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# Career Paths for the 21st Century

Jim Durcan & David Oates

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## About the Book

The turbulent changes in corporate culture mean that upwardly mobile managers need more than ever to carve out their own career paths. They must take charge of their personal development and training needs, because they are unlikely to spend more than a few years in any one company. They have to create their own continuity of career progression, rather than relying on corporate HR departments to chart the course for them. This book sets out many developments adversely impacting on career progression - including corporate structural change, cultural change, outsourcing, use of management consultants etc - and then deals with the practical steps that companies and career-minded managers are taking to counteract them.

## About the Authors

Jim Durcan is a partner in The Change House, a specialist management consultancy, and an associate at Ashridge Management College. He works as a consultant and developer specialising in organisational change and leadership.

David Oates has written or co-authored eight management books. He contributes regularly to the national press and leading magazines.

# Career Paths for the 21st Century

How to Beat Job Insecurity

Jim Durcan & David Oates



# Acknowledgements

Career management is still a very inexact science. Finding a new covenant between employer and employee is taking many different forms and is still pretty much at the experimental stage. With little conclusive evidence to show that new career paths are the way ahead, the authors are doubly grateful that organizations and individuals have been prepared to talk in depth about their theories, practices and achievements. We owe special thanks to those organizations that have been prepared to open their new approaches to scrutiny to provide case studies for this book. They include Shell International, SmithKline Beecham, Sun Life Assurance Society, The Post Office, Hoskyns Group, Trent Regional Health Authority, National Westminster Life Assurance, 3M, Standard Chartered Bank and Sun Microsystems.

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A host of individuals gave generously of their time to elaborate on their experiences and theories. Mandy Johnson of SmithKline Beecham and Steve Harrison of 3M kindly

talked to us about their varied careers. Professor Christine Edwards of Kingston Business School addressed the issue of women's careers. David Clutterbuck, a leading management author and expert on mentoring and John O'Brien, a career development counsellor, contributed considerably to the pool of knowledge driving the career development motor forward. Simon Caulkin, writing in *Management Today* and Michael Blakstad, writing in *Director* magazine, kindly gave us permission to extract material from their somewhat controversial articles on subjects related to the theme of this book.

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We hope that the combined impact of all the above contributors has resulted in a book that throws some fresh light on one of the most hotly debated topics in current management circles.



# **Chapter One**

## **Compensating for Insecurity**

A HOST OF turbulent changes in the structures and processes of large organizations means that upwardly mobile managers need more than ever to carve out their own career paths. They need to take charge of their own personal development and training; to develop their own sense of direction. They need to recognize their own values and ensure that these are reflected and fulfilled in their work. They have to create their own career progression rather than rely on corporate human relations departments to chart the course for them. Their careers may embrace many companies or only one – in either case they will need wider experience, more skills and greater competence than their predecessors to rise in their organizations.

The more enlightened companies recognize and communicate that they can no longer guarantee job security. An alternative reward system is needed. Many organizations continue to believe that fatter reward packages and greater benefits will suffice. Others appreciate that to attract and keep the best talent they need to offer 'open market' options and development facilities that improve their managers' employability.

This book outlines the many factors that are leading to a more self-reliant form of career management. It describes and analyses the ways that enlightened companies are helping their employees to prepare themselves for the next

career move. Such career moves may be in a very different direction from their current work.

Promoting self-management of careers requires that organizations do more than provide time to pursue skills training outside a manager's current job brief and establish state-of-the-art training aids to encourage self-development. Innovative organizations are reassessing the whole basis of the employment relationship with their managers. Some are considering the extent to which they should employ managers at all given the opportunities for contracting out whole tranches of the traditional organization. Innovative organizations are seeking new means to meet the growing aspirations of their managers. Simultaneously they are developing structures that are less expensive, more flexible and more responsive to their markets than ever before.

Managers themselves are increasingly realizing that they are operating in an entirely different corporate climate from that of a decade ago. Traditional systems of career planning have been blown away by the sweeping changes, advancing from all directions, that have come in the wake of two severe recessions. Among these changes are:

**(a) Corporate restructuring, the flattening of the pyramid, delayering and downsizing**

Whatever term you use, the fact of the matter is that in order to survive most companies are having to reorganize the way they do business. For many it has meant cutting out huge swathes of middle management to reduce overheads, and the traditional corporate ladder up the hierarchy has lost many of its rungs. There are fewer jobs to which managers can aspire. The middle management training grounds in which people formerly acquired the knowledge and skills to advance their careers have virtually disappeared. Career progression will never be the same again. It is estimated that around 90 per cent of Britain's largest organizations have restructured in the past five

years, nearly half of whom report having noticed increasing demotivation among the workforce.

The old model of career progression for managers was that of the escalator. The major difficulty was fighting your way through the queue at the bottom to secure a place. Thereafter you were carried smoothly upwards and away from those still jostling at its foot. The new model - that of the emergency exit - reflects the impact of a power cut. The escalator has failed. The emergency lights provide little illumination. Those in a hurry are casting about for alternatives - stairways, ladders, ropes, passages and tunnels that would permit them some movement, any movement. Many remain, hoping despite the evidence that 'normal service will be resumed shortly'.

The recession 'survival strategy' adopted by many organizations has resulted in negative effects on employment conditions, according to a survey conducted by the Institute of Management and Clerical Medical Investment Group. The survey - *Survival of the Fittest* - examined over 1,300 managers' current experiences of, and attitudes to, work. Among the findings were:

- Career direction changes for almost 50 per cent of managers. Almost 40 per cent said they were still trying to cope with their changed circumstances.
- One in three respondents had been in their current role for two years or less.
- Extreme anxiety over job security was expressed by one in five managers.
- Concern about future career opportunities was expressed by 60 per cent of respondents.
- Only 15 per cent of respondents expected their next move to be promotion within their existing organization. Almost three in ten saw their future outside the organization.

- Anxiety about their future financial position was expressed by over 80 per cent of respondents.
- For 80 per cent of respondents workloads had increased over the previous two years. Almost six in ten said their workloads had greatly increased.

The survey results offer some fascinating insights into the extent to which managers have begun to adjust to the new realities. If only 15 per cent expect their next move to be promotion within their existing organization but only 30 per cent see their future outside the organization, that leaves at least 55 per cent who see their next move as lateral inside their existing organization, or no movement at all. The likelihood of no movement is doubtful in a situation where a third of respondents have been in their current job for two years or less. The growth in workloads is obviously difficult for those concerned but it is also indicative of the demands for a wider range of skills and competencies. Those demands provide opportunities for managers prepared to search for alternative career paths.

A recent report by Future Perfect, the London-based consultancy and counselling group for organizations and people in transition, suggests that the major restructuring of companies that has taken place over the past decade may represent the ending of the long-standing informal contract between the employer and the employee. 'This contract offered loyalty and commitment in exchange for security. The downsizing of the last years has done much to erode confidence in that contract, and there is now considerable evidence of high levels of distrust among those still in employment.' The report calls for a new type of relationship to be forged.

Such a perspective obviously applies in those larger organizations that had grown in employment terms and are now shrinking. When organizations grow they grow from the bottom up. New layers are added to the existing

organization. Those who join early have all the benefits of the escalator. The faster the organization grows the quicker the escalator and the greater the opportunities. Those who join later contemplate the careers of their managers and expect that theirs will follow a similar path. In reality, once the organization stops growing new opportunities for promotion are reduced to 'dead men's shoes'. If the organization shrinks but the human resources policy is to protect existing long-serving employees then opportunities are further reduced for new and recent entrants.

In contrast, career opportunities in small and growing organizations may still reflect the dynamism and energy of the escalator model. Experience suggests that employment in such organizations is not secure - failure rates among start-up companies remain worryingly high - but in the current climate employment everywhere seems less secure. Smaller organizations, with their looser structures and relative absence of procedures, have always had their attractions for those to whom security was not a key issue. Large corporations are increasingly taking on the market-driven imperative to behave as flexibly and quickly as their smaller rivals. They have to reconsider their whole approach to human resources with its burden of the past and the expectations that were generated.

### **(b) Cultural change**

Companies everywhere are seeking culture changes to align their people's behaviour with the new demands of the market-place and the technological advances that are radically transforming the way they do business. Networking and the delegation of responsibilities to front-line troops are leading to more open systems of management. Organizations that were committed to a strong central direction in pursuit of long-term plans are increasingly revising their priorities. Following the plan is increasingly seen as less relevant than adapting to circumstances. Not

being seen to make mistakes is losing ground to learning from one's mistakes. Entrepreneurialism, risk-taking and innovation are being seen as far more important than keeping one's head down, playing it safe and following procedures. For those who value structure, order and predictability the change provokes a major conflict with their own values and self-image.

### **(c) Business process re-engineering**

Many companies, realizing that they are no longer structured for today's demands are going back to basics and seeking to re-engineer their organizations around their business processes. Detailed analysis by specially formed task forces invariably reveals creaky systems based on out-of-date working practices. Overmanning and long-winded systems between managerial layers that have grown over time and have never been questioned are brought into the daylight and subjected to vigorous review. Ironically, the managers carrying out such reviews are often themselves the first casualties of the realignment. They often preside over their own demise.

Even when times are good, there is likely to be no let up in the drive towards leaner organizations through business process re-engineering (BPR) exercises. Shell recently reduced its service personnel from 7,000 to around 5,500 as a result of reviewing its business processes at a time when trade appeared to be flourishing and its share price was strong (see case study [here](#)). Other major companies are similarly running BPR programmes at a time of record profits. The argument is that the best time to conduct such reviews is when an organization is at the peak of its performance and has the resources to invest in it rather than waiting for a serious downturn. Economic and industrial cycles are inevitable. Downturns will surely happen. The companies that will survive them are most likely to be those

that are lean and efficient and that have acted proactively to get their house in order before the crisis happens.

By redesigning organizations around their key processes some managerial jobs are inevitably eliminated while others are extended. Those who survive the re-engineering are likely to find themselves with much wider spans of control involving more direct reports and responsibility for areas with which they have little or no familiarity. Functional expertise is no longer a guaranteed route to managerial survival. Skills of managing people, open-mindedness, flexibility and a high-level ability to 'learn while doing' are increasingly important.

#### **(d) Take-overs and mergers**

During the economic standstill of the recession, take-over and merger activity slowed down. More recently it has returned with a vengeance. In recent years it has been at fever pitch as major companies around the world have recovered their belief in the advantage of size in the battle for competitiveness. Big is suddenly beautiful again. The result has been bigger and bigger corporations swallowing up smaller firms and merging with organizations that can help to establish their pre-eminence in the market-place. It also means, of course, a lot of rationalization to wipe out duplication of effort and to justify the take-overs. City analysts, wary of the failure of many earlier mergers to deliver on promises of improved performance, are demanding evidence of commitment to cost-cutting before supporting take-over proposals. Greater clarity about cost-cutting goals does not necessarily generate great sensitivity towards clashes of corporate cultures. Cost-cutting and culture clashes threaten managers who thought their careers were secure.

#### **(e) Empowerment**

The trend towards empowering non-managerial staff threatens the traditional roles that managers used to perform and erodes their authority. Command and control methods are giving way to coaching and facilitating. Managers are no longer promoted for their technical expertise, but for their ability to manage people, act as a facilitator and serve the needs of their workforce. Managers are now becoming resource providers and diplomats rather than the people at the helm who issue orders and plan strategy. Self-directed teams are increasingly usurping the managers' former roles. For the old-guard managers, brought up on management styles based on command and control, reaching the top is no longer the enticing goal that it used to be. They have become disillusioned, left to brood over what might have been. Former autocratic styles of management are no longer considered appropriate. Many managers are finding the methods in which they have been trained throughout their careers are no longer acceptable, leaving them disoriented and frustrated. The power they anticipated would be theirs when they progressed to the higher reaches of the hierarchy has evaporated before their eyes. They are being urged to give up their old style of management with its emphasis on command and control in favour of less familiar practices of visioning, empowering and coaching. If judged to be ineffective in the new order, these managers risk being forced into early retirement or sidetracked into lower profile jobs.

### **(f) Job competency profiling**

As companies re-engineer their business processes and introduce cultural change they are eager to ensure that the managers they have on board have the right qualities to carry the organization into the future - or that they will be able to adapt to the fundamental changes taking place. This is one of the drivers for job competency profiling that many companies are introducing. Key managers are required to



undergo intensive assessments aimed at revealing their job skills and inherent management styles. If these examinations reveal qualities that are at variance with the new corporate culture, the managers concerned have to confront the issue of whether they will be able to fill the gap in their operating styles. Severe mismatches undermine managers' confidence and raise questions about whether they are not so steeped in the old order that they will be unable to adapt to the brave new world. This can have a radical impact on their career plans. For organizations the key issues concern the accuracy and comprehensiveness of the competency profile in relation to the whole range of managerial tasks and the organization's success in assessing each individual manager. For each manager, concerns include the profiling process, the level of organizational support for personal development and the organization's willingness to offer alternative career options.

### **(g) Outsourcing**

Increasingly, major companies are cutting their operations back to their core business and are turning to outside contractors to supply key services that were formerly provided in-house. There is hardly any business function that has not been considered a suitable candidate for outsourcing, ranging from a company's entire computer department, to personnel and corporate relations. As a result entire skill banks are disappearing from companies overnight and being placed in the hands of outside contractors. Managers in these companies who thought they could count on a job for life are suddenly finding that their job no longer exists and the carefully nurtured expertise they have built up devoted to one specialism is no longer a guarantee of advancement. For some, setting up and running their own business to supply services to their former employer is a great opportunity; for others, it is another sign that 'things are not what they used to be'.

### **(h) Globalization**

In the constant drive for efficiency and cost-cutting, many large multinational companies are trying to standardize their operating practices around the world. They whittle down their suppliers to a small handful of those who can comply with their high demands and who can provide the same kind of high standards of service wherever the company operates around the globe - however remotely. Globalization again requires a new breed of manager, one who is at ease operating in different time zones and coping with cultural differences. It is more about being a diplomat and being culturally adaptable than about being a technical expert in any one particular function. The qualities required of the international manager are akin to those of the manager as coach. He or she has to be a facilitator, someone who can handle people - but in this case people with different cultural backgrounds - and there is a need for skills in delegation and monitoring rather than dictatorial issuing of orders. These are skills that often do not come easily to the old-guard generation of managers.

### **(i) The rise and rise of consultancy**

Management consulting firms have not been slow to recognize the opportunities all this turmoil of corporate change has created - indeed some people suggest that quite a bit of it has been generated by the consulting industry. Anxious to benefit from the confusion and disorientation all this rapid change has generated, consulting groups vie with each other to introduce techniques and panaceas that promise to provide the formula that will ensure a smooth passage for companies to their future. Whether it is quality control, BPR, empowerment or open systems, the consulting groups do not lack for ideas when it comes to inventing new ways to solve corporate problems. As each new technique catches on, there is a gold rush in reverse as companies encourage

consultants to exploit their riches and to ensure they do not miss out on the new wonder cure. The result is often total upheaval as the companies' operating systems and styles come under the closest of scrutiny and old methods are discredited and replaced by the miracle cure that the leading-edge firms have already shown to be the answer to all those threats to a corporation's survival.

As companies are turned inside out to accommodate the new approach, managers' cosy jobs and career plans are the first casualties. They can forget all the carefully laid plans for reaching the top and the enhanced status they have been striving for all their working life. Someone has shifted the goalposts. The top has become one of those rolling summits that seems to get further away the more you move in its direction. The rules of the game are not what they used to be, and in an empowered organization it is not always clear who is responsible for the supply of a new set of guidelines. You are like an ill-equipped traveller in an uncharted land. Ambitious career plans have to give way to simple survival.

### **Routes to the top**

In a study commissioned by Kinsley Lord, the change management consultancy, David Clutterbuck and Desmond Dearlove concluded that it is no longer possible to plan a career as a logical series of upward moves: 'The rungs on the corporate ladder are vanishing so fast that the concept will soon be redundant altogether. When you think of your career, think not of ladders but of a white-water rapid.'

In truth, added the authors, planning a route to the top never was that easy in Britain. Luck, choice of employer, business discipline, even the school or university you went to, had a part to play. Yet many people learned instinctively the rules of the 'promotion to power' game by following in the footsteps of others. Clutterbuck and Dearlove say that

the question today is whether those rules and routes are still valid.

They received an unequivocal answer from Shaun Tyson, professor of human resources at Cranfield School of Management, who told them: 'The traditional model of corporate life has been shattered by the two recessions of the 1980s. Flatter organization structures, large-scale redundancy programmes and the end of any guarantee of a job for life have produced radical changes to the concept of a career.'

Clutterbuck and Dearlove point out that most people have tended to leave career planning to their employer. Those who took the initiative only did so infrequently, at critical points in their life. The authors say that managing a career today is a continuous process for which people have to take responsibility themselves.

Flatter organization structures have reduced promotion opportunities. People in their thirties and forties who have spent their entire careers with one company are now more likely to find themselves stranded on a career plateau or tipped into the icy waters of redundancy than invited into the boardroom.

The authors' research indicates that successful managers will switch employers, sectors and even business disciplines more frequently in future. At the same time it will be increasingly important to notch up certain skills. In many companies, for example, international experience is now almost a prerequisite for senior appointments and many organizations now place a premium on people whose record includes a successful start-up operation or turnaround. Such activities carry a high risk of failure but also attract attention.

The trick today, say Clutterbuck and Dearlove, is to be highly visible at the right time and for the right reasons. Successful operators carefully judge the moment to raise their profile. That means actively seeking to participate in

the 'right projects'. Involvement with key projects such as change programmes or human-resource initiatives, for example, can gain people recognition and plug holes in their CVs. Such projects often involve cross-functional teams and have an impact right across the company.

The new career rules, according to Clutterbuck and Dearlove are:

- *Keep an open mind.* You cannot predict where your next big break will come from, so be prepared to switch careers;
- *Take risks - even if they end in failure.* In the new career environment, if you have never failed you have not taken enough risks - but the way you present your failures to the rest of the company is important;
- *Learn to recognize an opportunity.* Do not miss out because it does not come from the direction you expected. Remember, too, that many problems are just opportunities in disguise;
- *Take charge of your career and so reduce stress.* You will have a much better idea of what is going on. If you do not make it to the top, you are in control and can decide to let go if you want to;
- *Remember, there is still time.* Today's flatter organizations mean everyone is closer to the top. Riding the white-water rapid is all about being in the right place at the right time with the right set of skills.

### **Race to the top**

Not everyone is convinced that the obsession with climbing the hierarchy that prevailed before the pyramid became flattened was healthy for companies, or for individual managers for that matter. Michael Blakstad is chief executive of Workhouse, a Winchester-based company which produces television and corporate communications programmes. In the May 1995 issue of *Director* magazine,

he questions the conventional wisdom of rewarding a company's star employees by moving them up - and thus away from everything they excelled at. He argues that the time was overdue for finding an alternative to upward advancement.

'Losing your clients' favourite managers to a rival company can be devastating,' he writes. 'However, promoting them to administrative posts inside the organization is seen as good management. The effect can be just as damaging. Important clients become restive at losing their most effective contact, the managers are often unhappy at being taken away from the front line, they aren't always very good at performing jobs they don't enjoy and the company suffers. So why do so many large organizations cut off the hand that their clients most want to shake?'

He adds: 'Let's accept immediately that many of those who transfer to the executive career path are both good at it and prefer to stay there. Provided they have received enough management training, then these are often the best possible people to run the organization. But let's also accept that some of the rain-makers are no better (and possibly worse) at management than specialist administrators and number-crunchers, personnel directors and resource managers. If they have crossed over for the wrong reason, such as status and salary, then both they and the company have lost out.

'This is dawning on a number of Britain's top companies. Their dilemma is how to get their best executives back into contact with clients without the organization falling into chaos. There is no more contentious an issue in management debates. Ambitious men and women resist the idea of recruiting trained administrators to central jobs on the grounds that they cannot possibly know enough about advertising or teaching.

'To get the senior people back to client work represents any number of challenges. That thorniest issue, remuneration, has to be radically revised - many blue-chip companies are keenly aware of the irony in offering people more money to generate less business. Also in need of review are the non-financial means of rewarding success: status, perks, titles and promotion.

'The challenge becomes greater as the star performers get older. An office at headquarters is a more secure place than the long jet-haul or the hotel coffee shop. Commissions from successful accounts are lucrative, but failure could spell a drop in living standards. There are dozens of reasons for clinging to the personalised notepaper and the reserved parking space.'

### **Employability**

In an article in the April 1995 issue of *directions*, the Ashridge journal, the concept of employability is advocated as one solution to the impact of change on career planning. The authors - Laurence Handy, Viki Holton and Peter James, point out in their article, 'Creatures of change', that employees are increasingly bewildered about their future career paths and are demotivated as a result. 'Larger jumps between grades are also making new appointments more nerve-racking for both companies and individuals. Finally, it is becoming more difficult to steer people with high potential through a company in their formative years. These problems can be particularly acute in companies which have decentralized HR responsibilities to their business units.

'The old psychological contract in which managers gave their loyalty in exchange for near-lifetime employment and regular promotions has clearly gone. Its much touted replacement is 'employability', in which employers invest in training and development so that managers can, when necessary, find work elsewhere. The *quid pro quo* is the

manager's commitment to the organization for as long as he or she is employed.'

The authors add: 'In the world of employability, responsibility for career development shifts from the organization to the individual. They must now decide their aspirations, define their development needs and be proactive in finding new career opportunities inside and outside their current employer. With fewer promotions, these opportunities will often include horizontal moves as well as developing existing roles.

'The employer's part of the bargain is to provide a substantial infrastructure to support staff. The pioneers, such as Apple and Rank Xerox, are now providing such services as career counselling, career "shops" pulling together details of all corporate vacancies and training and development opportunities and scenarios for future employment trends and skill requirements within the organization. They are making it easier to move between units and functions - by using competency schemes, for example, to highlight similarities between apparently dissimilar jobs, and developing central support to overcome the reluctance of many managers to let good staff go purely for development reasons. They also accept that they must respond to the requests for additional training and development which tend to emerge from such an exercise.'

The authors observe, however, that the attitudes, fears and aspirations of employees are not so easily changed. One company, for example, explained the new world of employability to staff and spent heavily on personal development plans and other initiatives to help them adapt. The employees loved it, but at the end of the exercise many still wanted to know when they would receive their next promotion.

Andrew Mayo, an independent consultant in international human resource management, maintains that employability is more than just being able to get another job if needed.



Writing in the October 1995 issue of *directions*, he suggests that 'employability should be the concern of everybody, but it needs to be thought of *internally* as well as externally. A business which has invested in people development cannot wish to encourage the loss of its investment - provided it continues to grow and provide a return. As an individual planning my future, I need to manage my options through developing the skills my organization needs *and* constantly asking the question "what are my saleable capabilities elsewhere?"

'This has important implications for management development. Top-level general management will always be a scarce commodity and, we know, is developed primarily through experience. But "generic" management skills in middle and junior management levels will not be enough to guarantee employability.'

Although the need to be flexible and self-managed is becoming accepted wisdom in today's organizational thinking, Mayo does not hear it much on the lips of the average employee. 'The younger generation has always been adaptable and opportunistic, and this is not news to most of them. But, for those who have put down roots in a particular organization, the concept may be very uncomfortable. Large numbers of people have been through feelings of betrayal, confusion and insecurity, and hope for stability to return.

'The messages people receive are conflicting; organizations tell them that they want more commitment than ever before, *but* don't count on a job for life; work harder with fewer resources *and* take time to look after your own career. Faced with such paradoxes, many people are understandably fearful and totally unprepared. They would much prefer to have a "proper job" with the supporting and social infrastructure that goes with it. The thought of finding customers for themselves is frightening, as is the possibility of irregular income. As a result, in many organizations the

old paradigm prevails because people have not been given the time and space to think through the implications of what the new one means.'

The failure by individual managers to adjust to the new realities is probably matched in many cases by an organizational reluctance to face the changes. If the corporate goals are to reduce costs, increase flexibility and adaptability and develop a culture which is much more commercially oriented, then the organization also needs to abandon the old command and control mentality. Loyalty is generated by a two-way process, not the outcome of early personality development. The question facing organizations is whether they want to encourage the belief that managers have a future as well as a present with the organization. If the answer is negative then they need to take a good look at their whole process of human resource management and eliminate everything that would feed any expectation of continuation. If the answer is 'yes', then the next question is 'why?'. If the organization's real aim is to control potentially scarce resources, then a further shift in organizational paradigms is required. Many organizations still think in military metaphors of capturing territories, securing resources, and mobilizing firepower. In a half-century which has repeatedly witnessed the power and success of guerrilla armies, such metaphors are dangerously misleading.

### **The virtual organization**

The trend towards the so-called 'virtual organization', which operates primarily through project teams and places high reliance on communications and information technology, is not going to make career planning any easier. Peter Trigg, chairman of Drake Beam Morin (DBM), which claims to be the world's largest outplacement and career counselling organization, observes that: 'In Britain and across the world organizations are reducing their core workforce and making greater use of flexible and part-time workers. Gone are the

days of piecework for blue-collar workers. Today, skilled workers at every level are being contracted for project-based work.

‘Increasingly many of the new temporary workforces have been victims of redundancy. This experience has broken the psychological bond and trust between employee and employer. Loyalty has died as individuals recognize they cannot look to organizations to provide long-term security.’

Trigg believes that the question of employee commitment must be addressed if organizations are to attract the right individuals for the job. He explains: ‘The trend to the “virtual organization” means there will be a much higher proportion of freelance workers and specialists, moving from project to project, employer to employer. The most successful individuals will be those who learn fast, adapt well and embrace new challenges. They will be looking for organizations which offer the opportunity to develop their skills and experience, plus sufficient financial reward. In exchange for which individuals will need to demonstrate commitment to the job - irrespective of the term of the contract.’

One thing seems certain in a very uncertain world - the growth of contract work is sure to continue. While 73 per cent of the British workforce were in permanent jobs back in 1979, only 52.5 per cent are now. Part-time work has risen and self-employment has nearly doubled. The dramatic rise in temporary work has only occurred over the past two years. People used to permanent work will increasingly find themselves on the roller-coaster ride of self-employment or unemployment followed perhaps by a period of contract work, such as interim management.

Roger Young, director general of the Institute of Management (IM), was recently quoted as saying: ‘The nine to five job is a thing of the past. Teleworking, home working, outsourcing and interim management are here to stay and set to grow. Flexible employment is now integral to

organizational strategy. Employees and employers must learn to adapt and change to ensure future success.'

Young was commenting on a survey into *Long Term Employment Strategies*, published in October 1995 by the IM and Manpower, the leading employment services company. The survey revealed that around 90 per cent of the UK's leading employers use part-time and temporary workers and that 70 per cent contract out non-core operations. It found that all forms of alternative work patterns were set to increase, with over half the respondents predicting an increase in flexible working and contracting out. Four in five employers predicted an increase in flexible working and 70 per cent in contracting out over the following four years.

Cost-cutting was seen by 40 per cent of respondents as the primary factor influencing employment levels. The requirement to increase flexibility, boost productivity and respond to increased competitive pressures were the other key reasons cited.

The survey confirmed the trend away from traditional patterns of full-time core employment towards a wholly flexible employment market. While four in five predicted that 90 per cent of their workforce will remain core employees within the following year, only 47 per cent anticipated this to be the case within a four-year period. Any significant reduction in workforces must be followed by a reduction in the number of managers employed in what have been re-classified as non-core areas.

Despite the apparent end of the recession, restructuring and further job losses were set to continue.

### **A contract culture?**

In a recent television programme Cary Cooper, professor of organizational psychology at the University of Manchester's Institute of Science and Technology (UMIST), pointed out that the phenomenon of contract work was not just confined