

The Economic Case for Career Guidance: Has There Been a Paradigm Shift?

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In 2004 CeGS and NICEC were commissioned by the Guidance Council to prepare an 'economic case' for career guidance, paralleling that produced in Canada by Phil Jarvis (2004). The outcome of the project has now been published (Hughes, 2004). As part of the project, Tony Watts produced a short paper summarising some key elements of the argument and reviewing some of the recent data in support of it.

The 'paradigm shift' argument

The 'paradigm shift' as outlined by Jarvis (2003) is based on the need for career management skills within an increasingly flexible labour market characterised by project-based work, insecurity and changing skill requirements. The argument is not presented in strongly analytical terms, and includes a lot of unsubstantiated assertions. But it is broadly congruent with a large literature built around post-Fordist work transformations (Lash & Urry, 1987), the risk society (Beck, 1992), the network society (Castells, 1996), the new economy (Carnoy, 2000), and the boundaryless career (Arthur & Rousseau, 1996).

In the context of career guidance in the UK, I advanced an argument built on much the same lines (Watts, 1996) and developed it in more detail in a subsequent paper with Audrey Collin (Collin & Watts, 1996). The key propositions were:

1. That the bureaucratic career – as opposed to the professional or entrepreneurial career, in Kanter's (1989) terms – has been the dominant construct of career for most of the 20th century, both in common parlance and in employees' aspirations if not experience.
2. That the bureaucratic structures into which this concept has been embedded are under sustained pressure from two linked processes: the impact of new technology, and the globalisation of the economy.
3. That in order to compete and respond to change, organisations have to be more flexible in how they organise their tasks.
4. That to achieve such flexibility, many organisations have engaged in devolution and decentralisation of decision-making, in 'delaying' and in 'downsizing' – reducing their core workers and operating through a growing contractual periphery.
5. That this latter process has taken two main forms: first, increased outsourcing and contracting out to suppliers, resulting in (a) more employees working in SMEs than in large organisations and (b) more individuals being self-employed; and, second, more flexible working arrangements with employees, resulting in (c) more part-time workers, (d) more 'teleworkers' working from home, and (e) more 'contingent workers' – i.e. casual workers, and workers on short-term contracts (these groups, of course, overlap). These trends are evident in (f) reduced length of job tenure. (UK data were cited to support all of these trends.)
6. That these trends have been linked to other trends within organisations, including more fluid organisational structures, often based on time-focused, task-driven teams.
7. That these changes are having a radical impact on career patterns, with fewer opportunities for set hierarchical progression.
8. That the effect of these trends is a profound change in the psychological contract between the organisation and the individual: from long-term relational contracts, based on security and reciprocal loyalty, to short-term transactional contracts, based on a narrower and more purely economic exchange. Where the relational contract survives, it is based on exchanging job security for greater task flexibility. In both cases, therefore, the contract requires regular renegotiation.
9. That individuals now need to take more responsibility for their own learning and career development, whether within, between or outside organisations.
10. That security for the individual now lies not in employment but in employability.

11. That if 'career' is to survive as a concept that will be meaningful in the 21st century, it is the professional and entrepreneurial forms to which it is likely to refer. It also seems likely that professional careers will become more fluid, so opening up possibilities for bringing these two forms closer to one another.¹

12. That 'career' needs to be reconceptualised as the individual's development in learning and work throughout life. Whereas the bureaucratic career was by definition limited to an elite, this reconceptualisation makes career in principle accessible to all. A key task for public policy is to make it so.

The counter-argument

The NICEC tender for the Guidance Council project stated that the paradigm shift outlined by Jarvis 'cannot be applied without revision to the UK, since whereas a number of its main assumptions (e.g. the insecurity of employment prospects and the radical nature of change in the labour market) may be uncontroversial in a Canadian context they are contested by some significant data in recent research in the UK'. In encouraging CeGS to work with NICEC on the project, the Guidance Council noted that the NICEC bid had been 'strong on critical/challenging thinking'.

The notion that the 'paradigm shift' argument may be more sustainable in Canada than in the UK does not seem to be supported by the evidence. A comparative study of 'non-standard' patterns of employment in the two countries showed that although there were some detailed differences between them (e.g. more temporary work in Canada, plus some differences in the distribution of part-time work), the main patterns and trends were broadly similar (Felstead *et al.*, 1999). Any weaknesses in the 'paradigm shift' argument would apply to both countries.

The counter-argument to the 'paradigm shift' has been put forward by a number of writers including the Trades Union Congress (2000), Bradley *et al.* (2000) and Nolan (2003), and in relation to career guidance issues has been usefully summarised by Offer (2001). It contends that the 'paradigm shift' argument is based on selective evidence and lacks an adequate historical perspective. It also suggests that the argument may be ideologically driven.

In these critiques, particular significance is given to evidence that the length of job tenure up to the mid-1990s had been largely stable since 1975. However, this disguised contrasts by gender: it had risen among women with children, but fallen for men and for women without dependent children (Gregg & Wadsworth, 1999).

Moreover, more recent evidence indicates that there have been overall reductions in job tenure since 1996: the mean average job tenure fell from 93.5 months in 1996 to 90.0 in 2001; and the proportion of employees working for the same firm as 12 months previously fell from 90% to 87% over the same period (Macauley, 2003a).

A further common criticism is that there has been little or no increase in self-employment. Nolan (2003), for example, points out that there has been no growth in self-employment over the past ten years. But over the last twenty years, the proportion has increased from 6% to 8% of the total adult population. Much of the change took place between 1986 and 1990, linked to government incentives and social attitudes in that period. Since then there has been a slight decline, due largely to changes in the construction industry, which have led to construction workers reclassifying themselves as employees (Weir, 2003). But the figure is now increasing again, partly due to changes in the banking, finance and insurance industry (Macauley, 2003b).

An important point made by Weir (2003) is that self-employment is increasingly associated with age, and that there has been a significant spurt in the proportion of those aged over 56 who are self-employed. This links to a broader argument presented by Felstead *et al.* (1999), who point out that the proportion of the working population in various forms of non-standard employment (part-time work, temporary work, self-employment) increased from 33% to 37% between 1989 and 1994, but that the bulk of both the incidence of and the increase in such forms of employment was concentrated in the 15-24 and 55-64 age-groups (and among women with dependent children). A related point is found in more recent data, which indicate that there was a further small increase between 1993 and 2002 in the percentage of the working population in part-time and temporary jobs, but that whereas non-permanent jobs had increased in the 16-24 and 50+ age-groups, they had decreased in the 25-49 age-group (McOrmond, 2004). This does not invalidate the 'paradigm shift' argument, but suggests that it may be linked to, and its immediate effects concentrated particularly in, prolonged and more flexible initial transitions into and late transitions from more secure employment.

The ideological dimension is certainly pertinent. Doogan (2001) contends that critical roles have been played by the 'manufactured insecurity' induced by the greater exposure of the state sector to market forces, corporate restructuring in the private sector in terms of mergers, acquisitions and sell-offs, and the diminution of social protection systems. But these have themselves been responses to the global pressures that have produced the changes.

¹ More recent support for this latter proposition is provided by the evidence of growth of non-standard employment among professionals (Hoque & Kirkpatrick, 2003). More attention in this argument could also be given to the role of technology in fostering the 'free worker' (Knell, 2000), evident in the concept of the 'e-lance economy' (Malone & Laubacher, 1998).

It is indeed important to note that the changes have not been confined to countries like the UK and Canada. Felstead & Jewson (1999) indicate that non-standard forms of employment have been on the increase worldwide, though the patterns vary from country to country (they define non-standard forms to include part-time work, temporary work, self-employment and multiple job-holding ('moonlighting'), but also – and overlapping with these categories – homeworking, teleworking, agency working, outsourcing, subcontracting, franchising, zero-hours contracts, fixed-term contracts, seasonal work, flexitime and consultancy work). The same point is made, using a wide range of data from OECD countries, by Carnoy (2000).

A further important point to make is that the 'paradigm shift' argument is not solely dependent on increases in non-standard forms of employment, but also covers movements from large organisations to SMEs, plus increasing task and role flexibility within organisations in general. These latter trends may be more pertinent to the 25-49 age-group.

Towards a defensible position

My own view is that the notion of a 'paradigm shift' is sustainable and defensible, but needs to be presented in more measured terms than in the Jarvis (2003) paper. The concept of a 'paradigm shift' represents a change of pattern, not the replacement of one model by another. The arguments which Audrey Collin and I presented in the mid-1990s were supported by carefully presented evidence, and seem to me to be reinforced by some of the more recent data outlined above. Certainly the changes have been more evident in some sectors than in others. But the notion that the traditional model remains unchanged does not accord either with the facts or with many people's perceptions of the facts. And those changed perceptions are themselves part of the changed reality.

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Postscript

The paper by Ewart Keep and Alan Brown (this volume) challenges the 'paradigm shift' argument. I acknowledge that in the paper above I adopted the dictionary (Concise Oxford) definition of the term rather than the Kuhnian definition. I hold, however, to the view that there has been a marked shift in cultural thinking about careers, and that this reflects some important changes in patterns of employment and careers. I recognise, of course, that both of these views are based on some simplification of complex realities. I accept, too, that post-structuralism has rendered such binary perspectives unfashionable – though it should be noted that the distinction between structuralist and post-structuralist views is itself binary.

My core contention, as argued above, is that the bureaucratic career has been the *dominant* (though not exclusive) construct of career for most of the 20th century, both in common parlance and in employees' aspirations if not experience, whereas the emergent dominant concepts now are the professional career (in more fluid forms) and the entrepreneurial career. This provides a basis for reconceptualising 'career' and extending it to many more people. My political argument is that supporting such democratisation of career is a virtuous goal for public policy, and that enhanced career guidance has a role to play in this process. In these respects, the finding cited by Keep & Brown, that between 1986 and 2001 (a period which included substantial organisational delayering and downsizing) the proportion of employees seeing themselves as having a career jumped from just under half to over 60%, is both significant and encouraging.

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