Employability and contingent finance professionals in the knowledge-based economy

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Version: Published

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Abstract:
In recent years a key theme in the careers literature has been the development of the self-managed, or boundaryless, career path in which individuals accomplish personal growth and development across a number of organisations, or indeed between different employment modes and even changes in vocation. This contrasts with the traditional assumption of the progressive, linear, career typically enacted within a single organisation, measured in terms of objective or subjective success (Greenhaus et al.1990). In contemporary and less certain employment models we place employability as the central concern for independent workers. Our focus has been on those finance professionals being transferred to remote shared service centres (SSC) and third-party business process outsourcers (BPO). We suggest that as the nature of the employment relationship becomes more delineated between core and business support workers, the ability to keep the job one has and at the same time keep oneself updated to get the next job, is for many workers more pressing than the potential shape of an overall career trajectory.

This paper argues that new organisational forms, such as SSCs and BPOs, in conjunction with new working practices are creating conditions of both opportunity and insecurity for individual workers as work is dispersed across the global knowledge-based service economy. Moreover, in reviewing the psychological construct of employability, the role of economic needs in the motivation of independent workers has been underplayed because traditional career theory tends to assume that the starting point is the availability of a secure position, whereas the reality is that for many professionals there is a need to continually renegotiate the employment relationship from a zero base. A framework of motivation for employability is developed to help both workers and employers to make sense of employment opportunities and thus, better maintain workers’ employability as knowledge and skills become increasingly ephemeral.

Keywords – Careers; Employability; Motivation theory; CPD; Finance Shared Service Centres

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Acknowledgement
The project is supported by the General Charitable Trust of the Institute of Chartered Management Accountants.
Introduction

Hall (1996) proclaimed ‘the career is dead: long live the career’. His argument was that the traditional, organization-centered, career was increasingly anachronistic and was being superseded by the protean career, encompassing a variety of different employment modes. However, it could be argued that in its early phase the phenomenon of personal mobility tended to comprise a series of shorter career mini-cycles across a number of employers (Quigley and Tymon, 2006; 524) albeit that the overall career pathway would still be progressive and relatively orderly, if not quite as predictable as before. A further phase now seems to be dawning, the ‘independent–career’ which encompasses a more eclectic and unpredictable mix of mini-career episodes, self-employment, project work, contingent work, and perhaps even periods not in work. This new landscape parallels the development at a societal level of the empowered citizen (Desmoyers-Davis, 2003), as discretionary choice, and is a significant theme for organizations looking to encourage innovation and flexibility within operations.

In business process outsourcing (BPO), activities are unbundled from the organization and undertaken by a peripheral workforce in a third-party service provider, or by individual ‘contingent’ workers on a sub-contract basis where payment more closely correlates with specified outcomes and service levels (Gospel and Sako, 2010). An alternative arrangement is to set up an in-house shared service centre (SSC) but to frame this new organizational form as a semi-autonomous, quasi-commercial, entity which is also governed by service level agreements. In this respect, the SSC workers will be physically and psychologically distanced from the mother organization and new workers are likely to be employed on separate terms and conditions. The atmosphere of the business processing centre, whether BPO or SSC is set on a competitive basis. Performance will be benchmarked against other SSCs and BPOs, with the implication that if service levels do not continually improve and cost reduces, then the contract will be put out to tender.

Thus, for non-core workers in professional business support functions such as finance, human resources, procurement and IT, the employment relationship is increasingly becoming a transactional one (Sparrow 1996) which brings both opportunities and threats for individual workers. Even in the public sector, which is generally not exposed directly to economic forces, the ideological shift to embrace the principles of the free market has resulted in a trend to ‘externalize’ functions, departments and even individual activities, by contracting them to third party contractors or employing contingent workers (Rothwell & Herbert 2013).

In the traditional, paternalistic, career model, the initiation and funding of personal development was primarily the responsibility of the employer. Nowadays, the onus is on moving to workers to proactively manage their own knowledge and skill capability. This is especially critical for contingent workers who need to develop their employability to meet changing needs whilst at the same time, performing to contract in their present employment situation. This pressure is exacerbated in the so-called knowledge-based service economy now being embraced by a number of nations such as the UK and Singapore. Knowledge work, based upon services, rather than manufacturing, represents an emerging economic model but there may be risks. By its nature, knowledge is essentially ephemeral and boundaryless. With modern information and communication technology, much knowledge work can now be done by anyone with access to that knowledge, and the skills to use it, anywhere in the world. We believe that the longer term implications for employability have been underplayed. More than
ten years ago Brown, et al. (2004) argued that lifting what they call the ‘veneer of employability’ exposes,

‘….serious problems in the way future knowledge workers are trying to manage their employability in the competition for tough-entry jobs; in how companies understand their human resource strategies and endeavor to recruit the managers and leaders of the future; and in the government failure to come to terms with the reality of the KBE.’

(p.6)

Consequently, this paper seeks to explore the issues facing individual workers in maintaining their employability in the context of the knowledge-based economy, and how worker motivation might be better understood in terms of a changing mix of extrinsic (contractual) and intrinsic (personal fulfillment) rewards in an increasingly boundary-less world. First we review the changing nature of the employment relationship and the development of the self-managed career within the knowledge-based service economy. This is then set more specifically within the context of finance process centres as a new organizational form. Next, the concept of employability is introduced and its nature as a psychological construct is explored. The third section considers how motivational theory might better enable individuals to make sense of different employment experiences and opportunities. Fourth, there follows a discussion in which an emergent model of motivation for employability is presented. Finally, there is a summary of the main arguments of the paper together with some suggestions for the development of an empirical survey instrument.

The changing nature of the employment relationship

Careers literature has tended to address the needs of Human Resource Managers, the primary concern being work force planning, motivation and development. The prevailing orientation was essentially external to the individual worker (Hall, 1976) and philosophically rooted in the Weberian notion of bureaucracy, whereby workers are scientifically selected to occupy a series of defined and relatively permanent roles, see Herbst (1976: 22). This outlook is reflected in the following definition of career by Wilensky (1960).

‘A succession of related jobs, arranged in a hierarchy of prestige, through which persons move in an ordered, predictable sequence.’ (p.554)

In the traditional employment regime, employee motivation was largely assumed to be a given in that a mix of structured personal and work related goals, linked to an appropriate mix of extrinsic (financial, status, fringe benefits, etc.) and intrinsic (personal fulfillment) rewards would encourage sufficient workers of the Theory Y disposition (McGregor, 1960) to join the organization and then strive to ascend the vertical hierarchy, (cf. the cone model of Schein, 1978). The further task of management was to command and control the remaining workforce, comprising Theory X types, through mainly economic inducements or sanctions. In the recession of the early 1990s, the threat of new competition, first from Japan and then other Pacific Rim economies, resulted in the adoption of New Working Practices by many Western economies, for example, delayering, rightsizing, BPR, outsourcing and value chain analysis (Otely 1994: 289). Not only had the world become less certain but much of the previous hierarchy was no longer there to climb due to widespread corporate downsizing in the West.
Indeed, only 16 years after the Wilensky quotation, Hall, (1976: ch.8) coined the term *protean* career and offered the following definition of an emergent career pattern.

*‘The career is the individually perceived sequence of attitudes and behaviors associated with work-related experiences and activities over the span of the person’s life.’* (1976: 4)

In a similar vein, Peiperl and Baruch (1997) described a new ‘post-corporate’ career characterized by individuals moving in and out of horizontally structured organizations, within a variety of alternative contractual modes, such as temporary work, outsourcing or consulting. Arthur and Rousseau, (1996) suggested the ‘boundary-less career’ representing greater mobility between organizations. (Quigley and Tymon (2006: 524) referring to Hall and Mirvis (1996) further suggested that *‘researchers are increasingly viewing careers ‘as involving multiple, short learning cycles over one’s life span’*.

As the organizational field changed, workers also developed a greater propensity for choice and freedom in the management of their own life-styles and careers, with the consequence that a further trend is the freelance or contingent workers, the majority of whose working life will be contractually and psychologically outside the organization domain. Such workers will work for, but not within, their employing organization, what we term the ‘independent-career’. The hitherto, paternalistic nature of the traditional, organization-centred, career is being replaced with a more transactional mode (Sparrow, 1996) in which enhanced economic rewards compensate for longer term expectations of continuous employment, pastoral care and a predictable pattern of potential progression. In short, the so-called psychological contract between employer and worker has been (Peiperl and Baruch, 1997: 7).

Increasingly life is played out in competition with others; some will win, but for others the course of their attempt to build a seamless, progressive, career trajectory will be punctuated by setbacks, dead-ends and sideways drift. Such turbulence will likely afflict the majority, rather than the minority of workers. Chang Boon Lee’s (2002) study of IT professionals in Singapore, a much vaunted example of the new style service economy, cited Prager (1998) in arguing that the pyramid structure of many IT departments indicates that only a minority have the opportunity to make it to the top, despite organizations drawing up elaborate career plans. Chang Boon Lee urges IT professionals to actively self-manage their own careers to the extent of engaging in what is called ‘technopreneurship’, i.e. forming their own IT-based enterprises. He also argued that greater career satisfaction will result from self-planned career strategies. However, Chang Boon Lee does not address the extent to which self-planning better directs an individual’s career effort, or alternatively, simply provides an early ‘reality check’, in comparison that is, to an employer’s perhaps more rosy, but for the majority, unachievable career scenarios. More realistic ambitions at the outset will likely result in better levels of subjective career success later, although objective success levels may be the same.

But, whatever the investment in reflection and planning, we suggest that most self-managed workers will have to cope with various degrees of career stress and thus may have to make adjustments to their vocational pathway and/or upgrade their personal capabilities without the support mechanisms that are enjoyed by workers within the traditional, employer-managed career. Whilst literature on career self-management is copious (for review see Hall, 2004) it tends to assume a capable, ‘in-control’, *achiever*, the type of person who revels in the opportunities of the new vocational and economic landscapes. For these workers the problem...
set is how to optimize their opportunities, rather than how to simply survive and stay employed. There have been relatively few studies of those lesser mortals who have to cope with disappointment and wrestle with skill deficiencies in a series of short term, relatively insecure, positions. A notable exception is Beard and Edwards (1995) concern for the risks faced by contingent workers in terms of their psychological experience of work.

We end this subsection by providing an illustration of what might prove to be a new mood through the juxtaposition of the following two statements of Sir Richard Branson, founder and leader of the Virgin Group, an organization held in esteem for its progressive approach to staff motivation (check position Times Top 100 Employers). +++

1. On key success factors - 1998
   
   I’m absolutely certain that it’s a question of the kind of people that you have, and the way you motivate them……If you fail to motivate your people, your company is doomed…..If your employees are happy and smiling and enjoying their work, they will perform well.


2. Letter to 4,800 Virgin Atlantic staff planning strike action - 2007

   Sir Richard admitted that “rival airlines often offered better basic wages but said that they did not offer the perks that came with working for a ‘smaller, more friendly’ company. For some of you, more pay than Virgin Atlantic can afford may be critical to your lifestyle and if that is the case then you should consider working somewhere else”.

   BBC On-line 31st January 2008, single speech marks as original.

Whilst, undue emphasis should not be placed on two extracted views, the second of which was a part of posturing tactics ahead of pay negotiations, nonetheless, many workers might see a resonance with their own situation whereby a sharper, more explicit, focus on the nature of the employment relationship, makes it clear to individual workers what they are ‘buying into’. Thus, ‘allowing’ them to make an informed decision as to whether ‘to take it or leave it’.

Changes in Organizational Practices

Whilst for many workers the rise of the self-managed career sits happily with a sense of greater independence, flexibility and choice across many aspects of modern life, for others independent working is just a feature of their vocational sector for example, in Information Technology, reflecting the changes in organizational practices and structures,. One such development is empowered/autonomous working, which complements organizational delaying and is intended to promote operational flexibility and innovation. The emancipation of workers from the ‘yoke’ of bureaucratic management reflects a wider societal level ideology of the empowered citizen (Desmoyers-Davis, 2003) which further reinforces the notion of the self-managed career. According to Wilkinson (1998):

‘… empowerment is part of an overall agenda of change from a rational, bureaucratic, hierarchical, rules-based, paradigm to a post-Fordism era characterised by delayering, decentralisation, project-based teams and the knowledge-based organisation.’ (p. 40).
As a consequence, many organizations are downsizing to a core of key (career) workers, supplemented by non-core, contingent workers, as required.

The BPO and SSC model have further formalized the physical and psychological partitioning between core and non-core functions. The SSC model might be described as ‘internal outsourcing’ because it provides a mechanism for adopting a market orientation but, crucially it also allows top management to retain control over key support activities. Adopting a market orientation should drive continual improvement along with process adaptation as business needs change. Figure 1 shows how an SSC aggregates activities from a within multiple business units into a new quasi-autonomous organizational form with new reporting lines to both the business units and top management. Indeed, it may be that the SSC only has a staff reporting line to function leaders e.g. the CFO.

Figure 1. Moving to an SSC - adapted from Herbert & Seal (2012).

Consultants claim that the SSC can reduce the cost of support service provision with the additional benefit that both control and knowledge remains located within the hierarchy of the firm.

"An SSC is the concentration of company resources performing like activities typically spread across the organisation, in order to service multiple internal partners at lower cost and with higher service levels, with the common goal of delighting external customers and enhancing corporate value." (Schulman, 1999, p.71)

Whilst the concentration of functional skills, that might otherwise be fragmented across a divisionalised organization, enables more opportunities for career progression within the new clusters of expertise in the service provider (Quinn, Cooke and Kris, 2000; Herbert and Seal, 2012).

There can also be challenges for SSC organisations. In some tier one destinations, talent management and retention can be a particular issue, as staff can easily move from one SSC
to another due to the portability of their skills and the perceived ‘boundarylessness’ of their careers. This effect is exacerbated when the SSC is moved to a low-cost location that has attracted other process centres, either on-shore or offshore. Critics of the BPO/SSC model point to attrition levels of around 25% as evidence of dissatisfied, poorly paid, staff which are likely to produce poor quality work. Organisations similarly complain about disloyal staff and the costs of recruitment and training. An alternative, this may be just a different way of working in the KBE. A more fluid model in which workers manage their own careers and provide employers with a flexible workforce, with workers that build capability by seeking their own development experiences. Thus, for individuals, there is a new emphasis on employability meaning that individual workers now need to compete to keep the job they have, whilst at the same time keeping themselves up to date, and prospecting for the next job. For some, this means opportunity, and the SSC model in particular provides access to a range of possible tasks and visibility across the wider corporate entity.

_I consciously came into SSC in order to acquire leadership skills and management skills and managing people in that sense. I have progressed a lot in a leadership development area, to be able to lead a larger team in an organisation and to think about how to manage that in a strategic perspective, not only limiting myself into finance functional work but also how we manage a larger and a more strategic deliverables through the team.’ Senior Manager, Shell, Malaysia, quoted in Herbert (2015)._}

Other workers may find themselves in an ‘hourglass’ profession whereby the middle, comprised typically of recently qualified professionals becomes squeezed. In this scenario workers will be competing for tough to get promotions or aiming to leave with their experience ‘passport stamped’ so that they can move to gain different experiences in other organisations, thus, improving their employability even if this might not look like the traditional model of ascending the hierarchy at a single employer.

**New Professional Careers**

McDonald et al. (2005) found that the concept of the traditional career was still the norm and Baruch and Pieperl (1997) considered how HRM might accommodate the special developmental needs and career paths of high potential individuals; suggesting a reinforcement of the Theory Y outlook. However, Handy’s vision assumed that there would be a ‘professional’ core and that it would be mainly low-level workers that would comprise the non-core periphery of the organization. Whether this has transpired is a moot point and raises issues, firstly how the core competencies of an organization might be defined, and secondly whether the requisite skills need to stay inhouse or be outsourced. For example, it seems logical that teaching would be a core function and that teachers would comprise the professional core in a college but in the UK Further Education colleges have embraced the casualization of teaching, suggesting that other factors such as the extent to which bought-in services can be commoditized and measured might be more significant in the core versus non-core decision. In which case, contingent professional workers may also comprise the peripheral workforce as evidenced by the rise of the IT workers in Chang Boon Lee (2002) and the emergence of the interim manager. The careers literature has developed a dual focus between on one hand, concern for core workers within the company and, on the other, the more recent phenomenon of the external independent, non-core, workers who must formulate their own career strategy and development needs around more flexible and ever shifting sets of competencies and opportunities, without the support of the ‘paternalistic cloak’ of
organizational management. However, the balance of concern in the literature tends towards the former, thus reflecting the HRM view rather than the more fragmented audience of individual independent workers.

For employers there are two organizational dichotomies. Firstly, there are cost savings in unraveling themselves from people issues. However, balanced against savings there will likely be increased recruitment and selection costs in continual hiring, especially visible if delegated to agencies. Consequently, the process of speeding up cultural assimilation for contingent workers is becoming a key issue (c.f. ‘swift trust’ Radcliffe, and Schniederjans, 2003).

Secondly, the problem of cultural inflexibility that can manifest over time with a permanent work force is avoided and psychological control is enhanced by the practice of making people reapply for their existing jobs as their contracts expire. However, at some point, there comes a tipping point when non-core workers represent a significant proportion of the overall labour force and Handy’s vision of the ‘Donut’ organization becomes the norm and the process of contract renewals can become a constant battle to retain talent. Perhaps more importantly, the traditional HRM concerns of ‘how do we motivate people and develop their knowledge and skills to improve our business?’ becomes a mainstream issue for the non-core as well as core workers. For employers, improving worker capability equates to improving the employability of those workers; in other words a symbiotic concern, rather than simply one side of the hiring/remuneration calculus. Better worker employability now means a better job done for the employer in a fast changing world, as well as better prospects for the individual.

The knowledge-based service economy
Our next focus concerns the nature of the so-called knowledge-based economy (KBE) and the implications for the maintenance of employability. A service led, rather than service supported, economy is an emerging model for many developed countries, premised upon other (developing) countries manufacturing ever cheaper physical goods such that the new economy will stay ahead through the exploitation of its knowledge resources; designing smarter products for others to manufacture and developing more sophisticated technology and organizational systems. The emergence of this trend towards intangible, high value added, services was encapsulated in the popular term ‘the white heat of technology’ back in 1963, by the UK’s then Prime Minister, Harold Wilson. This presaged Government aspirations to encourage new science-based industries to replace the decline of manufacturing and extractive industries. A subsequent Labour Government in 1978 even deliberated the possibility of a future two-tier workforce in which a core of elite workers would produce all the substantive wealth, which would then percolate through a second tier of support/service workers (cf. ‘the 80:20 society’, Brown, 2004).

Whether this vision has now transpired is a moot point. Evidence is patchy but some cities, such as New York, London and Honk Kong have transformed themselves from 19th Century physical trading ports, through 20th Century decline, to drivers of the world economy by turning themselves into centers for financial services, archetypal examples of knowledge creation and application (TIME, 2008: 28-31). The Silicon Valley in the US and the city-state of Singapore

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1 Although firms will often pay a premium over the standard core worker rate to freelance workers to compensate them for the lack of long term security, pension contributions and fringe benefits such as cars, healthcare, etc., incremental savings might be made in HRM support services, e.g. pastoral care and development and reduced infrastructure especially if independents can hot-desk or home-work.
are further examples of knowledge creation and application. But, beyond these particular ‘hotspots’, the notion of the KBE is less easy to identify and, indeed, the KBE can itself be a contested concept (Brint: 2001 and Thompson, et al. 2001). Two points are noted by Brown and Hesketh (2004), first, there is nothing new in the idea of a knowledge economy, and second, they argue that the proportion of knowledge workers even in advance economies is not necessarily that high. For example, in the United States of America, the proportion of knowledge workers only rose from 20% to 22% of the workforce, between 2000 and 2010 (US Bureau of Labour) the remainder are classed as either ‘In-person services’ or ‘Routine production’ (using the categorization of occupations of Reich (1991). They suggest that the popular notion of the KBE whereby a significant proportion of the population are employed in knowledge roles, with speculation of around 45% being not uncommon, is largely a myth. Any such analysis is ultimately subject to the somewhat arbitrary classification of vocational sectors by national statistical agencies (see Anderson, 2009). Perhaps more telling than vocational analysis is the extent to which, nowadays, knowledge resources can be controlled and leveraged through flattened hierarchies (Pieperl and Baruch 1999). A proxy measure of this might be the growing disparity in average pay between workers and top management. Historically, a multiple of around 10-15 times was the norm, now multiples of 40 are not uncommon (see e.g. High Pay Centre, 2015).

In sum, the KBE brings new opportunities but also threats putting a further emphasis on how individual employability can be understood and maintained. Employability is a multi-faceted concept in that it can be viewed both as a process of applying personal capital in a strategic manner to find and secure employment and as an outcome of that process. Gaining a better job with challenging experiences increases future employability.

**Employability**

Whilst the notion of career takes a long view, the concept of employability has emerged as a distinctive theme in which the concern is to ensure that, at any point in time within a career, a worker has the requisite competencies to enable them to get ‘the job they want’ (Rothwell and Arnold, 2004). Whilst superficially oriented at the level of individual workers, the research agenda has tended to address a wider constituency comprising societal and governmental policy needs, the objectives being to; 1) ensure that enough workers with the right skills and knowledge are available to staff the economy and 2) reduce unemployment. The priority tends to oscillate with economic fortunes.

Whilst employability has emerged more recently as a subset of the overall body of careers literature, it is far from a new concept. Hillage and Pollard (1998:5) identified references going back over seventy years. Whilst maintaining employability has been an ever present issue for mankind through the ages, the problem with historical analyses is that they are period-based and thus context specific, for example, Haigh and Gibbs (1981) referred to employability in the context of rising unemployment. By the late 1980's changing career patterns saw references to the need to build ‘employability security’ (Kanter 1987: 321). A further body of literature, broadly from the careers guidance arena, began to make greater use of the concept in a graduate employment context (Bloch and Bates, 1995).

Despite a good deal of attention in recent years by both academics and policy makers, employability remains without a consistent definition and a general lack of empirical research. Moreover, its basic integrity as a construct has been challenged: Pascale (1995: 21) described
it as: ‘... an ill-thought out concept infused with more hope than substance’. Rajan (2000: 23) suggested that it was: ‘... one of the few words that has gone from cliché to jargon without the intermediate stage of meaning’. In popular use, employability is usually viewed through the lens of individual stakeholder groups, for example: 1) as a desired skill-set for individuals aspiring to enter the labour market; 2) the tenacity with which older employees maintain their place in the market, 3) as a collective ability on the part of individuals in society to deal with the changing nature of work and 4) as an outcome of HRM strategies in which employability aims to foster employee mobility within the firm (reference R & H, 2008??)

In one body of publications, with a strong locus in the UK and Europe, employability generally related to government or organisational policy. As an example from the late 1990's, Hillage and Pollard (1998: 12) defined employability in terms of individual attributes as being:

'- about the ability to move self-sufficiently within the labour market to realise potential through sustainable employment'.

However, employability may be more than simply a set of absolute capabilities at any single point in time. Employers will want to assess an individual's motivation both in terms of predicting satisfactory performance and that their profile of needs is a satisfactory fit with the remuneration package and the organisational culture. For the worker, the wider context needs to be considered, including the state of the organisation's internal labour markets, including perhaps factors such as the likelihood of contract renewal, permanent appointment or even internal promotion; plus the state of the external labour market, such as the prevalence of unemployment, or the demand for one's occupation (Hillage and Pollard, 1998; Lane et al., 2000; Rajan et al., 2000; Mallough and Kleiner, 2001). The distinction between internal (i.e. of one's self, or within the organisation) and external (i.e. relating to the external labour market or one's occupation) employability is common in this body of conceptual and theoretical literature (Hillage and Pollard, 1998; Kirschenbaum and Mano-Negrin, 1999; Lane et al., 2000, and Rajan et al, 2000). The latter two papers in particular recognise the impact of the changing labour market and the decline of traditional security, with Rajan emphasising the importance of 'getting a job - maintaining a job - and sustaining employability for the future.' (2000: 97) Another, simpler definition is focused on the individual, and relates to their perception of the future, specifically, their ability to either keep the job they have or to get the job they want (Rothwell, 2003, emphasis added). This perspective also invokes personal aspirations and assumes choice and needs further consideration in terms of the way in workers might make sense of their position in maintaining and developing their own level of employability.

Van der Heijde and Van der Heijden (2006: 449 et seq.) evaluated a 'competence based and multidimensional operationalisation and measurement of employability'. Based on a broad literature review (including, creditably, both the European and US traditions) the authors proposed a multi-dimensional conception of employability: 'in which the dimension of occupational expertise was complemented by four more general competences: (1) anticipation and optimisation, (2) personal flexibility, (3) corporate sense, and (4) balance (p. 453). Occupational expertise has been a recurring theme through Van der Heijden's recent work and is seen as an important means by which professional workers stay 'ahead of the game'. Between fulfilment of aspirations and the more economic imperative of simply surviving, i.e. 'a job you need' there is a range of psychological issues inherent within which are explored in the next sub-section.
**Employability is not the same as Motivation**

At one level the employment relationship becomes more transactional (Sparrow, 1996). The relationship with individual contingent workers is more straightforward and defined, ‘do this, in this way and you will be paid this’; without the cultural baggage of a long term relationship between worker and employee. Paradoxically though, employability as a psycho-social construct is becoming more complex because of the need to continually renegotiate the employment relationship. Moreover, the contingent professional is now responsible for planning and undertaken his/her own development. Continuing Professional Development (CPD) can also become a significant cost to the individual rather than the firm. In examining employability as a social construct, researchers have tended to address motivation somewhat tangentially through passive dimensions such as; ‘willingness to explore oneself and one’s environment’ (Savickas, 1997) ‘willingness to be adaptable’ (Fugate et al., 2004); ‘self-awareness and motivation associated with career identity’, (McArdle et al., 2007).

Relatively less attention has been given to understanding of how workers motivate themselves, although London (1983 and 1991) has contributed to the understanding of career motivation and there is plenty of prescriptive advice on how workers should motivate themselves, with myriad self-help resources directed towards the job-seeker (e.g. What Colour is my Parachute, Bolles, 2014). At the level of national policy, the positive motivation of workers appears to be largely assumed, except for a core of recalcitrant ‘Theory X’ types (The Times 2.2.08). Policy generally concerns the improvement of knowledge and skills, although this runs the risk of pouring resources into a black hole if workers do not see the resources available as aligned with their needs and thus are not motivated to fully engage.

Human capital theory views careers as a rational process, whereby greater investment in education and training will likely result in a better job with greater rewards (Brown, et al., 2004). An alternative perspective views employability as a more complex package of wants and needs, constrained or enabled by an individual's own level personal capital. For example, Fugate et al. (2004) reviewed a body of theoretical work related to (mostly) North American literature on the changing nature of work and careers, job search and life transitions. The authors described employability as: 'a form of work-specific (pro)active adaptability that consists of three primary dimensions - career identity, personal adaptability, and social and human capital' (p. 14). Their model proposed that these dimensions influence each other, and each have a range of sub-components. Thus, career identity (p. 21) included; the individual's self-image ('who I am, or, who I want to be'), values, norms, personality traits, as well as an understanding of one's past, present and future. Personal adaptability (p. 20), for example, included optimism, and a 'propensity to learn'. The value of 'goodwill inherent in networks' (p. 23) was important in building social capital, while human capital, was described (p. 24) as 'factors that influence individual career achievement variables', and included; work experience, training, job performance, organisational tenure, emotional intelligence, cognitive ability, and education.

The next section explores more specifically how theories of motivation might help to explain an individual's motivation through the course of a self-managed career? Such an understanding is necessary for individuals in rationalizing their own position and prospects within their overall life experience, but also for HRM professionals in offering an attractive mix of relevant intrinsic and extrinsic rewards with opportunities for personal development to independent workers.
Motivation for employability

If contingent workers are taking greater responsibility for their own destiny, then the question is what motivates them and how might this vary between individuals and within an individual career? Or indeed are there common needs?

The traditional vertical career was accompanied by a ladder of incremental rewards, both extrinsic and intrinsic. Whilst salary increments were not guaranteed, nevertheless, there was at least an expectation that satisfactory performance would be enough to keep the present salary coming in until retirement. In contrast, in the new independent career pattern there is likely to be a much lower sense of path dependency, indeed this will likely be punctuated by twists and turns; leaps forward, steps backward, and maybe tangential moves into unplanned spheres. Quigley and Tymon (2006) suggested that shifts into new occupational fields are not uncommon. Hall (1976), for example, cited the happenchance manner in which his father became a protean worker. However, due to the fragmented nature of self-managed work it is not surprising that these trends remain essentially anecdotal although, McArdle, 2007 was able to identify transient workers amongst groupings of unemployed workers, noting however such samples will likely be skewed toward the less successful, or unlucky workers.

For a worker operating on a short term contingent basis, the need to secure and maintain employment is a day-to-day reality. In the following framework the solid line depicts a typified traditional career progressing from, say, mundane part-time student jobs, through a traditional ‘vertical’ career which achieves increasing levels of both subjective and objective career measures through to retirement, at which point any further paid work might be viewed more as a hobby than economic necessity. Along this pathway, however, an infinite number of alternative profiles might emerge, both positively and negatively. Many careers are punctuated with setbacks such as redundancy and happenchance opportunities such as are depicted by the dashed line.

**Figure 2 – Possibilities in career experience**

<table>
<thead>
<tr>
<th>Desirability</th>
<th>‘the job you want’</th>
<th>Economic necessity</th>
<th>‘the job you need’</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregraduation (earning to learn)</td>
<td>Retirement (work as hobby)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

We suggest that while there has been a great deal of theorising about the nature of employability, insufficient attention has been paid to the nature of motivation for individuals in a precarious and contingent world of work. A consideration of the evolution of 20th-century
motivation theory reveals the shortcomings of 21st-century models of work in this respect. Traditional motivators such as security or even belongingness (Maslow, 1943) may be unattainable due to the transient nature of short-term contracts. While Maslow was widely criticised (see eg. Geller, 1982) the notion of an individual finding fulfilment through self-actualisation is nonetheless appealing, it would also seem to be unattainable if individuals cannot progress beyond basic needs. Herzberg’s (1959) motivators including promotion opportunities, opportunities for personal growth, and other factors intrinsic to the job itself appear unlikely in a simplified, systematised, routinised work environment. Vroom’s (1964) expectancy theory also relied on traditional career motivators such as higher pay or promotion as potential second level outcomes appealing to the individual. The shortcomings of traditional motivational approaches to the new work models were recognised by work psychology researchers in the downsized environments the 1990s and articulated as a changed psychological contract (Rousseau 1995). What had once worked, such as promises of promotion no longer seemed relevant (Sparrow 1996) when career opportunities had been delayered. To add to the pain, our own research has recognised lateral as well as vertical restrictions in the shape of the hourglass organisation (Rothwell, Herbert and Seal 2011). So just how can the new model workforce be motivated?

As a more contemporary perspective, Quigley and Tymon (2006) address this question with reference to self-determination theory and the body of work original inspired by Deci and Ryan who, since the mid-1970s, have explicated the notion of individuals being driven by a common set of innate needs, rather than learned needs (ibid: 23). These needs comprise, autonomy (feeling in control), relatedness (relationships with others) and competence (the state that occurs when a person’s capability matches the requirements of the task). Alternative phrasing might be choiceful, connected and capable. Quigley and Tymon (2006) proposed an integrative process model to explain the factors of intrinsic motivation that influence career self-management and enable success to be evaluated (p. 522). The authors suggest a series of propositions to test relationships between: an individual’s subjective and objective career success, intrinsic needs, career-self management and career motivation (pp. 536-7) based upon four categories of need; meaningfulness, competence, choice and progress. The first term reflects a sense in purpose of pursuing things that matter, the last term reflects a need to feel that tasks/activities are moving forward and accomplishing something (ibid: 527-528). The two middle terms are consistent with the same two terms in the Deci and Ryan categorization. Overall the Quigley and Tymon (2006) scheme reflects an orientation towards tasks/activities but we prefer to also include the aspect of socialisation reflected in ‘relatedness’ which is thought to be an important motivator for individuals in seeking work, although this might not apply to all workers, for example home workers. Our main contention though with this schema in terms of maintaining employability is that it underplays economic needs and thus we add a further category, economic needs to incorporate the first two level of needs in Maslow’s Heirarchy, such that the motivation to improve employability is driven by the needs of subsistence, meaningfulness, competence, choice, progress and relatedness. Figure 3 shows a conceptual framework depicting a range of needs which we believe more fully reflects the position of non-core, independent, workers. This wider range of factors enables both workers and their employers to better rationalize the motivation for employment and thus enable development of the individual’s employability.
Even though we recognise that the relationship between workers and their organisations in the 21st-century is different, nonetheless there is a relationship hence we need to consider the various facets that this may have. Meyer Allen and Smith (1993) described three potential types of organisational commitment. The first, affective commitment, applies to individuals who remain with an organization because they feel bonded to it and identify with its culture and values. This is a relatively strong form commitment as is normative commitment, which applies for individuals remain because they feel they ought to do so, such as in the case of volunteering, political and religious organisations or community work. A much weaker form of is continuance commitment, when individual remains in a job only because they have to, such as needing the money and thus not progressing behind beyond the most basic level of need in the workplace. In psychological contract terms this is a transactional relationship (Rousseau...
1995), a weak bond between the individual and the organisation with a relatively little motivational effect. Hence we can see that by considering and drawing on the timeline of theoretical development in relation to motivation and related constructs, that a relatively sophisticated concept of motivation for employability can be theorised.

The ‘career motivation’ construct, as articulated here, adds depth to the framework proposed by Rothwell and (Arnold 2007) by emphasising the proactive active nature of individuals seeking to advance their careers and develop their employability. A weakness of the basic employability model as originally conceived was that it portrayed (more by omission than commission) individuals as passive participants in the employment process. In reality, little could be further from the truth and to sustain a contemporary career and individual needs to be engaged, entrepreneurial, proactive and focused.

Even in its most basic form, as originally envisaged this model of employability enabled recognition of the complex interaction between a range of factors. Thus the interaction between the internal market and the occupation in the upper right-hand quadrant generated a set of questions (scale items) to examine this. Similar interactions were investigated through the other four quadrants. While the scale has been widely cited, we acknowledge that the role of individual actors was understated in the original research, and the addition of motivation for employability seeks to redress this.

Figure 4: A Revised Employability Model [adapted from Rothwell ???]

Summary

From the review of theoretical and empirical literature on employability, careers, motivation and knowledge, we suggest that for a significant proportion of professional workers in the BPO and SSC context the notion of employability building into a seamless, progressive career pattern in
a new post-industrial knowledge-based economy is unrealistic. By considering the timeline of theoretical development in respect of motivation we can draw on basic approaches relating to needs and more sophisticated approaches relating to commitment and self-determination theory. This has enabled the development of a theoretical perspective on motivation for employability which includes six broad factors relevant to the contemporary workplace. Thus helping workers and employers to plan, manage and reflect upon present employability motivation as it both enables and directs future career aspirations. This in turn has enabled the development of an enhanced model of motivation which can now be tested in appropriate organisational contexts such as BPO and SSC environments employing professional knowledge workers.

In the knowledge-based economy in addition to contractual insecurity and globalised competition for jobs, there is a particular need for continuing professional development to maintain employability levels. Further challenges for individuals, for organisations in respect of the ‘talent pipeline’, and for professional organisations lie in how professional development can be harnessed to ensure professional workers keep ahead of rapid organisational change. All of the above need to prepare themselves for a world that is difficult to envisage but will inevitably involve greater competition for professional-level jobs, significantly increased levels of process automation, and an increasing focus on manager self-service. We suggest that the time has come for a root-and-branch review of the processes of professional formation, with an eye to individual employability, the maintenance of talent pipelines, and the sustainability of the profession as a whole.

**Suggestions for further research**

It would be helpful to analyse further case studies to provide exemplars of work experience across the range of job seekers. It would also be interesting to test the extent to which overall career satisfaction or immediate feelings of self-efficacy within a career are influenced by the range of intrinsic motivation factors and knowledge types that has been identified.
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1 With reference to Lifton (1968: 17), Proteus was the Greek god who could change shape at will.