1

A Short History of Work and Careers

The year is 1901. We're in London.

In your hands, you're holding a copy of the newly published London Post Office directory (the Yellow Pages of its day). As you flick through its pages, you see many of the trades of the day listed. Prominent among them are: ash collectors, blood dryers, ice merchants, lamplighters, livery stable keepers, mourning hatband makers, saddlers, soap makers, soot merchants, spermaceti (whale oil) refiners, and starchers.

Fast forward.

The year is now 2001. We're in Bristol, England. Not that it matters – we're surfing the net so we might as well be anywhere in the world. We go to the website for Electronic Yellow Pages. We use the site's search facility to enter all those trades we noted above from the London Post Office directory. Not one has survived intact. . .

Just look at what's happened to the world of work over the past one hundred years or so: mass production; the rise of 'organization man'; the technological explosion of the 1960s; mainframes; personal computers; the decline of manufacturing; business re-engineering; outsourcing; downshifting; portfolio workers; globalization; the decline of 'organization man' amid a dramatic fall in job tenure; the shortage of knowledge workers; the ascent and descent of the dotcoms; and that's not to mention 101 other phenomena that have shaped organizational thinking and behaviour over the years. To paraphrase Fatboy Slim, "We've come a long way, baby."

SMART QUOTES

The daily work of earning a livelihood affords a particular satisfaction when it has been selected by free choice i.e. when through sublimation it enables use to be made of existing inclinations, of instinctual impulses that have retained their strength, or are more intense than usual for constitutional reasons.

Sigmund Freud, Civilization and its Discontents (1930)

The roots of 20th century organizations can be traced back to models of Chinese military hierarchy of a good 2000 years' vintage, and quite probably beyond that too, especially if you extend your search parameters into the natural world. Our concept of "paid work", however, dates back only three hundred years or so to England's Industrial Revolution. Up until that point the world was overwhelmingly rural and the distinction between work and home largely meaningless.

What industrialization was to the 18th and 19th centuries, management was to the 20th. It was Frenchman Henri Fayol who can claim to have defined the core principles governing how organizations worked and the contribution of management to that process. He was the first to suggest that management was a discipline in its own right and the first to recognize that the core activities of management were universal, replicating themselves across organizations large and small, across industries, and across national boundaries.

Henri Fayol, 1841–1925

Perhaps more than anybody, Henri Fayol, a mining engineer and manager by profession, defined the nature and working patterns of the 20th century organization. In his book, *General and Industrial Management*, published in 1916, Fayol laid down the following 14 principles of management:

1. Division of work: tasks should be divided up with employees specializing in a limited set of tasks so that expertise is developed and productivity increased.
2. Authority and responsibility: authority is the right to give orders and entails enforcing them with rewards and penalties; authority should be matched with corresponding responsibility.
3. Discipline: is essential for the smooth running of business and is dependent on good leadership, clear and fair arguments, and the judicious application of penalties.
4. Unity of command: for any action whatsoever, an employee should receive orders from one superior only; otherwise authority, discipline, order and stability are threatened.
5. Unity of direction: a group of activities concerned with a single objective should be co-ordinated by a single plan under one head.
6. Subordination of individual interest to general interest: individual or group goals must not be allowed to override those of the business.
7. Remuneration of personnel: may be achieved by various methods but it should be fair, encourage effort, and not lead to overpayment.
8. Centralization: the extent to which orders should be issued only from the top of the organization is a problem which should take into account its characteristics, such as size and the capabilities of the personnel.

SMART PEOPLE TO HAVE ON YOUR SIDE

9. Scalar chain (line of authority): communications should normally flow up and down the line of authority running from the top to the bottom of the organization, but sideways communication between those of equivalent rank in different departments can be desirable so long as superiors are kept informed.
10. Order: both materials and personnel must always be in their proper place; people must be suited to their posts so there must be careful organization of work and selection of personnel.
11. Equity: personnel must be treated with kindness and justice.
12. Stability of tenure of personnel: rapid turnover of personnel should be avoided because of the time required for the development of expertise.
13. Initiative: all employees should be encouraged to exercise initiative within limits imposed by the requirements of authority and discipline.
14. Esprit de corps: efforts must be made to promote harmony within the organization and prevent dissension and divisiveness.

Fayol also characterized the activities of a commercial organization into six basic elements: technical, commercial, financial, security, accounting and management.

At the same time as Fayol was bringing clarity of definition to the concept of management, Frederick W. Taylor, "the father of scientific management" and arguably the world's first management consultant, was actively taking ideas about how organizations could be most efficiently managed into the workplace.

His work with car-making legend Henry Ford led directly to the mass production techniques that created 15 million Model Ts between 1910 and 1927, and that set the pattern for industrial working practice world-wide. Taylor advocated the use of time-and-motion study as a means of analysing and standardizing work activities. His scientific approach called for detailed observation and measurement of even the most routine work, to find the optimum mode of performance.

Although he lived through little of it – he died in 1915 – Taylor's influence on the 20th century is unquestionable. Peter Drucker, for example, rates him alongside Freud and Darwin as a maker of the modern world. And despite its critics, Taylorism and the production methods that it spawned in the early part of the 20th century, lives on, whether in the form of re-engineering (a direct descendant of scientific management), the continuing debate about the de-skilling of many jobs, or the standardized global practices of companies like McDonald's.

Scientific Management: Taylor's five simple principles

1. Shift all responsibility for the organization of work from the worker to the manager; managers should do all the thinking relating to the planning and design of work, leaving the workers with the task of implementation.
2. Use scientific methods to determine the most efficient way of doing work; assign the worker's task accordingly, specifying the precise way in which the work is to be done.
3. Select the best person to perform the job thus designed.
4. Train the worker to do the work efficiently.
5. Monitor worker performance to ensure that appropriate work procedures are followed and that appropriate results are achieved.

In his biography of Taylor, *The One Best Way* (Little Brown, 1997), Robert Kanigel neatly sums up Taylor's impact on the world of work:

> The coming of Taylorism made our age what it was going to become anyway – only more so, more quickly, more irrevocably. Taylor died

relatively young. But he lived long enough to take currents of thought drifting through his own time – standards, order, production, regularity, efficiency – and codify them into a system that defines our age.

In its thrall, and under its blessing, we live today.

SMART QUOTES

Work is of two kinds: first, altering the position of matter at or near the earth's surface relatively to other such matter; second, telling other people to do so. The first is unpleasant and ill paid; the second is pleasant and highly paid.

Bertrand Russell, In Praise of Idleness *(1935)*

Because the industrialists of the early decades of the 20th century followed Henry Ford's lead and put the emphasis on efficiency, it was some years before any significant attention was paid to the needs and motivations of that other major factor involved in the work process – the workers. One of the early pioneers of a view that people were, in fact, central to the world of business was Mary Parker Follett (1868–1933). Although she has achieved an almost legendary status since her death, her views were largely ignored at the time by the business world.

However, the seeds were sown, and a number of people setting up businesses in the 1930s – people like Bill Hewlett and Dave Packard, for instance – began to realize that the nature of the relationship between a company and its workforce impacted explicitly on the quality of contribution that individuals made. Treat people with respect and bear their needs and interests in mind, and they typically make a better contribution. Treat them as production fodder, and they park their brains outside before walking through the gates of the company and into work.

Work in the 20th century – a game of two halves

The workplace of the first half of the 20th century, then, was dominated by efficiency-obsessed Taylorism, and lightened only by a slowly growing realization on the part of some organizations that extracting the optimal performance out of people required a more subtle understanding of the human heart and mind.

Work in the second half of the century also had its dominant themes, the two most significant being:

- The impact of new technology
- The globalization of the economy

The impact of new technology

Technology has become such a part of our lives that we almost cease to notice it. We no longer wonder about how a lightbulb works – a century ago, it would have been amazing.

Similarly, we now take desktop computing for granted, and yet ENIAC, commonly thought of as the first modern computer, was built as recently as 1944.

Since then, the speed of technological advancement has been staggering, particularly in the field of computing technology. ENIAC weighed several tons, consumed 140,000 watts of electricity and could execute up to 5,000 basic arithmetic operations per second. In contrast, PCs these days can weigh less than two pounds, use less than 2 watts of electricity, and execute millions of instructions per second.

If you're a fan of horror movies, you'll know that one particular device used by directors is to play tricks on the audience: lead them into expecting a gruesome shock; build up the tension as the music swells; the door creaks open slowly to reveal . . . nothing. And then, wham, out jumps the bogeyman.

When computers were brought into companies for the first time, predominantly in the 1960s, it was a bit like that. A lot of money was invested over a long period but, fundamentally, nothing changed. There was no significant increase in productivity, and neither were there significant job losses.

And then, wham!

Particularly during the 1980s, it became more and more apparent that the real bottom line of technology was that it made jobs go away. It didn't happen all at once. But, starting in the manufacturing industries and then moving into white-collar work, every day more work was being automated. And both the white-collar workplace and the factory floor were transformed.

As companies gained more technological savvy, they became less tied to time or place, and less reliant on a large, permanent workforce. Against this backdrop, the notion of lifetime employment in one company all but disappeared.

There was of course still work to be done but that work increasingly involved an ability to understand, respond to, manage, and create value from information. However, to unlock the promise of an information economy it became necessary for companies to dismantle the very same managerial hierarchy that once conferred success and order.

Sometimes the future is best viewed from the past. The last big social change in work – the Industrial Revolution – destroyed some ways of life but also made it possible for many people to live far better than ever before. So while agricultural labourers found their jobs disappearing, new and differently skilled jobs sprang up in factories. This phenomenon had a resonance in the late 20th century as people in manufacturing industry found their skills were becoming redundant, displaced by the rise of the service industry sector with its knowledge workers, whose primary talent lies in their ability to develop and manipulate ideas.

Smart things to say about your career

What does it all mean?

The impact of information technology on organizations has been significant and can only increase over the coming years. By enabling the creation of a global marketplace, and by decentralising control and empowering people all along the information chain, technology redefines what is possible for organizations. New computer-based systems dissolve conventions of ownership, design, manufacturing, executive style and national identity.

This has profound implications for organizations. Shoshana Zuboff, writing in *Scientific American* (September 1995), argued that technological capability has galloped ahead of our ability to cope, writing that "so far, patterns of morality, sociality, and feeling are evolving much more slowly than technology". To put it another way, our organizational paradigms need to catch up with the new technological paradigm.

SMART QUOTES

Technology, globalization, the shift toward services are breaking down the old social contract, leaving workers at the mercy of a new and ruthless variety of capitalism.

Stan Davis, *Future Perfect*

The globalization of the economy

One of the UK's pre-eminent historians, Eric Hobsbawm, has written extensively about life since the Industrial Revolution. Although the scope of his books goes well beyond work and careers, he provides some brilliant insights into how these themes fit into the broader economic and social picture. So here's Hobsbawm writing in his book *The New Century* (Little Brown, 2000) on the topic of globalization:

> We are certainly a single global economy compared with thirty years ago, but we can say with equal certainty that we'll be even more globalized in 2050, and very much more in 2100. Globalization is not the product of a single action, like switching on a light or starting a car engine. It is a historical process that has undoubtedly speeded up enormously in the last ten years, but it is a permanent, constant transformation. It is not at all clear, therefore, at what stage we can say it has reached its final destination and can be considered complete. This is principally because it essentially involves expanding across a globe that is by its very nature varied geographically, climatically, and historically. This reality imposes certain limitations on the unification of the entire planet. However, we are all agreed that globalization, and especially the globalized economy, has made such spectacular progress that today you couldn't talk of an international division of labor as we did before the seventies.

Of course, globalization and technology are interconnected phenomena. Technology is the enabler of a globalized economy.

In her book *The Death of Distance* (Orion, 1997), Frances Cairncross gave some examples of how this manifests itself:

- *The Death of Distance:* Distance no longer determines the cost of communicating electronically. Companies are increasingly able to organize certain types of work in three shifts according to the world's three main time zones: the Americas, East Asia/Australia and Europe.

- *The Fate of Location:* No longer is location key to most business decisions. Companies can locate any screen-based activity anywhere on earth, wherever they can find the best bargain of skills and productivity. Many developing countries now offer on-line services – monitoring security screens, running help-lines and call centres, writing software, and so forth.

- *More Minnows:* On one hand, the cost of starting new businesses is declining, and so more small companies are springing up to provide services that, in the past, only giants had the scale and scope to provide. Individuals with valuable ideas, initiative, and strong business plans will attract global venture capital and convert their ideas into viable businesses. Small countries will also be more viable.

SMART QUOTES

In the 1960s, competition didn't figure much. It was more a question of organisational efficiency and moving stuff out the door. If you were to read even a publication like the *Financial Times* in 1965, a whole vocabulary about competition was completely absent.

Carl Stern, author of Perspectives on Strategy (Wiley, 1998), quoted in Financial Times, 25 June 1998

SMART VOICES

Economic adolescence is over. The Organization Man worked in a climate warmed by the sun of corporate paternalism. Giant companies such as AT&T ("Ma Bell"), Kodak ("The Great Yellow Father"), and Metropolitan Life ("Mother Met") promised to take care of their workers. But in the late 1980s and early 1990s, when globalization and technology squeezed those companies, as well as the rest of their matriarchal and patriarchal ilk, they booted out their employees like wayward teenagers.

Curiously, dotcom companies revived the family metaphor – only this time Mother and Father were like the cool parents down the block, the ones you always wished were yours. MomAndDad.com gave the kids a huge allowance. They let them have a dog. They turned the office into a rumpus room. And when times toughened? They booted out the kids.

Daniel Pink, writing in *Fast Company*, May 2001

So where are we now?

Life, as we know, is rarely neat. If impact of technology and the globalization of the economy were the two key themes of the latter part of the 20th century, it's clear that these themes are far from being fully played out. They will continue to be the dominant shapers of who does what type of work where.

And where does this leave all of us now, as we try to make build our careers in the early years of the 21st century?

There are some broad conclusions that can be drawn about the state of the working world. Each of the following may carry significant implications for you and your career aspirations:

Traditional jobs still exist – but not here

As Kevin Kelly has put it, "the old economies will continue to operate profitably within the deep cortex of the new economy". The fact is that around the world there are just as many cars and ships being constructed as ever, just as many roads being built, just as much coal being produced, as much steel being made. Eric Hobsbawm writes that it is a mistake to talk of a post-industrial era, because in reality those goods and services that were produced in the industrial era are still being produced today. The difference is where they are now being produced. "Traditional" industries are all thriving elsewhere in the world.

The local labour exchange has become a global job market

Manufacturing capacity will continue to shift from Western economies to those countries with access to cheaper labour. Equally, technology is allowing more and more knowledge-based work to be shipped to the cheapest environment. This may bring jobs to emerging economies but can create severe pressures for unskilled workers in more advanced economies.

SMART QUOTES

Smirk all you like about the Organization Man; his trade-off made possible the 30-year *mortgages* and college *educations that the great American dream was historically made of* . . . the *old* understanding is *dead*. Interred with it is much of the conventional wisdom on retaining and motivating the American worker.

Staff writer Mary Williams Walsh in the *New York Times*, 6 February 2001

SMART VOICES

The 21st century knowledge dilemma – to share or to hoard?

According to a study led by Adrian Patch, a research psychologist for Birkbeck College in London, workers have responded to the end of the job-for-life culture by becoming "professional parasites", hoarding their knowledge and expertise. One in five workers thought it was not in his or her interest to share knowledge at work, costing business billions of pounds a year in missed business opportunities, inefficient systems and training.

The study uncovered tensions between companies who have put in computer infrastructures to enable the sharing of knowledge and information, and the willingness of employees to do so. The study found that if companies want to impress a potential permanent employer, they are as likely to share information and seek to build a good reputation as contented staff employees. However, those who feel threatened or unappreciated at work guard their niche knowledge jealously, making effective teamwork virtually impossible. Companies who encourage employees to manage their own careers but who at the same time create dissatisfaction by failing to fulfil their promises risk losing important knowledge that is often a key part of the company's value.

White collars will continue to feel the pinch

Tom Peters predicts that 90% of white-collar jobs in the US will either be destroyed or altered beyond recognition in the next 10–15 years. As he puts it, "That's a catastrophic prediction, given that 90% of us are engaged in white-collar work of one sort or another."

The home as office

As more of us work from home, the line between work and home life will blur. Home design will also change, and the domestic office will become a regular part of the house.

SMART QUOTES

The power business has over our lives is awesome. It can promote us or dump us. It can offer self-esteem or lack of dignity. It can frighten and coerce us. It can stretch our imaginations. It can destroy families and it can sponsor and build marriages.

Andy Law, *Open Minds* (1998)

Time to redefine what we mean by a career

We need to broaden the traditional definition of a career. Instead of being viewed narrowly as progression up the hierarchy within an organization, it must now be viewed as the individual's lifelong progression in learning and in work. Learning needs to be continuous and both formal and informal. Work may include not only paid employment and self-employment, but also unpaid work in the community.

The bottom line is that the world of work has changed irrevocably

The collective impact of globalization and technology is that none of us any longer has a career that is a protected species. If there is a cheaper or better quality alternative to you anywhere in the world, you are at risk. Darwin was right: if you can't outpace your environment, you're doomed.

SMART QUOTES

Let's stop kicking the carcasses of the fallen dot-coms. They're the heroes of the front lines, on whose boldness and naivete we will one day feed our children.

Michael Mark, president and creative director of Matthews/Mark, from *Fast Company*, May 2001

Intel's Andy Grove, puts the challenge for us all bluntly and succinctly in his book *Only the Paranoid Survive* (HarperCollins, 1998):

> Your career is literally your business. You own it as a sole proprietor. You have one employee: yourself. You are in competition with millions of similar businesses: millions of other employees all over the world. You need to accept ownership of your career, your skills and the timing of your moves. It is your responsibility to protect this personal business of yours from harm and to position it to benefit from the changes in the environment. Nobody else can do that for you.

We need, in a nutshell, to be smart about our careers. The rest of this book is designed to help with that aspiration. So let's stop talking about global phenomena and the world of work, and let's start thinking about you.

Interlude 1

The Way We Work

A US survey of 12,000 managers found that those who failed to take a regular holiday in each of the last five years were most likely to suffer from coronary heart disease.

The Guardian, 25 March 2000

A report by *Office Angels* has found that 70% of staff believe that the people they meet outside work judge them instantly by their job titles.

The Guardian, 18 April 2000

A survey by HSBC Bank reports that one in four workers would give up 20% of their pay for an extra day off each week.

Daily Telegraph, 7 April 2000

A report from consultancy International Survey Research has found that British workers are among the most dissatisfied in Europe, followed only by the Italians and Hungarians. The most satisfied are the Swiss, followed by the Dutch, Austrians, Norwegians and Germans.

Financial Times, 18 April 2000

A survey by the Institute of Personnel and Development reveals that 40% of UK workers under 30 think it normal to change jobs every two or three years.

The Times, 13 April 2000

Around 25% of the UK workforce spend some time each year working at home, more than any other country and double the level of 15 years ago.

The Guardian, 29 October 1999

Chris Smith, the government's culture secretary, forecasts that the booming visual media industry in Britain will create 50,000 new jobs.

The Mirror, 4 November 1999

The domestic sector is the fastest-growing service industry in the UK. The £4.6bn we spent on cleaners last year represented a rise of 18.5% over the past decade.

Daily Express, 11 October 1999

Over the past ten years, the proportion of women returning to work after giving birth has risen from a quarter to two thirds.

The Independent, 7 October 1999

Only six years ago, people aged over 50 accounted for 19% of franchisees. Last year, the figure was 29%.

Mail on Sunday, 19 September 1999

An EU survey has revealed that the British work an average of 44.9 hours a week, the longest hours in Europe.

Daily Mail, 15 October 1999

The Old Bailey's 34 court attendants, known as "red armbands", could be facing redundancy. The Home Office is to stop the £950,000 it gives to the Corporation of London which traditionally pays for them.

Daily Telegraph, 25 September 1999

A survey by *Accountancy Age* reveals that out of 600 accountants surveyed, 38% said they wish they had never gone into the profession.

The Mirror, 14 July 1999

According to a new survey 91% of 1,516 business managers questioned said that they worked longer than their contracted hours.

Financial Times, 2 February 2001

A new survey says two thirds of us spend 20 hours a week worrying about work when we should be relaxing.

Daily Express, 26 March 2001

Many senior managers still see themselves as a breed apart. A study of status and perks reveals that:

- In 17% of firms, managers have separate dining facilities
- 38% of managers benefit from health insurance schemes not available to the wider workforce
- 29% have longer holidays than their staff
- 23% have separate toilet and/or shower facilities
- 33% still expect to be addressed as "Sir" or by their title

Survey conducted by the Manufacturing, Science and Finance Union, July 1997

For many of us, work is the place where we can expect to meet our future husband or wife. Yet top companies are banning workplace romances.

Daily Express, 6 October 2000

Ten years ago the average age of the Meridian consultancy's outplacement clients was 45 to 50. Today, it is 31.

Sunday Telegraph, 2 October 2000

Bosses at an Austrian car factory discovered that production was up 8% after painting the toilets bright pink and green. Workers hate the new colour schemes so much that they now spend less time in the loos.

News of the World, 22 March 2001

According to a survey of working mothers by *Mother & Baby* magazine, 81% would stay at home with their small children if they could afford to.

Sunday Times, 9 April 2000

At least 10,000 Japanese die from *karoshi* – death from overwork – each year, according to the National Defence Council for Victims of Karoshi. Surveys of workers calculate the average hours worked at 2,500 hours a year, and as much as 3,000 hours in the banking sector – the equivalent of 12 hours a day, five days a week.

Independent on Sunday, 9 April 2000

A study by *Office Angels* reports that one temp in five is over the age of 45.

The Times, 19 April 2000

One in 10 of the 500,000 business launched each year is headed by people over 50. 71% of businesses started by fifty-somethings are still trading after five years, compared with an average of 50%.

The Guardian, 16 January 2000

Indian restaurants in the UK now employ more people than the steel, coalmining, and shipbuilding industries combined.

The Times, 18 May 2000

Since 1990, the number of barbers in the UK has grown from 18,000 to 70,000. This constitutes the fastest growing employment sector over the past 10 years.

Industrial Society supremo Will Hutton, BBC Television, 8 May 2000

A Mori survey reveals that almost half of Britain's parents still want their children to become lawyers, bankers and accountants, despite the high-profile dotcom explosion and Tony Blair's attempts to turn Britain into a nation of entrepreneurs.

Mail on Sunday, 7 May 2000

Company drivers clock up an annual total of estimated 8.2 billion unnecessary business miles with the sole purpose of minimising their tax liability.

The Guardian, 17 January 1998