

The Future is with us – careers and labour markets as ecosystems



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Abstract

The purpose of this paper is to provide an overview of the state of careers and employment systems in the contemporary local and global labour markets, using an eco-system perspective. I discuss the theoretical underpinning of career ecosystems, and use cases to manifest the ecosystem nature of career transitions in different global and cultural contexts. To understand career decisions and their outcomes it is critical to explore the way different actors perform within both internal and external labor markets. I argue that employing the ecosystem theory enhances our understanding of the roles and relevance of multiple actors at different levels of analysis. Individuals and organizations may benefit the planning and management of careers by realization of the meaning and value of the concept of careers ecosystem.

מטרת המאמר, להציג סקירה של מצב מערכות תעסוקה וקריירה בשוקי העבודה הלוקאליים והגלובליים, תוך שימוש בנקודות המבט של תפיסת המערכות הסביבתיות (eco-system). במאמר אני דן בבסיס התיאורטי של תפיסת המערכות הסביבתיות, ומשתמש בניתוח אירועים בכדי להדגיש את האופי המערכת-סביבתי של שינויים בקריירות בהקשרים גלובליים ותרבותיים שונים. לטענתי, בכדי להבין את ההחלטות השונות לגבי קריירות ותוצאותיהן האפשריות, ראוי לחקור את הדרכים שבאמצעותן פועלים השחקנים השונים, הן בשווקים הפנימיים והן בשווקים החיצוניים. השימוש בתיאוריית המערכות הסביבתיות, יכולה לשפר את הבנתנו לגבי התפקידים והרלוונטיות של השחקנים השונים ברמות ניתוח שונות. גם פרטים וגם ארגונים עשויים לשפר את התכנון והניהול של קריירות באמצעות הבנת המשמעות והערך של המושגים המאפיינים את גישת המערכת הסביבתית בהקשר של קריירות.

Introduction

The world of employment and the landscape of careers has changed significantly, as acknowledge in a number of works (Arthur, 2008; Baruch & Bozionelos, 2011). While many elements in the labour market remain the same, true and significant changes are taking place. Business firms and other organizations still have employees – but alongside these traditional employment relationships, other entities work for those organizations. People perform work through a variety of contractual arrangements – that are different from the old-fashioned employment engagements, both legally and managerially. The system is more dynamic, and there is more flexibility, stemming from complexity of both organizational and individual

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needs and requirements. With technology progress, new vocations have developed, whereas other decline or were eliminated from the labor market. Many roles that were traditionally conducted by employees have become redundant, moved to automatic robots and even transferred to customers who may be invited or expected to perform certain types of tasks.

Globalization adds to the ever increasing multifaceted and dynamic work environment and offers new career path. New work arrangements apply in conjunction with traditional ones. Flexible work arrangements include part-time employment, short and long temporary employment, via agencies or otherwise, independent contracting, outsourcing, franchisor-franchisee co-employment, and different time and space flexibilities.

Considering the many changes to the traditional employment relationship, contemporary employment relationships are not always represented by full-time paid work on a long-term base. At the same time, the traditional psychological contract has changed to one with new mutual obligations and expectations (Arthur & Rousseau, 1996; Herriot & Pemberton, 1995). Furthermore, many stakeholders exhibit interest in the employment system, multiplying the nature of interactions across the actors.

To better understand and analyze such ever-changing field I offer the theoretical contribution of career ecosystem framework. I will start by explaining the idea of careers as eco-system, building on earlier work, the general field of career (Baruch, 2015), global careers (Baruch, Altman and Tung, 2016), and the specific case of academe (Baruch, 2013). I will then refer to some of the above mentioned issues and factors, and analyze their relevance and impact from careers and labour markets as ecosystem perspective.

Ecosystem theory and careers as ecosystem

Already in the 1990s, ecosystem theory was developed and supported as a compelling theory, complying with required characteristics of theory, and exploring the potentials and challenges relating to it (Muller, 1997). Ecosystem functions constitute a set of relations across various actors within the system. These ideas of ecosystem theory (Muller, 2000) can be adopted for understanding careers and labor markets (Baruch, 2015), both at local and global level (Baruch et al. 2016). This is a process of theorizing, expanding existing understanding to a wider context (Weick, 1995). In these markets, a number of players act and interact with each other. The three main actors in this ecosystem are employees, employers, and national systems.

I offer the career and labour market theoretical perspective of ecosystem because it represents an overarching framework to construe and analyze career mobility within and across professions, organizations, locations and particularly frameworks of mind. It is particularly useful to advance career theories because they are typically fragmented (Arthur, Hall, & Lawrence, 1989; Lee, Felps, & Baruch, 2014). Adopting the ecosystem theory perspective enables the career scholarly community to deal with the combination of multiple actors and the

different levels of analysis. This suggests a way to decipher the black-box of how a number of factors influence career mobility decisions.

Within management studies, an ecosystem was defined as ‘*a system that contains a large number of loosely coupled (interconnected) actors who depend on each other to ensure the overall effectiveness of the system*’ (Iansiti & Levien, 2004, p. 5). In a complementary manner, business ecosystem was defined as “an economic community supported by a foundation of interacting organizations and individuals – the organisms of the business world” (Moore, 1996, p. 9), in line with the open system approach (Katz & Kahn, 1978). Interdependence among the entities comprising the system is a clear feature, but co-evolution does not happen in isolation (Mitleton-Kelly, 2003). Following from that, Business ecosystems have a dynamic structure consisting of an interconnected variety of organizations (Peltoniemi & Vuori, 2004). Viewing career mobility as part of an ecosystem provides us with a theoretical platform to depict the related interdependencies and dynamics of such a system. These systems function as an analogous to a bio-ecosystem (Peltoniemi & Vuori, 2004).

The following characterize ecosystems: Multiple actors, interconnectedness, interactions and interdependencies. The main **Actors** are individuals, institutions and national entities (also communities). Individuals communicate, act, react, and make career decisions (e.g. stay, move, change career). Institutions are typically the employers who traditionally tool control of career planning and management, initiate career moves (promotions, assignments, including global moves), and manage people as they progress in their careers. Governments set rules for the system (e.g. employment law) and develop talent (e.g. via national curriculum, training and regulatory systems). The nature of contemporary careers is such that **interconnectedness** is complex: apart from the legal employment contract, there is also psychological contract (Argyris, 1960), which has changed significantly towards the 21st Century (Rousseau, 1996; Conway & Briner, 2005). Lastly, there are major and minor **interactions** like the basic transactional exchange of labor for wages, but also the development and continuous adjustments of policies and strategies at the firm level. In the context of **Interdependency**, organizations rely on their employees to survive, perform and thrive. They depend on governments and other statutory bodies that regulate the ways to conduct their business. Nations depend on human talent for their productivity, which at the aggregate level enables organizations to creating national wealth. Reaching and maintaining **overall effectiveness** is a state of perpetual motion. Careers and career moves are subjected to the interests and motivations of individuals to develop and progress, but at the same time, career development depends on organizations performance that can improve or decline, many times due to external factors like global competition. The jungle rule of the survival of those who fit is valid, and those who do not fit, or are not ready and able to change are left out individuals (Hall, 2004), organizations or nations (Sölvell, 2015).

Some of the major considerations are seen differently by different actors and the influence vary, depends on the level of analysis. Individual personality will certainly be relevant factor

influencing a person to decide on a move or on career change, depends on how risk averse they are (Douglas & Shepherd, 2002), but national culture may influence the propensity to move for large mass of people, subject to the cultural norms, for example regarding ‘uncertainty avoidance’ (Hofstede, 2001). Significant and meaningful variations exist across nations in terms of how tight or loose their culture might be (Gelfand et al., 2011). Tight cultures are characterised by a number of strong norms coupled with low tolerance for deviant behaviours. Loose cultures are characterised by weak social norms and a high tolerance of deviant behaviors.

Another way to demonstrate differences is to study the importance and relevance of the ‘employability’ agenda. Employability is a critical factor for individuals (Van der Heijde & Van der Heijden, 2006), helping them to navigate their career within the labor market with certain self-sustainable ability to acquire a job if needed. Even if the perception of or believe that he or she have acquired employability is flawed for specific individual, he or she will benefit from such perception – unless in a real need for a job, identifying that that it was merely an illusion of employability. Thus, formally employers offer ‘employability’ (Fugate, Kinicki, & Ashforth, 2004) to their employees as a suggested new psychological contract, but in practice they do not always believe in or internalize the message of employability (Baruch, 2001). The self-perception of being employable causes people to believe in and sometime to try to push the boundaries of their current employment. The investment employers make in their employees, alongside educational and legal systems that are more or less open to boundary spanning activities are manifestation of the ecosystem nature of labor moves.

How it works – real global cases as examples

I bring the following as illustrative cases that manifest the ecosystem nature of talent flow in different contexts, including the Israeli case:

China: Rural migration

The most significant population move in the last couple of decades is the transition in China from the rural country to major cities. The rate of growth of major Chinese cities is unprecedented (Miller, 2012). The magnitude is exceptional, with an estimated 155 million people moving by 2010, though there is still a paradox of growth in migration and skill shortage (Can, 2010). The push and pull forces are clear: There are more employment opportunities and more money in the big cities, though traditionally Chinese people prefer to remain within the vicinity of their core family. This migration is an example of a need to reach equilibrium in terms of employment, life style, and practical economic survival. Under central government policy, a relatively low educated population is moving to cities in the search for employment and better future.

USA: internal and global migration

Several trends co-exist in the USA. Global mobility of migration to the USA was very high in the 19th Century, declined to totally zero due to ban in the early part of the 20th Century, and

since then is growing steadily, with two prominent segments: Those who applied for green card and received it legally, and the significant number of illegal immigrants, mostly from Latin America. Geographical moves take place too, and the deterioration of certain cities (Detroit, for example) alongside flourishing of others (Chicago, for example) offer evidence to these trends.

Luxemburg: National vs. neighbouring countries

Two thirds of the workforce of Luxemburg enter and leave the country on a daily basis. The 138,700 who “commute” daily for work to tiny Luxemburg (population 530,000) arrive from neighboring France, Germany and Belgium (Schinzel, 2015).

Israel: National vs. neighbouring countries vs. global

The Low/mid skills workforce, in particular in the construction, hotel industry and cleaning jobs and care are professions less desired by native Israelis. Before 1967, Israeli-Arabs were employed in many of the low-level jobs within the construction industry. After 1967, significant numbers of Palestinians entered the Israeli labour market. Yet, inputs from a different system – political and security related – caused many restrictions of these prospect employees. As a result, other sources of employees were sought for. Till today there are some 90,000 Palestinians working in Israel, some 2/3 of them legally. About half of them in the construction industry, many others in agriculture, cleaning and hospitality. Due to the above mentioned issues, many work permits were granted on temporary basis to foreigners, like Romanian or Portuguese and Chinese in construction. A different market is for the elderly in a need for care – the employees here are mostly females from the Philippines, Romania and other countries employed in the home-care service industry. At the same time, there is a brain-drain phenomenon where many highly educated individuals leave the country to work in industry and academe in western countries, most notably the USA.

UK – choosing location for call centres

When firms in the UK establish call centres they look for the best fit labour market. One option is to base the decision on labour costs – but full command of the English language is critical too. Labour costs in India are much lower than those in the UK, though other EU countries like Estonia can offer certain competitive costs. Even in the UK, unless the payment is at the minimum legal wage rate, there will be differences across areas. Scotland offers better deal on these grounds. Unemployment level is another factor to consider, in choosing within the UK, and cities with high unemployment rate are attractive locations for establishing new call centres.

Discussion

The view or conceptual framework of career systems and labor markets as eco-systems is novel and intriguing. It adds to the theoretical development of the field, which is an essential

ingredient for knowledge development (Suddaby, 2014). Muller (2005) suggests the following questions as worthy starting points for discussing ecosystems:

- Which are the relevant processes in the system?
- Which are the respective storages and pools of energy or nutrients?
- Which are the flows between these pools? Which are the dynamic developments of the processes?
- How are these processes regulated?

All those questions are relevant and can lead the way to further investigation of careers and labour markets. Career systems are influenced by the wide factors of economy (progress, crisis, downturn), migration, technology development (information technology and other), role of and changing nature of the family. Political system influence labour markets in many ways, taken narrowly, via national system of values, and practical system of training and education. Mechanisms for job search, salary adjustment, occupational choice, are just a few factors operating in the system.

Example – individual level:

One indicator of a live system is the way changes in qualities and characteristics of actors enable or disable their success under different circumstances. Qualities that were fit for the system in one stage may not be sufficient, and might even be detrimental to success at a later stage. In the industrial system of the 19th and up to end of 20th Century, stability and compliance with the hierarchy promotion system was an advantage. To progress to the top one had to be stable, accepting career path suggested by the institution, and keep stable. With the so-called 'New Careers', being proactive (Seibert, Kraimer, & Crant, 2001), using protean career (Briscoe & Hall, 2006) or Kaleidoscope career model (Mainiero & Sullivan, 2006), crafting own job (Niessen, Weseler, & Kostova, 2016) were signs of minority non-conformists that would take them out of the main stream. To progress to the top one should now be dynamic, challenging traditional career path suggested by the institution, and keep moving in multi-directions (Baruch, 2004). The development of new career ecosystem requires different values and work/life attitudes.

Conclusions

Amongst the actors characteristics are individual career orientations and perspectives and organizational career planning and management, on the one hand, as well as the relationships between these and career moves, either local or global, on the other. Employing the ecosystem theory enables us to discuss the roles and relevance of different actors at different levels of analysis, trying to understand the reasons for and the outcomes of mobility decisions.

Looking at the way different actors perform within both internal and external labor markets is critical. In the career dynamic ecosystem there is constant flow of human capital in multiple directions (Baruch, 2004). The ecosystem operates at the micro- meso- and macro-frames of

reference. The micro- meso- and macro system can be individual, organizational and national levels. The 'flow of human capital' takes place as a dynamic talent flow of creation, re-shaping and dismantling of organizations, as well as national variations. With developments in technology and change of values and norms of behavior and expectations, the traditional boundaries of the system become blurred. In certain cases they can disappear altogether. In reality, the system cannot literally be fully boundaryless (Inkson et al., 2012). At the practical level, managers, and in particular HR managers may benefit from understanding of this perspective or framework in order to manage their talent.

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