and new forms of work seem set to continue. However, while some organisations and individuals may be better able to cope with changing requirements than others, there is arguably a need for effective and strategic leadership to enable people to know where they should focus their energies. Organisations may also need to renegotiate stakeholder expectations. This can be difficult to achieve, especially as all organisations have short-term outputs which they are required to deliver. However, organisations form part of the economic, political and social context of any nation.
Some of the current workplace trends may have important social consequences in the long term. The increasing gaps between the knowledge ‘haves’ and ‘have nots’ may jeopardise people’s ability to participate in democratic processes. Similarly demands for shareholder value which outweigh other considerations can cause damage to employees’ health and well-being. Perhaps the time has come for a re-evaluation of the responsibility of employers to the broader community.
Section One
Chapter two

The changing psychological contract

‘The scientific-technological revolution of our time, which is not confined to new electronic processes but also affects organizational changes in the structure of corporations, has fundamentally altered the forms of work, skill and occupation. The whole notion of tradition and identity of persons with their work has been radically changed’

(Aronowitz & DiFazio, 1999)

Much has been written in recent years about the changing nature of the psychological contract between employers and employees. First coined in the 1960s by writers such as Chris Argyris and Edgar Schein, the phrase describes a set of mutual expectations of the employment relationship. Whilst it can be argued that the following definition has always applied to a section of the workforce only – blue-collar workers being exempt - the notion of a ‘career’ reflected in the psychological contract has been in place for professional, white-collar and managerial staff since the early phases of corporate life.

According to this ‘deal’, employees looked to employers to provide job security and some means of career progression. The implied promise of progression, together with higher financial rewards, has long been underpinned by pay policies which offer low salaries in the early stages of career and higher levels of pay shortly before retirement. For many employees, their work has provided a primary means of self-expression and identity. Identification with, and pride in being associated with the company, has formed another aspect of this contract. Employers in return have looked to employees to provide skilled labour, performance and loyalty – and a willingness to look elsewhere for employment when their skills are no longer required.

Kanter (1989) suggests that traditionally careers have been either ‘bureaucratic’, based on loyalty to an employing organisation and ascent of a hierarchy in terms of responsibility, status and rewards, or ‘professional’, based on increasing competence within a specific occupational frame of reference.

A myth?
The relational, longer-term psychological contract as described above was perhaps always something of a myth. It applied more specifically in organisations with strong internal labour markets and with human resource policies which favoured long-term employment security. Large, rather than small and medium sized organisations often had career systems and reward processes built around this relational contract. They tended to be successful organizations which were relatively stable even during economic downturns. Douglas Hall estimates that, in the US, the lifetime employment promise only ever applied to about 50 larger companies such as IBM, AT&T and Proctor and Gamble.

However, the myth has long held sway to the point that any perceived changes to the contract appear radical and can seem like a betrayal. When contracts are violated, relationships are assumed to be more transactional and short-term. Research by Douglas Hall in the US found that if, in a given year, the contract was not met for either party, the employee was likely to leave the organisation in the following year.
In recent times, the psychological contract has radically changed. Widespread corporate mergers and downsizings in the 1980s and 1990s, with resultant waves of redundancies and the redistribution of skilled work due to technological advances have destabilized the employment relationship. Aronowitz and DiFazio argue that there is increasing proletarianization of work at every level below top management and a few scientific and technical occupations. They suggest that Western societies may have reached a large historical watershed in which the link between ‘work’ as the Western cultural ideal, and ‘self’ is in crisis since both qualified and mass labour is increasingly considered redundant.

The end of career?

New career patterns reflect changing business demands alongside cyclic-patterns and flexibility. To some extent, the new career patterns may favour women who have traditionally followed more cyclical than linear career patterns. Women are apparently better than men at networking, for instance. According to Judy Rosener, the key career trends suggest that:

- money will be less important than equality in the workplace, in particular for people to be judged on their own merits
- ‘shifting down’ will become an acceptable choice, rather than always striving for the top job
- integrating work/life will replace the traditional work focus
- multiple careers, once the domain of women, will become acceptable for men
- many will change their careers radically
- flexibility and moving in and out of careers will become more acceptable.

Various writers have predicted the end of the career and of job security. Alvin Toffler (1981) predicted two decades ago that many employees would end up working from home in their ‘electronic cottages’. William Bridges (1995) suggests that technological and economic shifts are making the notion of a fixed ‘job’ obsolete: fixed jobs are becoming flexible roles. Even the notions of part-time and full-time are becoming anachronisms. Bridges argues that in the US at least, some of these trends are already under way. These shifts are usually introduced to meet changing business needs, rather than employee preferences. If Bridges is correct in suggesting that jobs as we know them will disappear, the notion of ‘career’ takes on a different significance in terms of its meaning to individuals, the definitions of career success and the means to have a satisfying career.

Job security

How strongly are these predictions being borne out in practice? In the UK at least, the trend towards individuals opting for portfolio careers appears less well established than in the US but the increasingly flexible nature of the workplace may mean that more people move into self-employment and various forms of contractual work. In some organisations, people work according to the demands of projects, rather than to any pre-assigned schedule and under arrangements too fluid to be called ‘jobs’. In the software industry in particular, people often work in project teams in which they are not directly accountable to management but to other members of the project team. In such a context, individual performance is very visible and ‘career’ prospects are dependent on the individual’s ability to establish their credibility in every project. Traditional marks of status count for little. In such project teams, a leader’s authority lasts only for that project and today’s manager may be tomorrow’s team member.

However, the dominant form of employment contract still appears to be full-time, with research (Hay Management) suggesting that average job tenure is seven years. Even in the US, research (Crenshaw, 1994) suggests that employees may be staying around longer than organisations think. The Roffey Park survey population have been with their current employers on average eight years! Similarly, my research into the career aspirations of High
Flyers in 1998 suggested that the majority were looking for career progression (vertical) in the same firm (preferably) or industry. The idea of a more fragmented and mobile approach to career development appeared to have little appeal for the majority at that time. The 2000 Agenda survey appears to confirm the obvious – that given a choice, most people still appear to prefer a work situation characterised by job security, than by ongoing uncertainty.

David Guest of Birkbeck College contends that much of the management literature about job insecurity is exaggerated and claims that much of his (unpublished) research for the Career Research Forum offers little evidence of insecurity, except amongst specific groups of employees such as public sector workers in their fifties. His research suggests that employees under the age of thirty are less concerned about issues of job security and that women by and large are less concerned about security than men.

A study carried out for the Joseph Rowntree Foundation (1999) suggests that blue-collar workers suffered most insecurity during the late 1970s and early 1980s due to the economic depression. However it seems that feelings of job insecurity continued even after the economy recovered and that these were higher in the late 1990s than at any other point in post-war years. Professional workers went from being the most secure group in the mid-1980s to the most insecure group in the mid-1990s.

This study examined the multidimensional character of job insecurity. While many employees were not specifically worried about losing their job, they were very concerned about losing valued job features such as their control over the pace of work and their opportunities for promotion. Many employees reported an increase in their responsibilities and more than a quarter of respondents reported that their promotion prospects had decreased over the previous five years. The study also examined other elements considered vital to the maintenance of a ‘sense of security’. Negative factors included the degree to which employees did not trust their employer to look after the employee’s best interests.

Similarly, my 1994 Roffey Park study Career Development in Flatter Structures found that lack of leadership and poor communication may increase employees’ sense of insecurity. At that time, some of the main reasons given by executives for structural change were ‘developing customer focus’, ‘concentrating on core competencies’ and ‘going global’. Ironically, more junior employees generally perceived the reason for structure change to be cost-cutting rather than more strategic sounding reasons. In this study there appeared to be a clear correlation between people understanding the strategic reasons for structure change and how they felt about the impact of change on them. The clearer the reason, the less people felt negatively about the impact of change on them, even though this might result in their losing their jobs in some cases or having their contracts of employment altered in others.

The ‘new deal’

Key factors therefore in an emerging new deal are likely to include various aspects of the employment contract, both explicit and implicit. One of the best known texts about the new emerging psychological contract, by Peter Herriot and Carole Pemberton (1995), describes elements of the ‘New Deal’ as follows:

• In place of promotion and job security, employees should focus on employability and job portability.
• In place of loyalty, employers should focus on enabling high performance and developing high commitment work practices.

They contend that the new deal is also mitigated by workloads, equal opportunities, such as perceptions of fairness and bullying in the workplace; pay and performance and working conditions. They argue that the new deal is violated from an employee perspective mainly in these other areas rather than careers. Herriot (1998) also argues that not all employees
have accepted the new status quo voluntarily and have been reluctantly bullied into a new psychological contract by employers who demand compliance in return for a job.

On the other hand, Douglas Hall (1998) describes the new deal from the employee perspective as being a shift from the organisational career to the ‘protean career’. This is a process which the person, not the organisation, is managing. Rather than with the organisation, the new contract is with the self and one’s work. Growth and job satisfaction are therefore key elements of the protean career contract. Other features are:

- The career is a lifelong series of experiences, skills, learning, transitions, and identity changes. ‘Career age’ counts, not chronological age.
- Development is continuous learning, self-directed, relational and found in work challenges
- Development is not (necessarily) formal training, retraining or upward mobility
- The ingredients for success change from know-how to learn-how, from job security to employability, from organizational careers to protean careers, from ‘work self’ to ‘whole self’
- The organisation provides challenging assignments, developmental relationships, information and other developmental resources
- The goal: psychological success

Some pundits such as Kanter suggest that careers are becoming inherently more mobile, and from an organisational perspective, less stable. The ‘new’, more mobile careers envisaged by Kanter are ‘entrepreneurial’, based on the growth of organisational and personal value. In ‘boundaryless careers’, individuals’ careers take them across organisational boundaries. Career assets are enhanced through cumulative learning experiences in different contexts (Arthur and Rousseau). Career progress comes not from intra-company vertical promotion, but from inter-company self-development.

The organisational side of the new deal

Herriot and Pemberton suggest that while responsibility for career development now lies primarily with individuals, the new psychological contract still represents a form of partnership of mutual interests, with different requirements of both ‘partners’. Until relatively recently, much management literature has focused on the negative sides of the deal for employees, with messages about ‘manage your career’ being interpreted as corporate abdication of responsibility towards employees. This has been compounded by actual practice, with many employers appearing to interpret the new contract to mean that the employer has no responsibility at all with regard to career development.

However, as more employees start to exercise control over their careers, employers are faced with the potential threat of increasing turnover, especially amongst more marketable / employable staff. In addition, associated problems include loss of commitment and motivation amongst experienced staff, difficulties attracting and retaining skilled employees, especially ‘knowledge workers’, continuity problems in certain areas, loss of intellectual property and failure to capitalise on the benefits of investments in training.

It is therefore increasingly in the interests of employers to clarify their role in the career partnership. If the ‘New Deal’ implies that each party offers something, the current consensus appears to be that the organisation should offer a practical partnership to enable employees to develop their employability. Hall and Moss (1998) consider that organisations should be brokering opportunities for enhancing employability, if not providing development directly.
**Key players**

Who is meant to supply the organisation’s side of the bargain? Various ‘players’ have different contributions to make. Clearly top management has a role to play in supporting development by granting resources, taking an active interest and creating a strategic framework within which development can take place. There is a general consensus amongst respondents to our surveys that top management has little interest in career issues, with the exception of ensuring that management succession is being attended to.

**Line managers**

However, the key players in this partnership are likely to be line managers at all levels and others who are responsible for helping employees with development. For the past decade in organisations of all types, including the British Civil Service, line managers have been encouraged to embrace the role of coach and developer. Being in the front line of gaining employee commitment, they are meant to empower, delegate to, and involve employees. Typically however, line managers continue to have responsibility for doing the ‘day job’ in addition to their responsibilities to their teams. Often spans of control have expanded and the creation of sophisticated appraisal and development planning processes has in some cases only added to the pressure line managers are under.

In addition, line managers’ roles are becoming more complex. No longer is it sufficient for managers to be the ‘best of the rest’. Managing teams of knowledge workers in particular may mean that the manager has less technical skill than team members. Some pundits argue that in the Information Age there will be little need for managers since knowledge workers, given enough relevant information about the organisation’s needs, are supposed to be inherently self-managing. Others suggest the converse is true and that ‘people management’ is needed now more than ever. Managing such workers usually involves having a light touch, understanding how to create a motivating climate and providing protection for employees from the organisation’s bureaucratic pressures.

What is more generally agreed is that managing large and complex projects calls for specific forms of management and co-ordination, combining both strategic and implementation processes. Often managers are managing teams comprising a diverse range of employees and contractors. They are sometimes working across organisational boundaries in various kinds of alliance. They are expected to provide the ‘glue’ to keep the task together. In addition, managers are frequently responsible for relationship management with clients.

Various kinds of feedback process, including 360 degree have been widely introduced to ensure that managers know what is expected of them and how well they are performing. Not surprisingly, many managers find the many demands of their role may be mutually contradictory. Middle managers themselves may be unempowered for their role, often due to lack of training or because they are not involved in the strategy formulation process. If communications are poor, managers may be as ignorant of the organisation’s direction as other employees and therefore unable to provide much needed clarity, especially with regard to career options. Little wonder then that line managers have difficulty providing their contribution to the ‘new deal’.

**HRM**

Other key suppliers of the organisational piece of the partnership are HR professionals since many aspects of the new psychological contract are likely to form part of HRM policy. HR generally provides the strategies for development and designs the structures within which people work.

It might be argued that the objectives behind much HRM policy and activity are geared to safeguarding the organisation’s interests, which might not be the same as those of
employees. Career mobility for instance creates problems of labour turnover and loss of talent. However, for employees, mobility may be a key means of ensuring career ‘success’. Boxall (1992) points out that HR practices such as reward systems, communication systems and training programmes are often designed to retain employees and limit flexibility. Similarly, many career development programmes and hierarchical career paths are designed to build company-relevant expertise and encourage loyalty and career dependency of the employee on the organisation. This kind of thinking sees employees as resources of the organisation.

According to Parker and Inkson (1999), much of the ‘new deal’ thinking reverses this argument, seeing organisations as resources for individuals. Employability depends more on flexibility and versatility and less on experience gained in a single organisation. More mobile employees are less likely to be attracted to organisations which encourage career dependency. Parker and Inkson suggest that creating a stable organisational ‘core’ in such a fluid situation is difficult.

**How is the new deal judged to be working?**

If the new deal is seen as an effort-reward bargain, the extent to which the notion of ‘partnership’ is a factor is evident in findings from recent surveys such as the Institute of Management’s annual survey of 1000 managers. The 1998 survey found that 60% of respondents claimed that their organisation had made promises about careers. Of these, one third had been kept in full, one third in part and one third not at all. David Guest argues that, from an employee standpoint, the value of the new psychological contract will be assessed according to:

- the extent to which the organisation has kept its promises/commitments about job security, careers and the demands of the job and workloads
- trust in management to keep its promises and look after employee’s best interests
- fairness of treatment in general and specifically with regard to reward allocation

Positive contracts embracing fairness and trust between employers and employees result in high levels of commitment and job satisfaction. A suggested New Deal policy framework is shown below.

<table>
<thead>
<tr>
<th>Causes</th>
<th>State</th>
<th>Consequences - attitudinal</th>
<th>Consequences – behavioural</th>
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<tbody>
<tr>
<td>HR Policy and practice</td>
<td>Fairness</td>
<td>Organisational commitment</td>
<td>Motivation</td>
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<tr>
<td>Participative climate</td>
<td></td>
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<td>Effort</td>
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<td>Individual experience</td>
<td>Trust</td>
<td>Life satisfaction</td>
<td>Innovation</td>
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<tr>
<td>Individual expectations</td>
<td></td>
<td>Employment relations</td>
<td>Organisational citizenship</td>
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<tr>
<td>Experience of redundancy</td>
<td>Delivery of the Deal</td>
<td>Security</td>
<td>Intention to stay/quit</td>
</tr>
<tr>
<td>Chances of alternative employment</td>
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<td></td>
<td>Performance</td>
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<td>Involvement climate</td>
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<td>Attitudinal consequences</td>
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<td></td>
<td>Behavioural consequences</td>
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(After Guest and Conway, 1997—Causes, content and consequences of psychological contract)
Guest suggests that what predicts or explains variations in the psychological contract most strongly are HR practices such as appraisals, interesting and challenging work, care when selecting, opportunities for development, guarantees of no compulsory redundancies etc. Direct participation in decision-making with regard to such issues is also a strong factor. Guest’s research suggests that employees working for large organisations are likely to experience a poorer psychological contract than those working in small and medium size organisations.

Denise Rousseau (1996) argues that employment contracts have moved in recent years from a longer-term relational basis to a shorter-term transactional one. Douglas Hall (1998) suggests that some employees react by wanting the career transaction to be a more explicit contract now, in contrast to the old implicit contract. Interestingly, David Guest proposes that people working on fixed term contracts often experience a better psychological contract than permanent employees. The more transactional nature of the employment relationship is apparent in such cases and people are more likely to negotiate hard to achieve the elements of the contract which are important to them rather than rely passively on paternalistic benevolence on the part of the organisation. Guest also suggests that organisations do not like to be clear with employees about career prospects for precisely that reason, while employees want clarity.

Career systems
Career systems are where these potentially conflicting interests can be reconciled or driven further apart. Career systems are both the formal and deliberate career management practices within organisations and the informal - the way in which career development happens in practice. Many organisations have abandoned conscious attempts to manage careers in recent years. However, it is argued that some kind of career system, detectable by the patterns of recruitment and advancement, will be in operation. Some kinds of career system will be easier to adjust to the ‘new deal’ than others. Gunz et al. (1998) define three recognizable types of career system – command-centred, constructional and evolutionary. The first two systems assume that the organisation grows according to a particular pattern.

Command-centred career logic, typical of retail chains and banks, consists of moving between a series of similar managerial jobs that differ in the size of their responsibilities and status. Usually the most prestigious city unit is referred to as the flagship and is the highest point in the career ladder to which managers can aspire. As managers move from position to position they are generally doing the same kind of job within the same broad function. Development involves becoming aware of the subtle differences in roles and learning to perform the job on a larger and more prestigious scale with each move. In this kind of system, managers are often being prepared for a particular kind of job.

Constructional career logic is used in organisations where career development is dependent on the accumulation of different kinds of experience. People acquire this experience by working in as many parts of the organisation as possible, often demonstrating innovative job moves. Typical of matrix organisations, this kind of career system relies on managers being able to understand, and work well within, the organisation’s complexity. In such a system, people worry about getting stuck in one specialism and therefore avoid becoming expert at anything. People measure their progress by how fast they are moving, how many roles they have had and the size of the role. Managers have to assume that the experiences they have acquired will be relevant to what they find at the top of the firm when they reach there.

Evolutionary career logic is evident when managers get involved in something new to the organisation and make it their own venture. The organisation evolves alongside the managers. The job expands, responsibilities are added and the role grows. Managers
generally stay with their project unless it runs out of steam and managers’ moves are driven mainly by the lifecycle of the project rather than the development needs of the individuals.

In theory, the career system in place should reflect the organisation’s strategy, which may change as competitive pressures mount. When organisations attempt to redefine their career logic in order to achieve greater flexibility or achieve strategic advantage, the result can be confusion for employees who are used to the current system. Moving from a command-centred logic to a constructional one, for instance, typically produces retention problems since the clear means of progression becomes fuzzy.

However, as career ladders shorten, and the importance of knowledge becomes more apparent, career systems which favour generalism may be out of step with business and employee needs. Career development through taking on managerial responsibilities may not seem a viable career path to knowledge workers who want to develop their expertise as part of their own career competitive advantage. Just changing the career management system may not be enough. The organisational structure and ‘success models’ may also need to be modified and people helped to bridge skill gaps. Becoming aware of the career system(s) in use is a first step in identifying potential barriers and enablers of new forms of career pattern.

**Career plateaux**

Within any career system, most employees sooner or later reach a structural plateau beyond which they are unlikely to be promoted. If promotion is a key element of employee expectations/aspirations under the ‘old’ psychological contract, flatter organisation structures in particular lead to more employees reaching a career plateau at an earlier age. With wider gaps between layers, it is likely that employees will stay in the same roles for longer. This in turn carries with it the danger of stagnation and bottlenecks in key areas where ‘information is power’. The ‘survivor syndrome’ may prove to be more difficult to deal with than decisions to change the organisation’s structure.

The changing psychological contract, with reduced opportunities for promotion, can affect groups and individuals in different ways. Research (Bray and Howard, 1980) suggests that some managers whose career has hit a plateau can adjust to reduced opportunities for career mobility, and in some cases with relief. There would appear to be a tendency amongst people whose career has plateaued to change their view of the fairness or otherwise of promotion and reward systems. Evans and Gilbert (1984) and McEnrue (1989) discovered that people who reach a career plateau are more likely to think that promotion systems are based on things out of their control such as luck, fate, age etc. On the other hand, people whose careers have not yet become ‘stuck’ are more likely to ascribe career success to factors over which they feel in control, such as their skill, performance and ability generally. If the more mobile employees perceive more opportunities ahead, they are likely to perceive the system as fair.

West et al (1990) found that people who took a lateral move often explained this by referring to ‘personal reasons’ indicating that stigma may be attached to any move other than vertical promotion. If lateral development is going to be the main means of career development for many, such moves will have to be seen in a more positive light and seized for the opportunities they contain.

The implications of such findings for organisations include:

- the need to have transparent selection and promotion processes
- providing appraisal and development processes which encourage open, honest and realistic feedback
- a deliberate repositioning of lateral moves as being career opportunities
• finding alternative forms of status to replace lost symbols of progression
• removing all forms of status and ‘democratising’ the workplace
• providing employees with challenging development opportunities
• flexible reward strategies
• helping employees gain a sense of involvement in decisions which fundamentally affect them

**Graduates**

During the eighties many employers were concerned at what was seen as the demographic timebomb – that there would not be enough 18 year olds and graduates entering the workplace in the nineties. As things have turned out, the nature of the problem is not so much the shortage of individuals as the mismatch between what young employees expect and what organisations deliver. The extent to which people entering the job market for the first time have a different set of career expectations from their forebears is explored in a study carried out for the Careers Research Forum, known as the ‘First Ten Years’ study (1999).

The study examined the reactions of graduates to company policy and practice, their attitudes towards career and whether these were shaped by the recruitment and selection process in their first ten years of employment. It found that graduates retain unrealistically high career ambitions when the traditional career paths apply to relatively few graduates. On the whole, graduates aspired to move ‘onwards and upwards’, possibly within the same organisation, as long as the organisation could deliver such progression. Loyalty appeared conditional on the organisation doing the ‘right things’ by individuals.

To some extent the First Ten Years’ study, focusing as it does on graduates in large organisations with conventional graduate recruitment schemes, calls into question the nature and reality of the new psychological contract. Graduates in this study still appear to expect a conventional career. Having a sense of progression and help with career management appear strongly linked with organisational commitment and intention to quit. Hierarchy still matters and is perceived to be there despite the rhetoric of ‘flat’ structures.

What is different is the general acceptance that with the amount of change going on, life is less stable. There is a recognition that, with the pace of change being driven largely by technology and markets, new is important and learning processes are therefore essential. There is also acceptance of the more complex nature of organisations and a recognition that a key skill for managers may be the ability to manage subcontractors on whose skills the success of an organisation may depend.

**Balance as a key ingredient of the new deal**

The First Ten Years study found that career ambitions tend to adjust down over time to be supplemented with aspirations for work/life balance. The extent to which people believe that they can achieve work/life balance in their job appears to be an important emerging element of the new psychological contract. It seems that as people move up the hierarchy they have to work longer hours, leaving many people unhappy with the impact of working hours on other parts of their life. However, various researchers suggest that balance is moving up the business agenda rather than being seen as simply an organisational issue. This is due to increasing difficulties in attracting recruits to organisations, especially high technology companies where many employers are competing to attract the ‘best’ recruits available. ‘Soft’ issues such as this are beginning to affect return on investment and other business measures when failure to attract and retain key employees becomes apparent in organisational performance.
According to US management writers such as Bruce Tulgan (1999), members of ‘Generation X’ – or people under the age of thirty - are less likely than their predecessors to put up indefinitely with a lack of work/life balance. Research carried out by Demos in the UK (Cannon 1997) examined how lifestyle aspirations affect the attitudes of these young people to life and careers. One of the characteristics of people in this age group is their high educational attainment. The numbers of young people entering further or higher education have increased dramatically in recent years. More than 340,000 students entered university in 1998 which was more than double the numbers entering in 1990. During the 1970s only 5% of 18 year olds had the opportunity to have gain a university degree. By 1988 the figure had risen to 15% and today more than 30% of young people are pursuing further or higher education. This brings young people in the UK more in line with their counterparts in other European countries, especially Germany where higher qualifications have traditionally been valued.

**Recruitment practices**

There are some important differences however. In Germany there has been a tradition of making good use of skills and higher education when the individual enters the job market (and indeed many qualifications are vocationally oriented). In the UK, by way of contrast, many of the jobs on offer to graduates have not changed from those which might formerly have been offered to school leavers. Employers who might once have recruited A-Level students for management trainee positions are now becoming graduate recruiters. Job literature produced for university ‘milk rounds’ continues to imply early opportunities and the rapid promotion of yesteryear. In practice, graduate recruitment is followed by quiet streaming as genuine high flyers are selected from the rest. Unrealised expectations about exciting careers can lead to disillusionment and cynicism amongst young employees.

**Characteristics and values**

The Demos research suggests that people within this age group have been exposed to a range of experiences to which previous generations did not have access. These experiences may have shaped their expectations and values in ways which can be hard to grasp from other vantage points. Whilst there are dangers in generalising about generations, various research projects indicate that Generation X has been exposed to more information than its predecessors through TV and other media and are used to receiving information rapidly and in simplistic form. This generation appears to learn and absorb information quickly, particularly about areas of interest to them such as consumer products and services. They expect things to happen fast.

Many young people value their freedom and appear to look for control over their worklife so as to be able to enjoy other aspects of their lives. They are also accustomed to travel and are considered the first truly 'global' generation, even if the links are only through a common currency of consumer products. The Demos research suggests that young people want money, greater control of their time and the chance to use some of their intellectual potential. They are heavy users of technology, including the internet and are able to see some of the potential applications of transformational technology.

These experiences have potentially shaped their attitudes in a number of ways. They expect honesty from employers, especially with regard to career opportunities and dislike feeling manipulated. There is a perceived lack of trust, especially in employers since they do not provide secure employment and a wariness about commitment to anything long term. Loyalty to an employer is therefore not an appropriate concept. Organisations which promise international assignments for instance and then fail to deliver may produce cynical employees who leave when they are at their most valuable to their current employer.
The Demos research suggests that young people are attracted to join ‘winner’ organisations in which they can look good in the eyes of their peers. These are organisations which are future-oriented and developing and using new technologies. They are places of work where people apply their minds to adding value, such as consultancies, and where employees are involved in exciting projects. ‘Loser’ organisations are those where people’s intelligence and individual contribution are perceived to be of only limited value, such as primary manufacturing. Given that many young people defer their entry into the job market, graduate recruitment may need to be seen as an ongoing activity rather than one linked purely with the ‘milk round’. This may mean that graduate development schemes may need to be designed along flexible lines to accommodate people with different levels of experience.

**Conclusion**

The changing workplace has radically altered the nature of the psychological contract on offer. Many elements of the old contract, such as job security and promotion, are still aspired to, even by people entering the job market for the first time. Yet organisations which have maintained ‘old’ styles of career development are often failing to retain many of the graduates who say at least that they are interested in conventional career development. It's as if some of the accompanying elements of the old deal, such as unquestioning loyalty, patience and a willingness to carry out unpopular assignments as a means to make progress are no longer prices which employees are willing to pay.

The relative advantages of the new deal are still unclear, but, for the time being, employers appear to be benefiting from employees’ willingness to adapt to new ways of working. The message about employability seems to be firmly rooted and some groups appear better placed to survive and thrive in today’s more flexible workplace. Graduates and those who have the eminently transferable skills which give them confidence that they can move elsewhere are perhaps better placed than people whose active development has been neglected. While the more employable people may be the ones who receive more active organisational partnership in the form of training and other development opportunities, it is possible that other groups may benefit as much, if not more from real partnership. The new deal may then start to feel more of a reality and high performance and commitment may be the results.
Section Two
Chapter three

How is the psychological contract changing in practice?

The new career deal, built on a set of mutual interests, is described as a 'partnership' between employees and employers. In this chapter we examine employee perceptions about how they view their side of the career partnership bargain – making themselves employable – and how they see their employers delivering their side of the deal – real support for development.

One aspect of the changing employment scene – job mobility – appears generally well supported by employers, if only by default. Many organisations have downscaled benefits, reduced employee participation in workplace decisions, placed greater reliance on external labour sources and frequently adopted policies of recruiting from outside for senior roles. Some employers are encouraging employees to take out personal rather than corporate pensions, despite the confusing pensions picture in the UK. Interestingly, these are often the very policies which encourage people to leave, especially if they see the opportunities for more interesting work being offered to contractors and consultants and their own work effectively deskilled. Is it possible that by encouraging some aspects of the new deal, employers may actually accelerate what they are trying to avoid, namely a high turnover of skilled employees?

Another key aspect of the new deal – employability – is explored in this chapter. What seems clear is that organisational support for employability is not simply a question of providing training and development. A number of aspects of an organisation's structure and culture appear to stimulate or hinder employability.

The importance of career issues and the opportunities available
Careers remain a key issue for most participants in Roffey Park research projects. In the Management Agenda for instance, 85% of respondents noted that career issues are important for them at the moment, with half of these stating that they were very important. Only 4% considered career issues unimportant, and the majority of this group of respondents were over 50. Of the whole group, 56% were considering a job move in the near future.
How buoyant is the job market?
The majority of respondents (67%) were optimistic that there were opportunities to move jobs within their sector at present. The sectors in which the majority of respondents felt that there were opportunities to move were media/publishing, IT and telecommunications. Interestingly, these seem to be the sectors which more obviously demonstrate flexible working practices. The sectors which appeared to offer the fewest opportunities were aerospace/defence, heavy manufacturing, local government and the national health service but even in these sectors half of the respondents were optimistic about opportunities being available.

Are people taking responsibility for developing themselves?
How much effort people are willing to put into their career development was explored. Respondents were asked whether they actively keep up to date with the new development methods on offer rather than being offered opportunities through a training department or their line manager. Respondents showed a clear sense of ownership of their development with 61% reporting that they actively kept themselves up to date with opportunities and only 12% stating that they waited to be fed opportunities. The final quarter of respondents noted that they were kept up to date through a mixture of the above. Even allowing for the fact that people may wish to portray themselves as more proactive with regard to development than they actually are, career development seems to be clearly accepted as an individual’s responsibility.

Time and space for development
Many respondents, however, talked about lack of time being the biggest barrier to career self-management because business/workload demands squeeze out the time for training and development. With the growing pressures that managers are reporting in terms of needing to work longer hours and cope with inadequate resources, it is not surprising that the slight majority of respondents (52%) do not feel that they have got the time necessary to manage their own careers:

- I work in a world of tight, shifting deadlines
- I need time to reflect and learn wider skills
- I need space i.e. less bureaucracy
- there needs to be greater recognition of the need to balance work and home
- I need to develop networking skills but there's no chance to network in practice.

“I want...”
- study time
- time to think!
- time to network
- shorter hours
- time for development and to acquire training
- information, or the time to find it
- more time made available to expand into other areas
- resources to free up my day for creative thinking and reflection
- emotional ‘space’ to adjust to departure from organisation
- acknowledgement of previous endeavours to progress research capacity; allowance of time within current role to pursue future research endeavours.

In some cases people accepted that shortage of time was partly due to a lack of personal direction, general contentment with the status quo or poor time management. One comment among many hints at the short-term focus which can jeopardise future success; “I'm too task focused and lose the bigger picture”.

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Despite this, 65% of respondents reported that they actively make time to reflect on what the future may hold for their career and 76% manage their skill-set to prepare for this future. Of the third of respondents who did not make time to reflect on their future career, two-thirds said that this was due to a general lack of time because of work pressures. A quarter considered that the future was too uncertain to manage.

**Employability**

People were asked whether they considered themselves to be employable, and what they believed constitutes employability. A resounding 98% of respondents reported that they perceived themselves to be employable. These respondents claimed to be actively managing their own careers and seeking to manage their skill-sets in relation to their future career plans. 93% also reported that they had carried out some personal development in the last year. Confidence was expressed by 74% of respondents who considered themselves ‘fully equipped’ to manage their own career.

**Competencies for success in twenty-first century organisations**

According to Hall and Moss (1998), pursuing the protean career calls for career ‘meta-competencies’ such as a high level of self-awareness and personal responsibility. For some people, such autonomy can seem daunting and they tend to experience it as a lack of external support. The new career has become ‘a continuous learning process’, a key aspect of which is developing adaptability. Adaptability and self-awareness must be combined however if ‘generative change’ is to be achieved and to avoid falling into the trap which Chris Argyris call ‘reactive change’, in which there are risks that a person changes in ways which are inconsistent with their values. Yochanan Altman describes the idea of career resilience, which allows people to cope well with the unexpected and occasional disappointments which navigating a career in uncertain times inevitably entails.

According to Allred et al., as companies increasingly adopt network and cellular structures, career paths and opportunities will undergo an evolutionary shift. Managers will need to have both technical skills and strong business and commercial skills. They will need to control their own career with limited assistance from the organisation. They will need to be able to manage themselves while collaborating with others. Five key categories of knowledge, skill and other personal attributes are said to be required for success in the future:

- **A knowledge-based technical specialism**, including computer literacy since information will be the key mechanism by which collaborative problem-solving occurs. This will involve being able to turn information into practical use which will create competitive advantage. People management will not automatically become the means to career advancement. Indeed, people managers may well work remotely from the people they are managing, maintaining contact via computer systems which integrate the Internet, fax and telephone.

- **Cross-functional and international experience**. Managers will need to be effective project managers and sufficiently aware of other functions’ way of operating that they can create multi-disciplinary teams. The international mindset is likely to have been developed through a limited number of expatriate assignments.

- **Collaborative leadership**. Since projects will be both temporary and ongoing, people’s ability to integrate quickly into new or existing teams will be critical to success. Referral skills, partnering skills and relationship management will be important.

- **Self-managing skills**. Since there is likely to be less hierarchical management of knowledge workers, people will need to exercise self-governance, including the willingness to act ethically. Integrity and trustworthiness will be vital attributes. Continuous learning will be essential, as will the ability to manage for oneself an acceptable work/life balance.
• **Flexibility**, including the ability to lead on one project, and to be a team member on another.

Allred et al. argue that, in most organisations, these skills will all be relevant but to varying degrees. They are therefore likely to form the basis of employability and future career success. In the UK the Department for Education and Employment defines three important elements of employability as follows:

1) **Marketing deployment** which includes

- career management and job search skills
- a strategic approach, especially the willingness to be occupationally and locationally mobile

2) **Presentation** i.e. being able to convince an employer of their ability to do the job, which includes.

- the presentation of CVs
- interview technique
- work experience/track record

3) **Context** i.e. the relationship between a person’s circumstances and their ability to get a job, such as whether or not they are responsible for dependants and less likely to be mobile.

These factors focus on an individual's ability to change jobs. The Institute of Employment Studies researchers who carried out this research on behalf of the DfEE point out that employers have a crucial role to play in the actualisation of employability through:

- their recruitment and selection procedures
- the way they identify and articulate their skill needs
- the extent to which they discriminate directly or indirectly against particular groups of applicants
- their training and development strategies and the extent to which they encourage employees to develop transferable skills.

Labour market factors also have a major impact on individual employability. The closure of a plant in a declining industry in an area of high unemployment will severely curtail an individual's employability unless s/he is able and willing to be mobile.

The IES/DfEE skills framework consists of 3 stages as follows:

1) The underpinning basics (essentials for employability) including educational competence and personal traits such as honesty.

2) The skills, knowledge and attitudes for individual effectiveness in a job, including occupational-specific skills, generic skills and personal competencies such as assertiveness.

3) Overarching Capabilities (for maximising organisational performance). These include team working, systems thinking, business thinking, demonstrating continuous learning, self management, commercial awareness etc.

‘The importance of ‘soft’ skills and attitudes at all levels is emphasised.’

(Hillage and Pollard, 1998)

**What constitutes employability?**

Respondents were asked what contributed to their employability. Unsurprisingly, many of their responses link into the skills which they have reported as being important for future success. Therefore although the majority of people highlight their experience and track record as being key aspects of their employability, they also highlight their flexibility, people
management skills, creativity, change management skills, team-working skills and openness to continuous learning. A few simply talked of their ‘potential’.

Many of our respondents seem to consider that a key element of employability is an awareness of their market value and the level of demand for their skills. Some people felt that the scarcity value of their blend of skills and knowledge heightened their value on the employment market though not all went as far as to describe themselves as one person did: “I am a key expert with rare skills – I can command my price”. Many people pointed out the transferable nature of their asset: “IT skills- including IT management - tend to be transferable across industries”. Others spoke of their “potential added value to other organisations”.

For many respondents, employability means a combination of depth and breadth, suggesting a shift away from generalism alone as being the key to career success. Respondents in general management roles for instance, stress their in-depth knowledge of a particular sector or their excellent people leadership skills as a form of expertise. Specialists on the other hand seem to make the point that their technical knowledge and ability are enhanced by their commercial outlook and good interpersonal skills. Perhaps at its core ‘employability’ involves having a flexible orientation to opportunity, a determination to build new skills relevant to one’s chosen route and a realisation of one’s own worth.

Other facets of employability based on verbatim comments include:

**Attitude**
- enthusiasm
- positive approach
- personality
- self-starter
- hard working
- loyalty
- motivation
- commitment
- energy
- drive to be successful
- professionalism
- free thinking
- open-minded
- flexible mentality
- belief that I can do better
- belief in myself
- self-confidence
- awareness and understanding
- the passion I have for my field of work
- credibility
- results oriented
- motivated
- willingness to learn
- willingness to take on new challenges
- adaptability
- commitment
- commitment to quality
- business focus
- all-round knowledge of business
- charisma
- maturity
- durability
- dedication
- thoroughness
- reliability
- up-to-date forward thinking
- enjoy solution-finding
- wisdom
- my honest and ethical approach to working with colleagues
- mobility (global)
- willingness to take on new challenges
- proven resilience in difficult situations
- I have a can-do attitude because I have chosen not to be afraid of the future and change
- responsive to change

**Aptitude**
- innovation/creativity
- imagination
- developing ideas
- lateral thinker
- team work
- depth and breadth of knowledge and skill in my field
- able to learn new stuff quickly and act on it
- leadership skills
- motivation skills
- developing people
- soft skills
- interpersonal competence
- negotiator
- reflector
- active listener
- a good sounding board
- finisher
- numeracy
- good budgetary skills
- client handling skills
- ability to deliver
- project management skills
- general management ability
- good management and networking skills
- breadth of awareness and understanding
- several languages
- ability to work at different levels
- capability
- high IQ
- intelligence
- high EQ
- emotional sensibility
- knowledge
• knowledge of the market
• good communicator
• leadership ability
• good judgement
• specialist expertise
• area of skill is quite specialised – and in short supply
• my specialist knowledge and my ability to manage all areas of office work
• wide range of generic skills and ability to learn about specific subject areas
• learning skills
• ICT literate
• ability to work at strategic and operational levels
• ability to be effective in a wide range of set-ups
• multi-functional skills – operational finance and commercial qualifications
• knowledge management achievements

**Experience**
The kinds of experience specified as being elements of employability generally had a broadening component:
• good academic background supported by senior level experience in blue chip companies
• I learn continuously and can show this
• experience in several sectors
• experience gained in the IT industry
• experience of FMCG in stable/changing/merged environments
• balance of technical and managerial skills
• public and private sector experience
• various types of role undertaken throughout career
• wide range of consultancy experiences and skills
• breadth and depth of experience
• broad base of general management
• board level experience
• performance and results
• able to demonstrate competence in a range of careers
• experience of a variety of business areas and functions, including HR
• experience across a wide range of marketing functions at management level
• varied background in different industries
• my already portfolio career
• a memorable CV
• a varied life

*Reputation* was also frequently mentioned as a key aspect of track record. Often this was based on association, such as with their employer’s reputation:
• credible employer
• the company I work for is well reputed
• working for a highly respected company
Other descriptions were about personal profile and reputation, often within a professional group or business sector:
• awareness and networks within the sector
• good customer perceptions of what I do
• professional exposure
• professional currency
• being well known within the market sector
Track record also reflected speed of career progression to date:
• progressed quickly at present organisation
• rapid career track record of achievement

**Employability – a double-edged sword**

For most of our respondents, employability seems to mean building their ability to be employed, but usually outside their current organisation rather than within it.

**How is your career most likely to develop?**

![Career Development Pie Chart](image)

As Charles Woodruffe (1999) points out, organisational messages about employability can have undesirable consequences if not thought through. ‘Manage your own career’ and ‘develop your employability’ can be understood by employees as a lack of commitment by the organisation to the individual in the longer term. Without this commitment from the organisation, many employees believe that their best interests are served by moving elsewhere.

Woodruffe suggests that the rhetoric of the new career will appeal more to people who see themselves as passing through the organisation than to those who stay. He argues that they are less worried by a half-hearted message of organisational commitment to them, are more likely to have a transactional relationship with the current employer and to expect development opportunities. Ironically, organisations may not be able to attract truly employable people without offering a development package yet retaining such people may be difficult since they will owe little allegiance to the employer, especially if the transaction, i.e. opportunities to build skills and experience, breaks down. Applying the ‘manage your own career’ message to people with talent whom the organisation would like to retain may be a risky notion, especially if these people are open to staying and building a relationship.

However, if the training people receive is aimed at increasing their internal marketability, the message about employability can offer some reassurance to individuals that the organisation still needs them and wants them to succeed. Woodruffe argues that the only circumstances which justify focusing on making people employable outside the organisation is in the eventuality of unforeseen events such as acquisitions or markets collapsing.
Employability and age

As more of the ‘baby boomer’ generation approach retirement age, improved life expectancy now means that for the first time there may be the prospect of a sizeable retired population including people of two generations. ‘Grey power’ is also talked about increasingly in marketing circles since there is recognition that many older people still wield considerable spending power.

Survey opinions were divided about whether employability increases or diminishes with age. Several older respondents suggested that their age, or other ways in which they felt they had been ‘pigeon-holed’ made career planning futile. Particularly for those over 50 “one’s options become somewhat limited”. Many younger respondents too talked about the importance of being ‘under 50’ in the context of employability. However, a few of the older respondents in our sample highlighted age and maturity as an important element of employability. Some emphasised their ‘lifetime of experience’ as being invaluable to their organisations, while others were positively looking forward to beginning a second career. Many appear to have embraced the idea of a portfolio career, including voluntary service, more than other age groups in our survey.

Several respondents were clearly enjoying the opportunity of a second career at a time when they have more financial freedom:
- to have a successful second career is a real bonus which I find immensely satisfying
- my previous employment meant that I have a pension paid at 50 so I have a more relaxed attitude to my future employability.

This readiness to contemplate a change of career direction in one’s fifties perhaps reflects an effect of the widespread organisational practices of recent years. In many restructurings, older workers have been among the first to be made redundant or retired early. This is particularly noticeable during acquisitions when one of the first things the acquiring HR team usually ask for is a list of employees in the acquired company over the age of 45. So apparently widespread has been this practice that for many employees the prospect of being still in employment over the age of 50 has seemed unlikely. This has made many employees apprehensive about the future, while others (especially those with adequate financial provision) look forward to early retirement.

This trend seems to be somewhat in reverse currently, particularly in the public sector. Largely driven by the need to reduce benefit payments, the UK government is currently planning to standardise the age at which people can receive state pensions at 65 rather than 60 years of age. Similarly, early retirement is being officially discouraged and plans are in place to prevent people working in government service receiving their ‘corporate’ pension before the age of 55 in the future. Already, early retirement from teaching has been made difficult to obtain since the financial provision for a teacher’s early retirement now falls back on the individual school rather than the local authority as in the past.

In many other fields too early retirement is becoming harder to obtain. Sometimes this is driven less by economic policy and more by a recognition that much valuable skill and knowledge has been lost with the departure of older workers. As one junior manager in our survey said, “we’ve lost our mentors”. Many younger employees have after all only experienced one economic recession or other critical incident through which learning has been gained. So now many organisations are deliberately ‘hanging on’ to people who might have been looking forward to a second career. In some cases this is causing motivation problems for managers since employees who no longer are really committed to their organisation, and would ideally like to leave, are unlikely to respond to the incentives or sanctions which might be used to discipline younger workers.
Increasingly, some organisations are developing policies for attracting older workers, especially for sales and customer service roles. A number of retail chains, especially in the B&Q and Tesco are setting out to employ older workers who are said to be more reliable, have better attendance and customer service records than their younger counterparts. Tesco has operated a mature entrant programme since 1988 which has been used to employ more than 5000 staff aged 55 and over. B&Q decided to staff some of its outlets with older staff only. After one year, revenue from those stores had risen 18%. It is suggested that older customers may prefer to have service from people closer to their own age, at least on certain products:

“When Call Centre management and HR strategists have another hard commercial look, together with their marketing colleagues, at their problems and opportunities, some may well conclude that they wouldn’t recruit 55-year-old ‘AB’s to sell CDs to 20-year-olds, so why continue having 20-year-olds trying to advise 55-year old ‘AB’s on their investments or their next holiday?” (Terry, 2000)

However, there seems to be a shift away from older workers occupying top jobs with many of the more recent crop of MDs and Chief Executives in the UK being under 40. This tendency towards youth, may be driven perhaps by perceptions that younger managers are cheaper or have better and more relevant skills. In today’s more mobile career climate, many people make their career ascent by moving from company to company while many older workers have become ‘locked in’ to their employer through corporate pensions and stock options. Assumptions may then be made that they lack the flexibility, consensus-style decision-making and other leadership skills required in many of today’s senior roles and which broader careers help people develop. Research in Australia (Wood, 1997) suggests that some of the most successful senior managers of major organisations are under 50. Apparently cosmetic surgery is booming as middle aged employees seek to look younger in a bid to win promotion, or keep their jobs.

However, these younger senior managers may represent a broader swing. Technological changes and the internationalisation of market places are ‘skewing the workplace in favour of the young’ (Wood, 1997). According to the recruitment consultancy Korn/Ferry International, the average age of the non-executive director has fallen, with 47% being under the age of 55. Wood advocates a shift in employment practices since he suggests that the beliefs of personnel managers may be a block to older managers. He advocates encouraging executives to continue in part-time consulting or mentoring roles, or taking on a non-executive director role rather than retiring at 55.

How have you developed your employability?
For the majority (74%) this meant a training course, while for almost two thirds (65%) it had involved a challenging work assignment. Many people were consciously looking to broaden their skills and some used a mentor. In terms of formal development, only a quarter had undertaken a qualification and 17% had gained professional accreditation.

Some of the other ways in which people were aiming to increase their employability are as follows:

**Extending networks (internal and external)**
- networking with others informally and formally to build own understanding beyond one organisation
- joining a learning set externally
- supplier seminars
- action learning group
• attending conferences
• attending international standards bodies
• member of Chatham House Forum on Global affairs
• developing my own skills by joining a professional body and acting as an executive member (in addition to my day job)

‘New skill’ development
• creative training
• facilitation and consultancy skills
• counselling training
• Myers Briggs part I
• diploma in Business Excellence
• purchased a top of the range computer to improve my computer literacy

Access to senior people
• a senior management development programme
• taking part in a strategy forum

Gaining self-insight
• career consulting
• challenging PDP
• psychoanalysis
• self-assessment and independent review (self-organised)

New roles and responsibilities
• new role as head of a major new plant
• leading a joint venture planning team

Using internal career processes
• meeting with line manager and director to develop necessary strategic skills for next step up
• attending a career development workshop

Learning from others
• job shadowing
• mentor
• working with different consultancies regarding management of change overseas

When asked why they had taken these steps to develop themselves, the primary reasons were personal interest (80%) and the same percentage because of a desire to learn. 46% of respondents had undertaken personal development because they felt it was necessary to develop just to stand still. Other reasons fell into ‘active’ and ‘passive’ categories. Some people for instance said that they were pursuing their development, not because they wanted to, but because they were ‘instructed to do so,’ because ‘my boss suggested I did’ or because ‘it gets me out of the office for the day’.

A few people talked of having undertaken development because they were bored with their current role and others had an opportunistic approach to developing skills relevant to possible new roles. Many talked of the enjoyment and sense of satisfaction obtained through personal development. For the majority, however, development was part of a conscious desire to enhance their employability, whether inside or outside the current organisation. Some talked for instance of seeing development as being ‘in my best interest and in the best
interest of the company’ while others talked of ‘providing attractive skills to a prospective employer’. So whatever the motivation, most employees in our survey appear to be taking their development seriously.

The organisational side of the deal

As we have seen, employees in our surveys are generally acknowledging that they are responsible for their own career development. According to Hall and Moss it appears to take approximately seven years for an organisation and its members to reach an understanding of the new relationship. The organisational side of the deal is about providing opportunities and resources to enable the employee to develop identity and employability, including adaptability. The extent to which the organisations are adapting to their part of the partnership is open to question.

Do organisations provide opportunities for career development?

On the whole, respondents were slightly less optimistic about career opportunities within their current organisation (60%) than about those within the sector as a whole (67%). Of course, what people consider to be career progression will colour their views about the opportunities available within their organisation, but this appears to be generally an area where people felt let down by their organisation. Research by Robinson and Rousseau (1994) suggests that since many employers feel that they can no longer offer job security, they are less willing to invest in developing people whom they may subsequently release. Similarly, in some organisations, employers need only a few ‘knowledge workers’ with relatively high level skills. They therefore may be unwilling to support longer-term career development for other employees who wish to upgrade their skills.

Lateral moves

In recent years, flatter organisation structures have led to reduced opportunities for vertical promotion, broader spans of responsibility, wide gaps between levels and ‘roles’ rather than ‘jobs’. From the organisation’s perspective, flatter structures should enable horizontal working, including cross-functional project team activity. In theory, career possibilities still include vertical promotion (relatively rare), but lateral development is likely to become more prevalent. Typical forms of lateral development include:

- staying in the same role and growing skills and experience
- staying in same role but taking part in increasingly important cross-functional and cross-business projects
- staying at the same level but moving to another role.

Have people adjusted to the idea that career development can be at the same level, rather than simply vertical promotion? The picture is mixed. 50% of respondents indicated that they felt there was a lack of opportunities because the organisation provides lateral moves as opposed to upward moves. However when asked whether they perceived lateral moves to be true career progression, two-thirds of respondents stated that they did. This suggests that the perceived limited opportunity for career progression is more likely to be due to the lack of lateral moves available rather than a perception that lateral moves do not represent career progression. Respondents’ adjustment to the prevalence of lateral moves was also apparent from the fact that 59% believed that their career would follow a lateral path. Ironically then, employee attitudes and adjustment to new career structures appear to have moved ahead of organisational career management provision.

There is however clear room for improvement in relation to the provision of lateral career structures within organisations. Only a quarter of respondents reported that their organisation did not have a lateral career structure. Yet of those who did, opinions were
divided about whether the organisation had been successful in developing this type of career structure. 41% felt this to be the case while the same percentage reported that the organisation had not been at all successful. Many people suggested that there is still stigma attached to lateral moves despite the wider prevalence of flatter structures.

In the past, career moves were generally associated with promotion and therefore very often an increase in salary. One of the challenges of the lateral career model is that it is rarely linked into an increase in salary due to the fact that new skills usually need to be developed before the individual is proficient. This was supported by the findings from this survey where 79% of respondents indicated that employees were not rewarded in salary terms for lateral career moves. Despite this, 81% of respondents stated that they would accept a lateral move even without a salary increase. This suggests that people are not only willing to take some risks but also want to break out of potential career bottlenecks. Clearly, though it would be in many organisations’ interests to enable such internal career mobility, not enough is being done at an organisational level to make this possible.

**Specialist roles**

Some of the biggest frustrations were expressed by respondents in specialist roles. This is rather ironic since these are likely to represent the much heralded ‘knowledge workers’ whom organisations are said to be keen to attract and retain. Scope for career development appears limited. On the whole the routes to conventional career development through technical or professional roles appear limited. If people stay in specialist roles they are often squeezed out of promotion opportunities by generalists because the only promotion route available is through management. Comments include:

- in a defined specialist role it is more difficult to move a few jobs at the grades above
- strong pigeon-holing
- specialist disciplines limit progression
- limited opportunities in my field (training)
- I don’t want a generalist role and I’ve peaked
- increased ‘stovepiping’
- I am a specialist in a small organisation so there are no development moves for me
- I head my section and there is no career progression from my specialist post
- specialists are not treated as professionals so promotion to senior management is often thwarted by the appointment of a line person. If you want to stay in your specialism there is little opportunity for lateral moves.

“I want”

- ability to transition from IT to general business management
- more strategic responsibility and less compartmentalisation/specialisation
- cultural acceptance of cross-functional moves
- some human (emotional) support for the area of specialism that I wish to focus upon – i.e. for me to sense that the organisation really sees the potential benefit if I develop my career as I wish to do
- the ability to have a career while remaining in a specialist post and becoming (eventually) a recognised expert

However, change does appear to be under way. One of the main shifts is that organisations which recognise the value of these specialist knowledge workers are now attempting to retain and motivate them by offering a range of ways in which people can develop their careers. However, in many organisations, career paths are currently confused, making serious career choices difficult. One person suggested that what was required in his organisation was “clarity about what is required in managers – specialists or generalists”. Two interesting examples of organisational efforts to devise new career tracks are included in Section Three.
What do you feel are the main reasons for the lack of career opportunities?

In many organisations, despite the major changes of recent years, there still appears to be an element of ‘dead men’s shoes’ about career progression.

- the industry is shrinking, or dying
- a static environment; most people don’t move unless pushed, therefore no new opportunities arise

Typical comments by respondents working in declining industries or rigid environments, suggested that career development is very difficult to achieve in these contexts:

- not enough movement due to lack of will to move on staff and managers who are ineffective
- we have a ‘temple’ structure – above a certain level it is ‘dead men’s shoes’
- I have nowhere to go but the board – and I don’t know that I want that
- career opportunities tend to be generated only when a current position is vacated
- lack of opportunities in practice to make substantial moves in any direction
- career progression is usually achieved by leaving the organisation.

Interestingly, there seem to be career limitations regardless of the state of the lifecycle of the organisation:

- this is a mature organisation – there is not enough vision or need for change
- this is a young company – there are lots of young people at the top of the company

Structural limitations

Some of the main reasons for the lack of career opportunities were structural. The effects of downsizing and cutbacks, combined with lack of leadership direction, were felt to have reduced the opportunities available:

- the company is planning to reduce in size, not grow
- the general reduction in numbers at management level
- there is no corporate oversight

Others related to the inherent limitations of the structure, especially ‘flat’ structures:

- flat structures limit upwards progression
- there is a big gap between my current level and that of unit head
- few senior posts available
- management posts are rare
- no moves in which I am interested

Lack of job movement, leading to potential stagnation

- opportunities come up too infrequently
- change of responsibilities tends to be incremental
- some entrenchment due to change in organisation

Several respondents hinted at ageism within the workplace “I wish my organisation offered opportunities for people aged 45-50 without promotion”

Large decentralised organisations appear to lack formalised processes for career management which might be more typical of a centralised organisation:

- at senior level, although recognition is made, there is no formal structure within the company to promote employees with the other 465 businesses around the world. Each unit runs autonomously with little or no contact with other company facilities, except at corporate level.
• the company’s split into too many business units and the internal job market is ad hoc

SMEs in particular appear to offer restricted career growth:
• we’re too small, with too many specialist groups for there to be many opportunities
• small company – only 2 steps to MD
• this is a family company with little opportunity to reach board level
• It is a very small organisation and the pressure to generate revenue outweighs most other things. Staff now tend to come in at one level and stay there – there is little growth.

Unimaginative career practices
The main reason given for lack of career opportunities was the failure to take a strategic and practical approach to the management of careers:
• my company doesn’t put resources into strategic career management/development
• no clear strategic development plan for management
• there’s a focus on specific experience rather than transferable skills in defining jobs
• there is no guidance for career development

Similarly, respondents comment on a general inflexibility and ‘tunnel vision’ with regard to organisational support provided for career development:
• lack of creativity in considering what might be possible
• moves are not supported for development reasons or just because you need a move
• inability of the Top Team to welcome diversity in any shape or form or to recognise the role of other perspectives
• things appear to be viewed as a job, rather than a career
• part-time working makes it more difficult for me to move to other areas – they would have to accept my limitations on hours and are not prepared to do so
• the organisation provides for no moves at all – people are expected to stay in the same job – you have to leave to move on
• propensity to recruit externally to inject ‘change’

Conclusion
The research findings suggest that employee willingness to embrace the new career deal is moving ahead of organisations’ ability or desire to keep their side of the bargain. The clear common factor among people in our surveys who believe themselves to be employable is their focus on building up relevant competencies which will equip them to succeed in today’s increasingly boundaryless world. If employees are as confident of their employability as they suggest through our survey, they are unlikely to be willing to remain in organisations which do not provide what they regard as meaningful opportunities for career development.

It is in the interests of both employers and employees to make the new deal work. In today’s confusing career scene, the way ahead may not always be clear. Given half a chance, many people in our survey would prefer to pursue their career in the same organisation and few contemplate a portfolio career. Employees who may perceive there to be few opportunities in their current organisation but prefer to stay may need to adjust their expectations or look harder to see what patterns of career progression are emerging. Career patterns of some sort probably do exist and individual career patterns may be able to peacefully co-exist within the organisation’s career system. The individual side of the career partnership has to include an intelligent assessment of respective needs, goals and opportunities and a willingness to continuously learn.

Sadly, all too often, strategic ‘people’ issues such as careers only get addressed when some crisis point has been reached. If organisations are to keep pace with employee expectations
they can not afford to wait until the way ahead looks clear. What organisations can do to keep their side of the bargain is explored in the next chapter.
Section Two
Chapter four

What can organisations do to enable careers?

“In an era of talent shortages and wanting to retain people, we have arrived at the paradoxical state that employability must be offered to people to attract and retain them, yet it involves putting people in the best possible position to leave.”
Charles Woodruffe, 2000

If organisations are lagging behind individuals in adapting to the new career paradigm, what kind of partnership can organisations aim to provide? Managing careers from an organisational perspective involves looking at how people are recruited, rewarded, chosen for advancement, developed in various ways, become successors or are moved aside. Various kinds of career systems have been identified and career development in one organisation may not be the same as in another. At the very least, understanding the kinds of career systems currently in place in an organisation is a good place to start.

To some extent it is perhaps inevitable that organisational-level factors tend to shape and constrain individual careers. Redefining careers at systems level may or may not accommodate individual needs and preferences. Some career systems appear to fit more easily with the new career philosophy than others. Often these are emergent forms of career development, with managers’ careers being shaped by the opportunities which become available as the organisation grows. In these changing times, career progression is no longer thought of as purely vertical promotion. In many cases career tracks have replaced career ladders, with people moving upwards, downwards and across the organisation. Some career systems effectively operate as a series of related vacancies in which one vacated position offers opportunities for a range of other people as they move roles. Some organisations favour very specific approaches to the people who are newly recruited and to the kinds of people who are most likely to succeed. Such systems may fit less well with notion of the self-managed career.

Hall and Moss (1998) suggest that, in the future, the most effective organisations will take a ‘relational’ approach to the development of employees’ careers, i.e. they will not attempt to manage them as in the past but will provide opportunities for continuous learning. Professional service firms in particular are aiming to provide a wide range of career services for employees (see case study on KPMG in section three), with the focus of organisational career management shifting from being a direct provider to being an enabler, or broker.

The role of HR professionals
Among those organisations that are restructuring, human resource and training professionals can help to enrich jobs and keep people motivated. One crucial element to this role appears somewhat ironic – it involves encouraging loyalty by supporting mobility (Parker and Inkson, 1999). In many organisations the idea of investing in training employees who are clearly mobile and likely to leave seems a waste of the organisation’s resource. Paradoxically, it is thought that providing the development which people feel they will need for their futures elsewhere inside the company may actually strengthen their loyalty to their current employer.
Parker and Inkson suggest that HR professionals can contribute to the career partnership by reducing internal boundaries to mobility, such as job descriptions and specialist structures and by building the organisational mechanisms to make sure that people can develop their careers laterally. HR can challenge line management to develop supportive approaches to career development. They can also help employees develop a positive approach to lateral career development. Many people report a lack of support or understanding of their development needs in order to help them function effectively in their new role as quickly as possible. In such cases, human resource professionals can work with line managers to create a tailored development package for the individuals concerned.

Often there is considerable stigma attached to the idea of a sideways move as well as practical difficulties for those who have experienced such moves. In some organisations, there is a deliberate attempt to reposition sideways moves as developmental. Examples include individuals on lateral transfers being featured positively in company newsletters and the payment of a one-off bonus in recognition of the effort and learning curve involved. Care has to be taken to ensure that the benefits of sideways moves do not seem biased in the organisation's favour, since they often release bottle-necks and create opportunities for others. This is where a well thought out policy on lateral moves and the provision of help where necessary to make it possible for individuals to develop new skills can be useful.

Changing structures often lead to confusion over roles. This in turn can lead to stress, overwork or poorly targeted effort. Training can help, especially in providing employees with the ‘new tools of their trade’. There seems to be a decided upturn in the amount of training taking place especially on job knowledge, assertiveness, decision-making and quality processes. In some organisations, competencies are being used to help employees gain a clear picture of what skills and behaviours are required in the changing organisations, and also for job profiling purposes. This can lead to greater clarity about the role for the current job-holder as well as facilitating cross-functional moves in a way which may have been rare in the previous structure. Where this is combined with an open job posting scheme, ‘surprising’ moves can prove very successful for all concerned. Again, Human Resource professionals can facilitate this process to ensure that human capital is being maximised.

A common shift in role is that of line managers being expected to take on a more developmental responsibility towards their staff. Some managers find this a relatively unfamiliar role and one for which they feel ill-equipped. Training for managers can help them develop the skills and willingness to see people development as a business priority among others. HR can help in raising consciousness about the long-term role a manager can play in understanding subordinates’ career concerns and in providing career development opportunities on the job. Often training in coaching skills is offered to managers, together with new appraisal schemes. The trend in many organisations seems to be to separate out job review processes from development discussions.

Helping people have a career

So what else can organisations do to support career development? The good news is that many employees in our survey (63%) believe that career issues are important to their organisation. Only 9% of respondents felt that career issues were considered to be unimportant within their organisation. Career processes clearly exist in many of respondents’ organisations. The most commonly reported processes were executive development schemes (59%) and graduate schemes (58%). These processes are clearly designed with the organisation’s longer-term succession and other interests in mind.

Fewer organisations appear to offer processes which can help people to navigate their way through the career jungle. Processes to help individuals manage their careers included career counselling (in 45% of respondents’ organisations) and career development workshops.
which 39% of respondents indicated were on offer in their organisation. However, these alone did not seem to be adequate in the view of the majority. Many people remarked on the current demise of development centres, considered in some organisations to be too expensive a way of providing feedback.

When asked what was the key thing which they would like the organisation to provide to help them manage their career, most people referred to the need for more career development opportunities to be made available within the organisation. Respondents also commented on the need to let people know what the possibilities for development are. In many organisations, information technology now makes it possible for employees to access self-assessment software as well as information about their business and job opportunities. Many organisations are now developing ‘corporate universities’ to provide a co-ordinated range of training and development opportunities, often incorporating online career centres. Such resources are to support the individual’s ability to manage their own career, not replace it.

While these are positive ‘enablers’ of career development, some of the main forms of support people appear to be asking for include removing some of the main barriers to career self-management, such as the chronic shortage of time to concentrate on career issues.

1. **Enable time for development**

   Hall and Moss suggest that employers need to recognise that individuals ‘own’ their career. They argue that career development is now more likely to take place on-the-job and through various feedback processes than through formal career management systems. Competitive pressures mean that most organisations are driven to find the most cost-effective means of operating, the tendency in recent years has been to cut back on staff to the point of genuine work overload. One of the main impediments to people being able to manage their own career appears to be lack of time for development, personal reflection and planning. Whilst this may simply be a matter of training individuals in time management techniques and ‘working smarter’, the likelihood is that this is a cultural issue which needs to be addressed system-wide within organisations.

   If people appear to be valued purely on the quality of their contribution, rather than the quantity, the ‘long hours’ culture prevalent in the UK may be here to stay, with its corresponding negative consequences for employee health, well-being and personal life. Previous surveys (Glynn, 2000, Glynn & Holbeche 1999) have highlighted the challenges for individuals of achieving balance between work and other parts of life. Few organisations seem to be tackling these issues seriously, despite well-intentioned efforts by some organisations to enable employees to achieve work/life balance. However, external pressure on employers may produce some improvements for employees. Recent UK court triumphs have for the first time made it possible for working fathers and mothers to have paid leave to attend to family crises.

   Real leadership is needed to send genuine and consistent messages about what work is really required and what is not. On the one hand this may mean senior and other managers role modelling ‘reasonable’ working hours and requiring others to do the same. Similarly, senior managers should take a visible lead in managing their own development and learning and showing that this is valued. In strongly task- and bottom-line focused organisations, such as many City institutions, such actions would send powerful cultural messages. HR systems, including performance appraisals and reward, may need to reflect both individual and managerial responsibility for achieving balance. Some increased investment in staffing levels may be needed to build some ‘slack’ back into the system.
Flexible working may help produce some solutions, especially if employees are able to cut down on travelling time or work in ways which enable them to have more balance. Indeed, many respondents appear keen to work flexibly. They asked for:

- Better information and greater flexibility e.g. re remote working
- Information/assistance on part-time working possibilities
- More recognition of the potential for part-time working and career advancement not to be mutually exclusive events
- Flexible pension
- Flexible working for all

In a related issue, people seeking to achieve balance by working flexibly frequently find that their career interests have been compromised. For one working mother the choices were stark: “Working part-time almost makes career planning seem pointless. I don’t want to change to full-time working and the opportunities to do interesting work on a part-time basis are limited. In my current role I have a lot of autonomy and I don’t want to lose that”. The short-term benefits of flexible working appear to be achieved at a cost in terms of longer-term career development. Given that flexible working seems set to become a more conspicuous part of the work scene, organisations which are able to offer real career progression to employees wanting to work flexibly may well find themselves to be employers of choice.

2. **Provide clarity about the future direction of the organisation**

While it is clearly up to individuals to make themselves employable for the future, organisations can help provide clarity about the kinds of skills which will make them employable internally. Without this clarity, people find planning their own development difficult since they are having to guess at the kinds of skills and experience they will need for future success. What people seem to be asking for is:

- A future perspective
- A clear organisational strategy/vision
- Better understanding of the longer term picture and goals
- Organisational and strategic direction, a clear vision of where we need to be and an understanding of the skills and knowledge required to get there. All of this underpinned by a plan and resources to support the development of people
- Clear definition of the future needs of the market sector
- Specific info on how future relationships will develop
- More information on strategy
- Greater involvement in key strategic issues
- Greater opportunity to impact upwards

An example of how one organisation is aiming to provide clarity can be found in the CDA case study in chapter five.

**Leadership from the top**

Organisational partnership in this context means having a clear business strategy so that the relevant technical, professional and leadership skills can be deduced. Partnership also involves enabling people to be trained in these skills and to have access to resources for development. When people start to develop these skills, their development should be recognised and, ideally, rewarded. Respondents also wanted to feel that senior management took career issues seriously. Several comments illustrate widely expressed views about what people hoped for:

- Proper line management/direction from senior management
- An understanding of the role(s) required of senior managers
- Decent leadership and role models
- For management to demonstrate an interest and support
3. Give people the chance to develop and achieve
Respondents were generally agreed that what they value above all are opportunities for development on the job and through training. In many cases, the kind of development longed for reflected people’s changing roles as well as more general personal development. There was a strong desire for the organisation to provide more regular opportunities for reviewing performance and more frequent feedback was requested. Some respondents were happy with the level of organisational support they received: “If I can define what I want the organisation will try to support me”, but such comments were rare in this survey.

Others felt that real opportunities were hard to come by: “we are a global company and many of the courses I want to take are not available locally”. One respondent called for a more “open-minded attitude to career development”. Several were interested in continuing professional development and many saw having the chance to network as the best development opportunity. Some people considered support from colleagues to be more helpful to career self-management than support from managers.

Virtual Universities
A number of organisations are aiming to link learning to strategy by establishing on-line Corporate Universities. M&G, the fund manager, has set up an online learning and knowledge-sharing system that it calls the ‘I’ (for inform, interact and invest). The approach is aimed at moving away from traditional learning and making learning an integral part of the job. Business leaders head up each area of learning. Similarly, Lloyds TSB’s University is accessed via internet and intranet sites. PriceWaterhouse Coopers has evolved a just-in-time Learning Link, which gives 50,000 consultants world-wide total discretion over their education.

81% of respondents felt that they had a clear idea of what their development needs are. A variety of methods were used to determine these needs with two thirds of respondents doing so through the annual appraisal system and a similar percentage (64%) doing so by keeping up-to-date with trends in the field. Over half of respondents (58%) determined their development needs through regular discussions with their manager while the same percentage did so through having a clear vision of where they want their career to go. Career partnership in the broking sense means linking people and assignments in a way which gives more importance to the developmental benefits.

Needs of managers
The more ambiguous reporting lines of many changing organisation structures mean that accessing relevant resources requires more active networking and negotiation with a wider range of stakeholders than in conventional structures. Managers therefore need a wide range of interpersonal and political skills just to do the job. They are also required to be ‘leaders’, providing clarity of role and boundaries, being accessible and approachable yet decisive. In addition, it is predicted that managers’ jobs will require higher levels of conceptual and analytical skills, including a greater understanding of strategy and technology. They are likely to need abilities in international management, cross-cultural issues and the management of workforce diversity (Netto and Sohal, 1999).

The majority of respondents (76%) had a clear idea of how their development needs could be met. The main methods identified were:

Training
- Updated strategic management training
- More focused training and management counselling
• Training and development programmes tailored to my needs rather than ‘off the shelf’ – and available to staff at all levels
• Opportunities to use less formalised training methodology

There appear to be two broad approaches to the provision of training. One is employer-driven, where training and development is provided by enlightened employers to enable employees to add value to their current organisation and as an insurance against possible unemployment. The other thesis suggests that the main driving force behind requests for training is employees themselves who, having accepted the notion of employability, have heightened expectations about what they are owed by employers in training and development. According to Beard and Edwards (1995), employees then often feel let down by what is on offer by their organisations. The responses to our survey suggest that the second thesis is probably operating more than the first.

Broader skills development

Work provides many opportunities for development. Hall and Moss argue that most real training comes through peer-assisted, self-directed learning through vehicles such as networks, project groups and customer relationships. The kinds of development opportunities people in our surveys asked for were:
• Broader experience within the organisation
• To identify opportunities outside my division
• Exposure to strategic and commercial aspects
• Real encouragement for personal development
• To expand my skill set and business experience
• Resources to attend international meetings
• Exposure
• Provide opportunities to accrue appropriate experience
• Exposure to multi-discipline and multi-agency project work
• More effective planning / counselling
• Short-term secondments
• Time out with non competitor organisations (two weeks a year)
• Newer challenges that fit the nature of future demands on the organisation
• ‘Hands on’ development opportunities

Managers and career practitioners can help individuals find resources for development in everyday work. Such resources include taking part in teams, task forces, cross-functional projects. They also include feedback such as 360 degree performance reviews and developmental relationships such as mentoring. Managers in particular can provide on-the-job coaching aimed at skill-building and continuous learning. Career practitioners can also act as brokers by facilitating various kinds of developmental relationship, such as mentoring. They can also work with line managers and teams to help them find ways in which they can create the time and opportunities for development.

Entrepreneurial opportunities

Many respondents wanted the opportunity to have a major new challenge, such as a business start-up or acting as manager of a joint venture. In theory, organisations should welcome employee initiatives and attempts at innovation. People were keen to have:
• Venture capital
• Sabbatical or secondment to try a radically different career option
• A good package so that I can start my own business!

However, in reality, many people felt that their initiative and risk-taking were restricted by organisational controls of various sorts:
• I wish my company had less prescription and attempts at control
• Just let me get on with this job and be more autonomous – our organisation does not empower its middle managers with a high degree of autonomy

In an attempt to reconcile the dilemma of wanting to have innovation without risk, and at the same time to offer people the chance for a serious challenge, one professional service firm advertises ‘role vacancies’ on the intranet. These are not fully-fledged jobs but emerging opportunistic roles, often aimed at developing a new aspect of business. People applying for these roles are self-selecting. They often tend to be ‘niche’ players who are keen to contribute in other ways. This ‘bottom-up’ initiative allows people who are proactive, but who may have been overlooked in conventional career terms, to work off-line with a group of like-minded individuals until their task is complete. Business and personal development therefore go hand in hand.

**Professional development**

It appears that the primary method of professional development available within organisations (noted by 79% of respondents) remains formal education courses. Two-thirds of respondents noted that mentoring/coaching was available within the organisation while 61% stated that open learning was an option for professional development. The use of technology as a development method appears to be slowly taking off with a third of respondents reporting that the internet and the same percentage reporting that the intranet were options available within their organisation.

Respondents provided a mixed picture regarding whether the organisation prepared individuals to use the development methods available with the slight majority (51%) saying no. Those who reported that the organisation had prepared them indicated that this was done through letting people know about the methods of development available which ranged from traditional training through to CD and internet based training. A number of respondents also referred to the provision of a learning resource centre as a form of support.

Respondents were clear that professional development does benefit the organisation, and would like greater access to it, even where the link with organisational needs is not clear-cut. Typical comments about what people would like include:

• continuing professional development, access to which is not solely related to organisational benefit
• financial support for an MBA

Others wanted practical help such as day release for study for an academic qualification and support for pursuing qualifications such as a DBA.

**4. A strategic approach to career development**

The majority of respondents still expect a lead to be taken on careers at corporate level, not only at line management level. In our survey, the idea of career partnerships being three-way (between the individual, managers and the organisation) appears not to be widely reflected in current practice. Respondents asked for:

• A corporate lead in career development because current ad hoc approach by business units is unfair and limits opportunities to move laterally
• Clearer commitment; less short-termism
• Better defined career opportunities
• Positive planning
• Make it easier to move jobs and follow a policy of supporting moves for development reasons
• Executive development
• Succession planning
• A programme of executive coaching and mentoring
• More commitment to a stated policy of staff mobility and development

This suggests that real resource should be put behind the creation of career development strategies, even if primary responsibility remains with individuals. Leaving career development to chance can potentially undermine employee trust in, and commitment to the organisation. Career practitioners, whether they are specialists in the field or HR generalists, need to be up to speed with the latest assessment and development methods, able to use careers related computer software and to work with line managers to help them create real development opportunities on-the-job.

**Be committed to people who develop themselves**
The partnership concept is really put to the test in times of major change, such as a merger. The decisions taken at such times usually include cutting back on training and career development initiatives, as well as on employee headcount, in order to save costs. The clear message is that people are expendable and that money should not be lavished on those who might depart. At times like these, organisational commitment is scrutinised by employees, including the most able and the most externally employable. They look to see whether the organisation is one in which they will want to stay. Roffey Park research into the Human Aspects of Mergers and Acquisitions found that around 39% of organisations failed to retain their best talent following the merger. (Devine & Lammiman, 2000).

Leaders should attempt to retain people who have developed the relevant skills so that people continue to trust in the value of the development message. Indeed, a desire for security and continuity of employment comes through many respondents’ comments, as well as a preference to have the opportunity to broaden their development without having to leave their current employer. Woodruffe suggests that the most effective partnership means offering employability within the context of commitment. Hall and Moss (1998) describe several successful international companies, such as Hewlett-Packard, Polaroid and Xerox where employees never felt that the old contract was ‘broken’. According to this research, the characteristics of these companies are as follows:

• A fundamental respect for the individual – both the employee and the customer-manifested as loyalty
• Loyalty is based on performance and the ability to learn continuously, not length of experience
• Employee performance is rewarded
• Only a narrow gap between the philosophy and the culture

Hall and Moss argue that such companies benefit financially by such approaches. They refer to the relatively higher costs of recruiting and developing new personnel rather than training and developing experienced staff. They suggest that higher value is created by experienced staff than by new employees as long as their performance is based on continuous learning. They also suggest that companies whose stock is held by investors who are known for partnering with companies in which they invest tend to be more financially successful than those which attract high ‘churn’ investors. In such companies, employees are encouraged to see their career contract being with themselves and their work, rather than the organisation. This new contract is said to lead to employees enjoying organisational success and psychological success (i.e. job satisfaction), but such a contract may still not satisfy other deeply held values.
Provide (and value) lateral development

Perhaps the most important area for developing adaptability is through varied work experience and challenge. Stagnation is to be avoided at all costs. This is most easily achieved through a series of new assignments or lateral moves. These provide employees with the opportunity to develop new relationships, work with people from diverse backgrounds, develop teamworking ability and provide a development stretch.

An organisation-wide approach may be needed to make lateral moves possible. In our surveys, respondents who had experienced such moves said that they had benefited from real opportunities to develop skills within the organisation and to gain a wider level of experience. Many commented that lateral moves lead to increased motivation within the organisation through providing people with fresh challenges and development - and this was despite the fact that only a few respondents said that the organisation linked rewards to lateral moves.

A few employees in our surveys considered that there was real organisational support for lateral development. This was demonstrated both by the number of opportunities which were available and by the communication process around these opportunities which ensured a high level of awareness about them. Other success factors centred around the belief that lateral moves were valued and respected within the organisation and that there was a climate of enthusiasm about lateral moves.

Where the lateral model was not perceived to be successful the primary contributors to this were the belief that lateral moves were not recognised as true career progression and development within the organisation. Additionally respondents reported that the selection for lateral moves was perceived to be unfair, based on who you knew rather than what you knew. Fairness was perceived to be a critical aspect of all aspects of career management, with people typically advocating:

- Equal chances
- More openness with regard to who development opportunities are open to.

Regular opportunity to review performance and future career options

Line managers in particular appear to have a critical role with regard to the career partnership. For most respondents, having an idea of how other people, especially their boss, viewed them and their prospects was vital. They wanted:

- Regular review sessions, outside of the formal performance appraisal system, to ‘blue-sky’ opportunities
- To have an idea of the available options
- Greater visibility of opportunities
- Structured career planning reviews
- A clearer idea about the future of my role in 1+ years
- A better understanding of what I will be doing in 2 years’ time and why this should motivate me
- Counselling and feedback in terms of where they see me best placed
- More detailed feedback and ‘walk the talk’ on performance partnerships and ongoing dialogue
- Clear feedback on my performance, potential and capability
- Open discussion with regard to my personal development

Understandably, in times of major change such as during mergers, line managers are often reluctant to engage in such discussions. Yet Roffey Park research suggests that these conversations need to continue, as authentically as possible, even though line managers may
be unsure of their own position. Where the careers conversation is maintained, people are helped to cope with the inevitable changes implicit in a merger context. Even in 'normal' times, people were keen to have greater dialogue with line managers:

- More opportunities for discussion
- Specific mentoring
- Management coaching
- Encouragement
- Direction
- 1:1 coaching
- Greater openness and understanding of the impact of change on individuals and their career plans
- Regular discussions
- Stress management

HR and training professionals have a particular role to play in equipping line managers for the developmental aspects of their role. Training managers in coaching skills, developing effective team briefing and other communication processes can build an infrastructure for development. Providing various kinds of learning process, such as action learning and self-managed learning groups can help create a culture conducive to employability and high performance. Given that change is so much a feature of organisational life today, training line managers in transition skills can be beneficial to both managers and their teams.

There were many comments about the usefulness of a coach or mentor – especially in an off-line relationship. Many respondents hinted at the importance of having an intelligent conversation about career possibilities with another person – possibly a senior manager or an independent career counsellor or consultant – about what might be available in the way of future options. As one person said: “Nobody above my line manager has ever discussed my career with me”. Some respondents felt that such relationships should be authentic and demonstrate “real commitment to understanding my feelings and development” while another person described their need as “emotional mentoring”.

Career partnership may involve brokering different forms of career guidance and support such as those requested by respondents:

- Guidance on where I could go from here – opportunity to discuss alternatives with a knowledgeable person
- Independent advice – someone who can recommend suitable courses etc for my development
- Career consultancy on other opportunities
- An understanding of how my strengths could facilitate a career change. Support in addressing weaknesses that would be an obstacle to such change
- A crystal ball!
- Career counselling outside of boss-subordinate relationship
- Advice on opportunities and development needs
- Retirement advice! Should we all continue until 65 or seek an earlier retirement and under what circumstances should we ‘elect’ for retirement if there is a choice?

Many of these are aspirations for advice about longer-term career development and planning. Yet Hall and Moss suggest that work planning over a three-to-five year period, rather than career planning, may be more helpful. They argue that encouraging employees to think in terms of the areas of work and projects they would like to pursue will enable them to find a good fit with work.
In some organisations, HR provides a mentoring brokerage service and access to some of the specialist advice requested above. Often, information is provided via the internet or online to allow people to access the information themselves and make their own approaches.

**Career paths**

The issue of career paths appears to be becoming particularly acute for specialists. Given that these ‘knowledge workers’ are increasingly marketable and their skills sometimes in short supply, it is likely to be in an organisation’s interest to develop some innovative approaches to career tracks. Many of the comments in our surveys suggest that respondents want clarity about the options available. When asked what they hoped their organisation would provide, responses included:

- A defined career path, though this is unlikely in this day and age
- Understanding of potential career paths. At present there is no visibility of how to progress beyond my current scale
- Clearly defined progression paths within the organisation
- Constructive dialogue about my future, together with a career path
- A development plan

Career paths in the past have usually reflected the broader career management system within an organisation. Typically, in the past, career paths where they exist have forced people to choose between two options: generalism (usually the route to management and higher positions) or technical (where there are usually fewer higher level positions available). These options now appear restrictive when specialists are being encouraged to be rounded business people and generalists are being encouraged to develop some expertise. Some interesting new approaches to career paths are examined in the case studies in section three.

**Career tools and workshops**

Ironically, some of the ‘new’ organisational approaches to careers are causing problems for some employees; “We have moved to appointing people to jobs rather than having to apply for a vacancy. This has removed a lot of motivation”. Other respondents suggested that more openness with regard to whether opportunities were really open, or whether there was a designated candidate, would avoid disappointment.

Similarly, respondents suggested that conventional performance management processes such as appraisals are helpful to career development, but only up to a point. Several respondents wanted access to all data held about their performance, calibre, and potential rating, whether this was held formally or informally. At least one person recognised that the latter in particular was unlikely to happen. Very few people highlighted the performance management process as being helpful to them in managing their career, seeing the organisation as beneficiary of such processes rather than themselves. Personal Development Planning processes too were seen by some to be formulaic and to serve the organisations’ interests more than those of individuals. At least one respondent wanted the PDP process to be more personalised.

Helping employees find their own best fit with work may involve providing or brokering processes which enable them to gain self-insight, come to terms with change, develop their own sense of direction and have some practical planning tools to enable them to crystallise potential opportunities. Respondents asked for:

- Career seminars
- Career workbooks
- Career workshops
- Externally facilitated career development/portfolio building events
It is increasingly recognised that career resilience is a key career management skill, since it enables people to maintain their motivation for managing their careers even when they are faced with disappointment. The UK Post Office is currently providing career workshops which allow people to gain a realistic self-assessment of their career resilience through the use of a newly devised inventory. A case study describing a career development initiative follows. Thanks are due to Derek Osborn who made this piece of research possible by sharing his own experience of career development within Post Office Consulting and for making it possible to meet other individuals who were willing to talk about their own career experience within Post Office Consulting. Thanks also are due to Christina Evans, research associate at Roffey Park, for developing this case study.

Managing Your Own Career
Experiences From Within Post Office Consulting

Organisational background
Post Office Consulting was established as a Consultancy Services Group (CSG) in 1992 after a major reorganisation within the main Post Office business. Post Office Consulting defines itself as a knowledge-based business. Its Business Plan states that "Post Office Consulting customises knowledge for the postal and distribution market: it acquires knowledge, shapes it, enhances it, deploys it and preserves it. Knowledge is the lifeblood of the consultancy and the successful management and exploitation of knowledge will become more important to the delivery of our vision" (Getting Engaged. Post Office Consulting Journal, Issue 2, Winter 1999)

Post Office Consulting's main business is managed through four key business processes: Strategy Management, Commercial Management, Asset Management and Knowledge Management. Although originally established as an internal consulting group to support each of the Post Office’s core businesses, Post Office Consulting’s business has subsequently grown. It now provides consultancy to external post office services companies in geographical regions as dispersed as South Africa and Australia. However, only a small percentage of Post Office Consulting’s current business is with external post office businesses (currently around 5%). The whole Post Office currently employs around 200,000 people in total, of whom 1,200 are employed in Post Office Consulting.

External and political changes, such as de-regulation and the growth of e-commerce, have created both challenges and opportunities for Post Office Consulting, stimulating the organisation to improve its business processes and client relationship management in order to secure existing internal business, as well as win new business externally.

For individuals, changes in both the external and internal market for consultancy services have created some interesting challenges and opportunities too. In terms of opportunities, the work in which Post Office Consulting is engaged provides individuals with much broader opportunities for developing their skills and capabilities. Potential job opportunities abound for those who have psychologically adjusted to managing their own career. However, this cultural shift has been, and continues to be, a long journey for some individuals; many have a long-service record within Post Office Services.

It is against these changes in the external and internal marketplace that Post Office Consulting began to revisit their approach to career management. Whilst Post Office Services has operated a structured Graduate Development Programme for many years, beyond this there was nothing as formal in place to support individuals once they had
completed their initial development. As is the case within many organisations the retention of graduates after their initial training period is a key priority. To address this dilemma two-day career development workshops were introduced in 1994/95. Initially aimed at graduates and job-changers who had been with Post Office Services for two years, these workshops have been extended to a wider audience in the last three years, in particular within Post Office Consulting.

Since widening the audience base, the interest in the Career Development Workshops has grown significantly, so much so that the Senior Consultant who co-ordinates and facilitates on these workshops is finding that he cannot keep pace with demand.

**The structure within Post Office Consulting**

Post Office Consulting is organised into twenty-three Practitioner Groups (PGs), each providing consultancy in different areas of knowledge or expertise focused on the Post Office. Each PG is responsible for managing its own business development plans. Each PG consists of a professional head, a practitioner group leader, a practitioner group board and a variable number of consultants. The practitioner group board, comprised of consultants from the PG, is responsible for setting specific objectives and targets for the PG. However, PG objectives need to be in-line with those of Post Office Consulting in general and also those of Post Office Services, who are, of course, Post Office Consulting’s major customer.

Beneath this structure sit a varying numbers of consultants, ranging from 12, the smallest to 250, the largest. In addition to working on client projects for Post Office Services, PGs often charge out their services to other PGs. This practice enables consultants to become involved in an even wider spectrum of project assignments. Each PG also has its own internal projects linked to their overall objectives. For example, many PGs have internal projects relating to developing and harnessing knowledge and intellectual capital.

Within the PG structure a matrix management system usually operates, with individual consultants reporting to a projects manager, responsible for the delivery of projects, as well as to a line manager, responsible for managing the people aspects, such as supporting individuals with their personal development. Line managers take responsibility for co-ordinating the Performance Review process and the Personal Development Planning process. At any one time individual consultants may be working on several consultancy assignments for different parts of the Post Office and consequently may report to several different projects managers.

Although the structure of PGs is the same, the way in which they are managed is distinctly different; moving between PGs can require some adjustment for individuals. For example, whilst in some PGs project assignments are centrally co-ordinated, in others individual consultants are expected to generate their own business through networking and intelligence gathering.

**What individuals want from a career and the scope for career development within Post Office Consulting**

The individuals who participated in this research described career success in terms of:

- having job satisfaction
- security (i.e. employability)
- self-actualisation and fulfilment
- recognition by others of ‘having done a good job’
- having rewards which reflect the value individuals add
- having challenging roles which bring intrinsic reward elements.

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Individuals who participated in the research spoke of particular benefits of developing a career within Post Office Consulting as follows:

"It is so big you can get exposed to so many different skills."

"Working in Post Office Consulting is the closest you can get to being an independent consultant, but there is the added bit about having security."

“There is good scope for learning. You can learn far more without actually having to change jobs. You learn a lot about influencing and managing the client interface.”

Within Post Office Consulting career development in the main comes from individuals broadening their skills and knowledge, through working on a range of different client projects. There is some scope for vertical career progression in that individuals can become elected onto the PG board where they get more involved in direction setting and objective setting for the PG as a whole.

In addition, individuals can develop their careers by taking on more responsibility, over and above the client projects which they work on. This could take the form of being a member of a Programme Board, which oversees projects relating to the development of a PGs own capabilities, an example being how to improve the Intellectual Capital of the PG.

Promotions, in the form of progressing to a higher grade, seem to be restricted to moving to another role in another part of the Post Office.

Support mechanisms for career development

- **Personal Development Planning** - every individual within Post Office Consulting is expected to have a Personal Development Plan (PDP). The individual draws up their own PDP which they ‘fine tune’ with the help of their line manager. Personal development objectives need to be aligned to PG objectives, which are revised annually by the PG board following the annual ‘kick-off’ in May. The PDP planning cycle although linked to the business planning cycle, currently lags two to three months behind this, something which the organisation is in the process of changing.

Consultants are encouraged to allocate several hours per week to their personal development. This is time which they can either allocate to formal learning activities, or for working on other projects in order to develop specific knowledge, skills or expertise. For those who proactively manage their own development there is tremendous scope for getting involved in a broad spectrum of challenging projects. One individual spoke of how through volunteering for projects, even ones where he wasn’t necessarily the expert, had enabled him to enhance his skills.

Individuals have regular reviews of their PDPs with their line manager. Each consultant is expected to agree the frequency and nature of these reviews with their line manager, in order to reflect their development needs. The line manager’s role seems pivotal in terms of encouraging individuals to “put themselves in the way of opportunities”.

- **Skills database** - there is a skills database in which individuals can record their own skills, knowledge and project experience. Whilst in principle this is perceived as being a useful tool for individuals and the organisation as it provides key information upon which to match people with projects, in practice it is felt that the organisation doesn’t derive the full benefits of this system. This is partly because there seems to be a conflict between using the skills database, as a vehicle for identifying resources for projects and other practices e.g. the open job-posting system and the networking approach to
matching skills to projects. For individuals then this diminishes the benefits of this type of system.

- **Effective Leadership Process** - this is an annual review of leadership qualities, which is based on a 360° feedback process. Individuals can select whether they want to have anonymous feedback, or if they want to receive face-to-face feedback via a third party.

- **Career Development Workshops** - As mentioned in the introductory section the Career Development Workshops have proved enormously popular. These two-day workshops provide individuals with the time and space to stand back and reflect on where they are now with their career and where they would like to be in the future.

Individuals are introduced to a number of tools to facilitate self-analysis, for example, Schein’s Career Anchors, Learning Styles, Belbin’s Team roles, SWOT analysis. A Career Resilience Inventory tool which has been developed in partnership with the University of East Anglia is currently being piloted. In addition there are input sessions on the external forces which can affect individuals and their careers, as well as the possible future directions for Post Office Services businesses.

Individuals then take these combined information sources into account when drawing up their personal action plans. Each of the individuals who participated in this research had been on one of the Career Development Workshops. Some of the key benefits which they spoke of included:

"The workshop made it clear, well for me anyway, that I am responsible for managing my own career."

"Being able to work with others from different PGs was really useful and having time for networking and also time for action planning."

"I am now more selective about what I take on, I don’t take anything and everything on offer, I stop and think where does this fit in with my scheme."

"Raising and discussing questions where there were no [simple] answers."

“Thinking about where am I now and where I want to be and also getting you to think about what a good CV looks like. Made me realise how much you can learn from others, both inside and outside of the Post Office.”

- **One-to-one review with the Professional Head of the Practitioner Group**

This provides individuals with the opportunity to talk about their future career aspirations and where this fits with the organisation’s future strategic direction.

- **Access to Development Counsellors** - a network of trained counsellors whom individuals can contact to discuss any problems or issues which they are experiencing. The counsellors provide a sounding board which is separate from that of line management. However, these individuals are not trained career counsellors.

**Enablers and barriers to building a successful career within Post Office Consulting**

**Perceived enablers for career development**

- **Career mobility** - the view from individuals who participated in this research is that it is easy to change careers within Post Office Consulting and indeed the Post Office more generally. The organisation operates an open job-posting system. Each week numerous new job opportunities are posted onto this system.
• **Networking** - in addition to the job-posting system, consultants are expected and encouraged to network widely within the organisation in order to identify future work opportunities. However, in some practitioner groups networking is more widely encouraged since individuals are expected to market the PGs’ services, as well as their own skills. It is only at the more senior levels where external networking takes place.

• **Informal mentoring** - several individuals spoke of the benefits of having an informal mentor, in addition to their line manager, whom they can use as a sounding board for discussing their development plans. There seemed to be benefits to identifying a mentor who is from a different PG, or indeed elsewhere within the Post Office, thus enabling individuals to take a more strategic perspective to their career.

• **Ease of access to training** - individuals who participated in this research felt that the organisation had a very fair and generous training system. Whilst much of the training is conducted in-house, if individuals can put a strong case together for attending an external training course then this is usually sanctioned, or a way around this situation is found.

• **Post Office Consulting News** - referred to as ‘In the know’ comes in e-mail format, twice weekly. This is a useful source of information about new projects coming up, which individuals can then volunteer to get involved with. It is also a good place to make a request for any help, support or knowledge for existing projects.

Perceived barriers to career development

• **Legacy of the Post Office grading system** - Although the organisation has an open job-posting system, which enables individuals to develop their career in whichever way they want to go, the existing grading structure is seen as being restrictive, since the only way to gain a pay rise is through promotion, and not as a result of increasing one’s knowledge assets or capabilities.

The IT group does not seem to have this same tension as it has its own grading and reward system, with rewards being more closely aligned to market forces.

• **Matrix management system** - The matrix management system can mean that some individuals do not receive adequate ‘pastoral care’, particularly where the Practitioner Group Leader is too far removed from the day-to-day work which individuals are engaged in.

• **Organisational culture** - Some individuals raised the need for the organisational culture to change even further in order for individuals to really manage their own careers within Post Office Consulting. The changes suggested included; adopting more of a balanced scorecard approach to reward and recognition, thus balancing extrinsic and intrinsic reward elements and also rewarding knowledge sharing behaviours; being more risk-averse, and encouraging more opportunistic approaches.

Career development and the future - some possible opportunities

The research identified a number of possible ways in which the existing support for career development could be enhanced:
• Promote Post Office Consulting as a career-enhancing place to work. The research has identified that Post Office Consulting provides an environment within which individuals can develop a broad-based set of capabilities, enabling them to position themselves for more expansive roles in the future. As consulting is an unknown territory for many individuals in other parts of the Post Office, there may be some merit in providing a ‘try before you buy’ approach, so that individuals can get a feel for what the role entails, as well as their own suitability, before making a longer term commitment.

Providing mini case studies, either in internal journals or on the skills database, of individuals who are currently working in Post Office Consulting, as well as those who have moved on to other roles within the Post Office, could help others see the potential of working in Post Office Consulting and how to get there.

• Adapt some of the material used on the Career Development Workshop for use as input to Induction Programmes thus giving new starters a taster for the potential of these workshops and also help them become more attuned to what developing your own career within Post Office Consulting really means.

• Extend the support already available to individuals for CV building to include more self-marketing skills and techniques.

• With the line manager’s role being pivotal in providing the necessary support and encouragement for career development, there would seem to be an opportunity for providing more targeted training in career coaching skills.

**Conclusion**

As organisations move again in the direction of providing career support to individuals, it is perhaps appropriate to question what current or proposed career management initiatives are trying to achieve and what their current or potential impact might be. The Post Office Consulting case demonstrates how various existing initiatives can be pulled together into a whole so that the separate processes add value as part of a strategic approach.

Whatever career processes are introduced, they should be designed in such a way which does not encourage employee dependency on the organisation, but rather a more adult-adult relationship based on mutual benefit. Key providers of the organisational partnership can gain by sharing ideas and experiences both with each other and with counterparts from other organisations, even though effective career practices are often (rightly) seen as a source of competitive advantage. Recognising that careers are a ‘moveable feast’, flexibility should be designed into processes but they should consistently receive the attention and active support of top management.

Making the organisational career partnership a reality is likely to become a key business need as the employment market, especially for people with valuable skills, continues to improve.
Thanks are due to Sarah Henbrey, Personnel Manager for the Centre for Defence Analysis, who has supported the research and the development of the case study as well as being a member of the originating team of the initiatives described here.

Organisational Background

The Centre for Defence Analysis (CDA) is one of seventeen sectors within the Defence Evaluation and Research Agency (DERA), an Executive Agency of the Ministry of Defence. Work carried out in CDA is primarily scientific in nature and is carried out at the four UK main sites or in the field. The main client is the MOD and the Armed Forces, though increasingly CDA is seeking to extend its client base to include private sector clients. CDA produces a turnover of £50 million while DERA's turnover is of the order of £1 billion overall.

CDA's staff use a wide range of scientific tools and techniques to assess future scenarios for high level defence planning, to assess equipment effectiveness for defence procurement and to assist the planning and implementation of military operations. The nature of the work is predominantly project based. There are 750 staff of whom approximately 550 are highly trained scientists, engineers or analysts, 100 are military who are attached to CDA for varying periods and 100 are contractors. Staffing falls into a roughly 60:40 split male: female. The CDA staff age profile is relatively young, with the slight majority being 34 years of age or younger. They therefore fall into the stereotyped grouping of Generation X, whose characteristics are described earlier in this report.

CDA age profile

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>15-24</td>
<td>12%</td>
</tr>
<tr>
<td>25-34</td>
<td>40%</td>
</tr>
<tr>
<td>35-44</td>
<td>26%</td>
</tr>
<tr>
<td>45-54</td>
<td>17%</td>
</tr>
<tr>
<td>55-65</td>
<td>5%</td>
</tr>
</tbody>
</table>

Current business challenges are typical of many public sector organisations. In real terms, levels of defence spending are shrinking and at the same time there is increasing competition from the private sector for core work. Despite this, the main customer, the MOD expects DERA to maintain full scientific capability. However, the amount of analysis needed has in fact increased since the use of SMART Procurement processes means that analysis input is required at every stage. The squeeze on costs is reflected in the continuing constraints on Public Sector pay awards and in the ongoing pressure to reduce bureaucracy and fixed overhead costs.

At the time of writing, CDA’s ongoing existence as an intact entity within DERA is in question since debates about privatisation have raged for two years. It is likely that the larger part of CDA will be retained and become part of R-DERA, while the non-retained part within the privatised DERA will be able to focus on a wider range of commercial projects. Assuming that the proposed split takes place, staff in either part will need to develop effective partnering skills. The ongoing uncertainty makes planning difficult and causes some insecurity among staff. However, a final decision is likely to be taken in early Summer 2000 and action to implement the new structure is already underway.

Against this backdrop of challenges, it is generally accepted within CDA that a faster, more flexible analysis service is needed. It has become critical that the customer’s requirement is captured quickly and accurately. This means that staff have to develop consultancy approaches to ensure that what is proposed is what the customer really needs. In addition, there is pressure to win more work, both from the main customer and from others. To deliver this work, it is essential that high calibre staff are attracted to CDA and retained.

There is a matrix management structure and employees form part of ‘resource pools’ who work within project teams led by project managers to supply a service to the customer. Staff work on a variety of projects, often several simultaneously. Project teams are selected by Resource Managers (RMs) in conjunction with Project Managers. Team members report to the Project Manager who is responsible for the task, the Technical Leader who is responsible for scientific/technical standards and quality and the Resource Manager who is responsible for the individual’s overall performance and development. Resource Managers can have responsibility for up to sixty people in this way.

Careers in DERA
Most of the people attracted to join DERA are interested in a scientific career. The work on the whole is interesting and challenging. However, a dilemma for those who wish to pursue a technical/scientific career route is that career progression has largely been based on moving from technical roles into management roles. This reflects the old civil service pay and grading system with its multiple hierarchical tiers. Though the DERA scheme does allow for advancement and recognition of exceptionally talented, ‘world class’ scientists with the award of ‘DERA Fellowships’, in practice these are relatively rare and the main means of progression is perceived as being through project management.

In the last few years there have been attempts made to move away from the restrictions of the old system. A number of other initiatives have been under way within DERA to enable people to develop the kinds of skills and approaches relevant to a project based culture. These include a DERA-wide Reward Management Review Project and a DERA competency framework. Links between the old grades and pay terms and conditions within DERA have now largely been removed. This means that conventional career progression is not easily achievable and alternative forms of progression have been introduced.

Progression can be achieved through the types of project work to which people are exposed. Under the old system, only people at certain grades were invited to join certain
types of project. In theory the system is now more open to people of all levels of seniority but, in practice, resourcing such teams is very much dependent on the knowledge of resource managers about who is who. Typically the old system was easier for them to administer since it relied less on personal contact with, and knowledge of the individual.

A second means of progression known as Employee Titles was introduced within DERA which was intended to offer a sense of progression on the professional front, though these too were decoupled from pay. These Titles are intended to reflect professional standing but in practice they are not well understood. Technical staff are encouraged to link with their professional institutes and the six steps in the Titles system are supposed to indicate levels of professional development. However, most staff fall into three of these six steps, and in practice people feel that they have only two steps open to them. Whilst the Employee Titles system has failed to gain widespread credibility with staff, it has helped to further sever the link between old Civil Service grades and pay. However, some links with the old grades still exist and ‘shadow’ grades continue to be a stronger reflection of status than Employee Titles.

**Formal Progression Systems**

**Professional Standing - Employee Titles** (Annual Review)

![Diagram of Employee Titles system]

**Pay Bands/Pay Peer Groups** (Annual Review, Job Changes)

![Diagram of Pay Band/Pay Peer Group system]

The third means of progression is through pay. As has been described, the current pay system does not reflect an individual’s level of responsibility or status within the organisation. Pay bands are set using six peer groups to establish ‘worth’ scores and some limited progress can be made through pay due to the internal recruitment market.

Staff dissatisfaction with these alternative progression systems has grown. The disconnect between Employee Titles and pay meant that many people did not take them seriously as a mark of progression. This was compounded by variations in pay levels for similar jobs since there were many anomalies historically both with people and with outside jobs. The current structure attempts to offer both technical and managerial career tracks. While it would be wrong to say that technical careers do not exist, there are no formal definitions and in practice, the number of specifically technical senior roles, such as Technical Leader, is
limited. This leads to the perception that the managerial route is the main way for people to progress in a conventional sense.

In some cases, people find themselves in project manager roles within their first year of employment in CDA. While this allows them to develop much needed team leadership and client handling skills, it does reduce the amount of time they can devote to developing their technical excellence. This problem becomes more acute the higher one progresses. For some people this causes real concerns. One Department Manager taking part in a careers research project expressed his own and others’ reservations:

“I had been through the MOD fast stream process and was looking to get a ‘tick in the box’ for project management so I joined CDA. I now find myself too far removed from the things I enjoy doing. I don’t have any in-depth technical skills to fall back on. The closest I come to in-depth skills is project management. I’ve managed to find a way forward though. I’ve developed people in my team to take on-board some of my Department manager duties so that I can take on a Project Management role as well”.

There was a growing recognition within the management and HR teams that while the work in CDA is both challenging and rewarding, this on its own was not enough to attract and retain people. A line/HR initiative was launched in 1998 to establish which of the existing career management approaches were valued by staff, what they felt were missing and what they were hoping for in terms of future options. The research was begun by Roffey Park and later extended throughout the organisation in the Careers Structures Project. CDA staff were trained to carry out structured interviews to capture views and ten per cent of all staff were involved in the project. These interviews focused on staff aspirations, what constitutes success or failure, what motivates/demotivates, what day to day support people wanted from line managers and what help they needed in finding their way through the structures. Data from this research was contributed to the DERA Career Management Review project.

The research established that while there are high levels of investment in training, including an excellent Induction programme and sophisticated technical training, the development on offer is patchy and unfocused. Staff commented on the ‘sink or swim’ environment, akin to that of a consultancy environment. Often there is little actual support when people move into challenging projects and there is great pressure to succeed. Many people said that a technical or other mentor would be helpful in addressing these challenges. The in-house research also confirmed that the highly educated and articulate staff at CDA have high aspirations.

CDA, like many employers, needs employees who can seize opportunities to add value and grow personally, who can quickly acclimatise to new environments and take charge of their own development while remaining focused on the job. However the research suggests that the default assumptions of many CDA employees bear a striking resemblance to those of Generation Xers described by Bruce Tulgan. Such assumptions include:

- ‘my career is not based on a long-term relationship’
- ‘I’ll go where the opportunity takes me’
- ‘I am the sole proprietor of my skills and capabilities; my boss is my customer today’
- ‘success for me is having marketable skills, a good relationship with decision-makers, projects with my name on and a balance between home and work’
- ‘security is keeping my options open’.

Such default assumptions have implications for retention. Though staff turnover is relatively low within CDA (currently around 4%), impending changes may increase turnover to less acceptable levels. Tulgan’s research suggests that generation Xers may not be motivated by
career development in the conventional sense but by opportunities for growth and exposure. They usually leave organisations for the following reasons:

- other people
- not enough control over their own schedule
- they want new tasks and responsibilities
- they want new skill development opportunities
- they want to work somewhere else

This is reflected in CDA where the commonest reason why people leave is that they do not get opportunities to do new things and develop new skills. Similarly, Tulgan suggests that the reasons why Generation Xers stay with their organisation are:

- other people
- they have control over their schedule
- they get to do different tasks and have different responsibilities
- they get new skill development opportunities
- they get to work in different places

Managers of CDA recognise the specific needs of this age group and a number of initiatives are under way to increase their exposure to new opportunities. One such initiative is where graduates are invited to attend the monthly Board meetings.

The Roffey Park research confirmed that people want to be able to make real choices about career routes. For some this means progressing down a specialist track; for others the preference is the managerial route and for an increasing number the preferred option is a hybrid route which allows for breadth of movement while retaining the credibility of technical depth. However, at the time of the research (Spring 1998), people generally felt that they lacked awareness of future business plans which prevented them from making strategic personal choice about their career development. They were also generally working under great time pressures, as were managers at all levels. There was therefore a strong focus on the short-term with little opportunity to think and act strategically. Employees also felt negatively about the way in which performance was recognised and rewarded.

The in-house research carried out in late 1998 found that the primary causes of dissatisfaction were the amount of admin and bureaucracy people experienced, the negative attitudes they encountered, lack of recognition, money and lack of career development. People expected to be rewarded through formal and informal recognition and praise. They wanted to raise their profile and achieve pay increases and bonuses. They also wanted promotion or at least recognisable signs of progression. Staff suggested that many of their needs could be met by more career reviews and honest feedback by trained and ‘keen’ people. They asked for clear and visible career progression paths and criteria. They wanted a defined technical career path and flexibility to move between technical and managerial.

Through two major improvement projects comprising analysts, various line managers and the HR Manager, Sarah Henbrey, CDA has developed a framework within which various initiatives can address the problems of motivation and retention by specifically looking at developing career options and providing real support for development.
How is CDA addressing the problem?

An important element of this framework is enabling line managers, including project managers, to be better coaches and developers of people. DERA competencies have been adopted to form the basis of a training and development strategy, as well as to develop role profiles. The competencies were introduced two years ago and have focused mainly on the non-technical aspects of jobs. Now CDA technical competencies have been combined with the DERA competencies thus allowing for more specific applications.

Combining DERA and Technical competencies
Career Levels
CDA took an active part in the DERA Career Management project whose aim is to provide integrated guidance and information to enable staff to take control of their careers. Earlier work done in CDA heavily contributed to the design of the new DERA-wide system. CDA was keen to support plans to replace Employee Titles and to link pay with a new concept, that of career levels, whilst retaining in the career levels framework some important elements of Employee Titles. Assuming that the final stages of consultation are completed satisfactorily, career levels will be introduced in June 2000 across the whole of DERA. During the Spring, individuals have been notified of their proposed career level and have the opportunity of discussing or appealing the issue until the formal introduction of the new system. After that time, levels will be reviewed annually in June.

The basic purpose of the levels is to enable people to see what they need to do to progress down possible career routes. Levels should provide a relatively clear and transparent means of career path guidance with comprehensive career development information. They will form the basis of a framework of development and training aimed at meeting both organisational and individual needs.

While there are two primary career routes – technical and managerial – each route contains a number of common features and things which must be achieved in order for careers to progress.

Basic concept of levels

Input (Knowledge, Skills, Understanding, i.e. competencies)

Delivery (Application of competencies on the job, responsibility and scope of job)

Each level is defined in terms of inputs i.e. the knowledge, skills, understanding of the individual, as well as outputs or how they apply these and the criteria they need to meet at that level. There are nine levels, with 1 being the lowest and 9 the highest. For each level there is a description (i.e. criteria) of the level of operation which should be demonstrated.
by the individual. This outlines the type of input they should be making and the types of output they should be delivering. It is primarily a reflection of the individual’s personal contribution rather than a definition of a job or role. As such job level descriptions do not usurp or contradict DERA delegated authority or accountability.

Levels will enable a clear link to be made between others of a similar level of operation and pay, which will be commensurate with skills and responsibilities. Much needed clarity about technical careers will be provided through levels. From an organisational perspective, levels should also enable staff to measure their progress against standards applied consistently and universally across DERA. They should provide a mechanism for matching capability to customer need now and in the future. They will also be a planning tool to use in assessing needs for recruitment, development and succession purposes. They can also be used to create team profiles.

The competency framework underpins the levels framework and can be used to identify the specific competencies required to reach the next level as well as for enhancing current operational effectiveness. An example of one of the nine career levels follows:

**Career Level 5**

**Knowledge and experience**
Will reflect a broader view of DERA and its working environment. CPD is aimed at developing a deep specialism and/or more broad knowledge across a technical or professional area and the achievement of full professional membership of a relevant body or similar accreditation. Will be carrying out complex tasks in a fully flexible and adaptable manner. Beginning to gain greater skills in dealing with customers and identifying new business. Starting to demonstrate leadership qualities and to take on technical and project management responsibilities, and aspects of people development.

<table>
<thead>
<tr>
<th>Common elements</th>
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<tbody>
<tr>
<td><strong>Input</strong></td>
</tr>
<tr>
<td>Knows why DERA’s mission, vision and values are important, and sets an example to others. Understands DERA’s goals, constraints and key stakeholders and the relationships between capabilities.</td>
</tr>
<tr>
<td><strong>Delivery</strong></td>
</tr>
<tr>
<td>Leads or manages a small study or project team as appropriate. Works independently. Helps shape customers’ needs and identifies opportunities for new business and is consulted on technical and business plans. Regularly liaises with customers, including group presentations. Can present information to non-specialists succinctly and informatively. Can make appropriate use of financial/budgetary information. Can confidently challenge the status quo. Works for team/colleagues success not just own. Keeps colleagues in the picture. Proactive in making changes. Encourages flexibility from others. Proactive in encouraging others to seek out, record and share new knowledge.</td>
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</tbody>
</table>

**Technical elements**

<table>
<thead>
<tr>
<th>Input</th>
</tr>
</thead>
<tbody>
<tr>
<td>An excellent understanding of the subject, supplemented by growing depth within a particular specialism. Competent local expert.</td>
</tr>
<tr>
<td>Delivery</td>
</tr>
<tr>
<td>Applies knowledge creatively in a broad range of complex and non-routine contexts, though still within a framework of accepted practice and procedure. Has a growing ability to bridge between technical areas. Demonstrates technical integrity in approach and able to meet technical scrutiny. Uses networks of internal specialists. Oversees the technical aspects of projects, both programmes and standards of work. Shares technical information and ensures the passing on of lessons learned. Seeks to improve continuous professional development within the team.</td>
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</tbody>
</table>
Management/Functional elements

<table>
<thead>
<tr>
<th>Input</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>An excellent understanding and knowledge of the professional discipline. Recognised locally as experts in their field.</td>
<td>Applies knowledge in a broad range of contexts within accepted practice and procedure. Offers professional advice in complex situations, maintaining professional integrity. Applies project management principles, identifying milestones and juggling resources. Manages through delegation without abdicating responsibility. Sets challenging but realistic objectives for team. Makes reliable and consistent judgements, where there are few guidelines or precedents. Can carry out risk assessment on projects. Promotes team spirit and keeps others focused on tasks ahead. Balances resources with individual career development needs.</td>
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</table>

It is also intended that people will be able to progress upward through the career levels, with the gaps growing larger between the ‘higher’ levels, or sideways to develop additional competencies or expertise. Levels are determined according to the scope of the person’s job and their personal achievements. Employees will not be required to move jobs in order to move up the levels, but people will be expected to grow their own jobs, taking on new responsibilities and developing their contribution. In addition, employees will be able to apply for job opportunities which will be advertised with an indication of the skills and competencies required for the post.

While it may be possible for people to develop their career level within their current job, opportunities to do so may be limited. Within the internal job market, people can apply for job opportunities. These will now be advertised with an indication of the skills and competencies required for the post and an indication of the likely individual’s level of operation. Anyone with the required competencies will be able to apply, and be accepted, for any level. Since the concept of levels applies to the person rather than the post, changing levels through job moves will not be automatic. People hoping to move up a level will follow the same system as for people not changing jobs i.e. they will have to demonstrate through the provision of evidence at their annual review that they are operating at a higher level. It is envisaged that pay awards will also be consolidated at the annual levels/pay review.

Sources of evidence will include Personal Development Agreements (PDAs), continuous professional development portfolios such as C.Eng., and CVs. Professional development alone will be not be sufficient to ensure level adjustment, but will be considered alongside other evidence of relevant experience. Evidence will be reviewed by the senior line manager for the business unit (the Business Group Manager), by other members of the business group and an independent representative. Training for Business Group Managers (BGMs) began in November 1999 to assist them with the implementation of the new approach. It is not envisaged that many people will move down a level once these have been established, but this possibility exists in exceptional circumstances.

Implementation

Inevitably, introducing change on such a scale is not entirely straightforward though people are generally in favour of the scheme. The Trades Unions representatives have been active members of the team which developed the career levels and are generally supportive of the initiative. The implementation team are concerned to ensure that fairness is achieved and are keen to achieve consistency in establishing levels across the organisation. Of course, achieving consistency can be difficult since there is room for different interpretation of the
framework. However the process of aligning levels is under way. Similarly, since grades created a ‘pecking order’ which is inevitably being adjusted since career levels are based on different criteria, some people may feel ‘downgraded’. The appeals process is intended to allow individuals to make their case.

Some of the benefits of the new career levels are starting to be felt already. It is already serving as an extremely useful tool for strategic staff planning and development. The language of ‘levels’ is starting to be used among BGMs for profiling and resourcing purposes and the level descriptors are already proving useful for recruitment. Development initiatives which feed into the levels framework are under way. CDA is, for instance, a major member of the Operational Research Society (ORS), the professional body for analysts. CDA is currently working with ORS to develop a continuing professional development scheme for analysts. DERA competencies, supplemented by CDA technical competencies, will continue to be used for development purposes and aid movement through the levels. Training courses have been mapped onto the competencies and other development opportunities, such as secondments, are planned so that people can move more easily around roles.

Conclusion

Given that there are no easy answers to career development issues, career levels seem to offer a promising way forward, particularly for knowledge workers. By focusing on the individual and at the same time providing clarity about how individuals can progress, levels should be an enabling mechanism for different forms of career growth. Similarly, the clarity about job opportunities which career levels provide means that people are helped to be more mobile within the organisation, in ways which benefit both employer and employee. Levels are likely to be seen as a fair means of matching people, opportunities and reward, since the onus is on the individual to provide evidence of achievement rather than relying on some organisational process to spot talent. As more development initiatives become linked with the levels framework, people should have plenty of opportunities for increasing their employability, preferably within DERA. As an example of an innovative solution to a real career management dilemma, career levels will be an interesting approach to watch!
Section Three
Chapter Six
Career Management within KPMG UK

Thanks are due to John Bailey in the Human Resources Development team for making it possible to carry out this research and to Christina Evans who developed the case. Our thanks also extend to the individuals who contributed to the research by talking about their own career experiences within the firm.

Organisational background

“KPMG is the global advisory firm whose purpose is to turn knowledge into value for the benefit of its clients, its people and its communities.” 1998 Annual Report.

To achieve this purpose KPMG has an extensive and complex structure, consisting of three core disciplines: Assurance Services (Audit and Accounting, Transaction Services and Forensic Accounting), Tax and Consulting and eight lines of business. These include, for example, Corporate Finance, Corporate Recovery, Risk Management, Consulting. The firm prides itself on its reputation for being a respected professional service provider; something which it acknowledges can only be achieved through the quality and commitment of its people and through the delivery of a professional service.

The firm has recently revised its values and has introduced a Values Charter which sets out how these values apply when conducting business. Several of the statements in the Values Charter relate to the topic of career management, for example:

- We will respect all of our people and the contribution they make to the firm;
- We will listen to and aim to understand alternative perspectives;
- We will openly and proactively share knowledge;
- We will respect our own and our people’s need to balance personal and business lives;
- We will support our leaders, encourage our peers and develop our people.

The firm has achieved continued growth in its business despite the recent difficulties in the global economy. However, it has found it difficult to resource this growth due to the highly competitive market for skilled professionals. Thus in addition to recruiting more high calibre professionals the firm has continued to invest in developing and retaining its existing people. Some of the new initiatives in this area are highlighted in this case study.

The information presented in this case study was gathered from one-to-one discussions with a number of individuals working in Audit, Corporate Recovery and Consulting. The individuals were performing different roles and at different stages in their career. Several had moved between business areas within the firm. Some had moved from a business support role into a fee-earning role. Others had chosen to combine a fee-earning role with a business-support role. Additional information was gathered from discussions with the Human Resource Development team, the latest Annual Report and the firm’s corporate web site.

Perspectives on the term ‘career’ and what career success looks like

Whilst gaining promotion, either to a higher grade or further up the management hierarchy, is clearly important to individuals, promotion alone does not seem to be an overriding
success criterion. Several other themes emerged from the research regarding how individuals perceive career success. Some spoke of career success in terms of personal challenge. These individuals stressed the importance of having opportunities to work on challenging and stretching assignments.

Others spoke of career success in terms of having a balance. Balance was referred to in a number of ways. First, having a balance between work and home. Here the need for work-life balance to be recognised and respected by others within the firm was stressed as being important. Second, balance in terms of being able to develop a broad skills set which would lead to more opportunities in the future. Some individuals spoke of how in this type of environment it is easy to get stuck in the ‘expert role’, which can be restrictive in terms of career development.

Others spoke of career success as relating to enjoyment and job satisfaction. For these individuals having the opportunity to work on a variety of assignments and roles was stressed as being important to them. The general view from the discussions was that the firm is currently able to meet these needs. To be successful in managing your own career in this type of environment it seems that individuals need to have highly developed skills in: networking and influencing, self-management, self-awareness, as well as the ability to manage risk at a personal level.

Career paths and options within the firm

Although there is a fairly traditional career path for fee-earning staff within the firm, the research highlighted that for those who want to have a protean or more individualistic career the firm offers a wealth of opportunities. The general picture gained from the research was that the firm provides “... a land of countless opportunities, but that sometimes it is difficult to work out the terrain and best route to get to where you want to be, because of its size”. However, there was a great sense of optimism in that if an individual is interested in something, be it a particular piece of work or the opportunity to work with a particular type of client, all he or she needs to do is put their hand up and the opportunity is usually made possible. One individual commented that "If you want something and you want it enough, then pursue it. There is usually a way to get there."

A typical career path for individuals who have chosen a career as an Accountant, for example, is that they join KPMG from University and then follow a three year training process to qualify. This route is perceived to be a good grounding even for those who do not necessarily see their longer term career within Accountancy. There is an assumption that, once qualified, individuals will be promoted to manager position within two to three years. Thereafter, the career path is promotion to senior management, followed by Partner, assuming that the individual meets the firm’s performance and assessment criteria. Individuals also need to establish several sponsors who can support them with their case for becoming a Partner.

The time period between qualifying and reaching manager position is perceived to be key in terms of creating opportunities for broadening one’s skills and gaining exposure to different roles and projects within the firm. There is a perception that once an individual has reached manager position there is less opportunity for working in a different discipline, because of the need to keep one’s professional knowledge and expertise up-to-date. Unlike in other organisations managers in the firm are expected to remain technical experts, so that they can build credibility with clients and manage client projects. The perception is that time spent in another part of the business, where the manager’s technical knowledge is not kept up-to-date, would make it difficult to return to their former role.
However, those already working at manager level do not perceive out-of-date technical specific knowledge to be such a barrier to mobility as those aspiring to manager position. Managers feel that in some cases it may simply be a case of scheduling time for individuals to get back up-to-speed when they return to their former role.

For those working in a business support role i.e. a non fee-earning role the career paths are less clearly defined. For these individuals career development occurs more through development within the current job role, or through movement to a similar role in a different part of the firm. However, it is possible for business support staff to pursue a fee-earning career path should they choose. One way of achieving this is to study part-time to gain a professional qualification, this would then enable the individual to move into a fee-earning role. This is something which the firm encourages and supports, both at a practical level, as well as financially. Another option is to move, in a business support role, to another business area, and having developed the relevant skills become more involved in fee-earning activities.

The growth in the consulting side of the business has opened up opportunities for individuals from different disciplines and with a varied business sector knowledge and/or experience to transfer into a more broad-based consulting role. Some of the individuals who contributed to the research had made this type of career move. Again this is a positive example of how individuals are developing their careers in both a lateral, as well as vertical, way.

**Responsibilities for career management**

The firm does not have a formal career management system as such. It recognises the need to identify and develop talented people, but there are no separate programmes or processes for individuals who are considered high potential. The Partners are responsible for managing succession planning and ‘talent reviews’ within their own areas. This approach means that the promotion process is perceived by some as not being as open as it could be.

Individuals are expected to manage their own careers. This is something which is made clear to individuals when they join the firm. At one level there is an acceptance that this is how it should be, since this is a professional community who have the capabilities to manage their own career development. However, in practice, identifying and facilitating development needs is more of a partnership between the individual and his or her counselling partner/manager.

There are two formal processes which enable individuals to get feedback on their performance and discuss their more immediate development needs, as well as future career options. One is the appraisal system which focuses on achievements over the past year, objectives for the coming year, as well identifying development needs. The appraisal system is values and competency based; thus it is perceived to be an equitable system as individuals know what is expected of them. The appraisal discussion is a key forum for individuals to discuss their development needs and the types of assignments which could help satisfy these, with their counselling partner/manager. Appraisals are usually conducted annually, with some areas holding them bi-annually.

To ensure that they get the most out of the appraisal discussion individuals need to spend time gathering feedback and information from others beforehand to feed into the process, for example, from other managers whom they have worked with over the year, peers and in some cases clients. This gathering of evidence for oneself seems to be particularly important where an individual may not have worked directly for the counselling partner/manager over the year.

A second process for discussing performance and development needs occurs through the Engagement Review system where specific feedback on individual contributions to a client
When conducted in a timely way individuals feel that the Engagement Review system provides a useful source of personal feedback. Again individuals need to take responsibility for ensuring that they receive the feedback from this process and that they have an opportunity to discuss it with their counselling partner/manager.

The managers who participated in the research feel that it is important for them to listen to the needs of individuals and to watch for signs to indicate that an individual is not being fully challenged, or indeed that an individual is under too much pressure. They also see it as their responsibility to act as an information source in terms of job opportunities currently available within the firm, or on the horizon, which may fit with an individual’s development plans. The manager’s role in supporting individuals with their development plans, even where this means transferring to different parts of the firm, is crucial for maintaining the credibility of this open career management system.

Whilst this open and less structured approach to career management has worked well in the past, most individuals who participated in the research expressed that a more structured approach would be more helpful to individuals, particularly at different phases in their career. In part, this need has been recognised by the firm and several new support initiatives have recently been introduced in response to these concerns and are detailed in the next section. These initiatives have been the result of a partnership approach between Human Resources and individuals in the business.

The Human Resources role in facilitating Career Development is increasingly becoming more strategic, focusing on the longer term human resource needs of the firm. Increasingly HR is involved in discussions at the top table through the European HR Director’s role within the UK management team. In practice, the more recent career management support systems have been introduced through a partnership approach between Human Resources and individuals in the firm. The Career Broker role and the Career Ownership Workshops are examples of this successful partnership approach.

Corporate-wide support mechanisms for career development

There are several support mechanisms in place to help individuals manage their career. Some of these operate at a corporate wide level and some are more specific to a particular business area, unit, or department.

- Development and assessment centres

All individuals who are appointed to senior manager position attend a Development Centre where their skills and behaviour, in relation to a known set of values and competencies, are observed. As part of the Development Centre process individuals receive one-to-one feedback on their performance from an observer. Following the Development Centre individuals may also have one-to-one coaching sessions with a Human Resources Advisor to help them take forward development needs identified during the Development Centre. Individuals who participated in the research and who had been through the Development Centre process spoke of how they had found this to be a very useful experience. In particular, they valued the support made available to them after the Development Centre, for example, having access to a personal coach to help them work through their identified development needs.

Individuals who are being considered for Partner position attend an Assessment Centre, which is also values and competency based. They also have a one-to-one session with one of the Human Resources Advisors to discuss the individuals motives for wanting to become a Partner. Questions like “Why do you want to be a partner?” and “What will it mean to you to be partner?”, are raised and discussed during this session. The Human Resources Advisor
who works most closely with individuals aiming for Partner explained how initially existing Partners were sceptical about this approach. However, over time they have begun to realise that it is all right to discuss these types of questions and that it is important to consider what the individual wants, as well as what the firm wants. Going forward this questioning process is perceived to be crucial for individuals too, particularly as the role and demands on partners are changing. Increasingly, partners are being expected to demonstrate excellent people management skills, business management skills and relationship management skills.

As well as the support provided for those aspiring to be Partner, individuals can help their own case by identifying several sponsors who are willing to guide and support them with their case. Through experience individuals learn that it is important to have an eye for building relationships with sponsors from different business areas. In this way they maintain visibility and support in an organisation which is constantly evolving and restructuring. Individuals aspiring to Partner position are also expected to have an ‘out of the box experience’ which is expected to last for a period of at least six months. The objective of this approach is to broaden an individual’s experience prior to moving into a partner role. Individuals are involved in the discussion regarding which ‘out of the box experience’ would be most appropriate. It can either be an international assignment, a project in another part of the business, or working within a client organisation.

The concept of an ‘out of the box experience’ is new to the firm and inevitably there have been several tensions. First, there is a concern that six months is not really enough time to get to grips with a new area and make a significant impact. Second, individuals can find it difficult at times to identify which ‘out of the box experience’ would be most appropriate for them given their longer term career goals. Third, these experiences can cause personal tensions, particularly for those in a dual-career family situation.

• **Career ownership workshops**

Career Ownership Workshops, introduced around a couple of years ago, were a direct response to a concern regarding the need to retain more individuals who had undergone their professional training within the firm, particularly those in Tax and Audit. Individuals who are about to qualify have several choices to make regarding their future career at this particular time. In the past individuals have found it difficult to identify what these options are and where to go for support and information, because of the sheer size of the firm. As a result, many newly qualified professionals have left the firm just at the point when they qualify. This was perceived by many as a lost opportunity, as well as a drain on resources.

The decision to run Career Ownership Workshops was taken following a consultation process between Partners and those newly qualified in Audit. The workshops enable individuals who are about to qualify, or have recently qualified, to find out what their future career options are. They may be half day or full day events. The firm has adopted an open approach to these workshops recognising that they are in competition with other organisations for newly qualified professionals. The rationale behind the workshop is to provide a forum where individuals can stand back and review their career options, both within the firm and outside, as well as identify people who can help them think through their decisions. Individuals who participated in the research commented on how much this they valued the open attitude adopted by the firm.

During the workshop there are presentations from different parts of the business on the type of work and range of clients they work with. Individuals may also hear from external speakers who can give them insights into opportunities outside the firm. There is the opportunity for individuals to gain advice on preparing their c.v. from recruitment consultants. There is also an opportunity to have informal one-to-one discussions with a number of people about possible career routes within the firm. On some workshops
individuals who have worked for the firm in the past have been invited back to give a presentation on how they have developed their career outside the firm.

- **Career Broker role**
  Following on from the success of the Career Ownership Workshops a Career Broker role has been introduced in some business units. The Career Broker acts as an independent advisor, as well as an information source, for individuals who are unsure about how or where to develop their career. Career Brokers network with managers and other Career Brokers in other parts of the firm so that they can put individuals in touch with the right people with whom they can have informal discussions about possible job roles and career opportunities. The intention is that this role will complement the advice provided by counselling partners/managers during the appraisal process, not replace this.

  Individuals who perform the role of Career Broker are selected from the firm. Some may combine the Career Broker role with their other responsibilities. In this way Career Brokers have direct experience of working in a particular business unit and are thus in a better position to help others decide whether working in a particular area will meet their career goals. Although the Career Broker role is still in its early stages the response thus far has been positive. For individuals it has provided the independent source of advice which some have voiced as being an important additional support tool.

  Performing the Career Broker role is a developmental experience in its own right. Individuals performing the role find it challenging and stretching. It is a way of developing some of the softer skills too, for example, relationship building and questioning skills, as well as building up one’s knowledge of the firm. Some individuals have found that the role provides them with an opportunity to work more closely with Human Resources, thus helping to meet a personal career development goal too.

- **Other resources and development routes**
  The firm has an internet site called ‘An Ocean of Opportunity’ which provides information about current job vacancies within the firm. This is linked to other parts of the intranet which contains information regarding the range of projects being undertaken by different parts of the firm, as well as contact details. Each of these sources provide key information for individuals to help them manage their career.

  Individuals can also gain sponsorship for external training, particularly qualifications programmes such as masters programmes, provided they can demonstrate how this will add value to the firm. The firm also provides an extensive range of development activities covering technical and personal skills.

  Development opportunities can also occur through the firm’s Community Broking Service. An example here is the head-teacher mentoring programme which operates in forty schools throughout London. The programme involves KPMG staff mentoring head-teachers in order to help them develop their financial management and organisational development skills. Secondments to other parts of the business and/or teams are another accepted way for individuals to develop their career. The opportunities seem plentiful, they can extend to any part of the firm, including internationally.

**Some local initiatives**
Several of those interviewed spoke of local departmental initiatives which have been introduced to help individuals with their development needs. These are initiatives which have been introduced following discussions within the department on what additional support would be of value to individuals to help them manage their career development.
In Consulting, for example, a coaching role has been introduced. This role was introduced in response to a direct request from consultants, particularly those new to the role, as a way of helping them settle in to their new role and develop their consulting skills through learning from the experience of others.

In Corporate Recovery, a manager has been assigned the role of more closely matching personal development needs with the skills needed on client project work. The perception from individuals within this part of the firm was that development needs were not always given sufficient priority when allocating staff to client projects. Individuals felt that resources were being assigned to projects on the basis of known past experience, which meant that individuals felt that they were being pigeon-holed in a particular role; something which was felt to be limiting in personal development terms. This appointment arose as a way of addressing these concerns. This particular manager is now involved in the appraisal process so that she has a better understanding of each individual's development needs. In this way greater alignment is being achieved between the skills required for a particular client project and the development needs of individuals.

**Tensions relating to achieving career success**

A number of tensions relating to career development within the firm were uncovered during the research. The key tensions and how these are currently being managed are discussed below.

**Gaining access to information**

Individuals who participated in the research spoke of how much they valued the openness and lack of formality of the internal transfer process. As mentioned earlier known job vacancies are made public on the intranet site ‘An Ocean of Opportunity’. Whilst there is a formal job application process individuals have an opportunity for an informal discussion with the relevant partner/manager. Assuming that there is a match between the needs of department and the individual the transfer usually goes ahead. The support of the current manager is vital in terms of making this open job posting system work. However, not all jobs and client assignments are posted on the intranet. Thus given the size of the firm and the range of client projects it undertakes, individuals can find it difficult to gain up-to-date information upon which to make career decisions.

Individuals who participated in the research expressed that to manage your own career within the firm you have to be pushy and spend time networking. This is felt to be the only way of finding out what project work and opportunities are coming up and for getting your name in the frame. Several of the individuals who contributed to the research had engineered roles on projects which mapped directly onto their development goals, through personal networking. Some of these roles were on fee-earning projects, others were on business support projects, such as working on Human Resources projects. Networking with people at all levels and in different business areas is perceived as being key in terms of getting to where you want to be. However, individuals spoke of how networking can be difficult at times, particularly when working for long periods of time at a client site.

The Human Resources Development team are currently developing an on-line Career Management System which will act as an additional resource bank for individuals to draw on when exploring career options. The system will contain information such as: how to get from A to B in terms of the competencies required; profiles of individuals showing how they got to where they are within the firm, as well as a list of resources which individuals can draw on to help them manage their career. The system is expected to be completed later on in the year.
Balancing a career with other commitments
The nature of the work within the firm can make it difficult for individuals to gain a balance between work and their non-work commitments. Fee-earning work often involves working long hours and sometimes requires working away from home for extended periods of time. This can create tensions for individuals and their families. Although one of the firm’s values is to demonstrate respect for an individual's need to balance their personal and business lives, there is a sense that the firm does not always pick up the signs that an individual is under stress, as quickly as it could. It was felt that more could be done more to support individuals who want to achieve greater balance in their lives.

For women wishing to develop their career within the firm the tension of achieving work-life balance is felt to be more problematic. Family commitments mean that some fee-earning roles are not feasible, which can create tensions in terms of building up the necessary experience for more senior roles. Moving to a business support role, where the opportunities for working in a more flexible way seems more feasible, is an alternative career option. However, this is perceived as taking a backward step.

The research highlighted different perceptions regarding the extent to which achieving work-life balance impacts upon career progression within the firm. Those already in more senior positions feel that achieving balance is less of a problem once one’s credibility within the firm has been established. In this case it is more likely that personal preferences and commitments are taken into account when projects and workloads are being assigned. Thus should an individual ask not to be assigned to a particular project, and they have a good reason for this, this is not usually a problem and it does not create a black-mark in terms of future career development. However, those who are just starting their career and are not currently in a management role were less certain of this.

Whilst there are many existing policies relating to flexible working practices, many individuals are not necessarily aware of what these all are. In addition, there many informal flexible working arrangements operating within the firm; as these are not widely publicised this again makes it difficult for individuals to know what is currently feasible. For women, in particular, this is perceived as a barrier in terms of future career options. This is a view echoed by Ruth Anderson who was appointed to the KPMG Board last year. In a news item in the Guardian at the time of Ruth Anderson’s appointment she was quoted as expressing the view that more effort needs to be invested in helping women balance their work and family commitments so that they can reach senior positions within the firm.

Careers in the future - opportunities and challenges
In response to the question “What do you see as some of the future challenges facing the firm with regard to career development?” the following thoughts were expressed:

- Helping individuals (in particular women) develop meaningful careers whilst respecting their need for work-life balance. It was felt that there was an opportunity for exploring different forms of flexible career options/working practices which would ensure the continued delivery of a respected professional service, but enable individuals to have a more balanced lifestyle. One team is already championing a new working approach to help address the issue of work-life balance. They have introduced the idea of a ‘Quality of life week’. Individuals in this particular team take it in turn to have their quality of life week, which means making a conscious effort not to work long hours. Making this approach work in practice requires a partnership approach between team members. Each team members need to demonstrate sensitivity to the pressures others are
experiencing, as well as offering support to the individual who is having their ‘Quality of life week’. This has to be a reciprocal arrangement to work effectively.

- Enhancing and promoting the career development opportunities for those pursuing a career in a business support role, thus ensuring that individuals in these roles feel more valued.
- Balancing the tension between an individual’s ‘in demand factor’ and the danger of burn-out. Here it was felt that there was an opportunity to improve the process of matching skills to assignments/situations, thus not placing individual in untenable situations. In addition, the option of some scheduled time away from fee-earning activities was raised as a way of minimising the risk of burn-out, as well as creating the space for individuals to work on projects which are more closely aligned to their longer term career goals.
- Given that career success for many individuals is aligned to their need for interesting and challenging work, the continued availability of this type of work was raised as a major challenge for the firm.
- Develop a more open succession planning system so that individuals can base their own career decisions on relevant and complete data.
- More forums for individuals to gain firsthand information about the firm’s future plans. Again this was felt to be a key source of data for personal career planning.

Conclusion

Professional service firms are perhaps prime examples of the challenges of attracting, motivating and retaining knowledge workers. The link between individuals and their value-add to the business is perhaps more apparent in PSFs than in some other types of organisation. Despite this, implementing imaginative career practices which meet the needs of individuals and firms can be difficult. Many organisations are slower to react to changing labour market trends than employees. The initiatives described in the KPMG case indicate how coherence of initiatives and a willingness to engage with employee needs, offers an encouraging way forward.
Conclusion

“In those organisations where it has worked best, the new career contract does not represent a discontinuous corporate trauma. Rather it is simply an intelligent response to a turbulent and unforgiving economic climate. In this environment, ‘success’ comes disguised as an ongoing and difficult struggle, but one with a clear sense of values and vision, an appreciation of the crucial role of employees in achieving that vision, and a lifelong process of continuous learning”.

Hall and Moss, 1998

This stocktake of the state of careers in the year 2000 suggests that macro political, economic, technological and sociological changes are indeed driving the increasing need for organisational flexibility and a changing work culture. The shifts of recent years are no temporary ‘blip’. Global competition and the transformation of the nature of business through technology mean that the workplace is undergoing inexorable change. Increased competition has seen some sectors decline (traditional manufacturing in the developed world) and a greater value attached to so-called ‘knowledge work’ as a means of gaining and maintaining competitive advantage. Speaking in 1998, Richard Brown, CEO of Cable and Wireless suggests that, even in down times, organisations should “train and develop your critical people, managerial and technical. Nothing is more important than growing your ‘A’ players, which is conducive to better retention, and promptly dealing with ‘C’ players. This is an opportunity for exercising leadership”.

Employees have already experienced many of the effects of change in recent years. Many of the career certainties of the past, such as what constituted a ‘safe career’, a sure means of advancement and a guarantee of a good pension, are now in doubt. Corporate careers have moved in the direction of horizontal rather than vertical progression. Managers who have developed their career as generalists now find their value questioned when business-focused specialists can do the job without their help or control.

Of course some people are likely to fare better than others in the changing career scenario. Employability is still in the eye of the beholder and affected by context factors. People most likely to thrive are the textbook employees who successfully adapt to horizontal careers and accept responsibility for managing their own career. Often ‘architects of change’, they thrive on change and constantly look for new ways to improve their practices and challenge the status quo. These self-empowered individuals are motivated by teamwork and developing broader skills rather than simply achieving conventional status. Such new-style employees actively negotiate development opportunities as part of their recruitment package and take responsibility for their own learning. They have a clear sense of what is important to them, and indeed are likely to be identified by their employers as key contributors. Though it is tempting to think that people with these qualities are new to the labour market, our research suggests that people with such skills and attitudes exist across the age range.

The need for workforce flexibility is being mirrored by the notion than careers will henceforth become more mobile, and individuals more adaptable to constantly changing environments. Only those who have the capacity for continuous learning and for coping with ambiguity are likely to survive and thrive since one of the key aspects of the old psychological contract – the notion of job security - has been challenged by the downsizings of the eighties and nineties. Our research suggests that this appears to be felt in organisations of every sector, but whether people perceive lack of job security to be a problem is much debated. Groups more at risk than others include middle-aged employees whose entire career experience has been within one organisation. They are likely to be the
most adversely affected by lack of job security, since ageism in recruitment practices appears to be still rife in the UK at least.

So are people developing a new concept of career? Our 1998 and 1999 surveys suggested that most people, especially those who perceive themselves to be high flyers, still aspire to a high level position, preferably in the same company. Yet the signs of change may be there. While people’s aspirations may not have changed much, their belief that they can manage their career has shifted. Perhaps the most striking finding in this research is the extent to which people claim to be confident about their employability. Whether such claims are defensive posturing, or based on an astute assessment of what is needed to avoid job insecurity, matters less than the fact that people report themselves to be in charge of their own development. This is very much in line with the self-managing protean career described by Douglas Hall and the ‘new deal’ of Herriot and Pemberton. People are making efforts to make themselves employable, whether in the current organisation or outside.

However, these new forms of career are supposed to be based on partnership with the organisation. Our research, mirroring work carried out by McGovern et al. in 1995, indicates that the organisational side of the partnership is lagging behind. People’s attitudes towards lateral moves for instance appear to have shifted significantly. Whereas sideways moves might once have seemed ‘death by special project’, or an admission that no further career progress is likely, these now appear to be viewed as an interesting option and a way of building employability. On the other hand, the way in which organisations are approaching lateral development is changing much more slowly. Despite employees’ willingness to adapt to new career models, few viable career alternatives seem to have appeared. The support which people might expect to help them embrace the realities of the new career appears thin on the ground.

Hall argues that career partnership should take the form of brokering, creating learning opportunities, facilitating lateral moves and enabling employees to build interesting jobs. Our research confirms that people want real help with building career paths so that they can see a way ahead and have something to aim for. Yet few organisations in our surveys seem to be addressing these issues in a serious way. Initiatives are at best piecemeal rather than strategic and are usually driven by a belated recognition of the need to address a problem, such as an inability to attract or retain key employees.

This fairly basic mismatch between what employees are asking for and what organisations are offering is perhaps to be expected. As has been said elsewhere, employee attitudes adjust on average some seven years earlier than organisations’ capacity to deliver. So, on the surface of things at least, many individuals in our surveys state that they now recognise that they are responsible for their development. They acknowledge that employability has replaced promotion and job security. However, our findings highlight some curious ironies:

- While employees are adjusting to the notion of employability, few seem to be contemplating portfolio careers. The length of job tenure and other indicators suggest that most people would rather develop their careers within their current organisation.
- Many organisations implicitly prepare people for a mobile career by doing nothing to support career development. The most able employees are therefore not discouraged from finding jobs elsewhere. Our research suggests that they feel quite confident that should they wish to, they can get a job elsewhere. Organisations which neglect to provide career development opportunities may lose the very people they depend upon and would like to retain.
- By default, organisations have encouraged people to consider ‘employability’ to mean ‘get a job elsewhere’. Some organisations have been reluctant to spend money on training people who may well leave. Yet research suggests that where training and development are geared towards increasing internal employability, people enhance their
skills and stay longer with their current employer. With specialist knowledge work being in short supply, this has to be a good thing.

- Organisations which maintain or reintroduce conventional forms of career management may also do more harm than good. Though people still aspire to onwards and upwards, they are often not prepared to make the longer-term commitment to the organisation that such schemes often require. Where fast track schemes exist they are often subject to a high ‘churn’ rate.

- This research suggests that people are more willing to contemplate lateral career development than just vertical promotion, as was the case in my High Flyers survey of 1998. But because lateral development seems to be as difficult to obtain as vertical promotion, and organisations still attach more symbolic and financial value to vertical promotion, people are discouraged from seeing lateral development as a viable alternative to conventional promotion.

Careers are not simply a little local issue between employers and employees. While people’s experiences and aspirations may vary according to a range of factors including age, gender, race, location, type of industry, company background etc, careers are a social issue reflecting broader thrusts within a given society. Perhaps some of the greatest ironies at the start of the new millennium are to be found in some of the predictions of pundits about changing career patterns:

- According to Judy Rosener, mobility and flexibility will benefit both employees and employers. There will be a shift away from benefits being tied to a particular organisation. In future, benefits will need to be portable, adjusting to the demands of changing career patterns and providing freedom to move. However, in the UK, proposed tax law and other changes appear to work against such mobility. Self-employed contractors may well find themselves becoming ‘employees’ for tax purposes and proposed pensions legislation may well limit people’s career mobility and the age at which they can embark on a new career.

- Again, according to Rosener, people can expect three to five careers in a working lifetime. Women in particular appear to have the advantage since they are able to capitalize on their intuitive attributes and work well within a network economy. However, the level of attainment is still tilted against women.

Since some of the major drivers of the changing career are likely to continue unabated, organisations need to develop their side of the partnership if they want to get and keep the best. This is in everybody’s interest because most employees still want to grow their career in the same organisation. If those people have both the skills and knowledge the organisation needs, maintaining an active career partnership makes sense. Some employees may be willing to shift away from aspirations for ‘onwards and upwards’ if the organisation can supply the right degree of support for a different kind of career.

What do employees want from this partnership? Some of our respondents want greater flexibility; most want the chance of a better work/life balance, more reasonable workloads, a chance to grow on the job, and a challenge. Most of all they still want to have a sense of future directions, both in terms of organisational strategy and career paths so that they can better develop their career to their satisfaction. Though Hall says that career planning does not really fit the new career paradigm, but job planning does, in practice our research suggests that people do want to know what routes available to them are so that they can start to navigate their way through the career jungle.

And for the future?

So what are the trends that this and other research suggest?

- Most employees still hang on to the idea that career progression means promotion even if they are actively developing their skills and have given up the idea of job security with
their current employer. Many still crave security and employers may find benefit in enabling employees to have some ‘certainties’ in so far as these are possible. Some organisations are already aiming to offer a degree of job security as a means of attracting and retaining the best.

• Employees are becoming more confident about their employability and more likely to consider job moves now that the bonds of loyalty have considerably lessened. Increasing job movement and negotiation of career packages are probable.

• Highly employable people seem to now be looking for roles which appeal to their personal values, and money may not be the main consideration. More cross-sectoral job moves may be likely, including moves in and out of the voluntary sector. People may increasingly choose to take career breaks or work flexibly in order to have more of what they consider important. Employers in the knowledge economy (especially .coms) are already recognising the need to attract skilled employees by having a well articulated set of values which really work in practice.

• Work/life balance is becoming a major issue for many employees and is becoming a factor in people leaving organisations and looking for alternatives, including self-employment. People are less likely to be amenable to ongoing demands for long working hours and organisations will increasingly consider the implementation of work/life balance policies as a business priority.

• Employers are likely to have to develop ‘revolving door’ policies for departing employees whose skills are in demand and be prepared to negotiate appropriate deals to attract talent back into the organisation. This may be more expensive than having good development possibilities in place to start with.

• Flatter structures are likely to remain a dominant idea though ‘knee-jerk’ relayerings will be in evidence – however these are unlikely to last.

• Many organisations are regretting parting with more experienced / older employees and are now making early departures more difficult. The challenge will be to keep ‘tired’ employees motivated when they are unlikely to be offered another step on the ladder.

• The so-called ‘post-corporate career’ is really starting to happen and will become a more clear-cut trend as people’s confidence increases.

• Career resilience is likely to be the key determinant of successful career self-management, linked with the ongoing quest for learning and new skills.

• The role of managers is changing and a variety of roles is now emerging. The old split between ‘command and control’ and ‘participative’ management styles is blurring as there is increasing recognition that the role of managers needs to reflect current business conditions rather than popular fashion. However, a longer-term shift appears to have taken place with even traditionalists now recognising the need to motivate employees and to engage in building a motivating climate to support high performance.

• Managers are in the front line of career matters and typically receive little practical help to enable them to make a good job of this. It is likely that wide spans of control will shrink to enable managers to really carry out the development of aspects of their role.

• It is possible that generalist managers will become an endangered breed unless they are managing large and complex projects. It is probable that generalists will need to develop some expertise of their own, if only in leadership, if they are to add value. The .com model of entrepreneurial leadership is likely to become a dominant fashion for a while.

• Leadership will continue to be a key issue across all sectors- much craved by employees and generally perceived to be lacking in UK organisations.

• Organisations will continue to cast around for solutions to long term succession planning. Relatively conventional fast track schemes appear to be on the increase but it is questionable whether these will prove effective.

Rather than fighting against the rising tide of mobility, HR can help by developing relationships and joint ventures with various parties engaged in the mobile workforce. These
include employable workers themselves, contractors, interim managers, consultants and employment agencies. A key challenge for HRM will be to seize the opportunity to transfer the valuable skills and learning of incoming employees so that they become part of the organisation’s culture and strategy? This change of focus from retaining the people who bring the knowledge, to the knowledge which they bring, makes Parker and Inkson raise the question: *Should the HR manager become, or be replaced by, a KR manager (Knowledge Resource manager)?*

Managing career management interventions may mean doing a few things well, rather than dispersing effort in a myriad of initiatives. Line managers need to be trained up to play their part in the career partnership. This is largely about coaching and being prepared to engage with employees’ career concerns. There needs to be a focus on helping people achieve their self-determined career aspirations, not simply the organisation’s interests. Line managers may need incentives and practical support, including smaller spans of control to enable them to help people with their development as well as performance.

Senior managers in particular need to take an active lead in developing new career processes. They should look for talented people of whatever age, wherever they are based in their organisation. They should have a vested interest in doing this; after all, these people may be their future successors. Hurley et al. suggest that human resources practices should be changed to reward tenure. That way individuals with potential to reach the top can develop the core skills, flexibility and breadth of experience relevant to the organisation. Keeping people moving around the organisation should create both vertical and horizontal openings. Horizontal moves will keep employees learning and interested even when there are no openings for them at higher levels. Organisations should be prepared to part gracefully from employees in whom they have invested and be prepared to welcome them back at a later stage.

Looking ahead, organisations and careers must remain mutually supportive. Miles and Snow describe enterprises in the future in which individual work patterns will drive organizational form rather than following it. The ‘post-corporate’ career is a stage on from the current adaptations to evolving organisational structures. The employee’s contribution is not dependent on the organisation, but mutually interdependent with it. The new dynamic creates constantly evolving networks and partnerships. Mutual trust and commitment will need constant enrichment. This means viewing employees and contractors as partners in a joint venture, rather than as human resources to be managed. For all concerned, the new career should be recognised as a do-it-yourself phenomenon. However, the smartest organisations are likely to be those which offer a real and meaningful opportunity for a long-term career partnership with talented individuals.
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Appendix

The 2000 Management Agenda survey sample

225 managers responded to the survey, which represents a response rate of just over 20%. This is particularly encouraging given the length of the questionnaire, which would require approximately 45 minutes to complete. The sample includes people working in small, medium and large organisations in all sectors of the UK economy, although managers from the financial services sector represent the largest group, accounting for 15% of the total. 60% of the respondents work for large organisations which employ over 1,000 staff, with 42% working for organisations with more than 5,000 employees. Respondents from public sector organisations make up about a quarter of the sample while many private sector respondents work for international or global enterprises.

The majority of the respondents (57%) are male although the difference in the percentage of men and women respondents is less than in previous years. In terms of their role, the majority of respondents are managers in professional roles (48%) with 23% holding specialist managerial roles. Just over 80 respondents are in Human Resource roles.

The sample consists primarily of middle and senior managers – 39% and 42% respectively. The gender spread across the roles reflects typical demographic differences: the majority of directors (60%) and senior managers (69%) are male whereas the number of women in middle management positions (51%) is equal to that of men. In junior management roles, women respondents outnumber men, with women accounting for 59% of this group. When examining these figures it is important to remember that the sample includes a greater number of male than female respondents which may mean that the differences are artificially inflated for the senior positions. Respondents are spread across the ages of 20 to 60+ years although the majority (43%) fell within the ages of 41-50.