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The concept of ‘career’ has recently undergone massive change. Traditionally, careers have been, in Kanter’s (1989) terms, either ‘bureaucratic’—constructed on a logic of loyalty to an employing organization and ascent of a hierarchy of status and responsibility; or ‘professional’—constructed on a logic of increasing competence within a specific occupational frame of reference. To secure and maintain a stable workforce, companies have come to rely on predictable career behaviour built around stable organizational and occupational institutions.

In recent years, however, the comfortable accommodations between organizations seeking stable workforces and individuals seeking secure careers have been disrupted by massive restructuring, downsizing, outsourcing, flexible forms of organization, rapid growth of new technology, obsolescent occupations, and shifting occupational boundaries (Inkson, 1997). The new ‘mobile’ careers are inter-organizational and, to an extent, inter-occupational: Kanter (1989) characterises a third career form as ‘entrepreneurial’, with a logic of career development through the growth of organizational and personal value. In ‘boundaryless careers’ (Arthur & Rousseau, 1996), individuals’ careers take them across organizational boundaries, and career assets are acquired and developed through cumulative learning across organizations.

The change reflects a shift from long-term to short-term commitment, from non-contingent to contingent rewards, from company ownership to individual ownership of the career, and from permanent mutual loyalty to temporary opportunistic alliance (Arthur, Claman, & De Fillippi, 1995). Career progress comes not from intra-company hierarchical advancement, but from inter-company self-development.

For HR managers, the most obvious result of the change is the problem of ‘labour turnover’. How does one plug holes in an edifice which is in constant movement? However, the changes and problems go far beyond this. Associated difficulties are loss of commitment by the workforce, continuity problems in specific areas, instability in the organization culture, loss of intellectual property, negative returns on

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investments in initial socialization and training, and the disruption of intra-organizational teams and extra-organizational relationships. The potential consequences for human resource management (HRM) are momentous.

In this paper we consider how well current theories and systems of HRM stand up in an environment where more and more participants in the labour market, rather than relying on corporate action for their career development, seek to assert control over their own careers. We also consider the appropriateness of corporate action—typically embodied in HRM activities—in the context of the new career environment. We ask, and attempt to answer, the question, ‘How should the HR function respond to these changes?’

HUMAN RESOURCES AS A SOURCE OF COMPETITIVE ADVANTAGE

The early 1980s were marked by rapid and dramatic change, which affected both host economies and their associated employment structures (Miles & Snow, 1984). The traditional means of competitive advantage—economic, strategic, and technological—were no longer sufficient. Organizational capability to change and adapt was proffered as a source of competitive advantage (Ulrich, 1987). In focusing on better deployment of human resources to create organizational capability, Ulrich (1987) signalled the elaboration of the Harvard framework of HRM (Beer, Spector, Lawrence, Quinn & Mills, 1985) to emphasize competency-based behaviour.

The emphasis is evident in the resource-based view of the firm. Attention moved from the properties of the industry environment (e.g. Porter, 1985) to the internal resources of the firm (Wright, McMahan, & Williams, 1994). Human capital was recognized as a key asset for investment and development (Beer et al., 1985; Boxall, 1994). In the resource-based view, competitive advantage is facilitated through the development of firm-specific competencies within the repository of the company's HRM system (Lado & Wilson, 1994).

Descriptions of competencies 'remain consistent on two themes: (a) the source of competencies is always internal to the firm, and (b) competency is produced by the way a firm utilises its internal skills and resources, relative to the competition' (Reed & DeFillippi, 1990: 89). It is these assumptions which we now question.

The resource-based view claims that because the company competencies on which strategies are based are assembled from the motivations, knowledge, skills, and networks of individual employees, HRM (as a philosophy, though not necessarily as a discrete function) must have a primary influence within an organization's strategic framework (Boxall, 1994; Schuler & Jackson, 1987; Wright et al., 1994). Sustained competitive advantages cannot be purchased on open markets: instead, 'such advantages must be found in resources already controlled by a firm' (Barney, 1991: 117).

This 'matching' model 'ignores the possibility that employee interests might make a difference to their prescriptions' (Boxall, 1992: 68). In the model, the emphasis in HRM is to retain members and limit mobility: 'HR practices such as reward systems, communication systems, training programs and socialisation systems can be levers
to develop the human capital to behave in ways congruent with firm goals, the essence of "strategic" human resource management' (Wright et al., 1994: 319).

**HRM AND CAREERS**

By its nature, HRM theory gives primacy to a single level of analysis: the organization. People are seen as elements in a pool of relatively inert 'human resources', who can be induced by appropriate HRM policies to remain members of the organization, to work in organizational roles, and to develop their competencies for the organization's benefit.

Many organizations continue to conceive of careers as company constructs designed to facilitate stability, commitment, and the development of desired employee skills and behaviour. Therefore, organizations build HR systems with strategic HR plans, career development programs, and succession plans, which provide hierarchical 'career paths' to build company-relevant expertise and encourage loyalty. The organization intent on retaining a stable workforce recruits and socializes potentially stable members, offers training and development to fill organizational roles, promotes from within, and encourages people to seek higher status. It offers inducements for loyalty, defers rewards until higher status levels are reached, and provides service bonuses and pension provisions.

These HRM policies, developed to encourage employee commitment, carry implicit signals of career expectations. They encourage career dependency of the employee on the organization. While both parties are claimed to benefit, it is assumed that competency development is 'firm-specific, embedded in a firm's history and culture, and generates tacit organizational knowledge' (Lado & Wilson, 1994: 699). This suggests that the responsibility for the individual's career development lies with the organization. Thus, it is possible for the organization to sustain competitive advantage through the long-term accumulation and development of human capital in 'corporate careers'.

The variances between the ideals and the realities of careers propose a central challenge. Careers may be viewed from the perspective of either the organization or the employee (Gunz, 1989). From an employee's perspective, he or she is not a resource for the achievement of organizational goals, but an autonomous actor striving to reach personal goals. From this perspective, organizations are resources for people. Thus, career actors reverse the assumptions on which much HRM thinking is grounded. They recognize the career advantages that accrue from mobility and versatility, and engage in inter-company 'boundaryless careers' (Arthur & Rousseau, 1996). In so doing, they create the labour turnover problems of which HR managers complain.

Career mobility is facilitated by moves to more flexible organizational forms. In the search for new ways of working, the traditional boundaries of hierarchy, function and geography disappear, and restructuring, alliance building and flexibility result in the development of 'corporations without boundaries' (Hirschhorn & Gilmore, 1992: 104). The blurring of boundaries is apparent in the new world labour market (Johnston, 1991); in workforce flexibility (Parker & Hall, 1993), and in new structures...
of work (Bridges, 1994). Delayering removes hierarchical boundaries. Team development and multi-skilling remove specialization boundaries. Outsourcing and joint venturing remove external boundaries. Downsizing and flattening break the security and the commitment of middle managers (Heckscher, 1995). Cross-functional teams demand reconfiguration of roles as new groups form and disband around project work.

Employees' aspirations are also changing. Increasingly, the focus for most members of the workforce is not on employment security but on potential employability (Kanter, 1989; Waterman, Waterman & Collard, 1994). Employability depends less on detailed company knowledge, and more on flexibility and versatility. Employees become aware that the kind of personal development they experience in a single organization or role may become problematic in preparation for taking on new roles elsewhere. As they become more and more expert in a single organization's competencies and idiosyncrasies, they may progressively dis-equip themselves for alternative employment.

These new organizational forms and workforce aspirations have transformed employment relationships and careers (Inkson, 1997). Traditional maps for career paths no longer describe reality. Career ladders are disappearing (Inkson & Coe, 1993). Instead, alternative metaphors such as 'hopping from job to job' (Kanter, 1989: 299) or 'climbing on a jungle gym' (Gunz, 1989) describe careers that are neither linear nor incremental.

Drucker's (1994) description of the knowledge age as one of 'social transformation', in which the mobility of knowledge workers is of the essence, presents a challenge to society to create a sense of community for workers beyond their employing institutions. Significantly, Drucker has reversed his longstanding position that organizations should take care of long-term employee welfare. Individual 'boundaryless career' behaviour is characterized by marketability outside of the present employer, inter-firm mobility, extra-organizational networks and subjective rather than objective criteria of success (Arthur & Rousseau, 1996). This career model may become prototypical in the new millennium.

DEALING WITH CAREER MOBILITY

Boundaryless career and similar paradigms call into question the philosophical underpinnings of HRM and its implications in practice. In seeking to answer these questions, we were assisted by case material gathered from, and reflections by, four HR managers occupying senior positions in major companies in the Auckland area. Each was the senior HR manager in his or her company, each was involved in top-level company strategy, and each indicated that career mobility, particularly among skilled and professional staff was a major problem. Some details about their companies are set out in table 1.

Inter-organizational career mobility by employees affects organizations most obviously through labour turnover and the loss of talent. The HR managers reported that few new employees arrived with a clear expectation of a long-term organizational career. For example, Astrid reported:
Table 1 Four senior HR managers and their companies

<table>
<thead>
<tr>
<th>HR manager</th>
<th>Type of company</th>
<th>No. of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astrid</td>
<td>Telecommunications</td>
<td>500</td>
</tr>
<tr>
<td>Harvey</td>
<td>Professional services</td>
<td>300</td>
</tr>
<tr>
<td>John</td>
<td>Retail chain</td>
<td>8000</td>
</tr>
<tr>
<td>Natasha</td>
<td>Consumer goods manufacture and distribution</td>
<td>150</td>
</tr>
</tbody>
</table>

The average age is 30 and only 8% are over 40. The average service is about 18 months now—we're having to ramp up recruitment. But typically people we talk to say, 'I am really pleased with the opportunity . . . I will probably stay here for 18 months and then move on'.

Staff discontinuities frequently preclude the provision of career support. HR managers find themselves preoccupied with plugging gaps rather than thinking strategically. Creating a stable organizational 'core' in terms of competencies and culture is difficult in such a fluid situation.

In considering possible responses to these problems, examining the literature, and gathering information from the four informants as to how their companies were responding, we found it convenient to group our ideas under four headings:
1 Reduce internal boundaries
2 Encourage loyalty by supporting mobility
3 Educate management in the new realities
4 Reconceptualize HRM, both as a philosophy and as a function

Reduce Internal Boundaries

One approach to slowing turnover is to encourage the reduction or removal of boundaries within the organization. These boundaries are often created by the formalizing apparatus of organization structure, such as hierarchical levels, job descriptions, and specialist departmentation, which attempt to focus expertise and discourage individuals from learning or progressing outside tight parameters. The employee's desire for versatility and externally valid learning may be met by non-traditional internal career moves. The expressed desire for people to cross internal boundaries has been endorsed by several recent authors (e.g. Ashkenas, Jick, Ulrich & Kerr, 1995) who emphasize staff 'liquidity' to be responsive to changing organizational circumstances.

Natasha reported:

Loyalty today is to the role rather than to the company. Once someone has been in a role for 2–3 years they start to get edgy and after 5 years they ask 'why haven't I been moved?' Company loyalty is only there if they see their role as one in which they can develop. They want to be in a role for 2–3 years for their CV.

Natasha's company used monthly individual feedback and coaching meetings to identify competency developments and as a means of stretching people further within their roles for development. The company also went to some trouble to
ensure that 'when people feel there is nothing more to learn from their role . . . they get away from that role'.

The retail company had found it useful to increase the use of the more flexible terminology of 'roles' rather than 'jobs'. It also tried to ensure that it gave people responsibility for 'core plus project work', i.e. temporary assignments facilitating fresh individual development in addition to regular work routines. The changed philosophy was assisted by the fact that the company was in a 'turnaround' situation.

In initiatives such as these, the organization recognizes that it can, through its involvement of the individual in role extension and project activity, help the individual to add to his or her 'career capital' and become a co-investor with the individual in his or her career. In the longer-term, the mobility of the individual's career may well mean that another employer reaps the benefits of the new learning. In the short-term, however, the employee's observation that there is ongoing career-relevant learning helps to maintain his or her loyalty to the organization. As the professional services company HR manager put it:

People are sensible. They're not so much worried about the dollar market but about the opportunities. Those who don't have a short-term horizon are being sensible economists. They're saying, 'This stuff on my CV is going to make me an investment in a few years' time'.

Encourage Loyalty by Supporting Mobility

Astrid reported a case where 'an engineer who had external opportunities was up-front and signalled the issue to his manager. The manager tried to get him kicked out'. This type of 'loyalty syndrome' is frequently counter-productive, because it precludes honest exploration between individuals and their organizations around the reality that the individuals may aspire to careers beyond the organization's boundaries.

In contrast, Bartlett and Ghoshal (1996) envision a new corporate era grounded in career processes that are specifically individualized rather than hierarchically constrained. An appropriate policy is to encourage employees, who often conceal their aspirations for career mobility for fear of being thought 'disloyal', to be honest and open about these aspirations. This allows the organization the chance to conduct authentic discussions with them about their futures and to respond to their real needs. As John put it:

I would rather have somebody that was open about what they want to do. If we cannot give them the opportunity at least we know about it . . . I prefer them to discuss opportunities, be open about when they're going to leave. There's a need for openness, otherwise you get surprised.

Paradoxically, providing the development inside the company that people feel they will need for their futures outside the organization may strengthen their loyalty. As Harvey reported: 'In the skills we invest in developing [people], we make them
more marketable elsewhere. But in general, the more you provide opportunities for personal growth, the less likely they are to leave'.

**Educate Managers about Careers**

Because an individual's career development is intimately tied up with his or her day-to-day on-the-job activities, the involvement of those managing such activities is critical. Line managers must therefore be ready to engage with employees' career concerns. This calls for consciousness-raising, particularly about the long-term role a manager can play in understanding subordinates' career concerns and in providing career development opportunities.

However, the focus needs to be not just on utilizing individuals' career concerns so that organizational interests are directly met, but also on supporting individuals' self-determined career aspirations. As Natasha stated:

They [employees] are the drivers. We [the company] can help with advice, direction, support and ideas but the prime motivation must come from them. There is no way we should try and sell something to them that isn't a win-win.

A major issue for long-serving managers concerns changing their own loyalty assumptions. Cultural 'caste' systems where long-service 'core' employees are regarded as a natural aristocracy and more mobile staff and temporary contractors as pariahs should be discouraged. Aspects of the employment system designed to encourage managerial loyalty may have to be changed. Harvey stated: 'We're changing [employees'] shareholding from a superannuation model to a "value" model. We are moving it to 'how much value are you to us?' rather than "up in a straight line".'

The 'disloyalty syndrome' may be treated by a new platform of employment relationships grounded in communal interests and short-term project arrangements. These retain the basis of employment close to prevailing external market mechanisms for peoples' security and mobility. Accordingly, managers are encouraged to engage through different forms of employment contracting by rebalancing traditional relational assumptions with more realistic 'transactional' ones (Rousseau, 1995), and internalizing a 'new paradigm' set of employment principles which reverse traditional loyalty-based assumptions (Arthur, Claman & DeFillippi, 1995). In this context, the manager ceases to be an agent of bureaucratic control and instead becomes a career coach (Heckscher, 1995; Bartlett & Ghoshal, 1995).

**Reconceptualize HRM, both as a Philosophy and as a Function**

To this point we have emphasized the role of the organization as a whole and of rank-and-file managers in facilitating new approaches to people management based on the recognition and acceptance of the 'mobile career' phenomenon. But another confronting question concerns the relevance of HRM in the new era. What is the specific role of HRM in new careers environment, beyond that of consciousness-raising?

A recent *Fortune* magazine article recommended dismantling the HRM function.
The central argument was that the so-called personnel function was the 'last bureaucracy' within the contemporary corporation. To circumvent bureaucratic impediments, HRM could more usefully be devolved to line managers or contracted to outside suppliers (Stewart, 1996). The counter argument is for HRM to embrace the new career forms explicitly, and to shift emphasis from bureaucracy-based to knowledge-based activities. The problem for contemporary HRM is that it appears to be caught between these alternative positions.

How well equipped is a conventional, internally located and focused HRM function to handle an increasingly unstable, uncontrollable, internal and external labour market? With high labour turnover and increasing mobility across the organization's boundaries, it may become necessary for the organization to develop better knowledge of, and sensitivity to, the external labour market. Rather than emphasizing control over, and planned development of, the organization's 'permanent' workforce, HRM may increasingly have the role of developing temporary joint ventures with mobile career actors (including contractors, interim managers, and consultants). These relationships are also likely to involve external agencies such as employment agencies, training and development consultants, and suppliers of temporary labour, which act as go-betweens and match-makers in the labour market.

Can the HRM function itself be outsourced? John, the head of an HR department employing 16 people, saw major possibilities:

We're reviewing four temp. agencies now. All of them are raising the issue of development. They all have programs. They say, 'we can help you manage your temps'. You can outsource everything. You can contract in training and development. You can get employment relations specialists when you need them. In our organization you could get rid of most of the HR people. You'd need someone like me in a go-between role. But even I could be on contract. The same model applies to finance, IT, property. We don't need people. We could run the company by phone or set up the CEO in Vanuatu and contract everything else out. HR specialists aren't needed in-house.

This radical solution perhaps underestimates the importance of retaining a strategic consideration of HR issues within the organization's core.

Understandably, HR managers, whose job tends to be to 'fill the gaps', typically see career mobility, at least in the context of their organizations, as a problem to be solved. In doing so, they reflect conventional HRM assumptions. But career mobility is also an opportunity to be grasped. Mobility provides an opportunity not only for temporary relationship-makers such as external agencies, but also for organizations which seek to build their competencies in the long term. The HR managers to whom we spoke reflected some ambivalence between their roles as would-be controllers of labour mobility and of their employees' careers, and as promoters of new, flexible types of employment relationships.

Incoming employees in a high-mobility organizations bring with them valuable, and often novel, expertise, learning, values, and contacts. How can these be transferred and trapped within the organization, after the almost inevitable departure of the employees who first introduced them, so that they become part of its culture, its strategy, its institutions and its networks? The emphasis in building and retaining
resources must refocus from the people who bring in knowledge to the knowledge which they bring. Should the HR manager become, or be replaced by, a KR manager (knowledge resource manager)?

It appears that HRM, whether practised from within the organization or sourced from elsewhere, may become less an acquirer, developer and controller of a company-‘owned’ labour force, and more a broker between firms evolving boundaryless strategies and individuals pursuing boundaryless careers.

CONCLUSION

According to Miles and Snow (1996), the twentieth-century structure of pyramid organizations created ‘second wave’ careers characterized by the incremental acquisition over time of responsibility, status and formal rewards. More recently, network organizations with fluid and permeable boundaries have generated ‘third wave’ careers, identified by horizontal rather than vertical movement. For the future, it is possible to conceive of careers developing more reciprocal relationships with organizational forms. Miles and Snow (1996) describe employment relationships of the future as a fourth wave of enterprise development in which individual work patterns will drive organizational form rather than following it.

Conventional HR theory makes the assumption that organizations create careers. It is equally arguable that people, through their career behaviour, create organizations; that the career is not an artefact of organization strategy and structure, but, rather, that the organization, and even the industry, is a dynamic nexus of interacting careers (Arthur & Rousseau, 1996; Arthur, Inkson & Pringle, in press).

Do organizations create careers, or do careers create organizations? Both statements are true simultaneously. Organizations and careers must remain mutually supportive, but the dynamic between them must emphasize that the employee’s contribution is not dependent on the organization but is interdependent with it. The new dynamic creates constantly evolving networks and partnerships. This conceptualization implies that organizations, rather than viewing employees and contractors as human resources, to be managed, must view them as partners in a joint venture. If the HR function has a purpose, it is not to manage a resource but to build relationships with business partners.

Polly Parker has had a career in health education, tertiary lecturing, and career consultancy. Currently she holds a university scholarship from the University of Auckland where she is completing a PhD in the area of career communities as sites of self-organizing and learning.

Kerr Inkson (PhD, Otago) is professor of management studies at the University of Auckland. He has been active in research in organizational behaviour in the UK and New Zealand for over 30 years. His recent work has been concerned with career mobility and economic and organizational change.
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