

Customizing Careers

The impact of a customized career

Introduction

“The long-predicted talent gap is upon us. While many of today’s business leaders typify the traditional workforce, the vast majority of tomorrow’s leaders do not. Knowledge professionals, who are in ever-decreasing supply and ever-increasing demand, will drive business growth in the early 21st Century. And these are the same workers who are irreversibly blurring the relationship between work and life and redefining what it means to build a career” (Benko & Weisberg, 2007, frontcover).

The labor force in Europe and the United States is "aging" at a high rate. The current workforce is often divided into four generations. The generation of baby boomers will leave the labor market within the next few years. According to the population projection by CBS in 2012 and 2060, the potential Dutch labor population (the population aged 20-65 years) decreases with approximately 750 thousand between 2012 and 2040. The number of older people in the workforce population has increased relatively for some years now. In the SEO (Foundation for Economic Research) report 'Mind the gap' researchers warn for major problems between supply and demand. One of the conclusions is that in Europe around 2050 there will be a shortage of 31 million workers due to an aging working population. Although the current short-term economic crisis will diminish the number of vacancies, there will be a shortage of workers in the long-term labor market.

Professional service firms are struggling with this new situation. How can these organizations motivate talent and retain employees? How can professional service firms ensure that employees obtain a higher commitment and career satisfaction? Employee turnover can lead to loss of knowledge and customer relationships, and to loss of the invested recruitment and training costs. An organization that wants to compete successfully, should respond to motivate talent and retain employees.

There are many developments and trends in HR. This study investigates a number of research areas, applied to the changing labor market, the various life stages of the employee, HR programs focusing on these life stages and career outcomes of the employee. Deloitte U.S.

has implemented an HR method to tackle the earlier mentioned challenges, called Mass Career Customization. In the book, *Mass Career Customization: Aligning the Workplace with Today's Nontraditional Workforce*, the two authors Benko and Weisberg (2007) describe an innovative approach to career management.

The central problem definition is:

To what extent does a career system tailored to life stages, Mass Career Customization, have an impact on career outcomes for workers?

Four perspectives

To answer the problem adequately Chapter 3 examines the factors relevant to the career outcomes of employees. It was concluded that factors such as life stages, individual characteristics, personality traits and organizational characteristics are relevant when it comes to career outcomes for workers. Chapter 2 discusses the HR intervention of Mass Career Customization. The effects of this intervention are described in Chapters 4 to 7. Because of the size of the data set, the focus was on four different areas of research, namely:

- MCC and the relation with work-home culture
- MCC and its influence on career competences
- MCC, family status, male / female, and the impact on ambition
- MCC and the impact on older workers

The study was conducted by Deloitte Netherlands. A total of 5,605 employees were invited to complete the survey. This intervention study used three waves. The first wave took place in August 2009. The introduction of Mass Career Customization (MCC) took place in October 2009 with the first conversations about the MCC profile and the needs / expectations of the staff and leadership in this month. The second wave was in June 2010 and the third wave took place in May 2011. Of the total of 2,393 employees who participated in the first wave, 66% were male and 34% were female and the entire group had a mean age of 34 years. Of the total of 1,037 employees who participated in the second wave, 62% were male and 38% were female and the group had a mean age of 35 years. The selected sample focused exclusively on those who participated and completed all three surveys (n = 553). Of the total of 553 employees who participated in all three waves, 60% were male and 40% were female, and the mean age of 34 years.

Results

Finding 1: The role of the manager strengthens the influence of culture on work at home culture and turnover intentions

The assumption that a supportive work-home culture leads to higher engagement and lower turnover intentions is partially confirmed in this study. We see that high MCC support by the management somewhat strengthens the effects. Participating in a career system as Mass Career Customization has proved to be relevant for increasing engagement and lowering turnover intentions for employees who have received much MCC Support.

Finding 2: Combining career and family responsibilities is not particularly an issue for women, but clearly a concern for both parents

A clear message from the findings is that combining career and care is not primarily a women's issue, but it is a concern for both parents. Because of the crucial role that managers have due to their impact on performance evaluations, and on salary and promotion decisions, the bias of managers has a great effect. When fathers choose to spend extra time on caring duties, it has a negative effect on the performance evaluation, whereas for mothers it is more accepted. However, the bias of managers, that mothers who take caring leave are less serious about their career, has a negative impact on career satisfaction among mothers.

Finding 3: Employees with higher career skills benefit from an adjusted upwards career profile

Investments in career competences (the "three ways of knowing") have a positive impact on the employee. A high knowing-why is related to a faster increase of salary. Employees who succeed in combining ambition and proactivity obtain more objective career success. Moreover, positive effects are found among workers who have a high knowing-how in relation to career satisfaction, provided it was combined with a career profile that is more challenging. Furthermore, we see that a high knowing-why fits an upwards adjusted career profile. If the employee adjusts his or her career profile downwards, this choice may have adverse effects on salary increase. In addition, a downward adjustment of the career profile may have adverse effects on career satisfaction. Employees might miss the challenge in their work, therefore it is important that the profile choice matches with their career competences.

Finding 4: Young people benefit from a standard career profile, elderly benefit from a customized career profile

Adjusting the career profile appears to improve subjective and objective career success, but only under certain conditions. First, the implementation of the adjustment needs to be supported by the management (see finding 1), and second, the use of a custom profile is positively significant among older workers, not among younger workers. Using a customized career profile gives older workers a more active role in their work, but only when the manager supports them in the implementation of MCC. More engagement is mainly associated with more objective career success for these workers. Third, the results show that support of the manager may be associated with higher affective commitment of younger workers who do not use a customized career profile. Younger workers benefit from the possibility to adjust their career profile in the future.

Finding 5: Introducing MCC profiles can strengthen the "up or out" principle rather than reduce it.

Although Mass Career Customization is an attempt to establish cultural change, there are also findings that show that a new HR program does not necessarily nor immediately lead to the desired culture change. Studies on flexible work arrangements (FWA's) show that many organizations make effort to embed FWA's (Kossek & Ryan, 2008; Thompson, 2008) in their organizational culture. The management clearly plays a crucial role in the careers of workers due to their impact on performance evaluations, salary and promotion decisions. By choosing a downward career profile it is clearly visible that employees take a step back. This may encourage managers to decrease their career support. The disadvantage of a downward career profile is that it conflicts with the "up or out" principles regarding visibility and full-time commitment. More importantly, it contrasts with the values of employees that have been working in the old culture for years, while fulfilling the high demands of the organization and the long working hours (Alvesson & Robertson, 2006). Employees who explicitly choose an upward career profile, perform well to these values, which is positively rewarded by the organization. Although the HR program MCC has an explicit goal to facilitate impartial career choices, there is an unintended effect which creates inequality by rewarding employees with upward career profiles and by punishing employees with a downward career profile.

Finding 6: Engagement and turnover intentions affect the work-home culture and work-home culture influences engagement and turnover intentions.

Work-home culture and engagement influence each other mutually. Furthermore, work-home culture and turnover intention also affect each other mutually, but this effect diminishes over time. Engagement may be a state that increases over time, while turnover intention possibly decreases because of the need for action. In addition, work-home culture support is strongly related with engagement, whereas work-home culture hindrance is strongly related with turnover intentions. This could be explained by the 'common method' bias (Podsakoff, MacKenzie, Lee & Podsakoff, 2003), but it may also be evidence for the hypotheses of the JD-R model, that job demands mainly lead to burnouts and that resources primarily lead to engagement (Bakker & Demerouti, 2007).

Implications and recommendations

The discussion is described in Chapter 8. Here, the implications and recommendations are categorized for employees, managers and the organization. The main recommendations of this thesis are:

It is important for an employee to work for a manager who supports career changes. The manager has an important role in the career outcomes, because he has a decisive role in decisions about salary and promotions. A downward adjustment of a career profile can reduce the visibility of the employee.

Managers have to realize that a 'healthy' work-home culture can also offer benefits for managers. A 'healthy' work-home culture positively affects engagement and reduces turnover intentions. It is pertinent to note that employees work for different managers and therefore can get mixed signals about applying different career profiles. Consultation between managers about the most important values is therefore advisable.

Employees become more visible in the extent to which an employee actively or passively deals with her or his career(choices). This is attractive for active employees, but passive employees should be motivated in career(choices) to reduce unwanted turnover intentions and to increase their career satisfaction.

This research also shows how a supportive work-home culture is related to more engagement and lower turnover intention, and stresses the importance of good management support. This means that career systems such as Mass Career Customization can be an important form of engagement and retention strategy. By following HR interventions such as MCC, a number of issues are crucial to achieve success. Educating and training the management is expected to create a positive effect for the HR intervention. The emphasis on promoting support and removing obstructions for a better work-home culture is a good strategy, for example, by not imposing time requirements on employees or by eliminating negative consequences for participating in a customized career profile.

In addition, it is recommended to implement an HR program to create stability in the execution. The HR program has long-term effects and sometimes only become apparent in the long run. Continuously defending MCC or a customized career in an "up or out" culture to bring up a culture change is not an easy process and the role of the HR department in this process is very important.

For other professional service firms which consider implementing an HR program as MCC we recommend to know which dimensions of the career profile fit their organization. The organization needs to know what the standard profile is and how customizing these profiles is possible within the specific type of 'business'. An MCC program in a public listed company, a bank, a law firm or a consultant agency needs dimensions that fit the needs of employees and that fit the objectives of the organization.