

## Careers in Britain: Recovering a Future

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### Are careers dead?

In the past decade or so, there has been much debate about a possible demise of careers. Two decades of redundancies, firm closures, the movement of jobs overseas, variable unemployment levels, and personal insecurity, have made this almost the received wisdom. One argument is that employers are so beset by competition and change that they cannot provide either the stability or the security that are needed to make careers possible. In the USA, Peter Cappelli (1999) has expressed this in terms of a move by employers towards market-centered employment policies in which employees are acquired, rewarded, and dumped, according to competitive needs. Because markets are dominated by the short-term, careers – an essentially long-term concept – are squeezed out.

This of course only considers a career as something which takes place within a particular employment – an intra-company career – and leaves open the possibility that people can still build occupational careers by moving from employer to employer. Even if occupational careers exist, though, this may not be much consolation to those who are in relatively humdrum jobs involving little in the way of qualifications. For these, moving around the job market may offer much less prospect of building a career than for the higher qualified. Moreover, there are some commentators on the contemporary scene who claim that even professional careers are on the verge of demise. Charles Handy, for example, has foreseen that professional work will move towards a self-employment model with individuals patching together an ever-changing portfolio of project assignments rather than following a predictable career trajectory (Handy, 1989).

Although many have found these ideas persuasive, there has been little attempt to assess them through systematic and nationally representative evidence. Projects under the Economic and Social Research Council's Future of Work research programme have attempted to fill this gap. Two national surveys, one of 2132 employees, the other of 2000 employers at workplace level, were carried out in 2000/01 and 2002 respectively. The evidence from these surveys, which were directed by a research team from the London School of Economics and the Policy Studies Institute, reveals a remarkable resurgence of intra-company careers.

### What employers say

I begin with the employer survey evidence (see White *et al.*, 2004, for details). The survey shows that the great majority of British employers now claim to be offering internal career paths and supporting them with other relevant policies.

- o Two in three employees are in workplaces where management claims that career ladders are available to most employees.
- o Workplaces covering seven in ten of all employees profess to recruit internally for management or professional posts wherever possible.
- o Internal recruitment for vacancies below management or professional level is only slightly less widespread.

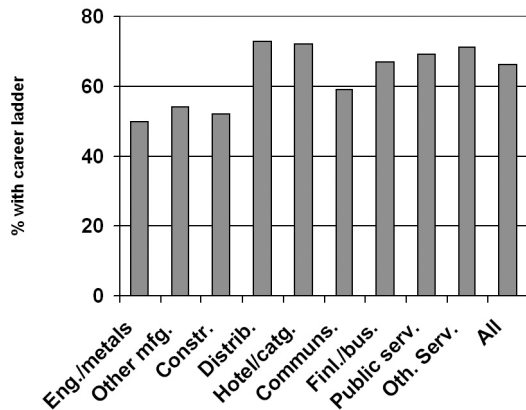
This evidence, it is true, comes from managers responsible for human resource policies and might be painting an over-rosy picture. Other detailed evidence, however, is consistent with the claim. In particular, twice as many workplaces have been increasing the proportion of managerial and professional jobs as reducing them, and similarly there have been far more workplaces putting additional layers into their job grade structures, at both management and sub-management levels, than stripping them out. The general tendency, then, has been to expand higher-level jobs, thus creating real opportunities for upward progression.

The most remarkable point about this turn-around in intra-company careers is the way it is spread across industries (see Chart 1). Manufacturing and utilities tend to lag, while it is the service industries which lead. It is not only the booming financial and business services, or the recently re-expanded public services that are propagating career structures, but equally distribution, hotels and catering, and personal and leisure services. Some of these service industries have, in the not too distant past, had a negative image for 'dead-end' jobs, yet they now emerge as career leaders.

This picture may not seem credible to many who have become accustomed to the gloomier prognostications about the future of careers. To establish it as credible, one needs to provide explanations of what is driving the recovery of careers. I will address this in a

moment, but first I would like to turn to the views of employees, to see if these chime with what employers say.

Chart 1 Career ladders, by industry



Source: White et al., 2004. The percentages are weighted by employment.

## What employees think

We are in a particularly strong position to assess employees' views about career prospects, because we not only have the 2000/01 *Working in Britain* survey, but also the *Employment in Britain* survey of 1992, which asked some similar questions about careers and was also nationally representative of employees aged 20-60. It turns out that perceptions of career structures remained virtually stable over the decade, with rather more than one half (56 per cent) seeing themselves in jobs that were part of careers. This included movement across employers, as well as careers within the present employer. Another striking aspect of this stability was the social class distribution of career access. In both years, about one half of those who saw themselves as being in careers were in managerial or professional occupations, with the other half in non-management and non-professional jobs.

This impression of stability dissolves, however, when we consider questions about individual prospects through staying in the current job or moving around between employers. If employers are really becoming more market-centered in their policies, then employees would surely also be looking more to the external job market. This would be accentuated by the improving job market over the decade which saw a shift from economic recession to a prolonged economic boom with an associated rise in job vacancies. However, increased faith in the market is found only among senior managers and senior professionals. Among people in lower-skilled jobs, there is a great deal of change, but it is in the opposite direction. The swing is greater, in fact, as one goes down the jobs hierarchy. Of those in semi-skilled or unskilled manual work, or routine clerical and sales jobs, only four in ten saw their best prospects in 1992 as staying with the organisation, but in 2000/01 this proportion had risen to six in ten. Perceptions of promotion chances in their present organisation also rose steeply among the employees in

lower-level jobs. Among those in semi-skilled manual work, 24 per cent felt they had a 50-50 chance of promotion, or better, in 1992 but by 2000/01 this had risen to 36 per cent. For those in routine clerical and sales jobs, the rise was from 23 per cent to 40 per cent.

Overall, then, employees' views have moved in a way that is consistent with many employers' claims to have restored or cemented internal career structures. Perceived prospects have improved most for those lower down the occupational hierarchy, although their position remains less advantageous than for those in the upper occupational reaches.

## Why employers construct careers

Why then have the admittedly increasing pressures of competition failed to erode career structures, especially careers internal to an organisation? If careers have survived, and even in many instances been extended downward, this must be because employers need to retain and develop employees for economic reasons. I will discuss two potential reasons, which look particularly significant.

## Technical and organisational change

The first, and possibly most fundamental, reason is that employers - both commercial and public sector - are experiencing unprecedented rates of combined technical and organisational change. Information and communications technology (ICT) is not only widespread but its uses are rapidly developing. Consider, for instance, that e-mails and the Internet were virtually non-existent in all but the largest organisations as recently as ten years ago. ICT has made it possible to devise new ways of doing business and organising work, and such opportunities have been eagerly taken up in both commerce and public services. This has accentuated a tendency towards continuous organisational change that was already developing by the early 1980s. It is not technology in itself, which generates career opportunities: indeed, workplaces with high levels of ICT usage are only a little more likely than others to offer careers. However, the availability of intra-company careers depends particularly on the degree of *recent change* in ICT usage. Workplaces with a high degree of recent expansion of ICT usage are much more likely than other workplaces to be offering careers (for a wide range of connected evidence, see Timothy Bresnahan, 1999).

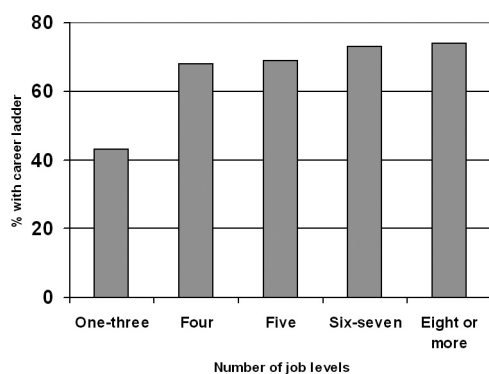
The consequences of ICT, in terms of organisations' skill needs, have sometimes been misinterpreted, with the emphasis placed on high-level technical staff and 'power users' of the new technology. This is one-sided, failing to notice the organisational change, which goes hand-in-hand with technical change. Most organisations have only a limited need for high-level technical skills, and can often get them when they do need them from

consultancies and specialist agencies. What organisations cannot do without (as argued by Bresnahan, 1999) is the capacity, across a very wide range of employees, to adapt to continuous change and to help in solving the practical problems of implementing new methods of working and of dealing with customers in situations that are changing day by day and year on year. Staff who can demonstrate the right know-how and attitude in these respects become valuable, and worth retaining and developing.

## Complexity

The second major factor, which I would stress, is organisational complexity. The link between complexity and career ladders is suggested in a simple way by Chart 2. Complexity is also, I believe, a large part of the explanation for the industry results shown earlier in Chart 1. The 2002 employers' survey revealed that three in five of all workplaces with five or more employees were part of a wider multi-site organisation, and this rose to nearly four in five in the distribution sector. Indeed, a walk along any high street in Britain will confirm the prevalence of multiple-chain and franchise organisations, across supermarkets, speciality stores, financial services, or restaurants and coffee shops. In many cases, these chains are backed by vertically integrated supply and technical service set-ups, involving difficult tasks of logistics management. Yet another facet of complexity is the longer and more varied working hours (leading to multi-shift-working) that are required to run service operations in order to meet the needs of customers and clients who themselves are working more flexibly.

Chart 2 Complexity (number of job levels at workplace), and career ladder



Source: White et al., 2004. The percentages are weighted by employment.

Combine these aspects of complexity, and one readily sees why service industries like retailing and catering have insatiable needs for supervisors and managers, not only to run all the outlets but also to control and coordinate operations in-store, regionally, and nationally. For such industries, which traditionally have not had large intakes of highly qualified people, the identification of home-grown talent, and its retention and development through career systems, is likely to be a crucial competitive factor.

## Limits to euphoria

The outline that I have sketched of renewed in-house career opportunities is undoubtedly a more optimistic one than many other recent accounts. But it is important to note some limitations as well. The first, already mentioned, is that the early 2000s were years of exceptional economic stability and prosperity. British companies, especially in services, were for a time the most profitable in the world, unemployment fell lower than for two decades, and the government provided funding for many more public service jobs. Not surprisingly, then, twice as many workplaces in our survey of employers had experienced recent expansion of the workforce than had experienced contraction. Although the basic policy of offering career paths was not dependent on this circumstance, some of the supporting changes did seem sensitive to growth or contraction. A rising proportion of jobs at management level, and extra job grades, have particularly occurred where there is growth. Where there is contraction, conversely, there has been an increased tendency to slim down management and cut out grades, albeit only in a minority of workplaces.

Another cautionary point is that large workplaces (100 or more employees) are less likely to be expanding their management and their grade structures, than medium-sized workplaces (25-99 employees). Even among large workplaces that are growing in overall terms, a sizeable minority has been reducing the managerial proportions and trying to simplify grade structures. These policies, which go under the unattractive name of 'delaying', could well become more prominent in the event of a new economic recession.

The situation might be best characterised, therefore, as one of *conditional* career renewal on the part of employers. There is no reason to doubt their long-term commitment to offering careers, and taking steps to make them a reality, since that is based on self-interest in maintaining the knowledge and skills they need. But nor should we glibly suppose that the ride along the career path will always be smooth. Careers may be pushed off-track during adverse economic periods, although we can reasonably expect them to pick up again thereafter.

## Conclusions and implications for practice

The prevailing pessimism about the future of careers is not supported by recent evidence. Career opportunities are not shrinking; indeed they have hardly changed for the higher-level occupations and have expanded for those at lower levels. But the main growth in opportunities for those in less-skilled jobs has been through in-house promotion. I interpret this as the result of rapid and sustained organisational and technical change, and increased organisational complexity especially in services, since these tendencies make employers more dependent on the adaptability, practical know-how and enterprise of a wide range of their employees.

Of course, none of this should make one sanguine about the lack of opportunities which many people face. Managers and professionals remain much more likely than other groups to see themselves as having careers. Even with their currently enhanced prospects, the majority of people in semi-skilled jobs feel that they have less than a 50/50 chance of promotion. Moreover, such gains as have recently appeared may well be vulnerable to economic recession, at least temporarily.

None the less, for those involved in policy and practice concerning employment, skills and careers, there are still worthwhile stakes to play for. The question is, then, how the policy-makers and practitioners in this field can best help people of working age to make use of the present structure of opportunity. I will only offer a few rather general observations, leaving it to others to work through the practical implications.

One implication of the evidence is that it is still valid to emphasise the availability of careers. Careers are not merely for graduates and other privileged people. Nor are they confined to the public sector and large corporate sector. There are careers in medium-sized and small workplaces, especially as many of these belong to chains. Most importantly, perhaps, no industry is off-limits for careers and some of those that have had a poor reputation in the past are now among the most career orientated.

Many of the current opportunities, however, depend on organisations, not occupations or industries. In some ways this may make it harder to offer advice or to promote careers. Rather than discriminate among the attributes of jobs, and think how their own personalities fit in, people need to get more grasp of the change processes which preoccupy employers, and the qualities they need in order to contribute to change. But these are elusive things to describe or to grasp from description. They can better be learned by experience in organisations. Teachers and careers advisers, however, can help to make young people aware of these dimensions of experience - to get them looking in the right direction, so to speak. The teaching of social skills, teamwork and communications in schools is highly relevant from the viewpoint of organisational careers despite media jibes about the 'soft' curriculum.

To engage with the development of careers within organisations, policy and practice may need to develop more of an organisational focus. This could be criticised as cosying up to employers, but need not be. For instance, the government's policies on basic skills education appear to be moving towards supporting employer-education joint initiatives, through funding and course facilitation. But it is still in the hands of the educators, who are independent practitioners, to devise the courses and one can be reasonably confident that their priority will be the welfare of employees. Is there scope for this type of intra-organisational involvement for careers guidance

professionals? Surely the many organisations that are trying to encourage their employees' self-development could benefit from expert advice given to their employees by impartial professionals.

On the other hand, does the growing importance of organisational careers leave non-professional employees locked in to their employers, if they want to progress? What advice can be given to an employee if she has a career path but (like so many of those who seek careers guidance) is deeply dissatisfied with her job for other reasons? Clearly, the chances of moving jobs without losing materially in the process depend on having skills that are needed by other employers, and being aware what those skills are. The new premium transferable skills include the skills of working with new technology, the people-skills of teamwork and customer contact, and the habits of adaptability which come from involvement in change. I wonder how many people who have gained these skills appreciate their current value on the job market. Individuals need access to advice which can help them to understand the changing balance between traditional qualifications and experiential skills. For that to be possible, the advisers must themselves be able to keep up-to-date with a world of work which continues to change.

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