



The DEATH of the COMPANY CAREER:

IMPLICATIONS FOR MANAGEMENT

Kerr Inkson

A

s companies seek competitive advantage by building talented, loyal workforces, many of them take the concept of 'career' for granted.

They build human resource systems by developing HR plans, career development programmes and succession plans – all aimed at securing company success while at the same time helping people along career paths and up career ladders.

They socialise newcomers. They offer training and development, promote from within, and set performance standards. They reward loyal service, encourage social activities, and provide pensions. They build employees' commitment, and try to match employees' competencies to the company's needs. It is all oriented to protecting the company's investment in the individual by shaping the workforce to reflect corporate strategy.

If the career is a sculpture, then the individual is the clay and the company is the sculptor (Bell & Staw, 1989).

But is this concept of "career" outdated? Does our understanding need to be drastically changed? A new phenomenon has emerged in recent years, that of the "boundaryless" career (Arthur & Rousseau, 1996).

The boundaryless career takes place not within companies but across companies. Individuals receive their validation and build their reputation in cross-company settings. And the evidence is that in the mobile workforce, most people have boundaryless careers. Through their mobility, their rejection of "company careers", they frequently invalidate the best efforts of companies to build loyalty, commitment, and hierarchical progression.

WHAT ARE THE IMPLICATIONS FOR MANAGEMENT?

THE POWER OF INDIVIDUALS

Individuals and companies both regard the career as a life-long sequence of work experiences. But the perspectives of the individual and the company are quite different.

Companies want individuals whose commitment they can count on, who empathise with the company culture, and whose competencies can be progressively changed and developed to suit company needs. They want to use people's careers to meet their own goals.

Employees want their companies to give them maximum development, even if the career will largely be spent in other employment. They seek to make their own way, to control their own lives. The company is peripheral. "I sculpt my own career, thank you. All my employer provides is the studio and the stone".



In a world where company hierarchies, job definitions and boundaries are crumbling, the company has less and less power to control the careers of employees whose skills are in demand. The company has to learn how to deal with individuals who are making their own career decisions.

Suppose we turn our usual thinking on its head. What happens if we say that companies do not create careers, but that people, through their interacting career behaviour, create companies?

WHAT I AM PROPOSING IS THIS:

Mainstream human resource management is based on the company view of careers.

Massive changes in business organisation are altering the nature of careers, making this view less and less viable.

If we view careers as creations by individuals rather than by organisational planning and control, we will approach employee support activities in a very different way.

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AN END TO STABILITY

In dictionary definitions, careers are viewed, above all, as providing stability in people's lives. Terms like “occupation”, “profession”, and “lifetime” are used. The Concise Oxford Dictionary includes the following definitions: “Career, noun, 1. one's advancement through life, esp. in a profession. 2. a profession or occupation, esp. as offering advancement”.

But as a verb, “career” takes on a very different meaning: “Career, verb intransitive, move or swerve wildly about; go quickly”. Part of our problem with careers is that they are losing the characteristics of structure, as in the noun meaning, and taking on the characteristics of action, as in the verb meaning.

Organisations tend to focus on themselves, or possibly the industry, as the source of stability: “A career in IBM” or “a career in banking”. For an organisation intent on building a stable, loyal and skilled workforce, this is understandable. Yet, wherever we look, the stability is no longer there. Occupations and professions transmute and adapt, leaving their less flexible members stranded like fish on the beach.

I recently interviewed a highly-qualified accountant who hadn't taken the trouble to upgrade his skills and had been unemployed for 10 years. IBM and the banking industry downsize regularly. How do the people feel who were, possibly implicitly, promised a career by these companies but were laid off after half, or a tenth of the career they expected?

In fact, most careers are far more unstable than our popular imagery suggests. The average American works in 11 different organisations in a lifetime, the average Japanese in eight (Cheng, 1991; Maguire, 1993). Research conducted on New Zealand managers' job changes in the 1980s showed that half of the transitions – which took place, on average, every three years – involved changing employers, and three-quarters of them involved changing functions (Cawsey & Inkson, 1993).

Yet within organisations we continue to set up career systems and succession plans based on assumptions of long-term employment in the organisation. And in academia, 80% of the careers research in management journals is conducted on careers within single organisations (Arthur & Rousseau, 1996). Both business and academia appear myopic in their beliefs in the viability of strategic, organisationally-controlled career systems.

Today's organisational restructuring creates a rather hostile environment for the traditional corporate career (Inkson, 1997). The long-term company employment model depends on a number of factors. Each may have served us well in the past, but they have become increasingly anachronistic (see Table 1 on page 14).

Individuals are also becoming aware that the personal growth they experience in a single, specialised organisation or role may make it more and more difficult for them to take on new roles elsewhere.

TABLE 1: COMPANY CAREERS VERSUS CURRENT CONDITIONS

Condition needed for company careers	Current environment
Clear job-to-job progression projects	Fewer full-time jobs; work increasingly defined as temporary
Status hierarchy for career advancement	Companies flatten their structures
Companies expand to provide more and more senior positions	Companies contract, downsize and outsource
Companies retain businesses in which employees developed expertise	Companies divest non-core businesses and have fewer functions
Companies develop high staff commitment	More staff are peripheral, part-time, on contracts
No competitors for employee loyalty	Staff work across company boundaries, in second jobs, as contractors, consultants, or in 'portfolio' careers
Companies offer security, a feeling of belonging, and status advancement	Individuals increasingly seek variety, diverse networks, and autonomy

“A gardener worked for low wages in the best gardens available, to learn from the most knowledgeable senior gardeners and garden owners.”

In *THE AGE OF UNREASON*, Charles Handy (1989) talks about the organisation of the future as being like a shamrock. The workforce is divided into three “leaves”. They are:

- the core staff of loyal employees;
- those on the contractual fringe, who are paid for results not time; and
- the flexible labour force of temporary workers.

In most organisations, the core is reducing and the other two parts are increasing. Yet conventional models of human resource management are based on building long-term commitment and tend to relate only to the core.

Even there, as Handy says, the model works less and less well. More organisations are setting up their cores like professional service firms, where hierarchies disappear, and reward is based on performance rather than status.

KIWI CAREERS

For companies to relate to their human partners in this destabilising world, they need to understand how the changes affect those partners in their individual careers.

In recent times, for example, managerial careers have changed their dynamics. Studies of members of the New Zealand and British Institutes of Management in the early 1990s showed distinct patterns of career reversal and increased movement between organisations as managers struggled to cope (Cawsey & Inkson, 1993; Inkson, 1995).

In an intensive study of New Zealand career histories through the deregulatory period 1985-1995, my colleagues and I collected 75 case histories of New Zealanders from all sections of the working community (Arthur, Inkson, and Pringle, 1999). The people represented various occupational classes and ethnic groups, and there were equal numbers of men and women.

These case histories are being interpreted through the lens of “boundaryless career” theory. This considers careers in terms of the crossing of traditional boundaries, particularly those between organisations. Boundaryless career theory, in contrast to typical concerns about the costs of labour turnover, stresses the learning to be gained and transferred among organisations through the mobility of people pursuing their careers.

When people change jobs – as they did, in our sample, about every four years on average – more often than not they change employers as well. With surprising frequency, they change occupation and/or geographical location. A third of our sample had had at least one radical career shift during the decade.

Where the focus in the past has been on employment, it is shifting to employability. More and more, people understand that they can’t count on employment in the way they once could. In a knowledge society, the best kind of knowledge can be readily transported across company boundaries.

When we asked people what they got from each job they had held in the previous ten years, they spoke mostly of what they had learned. They identified skills they could see as having long-term value in their careers. But they also identified personal growth and network contacts that enabled them to refocus, find new opportunities, or change career direction.

Some had been disillusioned by long-term employment. They felt they had allowed their skills to narrow or stagnate, or had invested loyalty in a company that had ultimately let them down.

In contrast, among the more successful career builders we noticed a phenomenon we have called the “self-designed apprenticeship”. An individual would deliberately take employment at a rate of pay far below the market because he or she could perceive a major learning opportunity. For example, a gardener worked for low wages in the best gardens available, to learn from the most knowledgeable senior gardeners and garden owners. Now he has his own profitable landscaping business.

Networks are important. Two-thirds of the job changes of research participants involved contacts: a past workmate who knew of an opportunity, a colleague with whom the person had trained, an employer who had heard of the person’s reputation. Of course, those with the most helpful networks were those whose contacts went far beyond their current organisation. Developing networks is as important to individual career development as learning skills.

Self-employment is important. Few in our sample had started the decade self-employed and ended as employees, but many had moved in the opposite direction. Several had seized opportunities when their employers contracted-out services.

Among the young, overseas experience was critical, particularly in developing a range of skills and self-confidence, and for getting a sense of direction for their careers on return.

Self-employment and overseas experience are both examples of economic activity getting its traction from proactive individual career activity, rather than from corporate action.

LEASED EXECUTIVES

Another major development in New Zealand and elsewhere in recent years has been the growth of ‘executive leasing’.

Leased executives are normally accessed through agencies and provide temporary management services, typically aimed at specific project goals. A company can employ a high-level manager to achieve specific short-term results without committing itself to taking on a permanent employee. The nature of the contract is a transaction rather than a relationship.

This type of contracting is increasingly common as companies attempt to increase the flexibility of their labour forces. Other examples are secretarial “temps” and IT contractors. But how does a serial contractor structure his or her career?

According to a recent study of leased executives in Auckland (Inkson & Heising, 1998), leased executives see themselves as providing specific advantages derived from their mobility. Compared to the company manager, they claim:

TO HAVE A WIDER VARIETY OF EXPERIENCE;
TO BE ABLE TO TRANSFER EXPERTISE FROM
PREVIOUS PROJECTS;

TO BE USED TO SOLVING PROBLEMS QUICKLY;
TO BE BETTER ABLE TO FOCUS ON THE TASK
IN HAND;

TO BE ABLE TO BRING NEW PERSPECTIVES TO
BEAR ON OLD PROBLEMS; AND

TO BE ABLE TO STAY FREE FROM INVOLVEMENT
IN 'ORGANISATIONAL POLITICS'.

But there are problems with leased executives, too. The organisation can expect no long-term loyalty from the executive, and has only a brief opportunity to properly engage his or her skills.

The expertise the leased executive brings needs to become part of the company's way of doing things during the term of the contract. Otherwise, the original problem is likely to re-appear.

It is clear that the phenomenon of workforce mobility, of which the leased executive is but an extreme example, requires both a new language to understand it and new management principles to respond to it.

A NEW LANGUAGE

Much of our imagery of organisational life is preoccupied with the power of the organisation versus the powerlessness of the individual: the "cog-in-the-machine" type of scenario. By focusing on individual careers, we can reverse the imagery, focussing on how small movements at the individual level can create large new patterns in economic life (Weick, 1996). Companies need to find new ways to respond to the idea of career improvisation (not career planning) by autonomous individuals.

The term "organisation", in the sense of a definable, bounded entity in which people work, is commonplace, and some people make their careers in organisations. But it is arguable that what exists is not organisations (structures) but organisation (a social process).

For example, the film industry used to be dominated by stable organisations such as Warner Brothers, Metro-Goldwyn Meyer, and Twentieth Century Fox. Each had its own studios, its own staff of directors, technical experts, actors and so on, employed permanently or on long-term contracts.

Nowadays, movies are made as projects (Jones, 1996). They are staffed temporarily by professionals who build their careers improvisationally, on a project-to-project basis, as opportunities arise. They acquire "career capital" and reputation through their work, and use personal networks to find the next project. Their careers do not need "organisations". In a world where knowledge is controlled by autonomous, mobile individuals, competitive advantage is secured less by long-term 'loyalty' relationships than by imaginative short-term joint-venturing.

Consider the term "job". Why does work have to be divided up into convenient 40-hour-a-week semi-permanent individualised packages? In the past this may have suited security-seeking career builders, stable industries, and blueprint bureaucracies. But, increasingly, work means projects, temporary activity, teams.

Fundamental change is producing myriad new arrangements of shiftworking, part-time employment, contracting, temporary and casual work, 'black economy' moonlighting, team accomplishments, job-sharing and second jobs (Bridges, 1995). Autonomous career builders and portfolio workers now pursue several opportunities at a time, improvising new skills, flexibilities, synergies and contacts as they go.

What of the common term "Human Resources"? I have already questioned whether humans are resources for the implementation

of corporate strategy, or whether corporates are resources for individual careers. By a simple change in perspective, an employee can empower himself or herself in relation to the company.

Probably it is more useful to think of a worker and institution as partners in a joint venture enabling each to achieve their goals. If they are partners, then what each has to manage is not a human or organisational resource but a relationship.

Similarly with the term "Human Resource Management". If the resource isn't a resource, but a set of autonomous, improvising individuals with their own career directions, how is it to be managed? The term 'relationship management' or 'contract management' – by both companies and individuals – would be more appropriate.

THE REMEDIES THE HR MANAGERS PROPOSED WERE:

- Reduce internal company boundaries – for example, specialist departmental ‘silos’, hierarchical promotion policies – to enable employees to learn outside conventional parameters, acquire versatility, and maintain employability while remaining in the company. Moving people between functions and assigning them to special projects are ways of maximising the “boundarylessness” that many seek within the company;
- Encourage loyalty by supporting mobility, to build a “career-resilient workforce” (Waterman, Waterman, & Collard, 1994). The company assists the employee’s career development broadly, even if the career is likely to move eventually beyond company boundaries. For example, “executive coaching” by external facilitators may broaden employees’ views by bringing in ideas for their development that are not constrained by company considerations. Paradoxically, the more people feel that their futures beyond the company are being safeguarded, the less likely they may be to leave;
- Educate managers about careers, so that mobile employees are not punished for thinking of alternative opportunities. Many managers still have a “loyalty syndrome”. Employee talk about the possibility that they may move on is implicitly discouraged. It is essential that people feel able to front up openly to their managers about career issues, so that counselling and development take place openly. Managers need to recognise the legitimacy of new forms of “transactional” employment relationships to supplement the “relational” forms that are often assumed (Rousseau, 1995); and
- Reconceptualise the role and location of HRM. Increase its ability to improvise the temporary workforce as well as to plan and manage the core workforce. Increasingly, HR expertise may have to be outsourced from agencies competent in sourcing knowledgeable employees and contractors from the external labour market rather than in developing long-term ‘company servants’.

“It is the bees who ultimately shape the form of the flowers, rather than the other way round.”

GETTING THE POLLEN

Much recent attention has been paid to the notion of “core competencies” as the basis of strategic management. Parallel to this is a developing interest in the idea of careers as “repositories of knowledge”.

As people move from job to job, developing their careers, they bring expertise – “competencies” – with them. As the worker does the job, she or he interacts with others and accumulates further expertise. When he or she leaves for another job or another company, the expertise is transferred.

A good metaphor is the bee, gathering pollen from one flower and cross-pollinating the next. It is the bees who ultimately shape the form of the flowers, rather than the other way round.

If this is the way it works, we have another concern for the management of the company/employee partnership. If the bee moves on quickly, how does the flower ensure that substantial pollen is left behind and used productively? If the employee leaves, how does his or her knowledge stay in the company?

This is an area I have not yet studied, but I believe many companies pay far too little attention to it. They hire an expensive expert for a year or two, and then find that when he or she leaves, the expertise leaves too. The more staff are hired for their knowledge rather than their labour, and the more frequently they tend to change jobs, the more acute this problem becomes.

Despite this, some members of the core and most of the contractors, leased executives, “temps”, part-timers and other peripheral workers will seek quite different forms of employment relationships, which do not safeguard their employment, but do safeguard their employability in a mobile world.

A focus group of high-calibre Auckland-based HR managers was convened to ‘brainstorm’ possible managerial responses to the problem of career mobility in the workforce (Parker & Inkson, 1999).

The managers were from a range of industries: manufacturing, telecommunications, retail, professional services. All said they had major labour turnover problems due to growing restlessness and mobility among highly-qualified staff, who were anxious to progress their careers beyond company boundaries.

Perhaps the biggest change of all will be in the mind-set of company managers. They must move from asking, “What do I want that person to do for the good of the company? How do I get her to do it?”, to “What career development is that person pursuing? How could she contribute to the company goals while making that development?”.

“Humans are not resources for companies; companies are resources for humans.”

Thus we see how small movements at the individual level can add up to large new patterns of economic activity. An organisation is a dynamic nexus of interacting careers, and receives its energy from their career-oriented behaviour. A job is a temporary creation of an individual worker in a company setting.

Humans are not resources for companies; companies are resources for humans.

THE CHALLENGE TO MANAGEMENT

The challenge for the employing company manager is to recognise the realities of the new era, particularly the hastening death of the company career. To adapt Douglas T Hall (1996): “The company career is dead; long live the inter-company career!” Managers need to develop new ways of responding.

Many companies will continue to base their structures around substantial cores, and some people may well seek career security of the

traditional type. Some employee-based knowledge relevant to competitive advantage is based not on individuals but on enduring relationships among individuals, or between individuals and the institution. This creates the rationale for the development of company structures and cultures able to endure and to provide continuity in the long-term, and for the ‘core’ of company employees employed on traditional lines.

“A smart employee judges the employment opportunity not by what he or she earns but by what he or she learns.”

In a knowledge society, knowledge is capital. Capital can be invested or traded for other benefits. Each worker is a knowledge capitalist. He or she invests – in each company, job, or project – the knowledge, skills and competencies developed through education, life experience and previous jobs. The company is also a knowledge capitalist, albeit on a larger scale.

In the employment or contractual relationship we have a joint venture. Each party seeks not only to maximise short-term financial benefit but also long-term learning. They want the maximum increment in tradeable capital. Thus, the smart company looks for ways to ensure that an employee's competence remains even after the employee has gone. And a smart employee judges the employment opportunity not by what he or she earns but by what he or she learns, and its value elsewhere.

TIME FOR A SWIMMING LESSON

So many characteristics of modern enterprise and modern employees have changed, that careers as we understand them have already been massively de-stabilised. And even greater de-stabilisation is likely as we enter the new millennium.

Are today's managers attempting to combat tomorrow's problems with yesterday's solutions? If we are trying to combat rising labour turnover by mounting ever stronger attempts to build company loyalty among employees, then perhaps we are.

Remember King Canute, facing the incoming tide and urging his servants to build an even stronger wall out of sand? Perhaps it is time for King Canute to learn to swim. Perhaps it is time for managers to develop new ways of managing partnerships between their companies and those who contribute labour to their companies. In doing so, they will dramatically reflect the changed dynamics of the new career era.



SHARON'S VIEW

Sharon* graduated with a degree in information systems, and a postgraduate qualification in business administration, but soon decided she would prefer to pursue human resource management.

In her first two programming jobs, each lasting about a year, she tried to secure HR experience. She then spent time working as a polytechnic tutor in management, acquiring a good grasp of HR management theory and extensive contacts in the human resources professional community.

Her expertise and contacts next won her a job in a major New Zealand company, where she had three jobs in three years, learning recruitment and selection in one, HR development in the second, and remuneration and HR strategy in the third. Sharon actively sought new situations when she felt she had learned enough. Finally, she left the company to join a smaller organisation in an unrelated field as its senior HR manager.

The polytechnic and the large company had both sought to develop Sharon as a key long-term resource. Sharon saw it differently. She did her job competently and justified her salary, but saw each job only as a stepping stone and learning opportunity. She had used the organisations as career resources, and had customised their learning opportunities to her own career needs.

*Fictitious name. Some details of the case have been altered to protect confidentiality.

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