## Career management in the new economy: Surfing the turbulent waves of change

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#### Abstract

paper identifies major changes organisational structure in the new economy and assesses their impact on career management. It focuses on the implications of change on individuals and surveys the current literature on the likely set of skills necessary to successfully manage the career change process. In particular, it advocates the need for self assessment and management of strengths, personality orientation and life style choices.

Career management; individual career planning

#### Overview

Career management researchers seem unanimously agree that the context and contents of career management process have witnessed considerable changes in recent times in direct response to environmental upheaval (Alfred et all, 1996, Nicholson, 1996, Brousseau et all, 1996). The change process is driven by globalisation, hypercompetition, information technology, life style changes etc. Organisational responses include restructuring, delayering, strategic collaboration, organic structures, life-long learning orientation, unit-level empowerment and so on. To add to the pandemonium, the environmental changes and organisational responses are in a state of constant flux, making it difficult for researchers to diagnose the process and prescribe solutions. It needs to be emphasised that as of today the identification and analysis of the change process is more of crystal gazing than empirical as the change process from the old to the new economy is still underway and remains unpredictable.

The Human Resource Management function is similarly subject to several changes, such as increase in part-time, casual and contract employment, outsourcing, global and multi-cultural workforce, self-directed work teams, multi-rater performance performance-based appraisal, remuneration, portfolio careers, and enterprise-based employee relations.

As can be expected, the career management process is caught in the whirlpool of environmental, organisational, and HRM changes. Accordingly, these changes have far-reaching consequences for both organisations and individuals in managing careers. The foremost change is the shift in career management responsibility from the employer to the employees (Whymark and Ellis, 1999, Hall, 1996). In some extreme cases, employers have almost abandoned any responsibility for managing the careers of their employees. However, there is a dramatic increase in their "expectations" of their employees, in terms of skill requirements, both technical and behavioural. It is as if employers have adapted a "help us but help yourself" attitude. One of the major ironies of the new career management situation lies in the fact that the career-conscious employee is being asked to offer more and more, while the employer is in no position to offer the scale and the kinds of rewards that were available in the past (Whymark and Ellis, 1999).

To their dismay, individuals have noticed that the formal and informal aspects of their employment contract have changed considerably, often to their disadvantage. The traditional bond between the employer and employee seems to be breaking. Whymark and Ellis (1999) argue that "traditionally, employment relationship was characterised by a clear psychological contract. Employers expected loyalty, respect for rules, and commitment in return for job security, steady career progression, and training & development. But today the relationship between the parties is viewed more as a short-term economic exchange arrangement instead of a longterm, mutually beneficial commitment". Employers seem to be adopting "here-and-now" attitude to career management as against the long-term focus.

Bereft of the life-support from employers, many individuals are clue-less on how to manage their careers. Their predicament is aptly described by Gunz et all. (1998): "it is hard for someone being swept downstream in a fast-moving river to make sense of where they are, let alone where they are going". At the same time, there is a growing recognition amongst individuals, particularly the professionals, that from now on, their careers have

to be managed by themselves with little or no help from employers. This realisation brings them to the next question: what is the best way to manage one's career? What are the skills necessary to successfully manage one's career?

Before analysing individual response to the changing framework of career management, it is necessary to look at the macro developments in the environment, at the general and organisational levels, affecting the career management process.

#### Changing face of career management

In response to hyper-competition, organisations are losing their traditional sources of dominance, such as cost and quality, timing and know-how, financial muscle and are realising that the only enduring advantage results from the ability to generate new advantages all the time and every time (Quinn et all, 1996). Accordingly, hyper-competitive environments call for fundamental changes in organisational structures and designs. These changes seem to have a major impact on the process of career management.

According to Nicholson (1996), "career development in the 21st century will take place against a background of unprecedented variety of organisational forms, as old and new models persist side by side". Like building blocks, the new organisational forms, such as networks, are embedded in larger organisational structures that are still at least partially bureaucratic, posing a key challenge to top management to integrate these different forms into a coherent whole (Quinn et all, 1996).

According to Brent et all (1996), "21st century organisations will have a cellular structure. Like living cells, they (strategic business units, self-managing teams etc) can act independently but by networking with other to share common knowledge and information, akin to human DNA, they will learn, grow, and adapt to uncertain environment. Within such cellular organisations, members take full charge of their careers and develop their careers around an agreed set of norms for self-governance and professional allegiance".

There seems to be a discerning shift in organisations from position-centred to portfolio-centred. As described by Templer and Cawsey (1999), under portfolio-centred career development, the contract output is identified, the matching portfolio of skills needed to complete the contract are specified, individuals with those skills are located in the HR Information System, the contract is offered and then managed. This shift of focus requires a parallel shift in career development roles and activities.

Handy (1996) suggests that organisations are taking on a "shamrock" configuration whose three levels comprise core, contract and temporary employees. Core employees are those central to the core competencies of the organisation. Contract employees are the new "portfolio careerists" – qualified, skills-oriented individuals with a portfolio of skills and clients. Temporary employees are those individuals needed for specific, lower skilled tasks and are employed on a need basis.

The rise and rise of temporary employment is another major feature of the new economy. It is estimated that the temporary services industry has expanded over 360 percent since 1982 (Boroughs, 1994). Hippel et all (1997) suggest that "the use of temp. workers has many implications for individuals' careers. Opportunities for promotion may decrease, career paths will be less defined, job duties will be more open-ended, job descriptions will be less clear, and the perquisites that come with seniority will be more difficult to secure".

The most important implication of the forms and features of the new economy on career management process is that the individual is in full charge of one's own career. Hall (1996) describes the career of the 21st century as "protean", a career that is driven by the person, not the organisation, and that will be reinvented by the person from time to time, as the person and the environment change. The second major implication is that the individual career will be in constant state of flux and will change directions many times during the career span of an individual. Change in career directions also mean change in skill components, skill levels, authority and responsibility levels, income levels and so on. Cianni and Wnuck (1997) predict that the employees in the 21st century will periodically backtrack in their careers, moving from expert back to novice as they are required to have new competencies that may very well be in areas unconnected to their personal preferences.

The macro-level changes in the environment as above highlight the serious limitations of traditional framework of career management. Therefore, Gunz et all (1998) find the metaphor of career ladder limiting, in many ways. They assert that "ladders allow movement only up or down but it is clear that careers are not. Today it is more like a jungle gym – moves can be upwards, sideways, downwards, diagonal, or in any direction that the jungle gym allows".

# Individual Response to Career Management

Considering that the waves of change in career management are unpredictable and turbulent, individuals need to learn how to surf the waves successfully and keep their careers afloat and scale new heights.

It is quite clear that the most important skill necessary to successfully navigate one's career in the new economy is self-management. While individuals can still rely on many enabling tools, such as the internet (Koonce, 1997) and virtual career development centres (Warner and Keagy, 1997), it is the management of self that matters the most. This requirement is in line with the growing trend in empowerment within organisations as a substitute to command and control by the management.

Schein (1996) argues that self-reliance and selfmanagement are becoming dominant requirements for future career management. Similarly, Durcan and Oates (1995) state that "the aspiring senior manager may have to face up to a critical personal analysis of skills and abilities more than ever before, in order that an effective assessment of the critical moves can be made". Drucker (1999) adds, "most people will have to learn to manage themselves. They will have to learn how to place themselves where they can make the greatest contribution, how to stay alert throughout the working life, and learn how and when to change their work patterns".

Current literature on career management indicates that self-management of career involves several

- self-assessment of strengths in technical and behavioural areas.
- development and marketing of those strengths as core competencies,
- identifying personality orientations, such as opportunity vs. security, safety vs. risk, team work vs. independent work, technical vs. managerial work, big vs. small organisation, autonomy vs. compliance
- defining ethical dimensions, and
- due importance to personal choices and preferences and at the same time aligning them with environmental requirements

According to Drucker (1999), knowing where one belongs is the key to career success. He argues that "successful careers are not planned. They develop when people are prepared for opportunities because they know their strengths, their method of work, and their values. Knowing where one belongs can transform an ordinary person - hard-working and competent but otherwise mediocre- into an outstanding performer".

Arthur and Rosseau (1996) offer new career lexicon for the 21st century based on the following pointers: knowing your situation, leveraging

competencies, extending your collaborations. broadening your accountabilities, and cultivating career resiliency.

Flexibility in terms of skills, position, location of work and timing seems to be another key criteria for individuals to succeed in the new economy. Brousseau et all (1996) suggest that "people need to go anywhere, at any time, and at a moment's notice, to do anything".

Schein (1996) traces the changes in career management in terms of career anchors. He advocates that most people form a strong selfconcept, a career anchor that holds their internal career together even as they experience dramatic changes in the external career. Schein's research in the mid-1970s showed that most people's selfconcepts revolved around five categories: autonomy/independence, security/stability, technical-functional competence, general managerial competence, and entrepreneurial creativity. His follow-up studies in the 1980s revealed three additional anchor categories: service or dedication to a cause, pure challenge, and life style.

The increasing importance of life style issues in an individual's career management is further supported by Wilson and Davies (1999). They suggest that "faced with reduced levels of employment security, managers are redefining careers in terms that now include references to life style and the achievement of a balance between the personal, domestic and employment aspects of their lives. For some managers, the definition of self is becoming less focused upon employment and more related to lifestyle". This trend may signify an attempt by individuals to assert their authority over their careers.

Keeping in line with the above literature, Montebello (1999) proposes a 3-step model for career development: "First, look inward to gain insight in to strengths and development needs using self-assessment tools and feedback. Next, look outward to align career goals with department, company, and industry needs and realities. Finally, look forward to establish a development plan with goals, action plans, and implementation schedules".

In conclusion, many may argue that the time for new economy is yet to come but the signs are clear as globalisation and e-commerce grow by leaps and bounds. Accordingly, organisations are quick in adapting themselves to the changing environment and are experimenting with new forms of structure and designs. Similarly, individuals need to urgently re-examine their career paths and options and reposition themselves to face the uncertain future.

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