

The New Career Contract: Developing the Whole Person at Midlife and Beyond

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This is an examination of the current status and future potential of older workers in organizational settings. This analysis will necessarily require a reexamination of traditional models of career stages, particularly in relation to issues of aging in the career context. The paper starts with an examination of the "career contract," the set of mutual expectations between employer and employee and on the ways that contract has changed over the last decade. Our summary view of the new contract is that it reflects a move from an organizationally based career to a protean or self-based career. This change has particularly strong implications, positive and negative, for older workers, and these are explored in depth. We argue that the contemporary high-speed work environment demands two key competencies (which we call "meta-skills," since they are skills for learning how to learn): identity development and heightened adaptability. The development of these meta-skills occurs through a process of midcareer "routine-busting." In our view, this suggests a new view of career stages, in which the focus is on many cycles of learning stages (continuous learning), rather than a single lifelong career stage cycle. The paper concludes with the implication of these new career concepts for the development of older workers, questioning the currently popular model of retraining and calling instead for *continuous learning* as a means of providing lifelong development for workers of all ages. © 1995 Academic Press, Inc.

Workers in middle and later career and life stages represent an untapped

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resource in the United States workforce, neglected in theory and research as well as in practice (The Untapped Resource, 1993). This paper is an attempt to consider the potential competencies of and prevailing attitudes toward the older worker in the new work place—and at the same time to reexamine some of our traditional models of later career stages and update them in light of the current work environment and our present knowledge of the needs and capabilities of older workers.

We will first describe the “new career contract,” which we characterize as a move from the organizational career to the protean career, with a focus on protean careers for older workers. We will argue that the current high-speed environment places developmental demands on the individual for two key competencies (“meta-skills,” since they are the skills of learning how to learn): *identity growth* (more complexity, more self-reflection, and self-learning), and increased *adaptability*. For older workers who have spent a lifetime developing an identity and one specific set of skills which they thought would last for life (what Sarason [1977] called the one-life-one-career imperative), the idea of changing one’s career identity and acquiring new skills may be especially challenging.

We will next examine issues of the worker at midlife and beyond in developing these meta-skills, through a process of *midcareer routine-busting*. We will also posit a new model of the career as a lifelong series of learning stages (continuous learning, or CL), which describes protean change processes throughout the career.

We will conclude with a discussion of how best to tap the potential of the older worker in the contemporary organization. We will compare continuous learning vs retraining as interventions for increasing the adaptability of older workers, making an argument for the former, as well as for new ways of providing continuous learning for the older worker.

THE NEW CAREER CONTRACT

There has been a great deal of recent interest in the psychological contract between employer and employee and in the ways that the contract is changing (Rousseau, 1990; DeMeuse & Tornow, 1990; Stroh, Brett, & Reilly, 1994; Mirvis & Hall, 1994a). Popular publications have had cover stories with headlines proclaiming “the end of jobs” (e.g., Barnet, 1993; Bridges, 1994). Most of the jobs that have been eliminated through restructuring and reengineering have been cut permanently, and then as more labor is needed, the demand is met through overtime and contingent staffing. The fastest-growing segment of the U.S. labor market is the contingent work force (i.e., the third leaf in the shamrock), and the largest employer in the United States is a temporary employee agency (Manpower, Inc.). Between 1989 and 1993, the United States lost 1.6 million jobs in the manufacturing sector, and similar losses are expected to continue in later years (Barnet, 1993). Many of these jobs may be replaced by self-employed and entrepreneurial work and by

contingent work, and some may be replaced by new jobs created in other sectors, such as services and information technology.

One way to view these structural changes in the economy is that the basis of the psychological career contract between the employer and employee has shifted. As discussed originally in contract terms by Harry Levinson (1962) and later by Schein (1965), as well as in the inducements-contributions theory of Barnard (1940) and Simon (1947), the psychological contract is a set of mutual expectations, often implicit, held by both parties to the employment relationship. One empirical longitudinal study at AT&T found that as long as each party's expectations were met by the "contributions" (e.g., the employee's performance output, the employer's pay and benefits) of the other, the relationship was seen as a fair exchange and would continue; if not, the employee would leave the organization (Berlew & Hall, 1964).

Later, MacNeill (1980, 1985) identified two forms of the contract. The first is *relational*, based on a long-term mutual commitment to the relationship, based on a trust that over time any temporary imbalances in inducements or contributions would even themselves out. A contrasting form is *transactional*, which is based on a shorter-term exchange of benefits and services. One view of the current situation is that the contract has shifted from relational to transactional, meaning it is very short-term and very performance based.

From Organizational to Protean Careers

Another way to frame this career contract change, from the perspective of the individual, is that we are seeing *a shift from the organizational career to the protean career*, a career based on self-direction in the pursuit of psychological success in one's work (Hall, 1976, 1986a):

The protean career is a process which the person, not the organization, is managing. It consists of all of the person's varied experiences in education, training, work in several organizations, changes in occupational field, etc. The protean career is *not* what happens to the person in any one organization. The protean person's own personal career choices and search for self-fulfillment are the unifying or integrative elements in his or her life. The criterion of success is internal (psychological success), not external.

In short, the protean career is shaped more by the individual than by the organization and may be redirected from time to time to meet the needs of the person (Hall, 1976, p. 201).

Behind the organizational career were a set of assumptions (e.g., that people would ideally work in that firm until retirement and that seniority and maturity were valued and respected qualities). The shift to the protean career means decoupling the concept of career from a connection to any one organization (or to an organization, period) and even from its exclusive association with lifelong paid employment. Thus, if the old contract was with the organization,

in the protean career the contract is with the self and one's work (Mirvis & Hall, 1994). In a study comparing data collected in 1978 and 1989, Stroh et al. (1994) found evidence of this shift from a focus on the organization to a focus on one's own work; satisfaction with the company decreased from 1978 to 1989, but job involvement and job satisfaction increased.

What Does a Protean Career Look Like for an Older Worker?

Advantages for the older worker. As Mirvis and Hall (1994a) have discussed, there are several benefits to career researchers, as well as for older workers, of the protean career concept, related to the current work environment. First, the dimensions of flexibility and autonomy provide new ways to think about *time* over the course of the career. Instead of more traditional concepts of the career as a linear progression of upward moves or as a fairly predictable series of discrete stages (e.g., Dalton, Thompson, & Price, 1977) or even as a regular pattern that might be unique to each individual (Driver, 1994), the protean concept encompasses a more flexible, mobile career course, with peaks and valleys, left turns, moves from one line of work to another, etc. (And, in fact, Stroh et al. [1994] found that job mobility increased between 1979 and 1989.) Rather than focusing outward on some ideal generalized career "path," since it is driven by the person's unique set of personal needs, the protean career is unique to each person—the "career fingerprint."

Flexibility and autonomy seem tailor-made for the older worker. At this point in life, many of the external constraints (e.g., childrens' education) and internal drives (e.g., advancement) that may have imposed a linear, externally-defined career path on the person have receded. As long as health care and other basic needs (e.g., elder care, financial security) are met, the older person is freer to pursue more flexible career options than her or his younger peer. (See Greller and Stroh in this issue for a full set of these basic needs, or constraints.)

A second kind of flexibility provided by the protean career is the *enlargement of career space*. The literature on careers has tended to associate careers with paid work and with what goes on within the boundaries of a formal organization. In the discussion of "work/family" issues, there is an assumption of a clear boundary between those two domains (Hall & Richter, 1990; Lobel & Kossek, 1994). In contrast,

A more elastic concept, however, acknowledges that work and nonwork roles overlap and shape jointly a person's identity and sense of self . . . under the rubric of attaining psychological success (Mirvis & Hall, 1994a, p. 369).

Since the protean career is driven by the person's search for self-fulfillment, which can occur in any domain, a protean career is necessarily connected to and influenced by personal life. That is not to say that the personal roles and career roles cannot be distinguished, but they are highly interrelated.

Protean problems for the older worker. For older employees flexibility of space means recognizing that there are more paths to psychological success than just those associated with paid employment and that there are now options for combining paid work with work related to personal interests. The boundaries between paid work and "life" can be more permeable (or nonexistent) for the older worker. In fact, learning how to deal with this increased freedom of choice may be one of the more difficult challenges facing the older worker.

Another increasingly popular form of space flexibility is working out of the home, done by many people either informally, as independent contractors, or as part of an organization's formal home work program. We would hypothesize that this option may be seen as less attractive by older workers than it would be by younger or midcareer employees, since the older person may be looking for an opportunity to get out into a structured social situation. For the older employee looking for social interaction, the more traditional organization-based work place may be more satisfying.

The price of freedom from the organization. Perhaps most fundamentally, the protean career concept provides a different way of thinking about the relationship between the organization and the employee. Whereas much of the previous literature on the organizational career has had the organization as the figural element, with the individual as background, in the protean career, the person is figure, and the organization is ground. Organizations provide a context, a medium in which individuals pursue their personal aspirations. This model is analogous to the free agent in sports or the arts. Both parties have freedom to end the relationship, but it is possible that the relationship may become a long-term, highly valued one. This is something other than simply a relational or a transactional contract. It is the free person pursuing her or his own "path with a heart," as Herbert Shepard (1984) described it.

This freedom from the organization does have its down side, however, and this may be especially evident for the older worker. In a world where personal identities are generally tied to formal organizational work roles, there can be problems of self-definition and possible normlessness when one is working independently (Mirvis, 1995). Research on telecommuting shows that people who are not working within the spatial boundaries of an organization (but who may be organizational employees) need to find other ways to meet their social needs and needs for identification (Hall, 1989; Christensen, 1988), and we would expect these issues to be even stronger for protean careerists.

For the worker at midcareer and beyond, the prospect of being forced to pursue a more protean career may be even more daunting. Having spent 20 or more years developing a work identity tied to an organization and a group of co-workers, being suddenly on one's own, totally responsible for one's self, could be terrifying, as we know from research on job loss (Kaufman, 1982; Brockner, 1988). After years of psychological success based on a certain

set of job skills, to be told that new skills must be developed is a tremendous blow to one's self-esteem and confidence, calling for major identity development work (Hall, 1986b).

When one adds the prospect of the older employee's having to move from a full-time job in the core of an organization to contract or contingent status (Handy, 1989), with no benefits (e.g., health care) and a very short-term commitment, at a time in life when one's health care needs may be as high as they have ever been, the protean career looks like a cruel betrayal of the person's trust in the old relational contract. From the perspective of the relational contract, the promise of security offered early in one's career is removed precisely at the time it would have been most needed. In fact, increasing attention is being focused on the problems of stress and fairness for the contingent worker (Christensen, 1995; Shellenbarger, 1995). People forced into such employment conditions are certainly not protean careerists (since personal choice and the search for self-fulfillment are basic elements of the protean career.)

Let us look in more detail at what this identity work entails in the career transformation of the midlife worker. Are there new rules for the development process?

Being a Whole Person at Work: Protean Identities for Older Workers

The career subidentity, the way the person views him- or herself in the career work role, is an important energizer for the process of career development (Hall, 1986a), and for adjusting to the new career contract (Stroh, Brett, and Reilly, 1994). Career development and involvement occur as the career subidentity becomes larger and more differentiated (i.e., as it comes to incorporate perceptions of more skills, knowledge, abilities, values, experiences, and motivations), in a self-reinforcing spiral of success experiences in one's work (Hall & Foster, 1975; Hall, 1976, 1986a). Extensive longitudinal research at AT&T, starting in the 1950s, has shown the operation of this career success cycle in the early career development of managers (Berlew & Hall, 1966; Hall & Nougaim, 1968; Bray, Campbell, & Grant, 1974; Howard & Bray, 1988).

A key issue in the middle and later career stages is, what is the source of the novel situations that produce the challenge necessary for psychological success? Over time, people tend to settle into comfortable work roles which demand little "stretch" which would lead to growth (Hall, 1986b).

At the opposite extreme, the older person may, through job loss or threat of same, be placed in a situation of radical change and challenge, so extreme that it immobilizes the person rather than providing challenge. Research has shown that the probability of success has to be around .50 in order to lead to psychological success (Hall, 1971), and if it is too high or too low the person may lose motivation. This can lead to a state of learned helplessness and depression (Seligman, 1975). For an older worker, who already may feel

undervalued and vulnerable, and especially one who is unemployed and thus lacking an organizational support system, this can lead to a cycle of despair which is difficult to escape.

In between these two extremes lie a range of positive forces which can draw a person into new learning. A new job (or membership on a task force or project team) in an area unfamiliar to the person would require the acquisition of new knowledge and skills. A boss, co-workers, customers, family, or other key people might provide feedback on the person's work, along with coaching and encouragement. The addition of new technology (e.g., a new e-mail system [Sproull & Kiesler, 1992]) could spark discovery of new ways of working and learning. Or an enlarged job, the result of reengineering or restructuring, might demand mastery of new kinds of tasks and might trigger some "soul searching" regarding new ways of seeing oneself (identity change). Thus, the management of emotions, identity, and adaptability, along with the provision of an appropriate level of challenge in the work environment, become critical to continued psychological success at this life stage.

Relational Development and the "Disappearing" of the Older Worker's Advantage

A key factor in weathering the emotional and task demands of career change is relationships (McCall, Lombardo, & Morrison, 1988; Hall, 1976). Viewing identity change and development through a relational lens may favor older workers (especially women), who may have access to a richer social network than younger workers. Let us explain this point.

Jean Baker Miller (1991) argues that the self cannot be separated from dynamic interaction, and that the "interacting sense of self" is present for both males and females as infants. However, the effects of culture and the nature of gender-based interactions lead girls and women to develop "a sense of one's self as a person who attends to and responds to what is going on in the relationships between two or more people" (1991, p. 14). This relational view of the self suggests, then, that the basis of self-esteem and psychological success is also different for girls and women.

Fletcher (1994a, 1994b) extended this theory to the workplace and finds that, because of the male-oriented hierarchical cultures in organizations, work which is relational in nature (e.g., helping, supporting)—often done by women—is largely invisible. In fact, Fletcher argues that there is an active process in organizations that makes this gender-linked relational work invisible, so that the work "gets disappeared." Therefore, not only is relational work less central to the identities of men than to women, but because achievement and power are so central to the identities of men, when essential relational tasks are performed (tasks which serve a critical integrative function in the organization), they are systematically rendered invisible, and the people (often women) performing them are thus deprived of performance credit—and thus psychological success—for doing them.

We would hypothesize that this process also may work to “disappear” the advantages of the older worker. First, the life experience of older workers gives them strong skills in relational work, and many of the new entrants to the work force are older women (Auerbach & Welsh, 1994). And furthermore, one way some organizations can attack the glass ceiling for women (as well as other under-represented groups) is by extending organizational “timetables,” so that people are considered for promotions at later ages than was formerly allowed under traditional age norms (Lawrence, 1987; Sekaran & Hall, 1989). But if the relational work they do “gets disappeared” in the way Fletcher’s research suggests, this effect could contribute to a lack of appreciation for the full contributions of these older workers.

Thus, as part of increasing the utilization of older workers, it is important to widen the organizational culture’s definition of what constitutes “real work” (Fletcher, 1994a). With the current need for improved team work and team-based learning as a means of enhancing organizational adaptability, there is in fact a large component of relational work and connected development taking place in teams which are effective. One would expect, then, that older workers and women would be highly utilized, valued, and recognized for their relational work in the work place, yet the opposite seems to be true. The more this relational work is rendered visible and rewarded as a critical element of leadership, the more effective organizations will be in tapping the talents of their older and female workers. (The writers are unaware of any empirical testing of this notion that women and older workers do in fact perform better in team settings than men and younger employees; this would be a fruitful area for empirical investigation.)

A NEW MODEL OF CAREER STAGES FOR THE NEW CAREER CONTRACT: LEARNING STAGES

The New Career Metacompetencies: Identity and Adaptability

One of the keys to understanding the new contract is the fact that the employee’s needs and career concerns change over the course of the career, in a much more dynamic way than in the past. Continuous learning is required for continued success. We would argue that career stages do not operate the way they did in a more stable organizational environment, as described by Hall (1976) and Super, Crites, Hummel, Moser, Overstreet, and Warnath (1957), when midcareer was viewed as a period of mastery and maintenance.

An issue for women and men in midlife is how to learn continuously and be adaptable, after establishing an initial life structure that “works” and yields psychological success. Hall (1986a) has discussed how early adult success can reinforce a stable routine of behavior and life style, which can put the person at risk of being closed to necessary learning in midcareer. In short, while success breeds success (Hall, 1971; Hall & Foster, 1975) over a period of, say 5 years, over the longer run success may lead to failure—if it is unexamined and unchanged.

The keys to midcareer success are *identity* and *adaptability* (Hall, 1986; Howard & Bray, 1988; London, 1983; London & Mone, 1987). If the older person has the ability to self-reflect, to continue assessing and learning about her- or himself, and to change behaviors and attitudes, the chances are much better for a successful midcareer transition and a good fit with the new work environment.

Changing Career Routines: Learning Stages

Hall (1986a) has presented a model of how a career routine in middle or later career can be interrupted by various triggers in the person and in the environment, leading to conscious exploration of alternative ways of being, "routine-busting," and new cycles of learning. If this exploration leads to experimental changes in behavior which lead to success, these are likely to be integrated into the identity and may thus encourage future explorations and adaptations. External conditions, such as autonomy, feedback, and support can greatly facilitate this midcareer identity change process.

Because of the greatly increased variety in the work environment (Handy, 1989, 1994), based on the concept of equifinality, there is an equally great potential variety in the range of individual responses to changes in this environment. We would argue that what we are seeing now, instead of one set of career stages spanning a lifespan (as the Super model posits), is a series of many shorter learning cycles over the span of a person's work life (Hall, 1993; Mirvis & Hall, 1994). Careers will be increasingly driven by the changing skill demands of the fields in which a person works (Quinn, 1992) and thus by the need for the meta-skills of adaptability and identity. Because the life cycle of technologies and products is so shortened (Handy, 1989), so too are personal mastery cycles. As a result, people's careers will become increasingly a succession of "mini-stages" (or short-cycle learning stages) of exploration-trial-mastery-exit, as they move in and out of various product areas, technologies, functions, organizations, and other work environments. The key issue determining a learning stage will not be chronological age (in which the 40s and 50s were "midcareer") but *career age*, where perhaps 5 years in a given specialty may be "midlife" for that area. Thus, the half-life of a career stage would be driven by the half-life of the competency field of that career work.

This model of career learning mini-stages provides a more specific view of the functioning of the protean career as the person grows older. As the person acquires career experience, his or her protean qualities are usually not random or capricious changes. They are not something negative, and proteanism should not be confused with career indecision (Fuqua & Hartman, 1983). It is a process of doing identity exploration and development, becoming more complex and mature, as one learns from experience (Lifton, 1993).

This point is especially crucial in appreciating the potential of later career stages. The more psychologically mature the person is (and most develop-

mental models posit that maturity increases with age), the freer the person is to be a protean self-learner. If we can remove the bases of insecurity which plague older workers (e.g., job insecurity, health insecurity, physical insecurity), we can free up these positive self-direction and growth drives and tap into a rich supply of experienced human talent.

Interestingly, this focus on lifelong learning for the older employee can produce a gender benefit, as well. The more we come to view continuous learning as part of the new career contract and not just as a type of career pattern for a certain type of person (i.e., "spiral" or "transitory" *people* in Driver's [1994] typology of career concepts), the more we can value both female and male patterns of development. By this, we mean that the protean form involves more horizontal growth, expanding one's range of competencies and ways of connecting to work and other people, as opposed to the more traditional vertical model of success (upward mobility). In the protean form of growth, the goal is learning, psychological success, and expansion of the identity. In the more traditional vertical form, the goal was advancement, success and esteem in the eyes of others, and power. Thus, the protean form can embrace both mastery and relational growth—i.e., both "male" and "female" ways of developing (Miller, 1991).

CAREER ISSUES FOR THE OLDER WORKER IN THE NEW WORK PLACE

Aligning the Older Worker and the New Organization

Traditional theories of stages in career and adult development have generally seen the years in midlife and beyond as a period of mastery and maintenance, followed by a gradual disengagement (Levinson and Associates, 1978; Hall, 1976; Super et al., 1957). Super reported in 1992 that his model had been "slightly modified from time to time, as new data and new insights have been developed" (Super, 1992, p. 41). (We would also describe these changes as minor. And it is interesting to note that Super in 1992 still preferred the term "decline" over "disengagement," citing the importance of physical changes in this late stage.)

We would argue that these models of adult and career development did not adequately take into account the larger environmental context in which careers are played out now, an environment which has recently had a tremendous impact on the nature of career patterns. The two most important features in the contemporary work environment are *rapid change* and *complexity* (Hall, 1993). Not only is the change rapid, but it is turbulent. Rising complexity comes in various ways: from new technologies, from new interactions between economic, political, social, religious, and private spheres, from employees needing multiple jobs to survive, from people (especially older people) having to juggle more life roles (e.g., employee, spouse, caretaker for children, caretaker for parents, or other senior loved ones, community participant) and so on.

This environment requires highly adaptable firms that are *free, fast, and facile*—the “3F organization” (Hall, 1993). “Free” means having components that are autonomous and able to respond to their own market segments. “Fast” means being able to respond quickly to changed conditions. “Facile” means being able to change its own thinking processes in response to its experiences; this is the essence of the learning organization (Senge, 1990; Wheatley, 1992).

To create an adaptable organization, the following design elements are necessary: *diversity, decentralization, and delegation/empowerment* (Hall, 1993). We know from the systems theory concept of requisite variety (Ashby, 1960; Duncan, 1971) that for a system to be adaptable it must contain at least as much complexity internally as is present in the environment. This diversity also includes age diversity, gender diversity, race and ethnic diversity, lifestyle diversity, and national diversity, in addition to other forms of difference (Jackson & Associates, 1992).

The result of these demands of the new work place is a decentralized design structure of “federalism,” as described by Charles Handy (1989, 1994). Handy describes this organization form as having a “shamrock” pattern, made up of three “leaves” in the work force: core full-time personnel, independent contractors, and contingent workers. The logic of these three leaves is that they enable the organization to reconfigure its human systems quickly and competently in response to environmental demands, while protecting its core competencies.

But to make this diversity and decentralization work effectively, employees and managers need to be delegated authority (i.e., empowered) to recognize problems or opportunities and to figure out their own creative responses, to create corporate and psychological success. As James Champy (1995), co-author of the “bible” on reengineering, points out, “Reengineering is in trouble,” precisely because much of this restructuring did not attend to the development of managers, employees, and human systems (leadership, teamwork, empowerment, and culture change).

Stereotypes about Midlife and Older Workers

Thus, to make these new organizational structures work successfully, new competencies are required of the experienced employees who will implement the changes. How well have established workers been utilized and developed in the reengineering process? Despite the positive tone of terms such as empowerment, self-direction, and learning how to learn, there are suggestions that these rosy words may not adequately describe the experience of today’s older worker. Several barriers to career development, in the form of stereotypes about the older worker, are also blocking the development of the new organization (Hall & Mirvis, 1993, 1994b). Barrier 1 is *the failure to attend to human development when doing reengineering and other system changes*. Champy (1995) cites one study which found that firms doing reengineering

fell short on their cost-reduction and market-share growth by as much as 30%. He stresses the importance of “mobilizing” employees through developmental activities such as enabling and training, clearly defining new objectives, measuring results, peer feedback, and sharing customer satisfaction data—i.e., putting in place the conditions for psychological success.

Barrier 2 is *the perception that it is too costly to continue to invest in developing older employees*. In most organizations the more senior employees are at higher pay levels and are thus often more at risk for layoffs and job eliminations than their younger counterparts, in spite of the legal proscriptions that apply. Many firms prefer to outpace older workers and develop younger ones. This is ironic in view of the fact that the older worker may possess superior basic skills and already represents a significant level of developmental investment (Hall & Mirvis, 1993, 1994b).

A third barrier is *the belief that the older worker is perceived to be too inflexible and difficult to train* in the 3F organization. This idea persists despite the fact that a survey of employers shows they give high marks to the older worker’s performance, loyalty, attendance, and even their job skills (AARP, 1989). There is also considerable research disputing stereotypes about older workers’ adaptability and learning potential (Branco & Williamson, 1982). A problem here is that even though we know that most of a person’s career development comes from actual job experiences (Hall and Associates, 1986), the lessons of experience are hard to document and frame as learning (in contrast to formal education, which often goes on the resume).

A fourth barrier is *a perception that retraining for the older worker would represent too much effort for a relatively small group of employees*. However, the fact is that in 1990 workers over 55 made up 27% of the U.S. work force. By the year 2020, this figure will increase to 39%. In actual numbers, this change will be an increase from 51 million older workers in 1990 to over 93 million in 2020 (Barth, McNaught, & Rizzi, 1993). And these figures represent only those workers over age 55; they do not include those in earlier midlife years. Thus, it seems clear that no society can afford to ignore the developmental needs of this skilled, experienced population.

One observation that we make from this literature is that most of the attention to older workers has centered on *training*, rather than longer-term career development issues. In our view, although training is important, it offers a limited view of the needs and potential contributions of older workers. Thus, it is important to use a career lens to identify the deeper developmental needs of this group and to discover ways to promote continuous learning.

Career Development Demands on the Older Employee

More specifically, what developmental demands does the 3F organization make of individual employees? Again using the concept of requisite variety, one implication is that the adaptable employee will have to possess sufficient complexity, in terms of depth and variety of skills, to match that needed to

do the work of the business. This suggests a need for varied work experience, flexibility, and a clear sense of self-direction to permit the person to self-design much of their personal and career development (Mirvis & Hall, 1994). Thus, learning how to learn and continuous learning have become core career competencies. Also, it is increasingly necessary to have skills in self-assessment and identity exploration, in order for the person to have a "personal compass" to give direction to one's life, as she or he navigates the organizational turbulence (Hall, 1986b).

This increasing need for variety and depth of experience should put a corresponding premium on the value of the older worker, since it takes time to accumulate both. Unfortunately, perhaps because of the barriers described earlier, these positive attributes of older employees are often unrecognized. Let us keep this point in mind in discussing action implications later in this paper.

Another demand that the more complex 3F environment places on employees is a higher level of cognitive complexity. Robert Kegan (1994) presents data on average levels of cognitive development for several samples of employed adults in the United States, based on his model of five stages of adult development (Kegan, 1982). Kegan argues that new work and family environments require people to operate at his stage 4, which he calls institutional. This level requires that the individual have a clear sense of self identity, autonomy, and personal direction while at the same time being aware of the system as a whole in which she or he is functioning. Unfortunately, Kegan finds that fewer than half of the people in the research studies he cites have reached that level of functioning, and the majority are at stage 3 (interpersonal), where the person is embedded in mutually-reciprocal one-to-one relationships.

Again, we would hypothesize that this need for greater cognitive complexity would favor the greater understanding and maturity achieved by the older worker—a life stage quality that Erikson (1963) defined as "integrity." The integrative skills of the adults at midlife and beyond tend to be greater than those of younger people (Levinson et al., 1978). Again, however, this asset of the older worker has not been widely recognized.

TAPPING THE POTENTIAL OF OLDER WORKERS FOR IMPROVING THE NEW ORGANIZATION

What are the implications of these ideas for the creation of learning opportunities for midlife and older employees in building the 3F organization (*and* in making the organization more welcoming to the older worker)? First, we would argue that it is critical to consider individual differences in the motivations and abilities of older workers. Next, we will argue for a stress on continuous learning, rather than the currently touted model of retraining. And, finally, we will identify four new sources of learning (relationships, varied experience, better brokering, and information technology) which need to be used in a more planned, systematic manner.

Interchangeable High- and Low-Involvement Paths

As one concrete way of providing more protean options for older employees, we need to recognize that there are great individual differences—both between people and over time for one individual—in what people are looking for in a job. For some people, or for one individual at one point in her or his life, the “path with a heart” may be one full of challenge and stimulation (including perhaps stress and overload), with high intrinsic rewards. For those individuals, at that point in their lives, they could be offered what might be called a *high-involvement path* (Hall & Rabinowitz, 1988).

However, some employees in later career stages may be more oriented to balance in their lives and want less demanding work with steady pay, good benefits, and congenial working conditions. This work option could be called a *low-involvement path*, which could be a feasible, low-stress alternative to always being on the fast track. Providing employees with sabbaticals or leaves of absence or early retirement to pursue personal goals are also examples of movement in and out of the high involvement work path. In addition, companies are experimenting with methods of phased retirement, and these usually involve a shift from higher- to lower-involvement work roles. These options also benefit the organization, providing it with the flexibility of retaining some experienced employees who might otherwise opt to leave in search of less demanding work or retirement.

More accepted use of this individualized approach to career development would aid employees as they age within career cycles and could provide rich protean opportunities for older workers. However, employing this option requires a *strategy of continuous learning* for older employees. Let us contrast this approach with a more popular current approach: retraining.

Continuous Learning: Yes; Retraining: No!

Much discussion in recent years has centered on the value of retraining (rather than longer-term development) as a strategy for enhancing the career options for older workers. We would argue that retraining is the wrong approach to take. Because it is based on the assumptions of the “old contract” model, where the employer is seen as the source of career direction and wisdom, retraining is too slow, too costly, too dependency-producing, and too disconnected from job opportunities to be effective (see Table 1).

We would argue instead for continuous learning (CL) as the development strategy for older workers. Here the person is the agent of change, rather than an expert teaching a course. Because CL occurs on the job, it is far less expensive than retraining programs. In retraining, the pace is set by the program; in CL the pace is “just in time,” when the learning is demanded by the job. In CL the learning task is real work, as opposed to theory or a simulation in retraining.

In CL the person’s identity gradually changes, as well as as his or her

TABLE 1
Continuous Learning vs Retraining for Older Workers

	Retraining	Continuous learning
Agent	Expert	Self
Time, cost of delivery	High	Low
Pace	Programmed	Just-in-time
Task	Theoretical or simulated	Real work
Learner empowerment	Low	High
Development of learner identity	Variable	High
Development of learner adaptability	Low	High
Link to future jobs	Variable	High

skills. The person becomes more empowered, because of the psychological success experience of autonomy and real-world challenge. As a result of this success, the person has also learned a process of self-directed adaptability. And because CL happens in the real world of the job, it is more closely linked to future jobs than is retraining, which depends on a complex administrative apparatus for job placement.

What specific action steps would be necessary to promote an environment of continuous learning? We would identify four areas of high potential (see Table 2).

Relationships

A key source of continuous learning is relationships with other people (Hall, 1993; Kram & Hall, 1995). Co-workers, especially those who come from a different function, line of business, or demographic background, or who have just completed a formal education experience, represent a source of different skills, attitudes, and world views that can provide important

TABLE 2
New Sources of Continuous Learning for Older Workers

Relationships (Co-learning, not mentoring)
Varied experience (The Mae West rule)
Key facilitator: Better brokering (“Selection is development”)
Use of information technology for Recruiting, staffing
Self-assessment
Career services
Group and organizational learning

challenge and stimulation for the older employee. Bosses and subordinates, especially in a team-oriented organization, where status does not impede communication, are also good sources of learning. And customers, in a quality-oriented system, always represent good feedback sources for improvement. Mentoring, networking, team structures, coaching, and other relational activities are important promoters of growth, as well.

Varied Experience

The best way to promote adaptability in experienced employees is by providing varied experience (Hall, 1986b). The simplest, cheapest way to provide continuous stimulation and challenge is to keep moving the person through different assignments that demand different skills (Hall, 1993). We would call this the "Mae West rule": she once said, "When choosing between two evils, I prefer the one I haven't tried yet." The opportunity for varied experience is one resource that is in abundant supply in the otherwise-lean, turbulent 3F organization.

Better Brokering

To enable this mobility and varied experience, it is necessary to provide improved brokering of people and assignments, to meet individual and organizational needs. In the human resource (HR) function, selection and development are traditionally viewed as quite distinct functions. However, in today's 3F organizations, since the major source of development is a challenging new assignment (McCall, Lombardo, & Morrison, 1988), selection is in fact development. Staffing will become an increasingly-important part of the HR department's role, and it will have to be done in ways that factor in the development potential of the assignment for the employee, as well as the employee's ability to perform in the role. This is a more dynamic, complex staffing and employment function than is found in most current HR departments.

Information Technology

To make better use of these "real time" learning resources, information technology, a critical structural element of the 3F firm, is a powerful source of learning (Sproull & Kiesler, 1992) and career development (Young & Hall, 1995) and should be used more intensively for continuous learning applications in multiple ways.

Recruiting and staffing. For the HR brokering function, the use of technology is essential. Excellent human resource software exists for functions such as self-assessment, posting information about opportunities, for staffing, and for facilitating interactive learning ("groupware"). For example, Peoplesoft is a successful new company which specializes in providing such software for these human resource management applications. In addition, many firms

have been using electronic resumes for years, which can be searched quickly when a position is being filled internally.

Self-assessment. A variety of PC-based self-assessment programs are now available to permit the employee to engage in self-directed self-assessment and career planning activities. In addition to generic software directed at individual users, many firms have developed or purchased company-customized programs (e.g., Career Architect) that permit employees to conduct their self-assessments against the specific competencies related to success in their organizations.

Career services. Numerous on-line career services (counseling, coaching) and nets are springing up, providing a rich venue of resources for people who use the Internet. These offerings offer information on job openings, as well as the opportunity to reply electronically. Also, some commercial on-line services provide one-to-one career self-assessment and counseling.

Communication. Sproull and Kiesler (1992) provide compelling data on the great learning potential of computer mediated communication in group and organizational settings. They also show how this medium has the added advantage of reducing biases to learning from sources such as gender, racial, ethnic, age, national and other demographic differences.

Countless other steps might be taken, as well. However, it appears to us that these four represent the most available and highest-potential factors in the current business environment.

CONCLUSION

To recapitulate, we have argued that the “new career contract” between employee and employer, described earlier in this paper, is not being met for the older worker. In addition to negative stereotypes which hinder the older worker, the complex issues related to career identity in the new protean career can be especially difficult for the employee at midlife and beyond. In addition, the unique attributes (e.g., varied experience, relational skills) of the older worker are often not recognized. These are not just career issues. They get to the core of what makes for what Shepard (1984) described as “a life worth living” for the person, and to the heart of successful restructuring, for the organization.

We need to understand more about how to provide work environments that not only develop people in real time through continuous learning (a key element of the new career contract) but in fact *provide caring for people* (Kahn, 1994) throughout the career. Organizations which provide a valued mission and challenging, meaningful work, *combined with* an environment of fairness, good pay and benefits, support, and caring for employees will not only meet the needs of the whole person; they will also engage that person (Kahn, 1990) and thus profit from a vast supply of untapped human potential. If managed well, the new career contract can be a boon to employees and employers alike.

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