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ABSTRACT

Recent changes in the workplace have given rise to the following misconceptions or "myths" about the future of career development: loyalty and job security have disappeared; contingent employment reflects the "end of the job"; and the workplace of the future will continue to be youth focused. In reality, concerns over loyalty and job security have resulted in the increasing popularity of new employment contracts. Unlike traditional contracts, which benefited employees by offering them job security for perseverance on the job, the new contracts benefit employers by locking in valued employees and restricting their mobility. The offer of attractive employment compensations comes with restrictions that protect and benefit the employer. If employees are to ensure employment on mutually acceptable terms they learn to negotiate and develop the skills that employers want. Negotiation of any employment contract is possible. Rather than threatening full-time employment, contingent employment often signals the "beginning of the job" rather than the "end of the job" inasmuch as it places workers in positions that offer them new entries into the workplace and linkages to more traditional, full-time employment. Alternative work arrangements can be particularly attractive to workers who prepare for full-time jobs in fields that are new. The increasing focus on youth in the workplace will result in a labor shortage that will necessitate reversing the focus on youth and turning instead to older workers. (Contains 13 references) (MN)

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The Future of Career Development
Myths and Realities

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Myths and REALITIES

by Bettina Lankard Brown 1997

ERIC Clearinghouse on Adult, Career, and Vocational Education

The Future of Career Development

Trends in the changing workplace have created employment practices that have implications for career development. Company downsizing, early retirement buyouts, and the growing use of contingent employment has led some people to fear that full-time employment will not be available to them. However, new configurations of workers and alternative work arrangements do not necessarily signify lost employment opportunities. This *Myths and Realities* examines the differences between perception and practice as they relates to employment and career development.

Loyalty and job security have disappeared

The new "partnership" relationship between employer and employee, which is reportedly replacing the old "parent-child" relationship, emphasizes worker employability. In the "partnership" relationship, employers provide employees with opportunities for career and skill development, and employees take advantage of the opportunities they are given to enhance their skills, marketability, and potential for continued employment. Philosophically, this employer-employee trade off is equally beneficial. Employers invest time and money in their employees' growth, employees learn updated skills that are reflected in improved worker productivity and increased company profits, and employers realize a good "return on investment." In practice, however, the cycle is not always completed.

Loyalty, which seems a natural outgrowth of the give and take process, may be too elusive to rely on chance. From the onset, organizations deciding to upgrade the skills and employability of their employees have been concerned that they could lose the workers they train to their competition. Filipczak (1995) countered this perception: "When people are happy with their organization, they do not leave" (p. 34). The problem lies in quantifying "happy," for in fact too many employees are jumping ship before the costs for training them have been recouped. As a result, many organizations are now developing employment agreements (contracts) that bind employees to the organization, ensuring loyalty on both sides. For the workers, this practice requires new skills of contract awareness and negotiation.

Most adults are aware of the need for up-to-date occupational, academic, and employability skills as well as flexibility and adaptability to changing workplace conditions. However, in today's employment scene, knowledge of contract law and strategies for contract negotiation have become essential. In a survey of chief financial officers in accounting, finance, and information technology firms, 30 percent said they saw an increase in the number of workers being offered employment agreements ("Your Life" 1997). "According to Runzheimer International, a management consulting firm in Rochester, Wisconsin, 44 percent of the 77 companies it surveyed in 1995 required such agreements, up from 35 percent in 1990" (Vickers 1997, p. 11). Initially, employment contracts were offered only to top management; today, midlevel employees are being asked to sign as well.

Job security afforded through the new employment contracts differs from that promised in the old contracts. In the old contracts, the employee was the beneficiary, given the security of continued employment for perseverance on the job. Today, employers benefit, locking in valued employees and restricting their mobility. To keep their key people, employers are offering them "rich helpings of 'pie-in-the-sky' via deferred compensation, stock appreciation rights, stock options, and other favorites" (Tarrant 1997, p. 9.) These employment compensations, however, come with restrictions that protect (and benefit) the employer. One such restriction is the "payback" clause, requiring employees to remain with the company until they have repaid any relocation or training expenses. The "noncompete" clause restricts an employee from working for a direct competitor for a given period of time. In some cases, this time could extend to and beyond 2 years (Hetzer 1997).

Negotiation of any employment contract is possible. For example, at the time of sign-up, potential employees could ask that the noncompete clause be applicable only if they quit the job. Additionally, they could ask that the company's competitors be specified by name (ibid.). However, the probability of successfully negotiating contract changes varies with the worker's marketability. Workers who have high skills and who are in demand for employment will be more likely to have employers meet their requests for contract changes. On the other hand, the average worker who is competing with a number of other equally qualified workers for a given job will have little contract negotiating power. According to Kennedy (1997), companies are asking employees to sign employment contracts because they can get away with it. "That is, they can get someone to sign them if you won't" (p. 5D).

One way to ensure employment on mutually acceptable terms is to have the skills that employers want. However, knowledge of how to interpret the conditions of employment and understand their implications for career self-management is important for employment security. Both prehiring and exit agreements are legal and increasingly common in the workplace. They "can put you on a short tether if you don't know what you're signing" (Kennedy 1997, p. 5D). Employability skill development should address the issue of employment contracts, and legal counsel should be engaged as mentors so that job searchers can come to the bargaining table armed with facts and negotiation strategies. Since only candidates who are highly qualified for the job will have any negotiation power in the employer-employee "partnership," it appears that the old "parent-child" relationship is not totally obsolete.

Contingent employment reflects the "end of the job"

Rather than threatening full-time employment, contingent employment often signals the "beginning of the job" as it places workers in positions that offer them new entries into the workplace and linkages to more traditional, full-time employment. By definition, "contingent workers are those who do not have an explicit or implicit contract for ongoing employment" (National Alliance of Business 1996, p. 9). They come from temporary help agencies, the pool of self-employed workers, and the array of other individuals who seek alternative work arrangements. In most cases, contingent work is the choice of both companies and workers. The reason for this is flexibility. For businesses that are experiencing downsizing, restructuring, and the demands of a competitive marketplace, contingent employment offers the flexibility of "just in time" work. Through strategic hiring of contingent workers, employers can ensure that they have the specific expertise required to meet the varied, as well as seasonal, demands of their customers. Contingent workers bring specialized skills and experience to the job and afford companies an opportunity to "test" their employability relative to the company's needs, providing a basis for future hiring decisions.

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The flexibility of contingent employment offers an advantage to workers as well as to employers. Those workers who desire to engage in education and training programs or prepare for full-time jobs in fields that are new to them are particularly attracted to such alternative work arrangements. In general, these workers are young—41 percent are 16-24 years old—and are enrolled in school (55 percent) or learning new skills (66 percent). They reflect the transitioning patterns of temporary workers who "learn new skills, gain new job experiences, and expand their networks—helping them move on to 'permanent' positions" (NAB 1996, p. 10). Other workers, such as those who are semiretired or self-employed, elect part-time or temporary work because of the flexibility it affords them. For those who desire permanent employment, the data suggest that the temporary help industry serves as an important bridge back into the labor market. Temporary jobs are not necessarily dead-end jobs. They may lead right back into the traditional labor market. Fewer than one-third of temporary workers are still temping 1 year later, and more than half are in permanent full-time positions (ibid.).

The workplace of the future will continue to be youth focused

In a youth-oriented society, diminishing value has been placed on wisdom and experience—two qualities descriptive of older workers. As a result, companies have used economics to guide their decisions to replace older, more expensive workers with younger, cheaper ones. Into the next century, there may be some serious ramifications of such "ageism" biases.

Recent reports of workplace demographics indicate that United States is aging: "Today, one in every nine Americans is 65 or older. By the year 2030, that statistic will grow to one in five" (Kane 1996, p. 1). Other age segments of the population are showing increases as well. Projections are that the number of workers aged 35-47 years will increase by 38 percent and those aged 48-53 years will increase by 67 percent by the year 2000 (Czaja 1995).

Although the population aged 50-65 is increasing (at a projected rate of more than twice that of the overall population), greater numbers of these older workers are leaving the work force. Between 1989 and 1992, the number of unemployed people over 50 years of age jumped 68.1 percent (Capowski 1994). The "greying" of the population has grave implications for the social and economic health of the nation.

One reason for concern is that, with the growing numbers of people over 50 who have elected or been forced into retirement, the potential for old age dependency is increasing. It is doubtful that the current Social Security system will be able to provide the financial support this older population will need, especially as the average length of their retirement continues to increase. These facts lead to another concern that companies are already facing: the shortage of workers. As companies continue to experience a growing labor shortage in almost all sectors of business, this quantitatively important resource of older workers will become increasingly important (Curnow and Fox 1994) and will cause business to rethink their "youth" focus.

Reversing the focus on youth and directing it instead to older workers will necessitate changes in work patterns, training, and technology applications. Companies will have to consider new approaches and options to retain and recruit these workers to the workplace. They will have to recognize that within a workplace that requires loyalty, dedication, teamwork, and creative thinking, the following characteristics of older workers offer organizations an economic advantage to support their employment: "high levels of loyalty, motivation, attendance and morale, low turnover, flexibility in scheduling, developed skills, experience, and mentoring ability" (Crampton et al. 1996, p. 10).

Conclusion

Most career development efforts are directed to occupational preparation in response to technological advances, new management processes, and the changing economy. However, other workplace characteristics have career implications as well—characteristics such as the changing conditions of employment, alternative work arrangements, and aging population. Career development in the education and training of youth and adults must move to new levels to keep up with these workplace developments. Creative thinking and problem solving may have a new focus as workers strive to navigate through new and uncharted employment practices.

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