Shared Service Centres: The Challenge of Sustaining Employability for Martini workers in the Hourglass Profession?

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Abstract: The paper challenges some long held notions about professional careers in the context of themes emerging from a longitudinal study of an emerging phenomenon, shared business services. Evidence from three cases illustrates how a series of evolutionary changes in business support functions might result in a more fundamental hollowing out of the professional space over time and distance, resulting in the ‘hourglass’ profession. The global reorganisation, reconfiguration, relocation, commoditisation and marketisation of knowledge work being led by shared service centres, is putting a new emphasis on employability. Individual workers now need to compete to keep the job they have, whilst at the same time keeping themselves up to date, and prospecting for the next job. In an IT-enabled, boundaryless world, many professional activities can now be undertaken, in the manner of those old-time Martini slogans, *any time, any place, any where!* The contributions of this paper are as follows;

- To raise awareness of the nature of the shared service center as an emerging organizational form with the potential to drive fundamental change in the nature and location of professional work.

- To investigate the impact of these changes across professional groups through case study analysis, and to highlight the need for a greater focus on individual employability as the cutting edge of an overall career trajectory.

- To review extant careers theory in the light of a global, Knowledge-based Economy, and to suggest further research directions in terms of the implications for workers, employers and professional bodies.

Keywords – Shared Service Centers, Employability, Professional Careers
1. Introduction

Much has been written in the last two decades about the changing nature of work and careers. Whilst the overall agenda of this new employment landscape tends to be portrayed in bold and progressive terms, the underlying causes and drivers tend to be more complex and nuanced, with a number of overlapping influences; ideological, political, economic and technological. Within the workplace, the adoption of a range of New Working Practices (NWPs) has driven various facets of organizational change; for example, the delineation between core and non-core activities [1], hence between core and peripheral workers [2]. Organizations large and small have challenged the need to undertake many activities which, traditionally, have been regarded as natural component of a firm's overall value chain. As a consequence, a range of third party organizations, and an army of contingent workers, emerged initially to supply peripheral support services such as cleaning, security, catering and transport, and so on. Consequently even those functions requiring higher cognitive skills, exploiting information technology, are being disembedded from within individual business units and outsourced to lower cost locations, either to near shore, out of town areas or to developing countries.

A further manifestation of these changes is the shared service centre model (SSC), in which professional support functions such as finance, HR, purchasing, IT and legal services, previously located within business units or head office are aggregated into a new central unit, reporting outside of the divisional line hierarchy. This encourages the SSC to operate in quasi-market manner that is positioned as a hybrid governance model between line management control and the open market. Typically, the primary driver is to reduce costs through scale benefits and what is called wage/location arbitrage. Other motivations might include service improvement, access to better expertise, economies of scale, and leveraging competitive advantage through information and communications technology.

This study developed from a longitudinal enquiry which indicated that whilst the SSC might appear superficially to be another rewrite of the organization chart, the longer term implications for the nature and staffing of professional support functions might be more fundamental. In contrast to some of the outsourcing deals that have attracted popular attention [3], the SSC form has largely gone unnoticed by both the academic community and the public. We suggest that in developed countries the nature and prosperity of those professions which have traditionally been seen as integral support services to organizations might be profoundly affected.

In the light of this suggestion, the specific research aims of this paper are:
RA 1: to investigate the impact of the SSC model as an emerging organizational form on the nature and location of professional work;
RA 2: to consider the implications for the employability of individual professionals arising from these changes.
RA 3: to critically challenge the assumptions inherent in the extant literature about the viability of professional careers.

The paper is organized as follows. The next section considers the general marketization of support activities, in particular in the SSC context. This is followed by a critical examination of the changing nature of the employment relationship in extant career and employability literature. The fourth section presents specific evidence from three case organizations, all of which have international employment dimensions and involve a range of professional disciplines. Finally, we discuss some emerging challenges to extant theory in the light of the empirical data and make some suggestions for further research and theory development.

2. The marketization of business services

In the 1990s many organizations adopted a range of new working practices, for example, delayering, rightsizing, BPR, outsourcing and value chain analysis [4,5]. The overall effect tended to be a fundamental reappraisal of organizational shape and outlook [6] with a focus on a core of key (career) workers, supplemented as required by non-core, contingent workers. Early conceptions of the more flexible approach to workforce planning tended to be based on the premise of a nucleus of 'professional' managers and functional specialists, supplemented by a peripheral workforce comprising a bulk of low-skilled workers, plus those professionals with specialist skills but not required on a continuous basis [2,7]. This new landscape has been enabled by the development of empowerment, at societal, organizational and individual levels. Desmoyers-Davis [8] notion of the 'empowered citizen' suggests that people will seek responsibility for planning their own life in a similar manner to how workers are expected to embrace devolved decision making within the organization [9]. A further aspect of this ideological shift is the application of market principles to a range of business support functions through outsourcing to the lowest cost and/or best service provider.

Outsourcing those business support activities perceived as non-core by an organization has been a key driver of organizational change. The motives for outsourcing are various, but might typically include; headcount and cost reduction, access to greater expertise and technology, a keener focus on core activities and better operational flexibility [10,11,12]. Whilst this generally concerns lower level tasks, for example, cleaning, security, catering, and payroll, similar attention
is increasingly being given to professional functions, such as finance, HR, purchasing & IT which historically have been less prone to routinization and commoditization [13, 14, 15]. Indeed, through choice or fortune, many professionals might now find themselves in the contingent ‘periphery’, either working as individual agents or as employees for third party outsourcing specialists.

An emerging alternative to outsourcing is the shared service centre (SSC) in which activities previously located in business units or head office are retained within the organization but aggregated into a new central unit, operating at arms’ length from the mother organization in a quasi-market manner, see Fig. 1. This forced separation from the core is designed to engender a distinctive rationale and outlook in the new unit such that a customer and process orientation is adopted rather than the traditional approach of organizing support activities into functional silos. The term ‘SSC’ is used throughout, although it is acknowledged that in some organizations, change is not always so physically discernable, with people remaining at the same desk but reporting to a different manager. Note: sometimes ‘organization’ (SSO) is preferred to ‘centre’ to avoid the connotations of a command & control culture.

(Figure 1 about here).

Like outsourcing, the SSC model can provide for economies of scale and scope, together with arbitrage opportunities in respect of labour and infrastructure costs, that is wherever the physical location of work is not critical. In practice, this often means the substitution of relatively expensive workers in developed countries by lower waged workers in developing countries. According to Bergeron, [16];

‘[S]hared services [sic] is a collaborative strategy in which a subset of existing business functions are concentrated in a new, semi-autonomous, business unit that has a management structure designed to promote; efficiency, value generation, cost savings and improved service for internal customers of the parent corporation, like a business competing in the open market.’ (p. 3)

The SSC model can provide a number of additional benefits to outsourcing. First, and most significantly, management control and thus flexibility, is retained within the hierarchy of the firm. Second, the migration of systems and staff can be phase, and even reversed if necessary: removing the fear of being tied into a long term contract and losing the skills and resources necessary to take the work back in house [17]. Third, because workers are psychologically (and usually physically) distanced from the mother organisation, the SSC can allow for future
scalability of headcount without either the contract penalties payable to third party outsource providers, and/or resistance from unions representing the core workers. Fourth, in contrast to outsourcing, the SSC minimizes the costs associated with arranging, administering and monitoring contracts with third parties [17]. Fifth, the market orientation of the SSC should naturally improve and optimize both the specification and delivery performance of the services provided. Finally, a more recent twist is for the SSC itself to be sold to a third party (‘monetarized’) thus raising funds for investment in the core, once support services have been re-engineered and performance benchmarked thus forming a solid contractual baseline. Thus, we suggest that in many cases the SSC can hold clear advantages over outsourcing.

Insert Figure 2 about here

3. The changing nature of the employment relationship for professionals

For some time researchers have suggested that careers especially for professionals have fundamentally changed. Quigley and Tymon [18] have suggested that ‘researchers are increasingly viewing careers as involving multiple, short learning cycles over one’s life span’. Heaton and Ackah’s [19] study of early-career HR professionals concluded that:

‘It appears the traditional route into a professional role through vertical promotion in one organization is increasingly being replaced by a more difficult, fragmented career progression – ; (p. 955).

As the organizational domain has changed, some workers have developed greater propensity for choice and freedom in the management of their own life-styles and careers; operating as freelance or contingent workers and being happy to position themselves outside of any one organization, both contractually and psychologically. Whilst liberation from the mold of Perrow’s corporate man [20] and freedom to exploit emerging opportunities might be right for some, for others working life is increasingly played out in a greater sense of competition for employment. For many, building a seamless and progressive career trajectory will likely be punctuated by setbacks, dead-ends and sideways drift. Brown et al. [21] argued that in the KBE employability has a dual nature and positional conflict between workers for the next short term job brings into sharp focus the consequences of winning or losing. Clarke’s [22] study of the personal narratives of ‘managers in career transition’ supported this view of increasing levels of boundarylessness and the protean model of career, and emphasized the importance of a future career orientation for individuals. De Jong et al. [23], suggested that contemporary employment patterns have produced three types of temporary workers: those who are temporary for involuntary reasons, those who have taken temporary work as a stepping stone to other opportunities, and a third
group who accepted temporary employment as the normal state of their working lives, and who
did not perceive problems finding future opportunities: their self-perceived employability was high.
Similarly, in a study of ‘mainly highly skilled professionals’ De Cuyper et al. [24] found that
continuous temporary employment does not lead, necessarily, to unfavorable outcomes (such as
affective commitment, work engagement) over time, especially when it is not perceived by
workers as a trap, or is a matter of personal choice.

Whilst literature on career self-management is copious [25], it tends to be orientated to the
capable, ‘in-control’, achiever, the type of person who revels in the opportunities of the new
vocational and economic landscapes, for example the SSC managers in our enquiry. For these
workers, the challenge is how to optimize their opportunities, rather than how to simply survive
and stay employed. For those who through choice or necessity become independent workers,
they have to make adjustments to their vocational pathway, and upgrade their personal
capabilities without the support mechanisms that are typically enjoyed by those core workers
within the traditional, employer-managed career. It is pertinent that there have been relatively few
studies in the careers literature of those individuals who have to cope with disappointment and
accept their skill deficiencies in a series of short term, relatively insecure, positions. An exception
is the concern of Beard and Edwards [26] who highlighted the risks faced by contingent workers
in terms of their psychological experience of work. There are also a number of studies which
suggest that insecurity can undermine individual employee well-being or reduce life satisfaction
[24, 27].

For employers the practice of making contingent workers reapply for their existing jobs each
time their contract expires brings the ethos of the external market into the internal market and for
the employers avoids the problem of cultural inflexibility that can manifest over time with a
permanent work force. However, inevitably there may come a tipping point when the ‘flexible’
worker force represents a significant proportion of the overall labour force: then rather than
enhancing psychological control over a group of marginal workers the process of contract
renewals can instead become a constant battle to retain talent as workers play employers off
against each other. Perhaps more importantly, the issue of motivating people to develop their
knowledge and skills becomes a mainstream issue in respect of the non-core workers.

Paradoxically, the traditional career pattern has tended to be reinforced through an increased
focus by HR managers on the remaining core workers who, whilst smaller in number, are now
seen as more significant to the success of the overall enterprise, because of the leveraging
nature of knowledge. Indeed, the UK’s Chartered Institute of Personnel and Development (CIPD),
in their 2004 study ‘Managing the careers of professional knowledge workers’ [29], found that
these professionals valued autonomy, although employers were wary of offering them personal
development in case they became too attractive to competitor organizations. As the market in
knowledge work becomes global, individuals must compete with other individuals across the
globe for positions within SSCs and then competing collectively as an SSC against third party
providers. We suggest that such global market forces will affect significant numbers of knowledge
workers at some time in their careers. The ‘hourglass’ profession is a metaphor borrowed from
econometric studies in which it is argued that intermediate occupations will reduce in a
polarization of the workforce between jobs at the bottom and top of the occupational hierarchy. A
further thesis argues that the middle level jobs will be unilaterally ‘upskilled’ into higher level
knowledge work.

Whether or not the KBE brings structural changes in the workforce, a greater range of
knowledge jobs across the world will bring opportunities for those workers with the skills and
mobility to embrace the possibilities and deal with the competition. Given the ephemeral nature of
knowledge this puts significant emphasis on how individual employability can be understood and
maintained. Employability is a multi-faceted concept in that it can be viewed both as a process of
accumulating and applying personal capital in a strategic manner to secure and keep
employment, and as an outcome of that process. Gaining a better job with challenging and varied
experiences increases future employability. This section explores the notion of employability as
the cutting edge of a career.

The concept of employability has emerged as a distinctive theme in the careers literature in
which the concern is to ensure that, at any point in time within a career, a worker has the requisite
competencies to enable them to get the job they want [30]. Whilst superficially oriented at the
level of individual workers, the research agenda has tended to address a wider constituency
comprising societal and governmental policy needs; the objectives being firstly to, ensure that
enough workers with the right skills and knowledge are available to staff the economy and
secondly, to reduce unemployment. Hillage and Pollard [31] defined employability in terms of
individual attributes as being:

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

In popular use, employability is usually viewed from the viewpoint of individual stakeholder
groups, for example: 1) as a desired skill-set for individuals aspiring to enter the labour market; 2)
the tenacity with which older employees maintain their place in the market, 3) as a collective
ability on the part of individuals in society to deal with the changing nature of work and 4) as an
outcome of HRM strategies in which employability aims to foster employee mobility within the firm
[32]. Fugate and Kinicki [33] proposed a dispositional approach to employability, (p.505) which
they defined as both a psychosocial construct and ‘a constellation of individual differences that predispose employees to (pro)actively adapt to their work and career environments’ [34, p20]. Their dimensions of employability included; openness to change at work, work and career resilience, work and career proactivity, career motivation and work identity. This conceptualisation has substantial utility in the context of this enquiry although focused strongly on individual attitudes and behaviours, potentially under-representing the impact of contextual factors.

We believe that a more helpful way of considering employability may be as more than simply a set of capabilities or orientations at any single point in time. Employers will want to assess an individual’s motivation in terms of both predicting satisfactory task performance and ensuring that the worker’s expectations are a satisfactory fit with the remuneration package and the organisational culture. For the worker, the wider context needs to be considered, including the state of the organisation’s internal labour market, including perhaps factors such as the likelihood of contract renewal, permanent appointment or even internal promotion. Of particular importance is the state of the external labour market, such as the prevalence of unemployment, or the demand for one’s occupation. [31, 35, 36, 37] The distinction between internal employability (i.e. of one’s self, or within the organisation) and external (i.e. relating to the external labour market or one’s occupation) is common in this body of conceptual and theoretical literature [31, 36, 38].

Lane and Rajan in particular recognised the impact of the changing labour market and the decline of traditional security, with Rajan emphasising the importance of ‘getting a job - maintaining a job - and sustaining employability for the future.’ (p. 97). Thus, an individual’s perception of their employability will be influenced by how they see the demand for their personal and occupational attributes in relation to the internal and external labour markets [29]. We suggest that for contingent workers the internal market represents the opportunity to continue with the present employer. Redpath et al [39] suggested that this may be related to a difference in psychological contracts between knowledge workers, and knowledge work managers, with the former carrying more of the risk in respect of coping with uncertainty. In addition to perceived opportunities, employability perceptions can be positively influenced by the extent to which the employer promotes an ‘employability culture’ [40], which can itself work to dissuade employees from looking elsewhere. Thus an individual’s perception of their employability will be influenced by how they see the demand for their personal and occupational attributes in relation to the internal and external labour markets [29, 41].

To the independent worker, operating on a more short-term contingent basis, the need to maintain employability to secure and maintain employment is a key distinction between the notions of career and employability. In a career, rewards are either equal to, or incremental to, a base salary. For contingent workers, economic rewards which at least meet their threshold
economic needs must be renegotiated with each interruption of employment. For such workers there is a continual reappraisal between the mix of rewards comprising a continuum between ‘a job you need’ and ‘the job you want’.

For a professional body, the relative insecurity and uncertainty described has further implications in terms of enhancement of professional practice through Continuing Professional Development (CPD), in that their members may not be acquiring the experiential learning that is needed to combat accelerating knowledge obsolescence. Moreover, the occupational territory of an individual profession may become less defined or indeed deinstitutionalized of existing professional practice and tacit knowledge through process re-engineering [42].

Hibberd [43] expressed the concerns succinctly (in an HR context) as:

‘I also wonder if we have fully thought through the impact of long-term extended shared service models on entry routes into our profession, on the career pathways that are vital to developing and maintaining high performers and the key skills we need for future success’.

Indeed, Brown, et al. [44] argue that lifting what they called the ‘veneer of employability’ exposes,

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

The next section reports our empirical research and specifically presents extracts of interviews with key informants in three of the ten cases focusing on highlighting concerns for professional employment.

**4. The Case Organizations and Results**

The overall enquiry comprised a longitudinal case study of three organizations which had adopted the SSC model. Field visits over a period of two years for one case (Oilco) and around six years for two cases, Utilityco and Pressco, revealed a number of research issues relating to the role and operation of the SSC and the potential impact for the structure and processes of the multi-divisional form. A further theme became apparent as a result of coding the transcripts and analyzing them with the software package N-Vivo, and that is the effect on workers’ employability and career as the SSC reconfigures the nature and location of knowledge work. The concerns for
this paper emerged from further analysis and visits to the organizations because there was a range of profession activities in the SSC and there were international dimensions to the operational scope.

Key informant interviews were identified as the most appropriate means of capturing a range of views, these were being carried out in the UK, Poland, Singapore & Hong Kong, and covered a range of support functions. Consistent with the overall enquiry, respondents were first briefed as to the background of the research and provided with information on the outline of the semi-structured interview. Transcripts produced by a professional typist were returned to the participants for verification. Often there was some helpful clarification and further insights added. Substantial elements of the verbatim data have been retained as these are believed to add considerable richness to the reporting of the study. All participants and organizations have been disguised.

Case 1. Bankco

Bankco is a European bank with retail, investment and trading operations in all of the major global financial centers. The shared service operation is comprised of two centers, a large off-shore centre (OSC) in India with several thousand staff undertaking mainly but not exclusively back-office transaction processing activities such as accounts ledgers, IT maintenance, etc., more typically associated with SSCs, plus a smaller, more recent, near-shore centre (NSC) in Eastern Europe. By contrast, the NSC’s rationale is to offer a range of activities more closely associated with mainstream investment banking activities and ancillary professional services of a semi-routine nature such as financial reporting, and drafting legal contracts by customizing document templates. A further category might be termed ‘craft’ activities such as; producing bespoke client presentations, IT systems development, and financial analysis for trading and banking teams using secondary data sources. Like the OSC, the NSC also takes advantage of a lower cost environment but is different in two respects. First, it is able to access workers with much higher levels of business and language capability and second, the time zone is broadly aligned with the European business divisions. The surrounding business park accommodates numerous SSCs of western blue-chip companies. Bankco chose this particular location because there is an ample supply of graduates locally, with excellent language skills and also professional qualifications, at a much lower cost than in the major European capitals. The SSC director commented that written English skills were generally of a higher standard technically than was the case for graduates in the UK. Interviews conducted with legal (documentation and compliance) executives in London, Singapore & Hong Kong revealed a mixed approach to
sourcing legal work. At the time of the first interviews in 2008, discretion of sourcing was firmly located at divisional level.

Bank Co: The UK perspective

The legal department has a need for around 30-35 full-time equivalent (FTE) staff possessing both legal qualifications and language skills. Knowledge of financial services is also important but is not a pre-requisite at the time of recruitment. At the time of the first visit in March 2009, there were around twenty on-site FTEs, six in the NSC, fifteen at the OSC, two freelance individuals and three FTEs at a third-party law firm. The Director was confident that the mixed approach to sourcing gave an appropriate balance between cost, expertise and flexibility, given the variety of tasks and customer profiles.

‘We use the OSC in Asia for more process orientated work; that is for higher volume/higher headcount work. We favor the NSC in Eastern Europe for some of the more complex client-facing work and yes, it’s drifting that way, but it’s more of a drift than a conscious decision to go that way. Horses for courses, whatever works best! Mixed sourcing has reduced our cost. Some of this is due to headcount reductions I’ve made here in the last year. But these have not been enforced by the bank’s redundancy program, people have gone voluntarily and we’ve not replaced them. That probably, amounts to half that headcount loss. But, nonetheless, we have made real headcount savings in London, therefore cost savings.’

‘There was a huge element of re-engineering and establishing a proper controlled approach. Otherwise, we would by now have had to hire additional headcount onshore, perhaps twelve people overall at a serious cost’.

The next theme explored the underlying motives, especially the extent to which decisions were driven by reducing headcount and the manner in which tacit professional knowledge was being made explicit and codified. According to one Director:

‘The guys in Asia are all graduates, something like 30-40% have got MBAs. Even though we’re talking process work it is actually complex process work. We struggled to get this message over, and when we originally recruited we had to emphasize: “don’t look at this as traditional Business Process Outsourcing (BPO) – it’s not yet into what might be called ‘legal’ process outsourcing – we’re kind of in between”. It was quite difficult to acquire the right level of people. If we’d have tried to do this onshore we’d have to employ similar
graduate-level people, i.e. very good but five, six times the cost of India. But I also don’t think that we’d get the attitude or the application. Frankly, [in India] it is a good job for people and a good potential career move as well.’

‘Doing it offshore I think made it a global team, made it a global process, we used people who, from a transition point of view, are used to setting up BPOs. Actually, that helped in a way because there’s a lot of documentation, user guides and all that kind of stuff which we never had onshore. We’re not great at doing that kind of thing frankly, that’s not what our people feel they are paid for. So the actual process of off-shoring has put more controls in place, together with the process documentation.’

In an interview with the same director, December 2009, it was reported that the division-led mixed approach was being replaced by a centralized global sourcing strategy for all non-core activities. There was now a central mandate towards the NSC for higher level ancillary work and less use of onshore contingent staff. In this organization the financial crisis of 2008-09 had resulted in upwards of 2,000 staff being shed across customer-facing and back-office positions in the London offices.

Bank Co: An Asian perspective.

The next two interviews took place with the equivalent Directors in Bankco’s Asian division based in Singapore & Hong Kong. There were significant similarities with the London situation but, across Asia, some local languages and legal domiciles make it more difficult to transfer work to global shared services. Japan was specifically mentioned in this respect. However, back office work in, say, Singapore and Australia, which is conducted in English with similar legal practices was now moving to the NSC, albeit that time zone issues were a complication that needed to be resolved. The Director in Singapore reported that short-term employability for local professionals was not likely to be impacted on in the same way as in European countries because the local economy was very buoyant. The Hong Kong director noted that other banks were moving back office tasks to mainland China, although the impact on the local market was not justified yet. He observed that the central direction for SSCs was being driven by a CEO who had joined from a rival bank that had operated a determined SSC policy. He also noted that anecdotally a number of expatriate workers had been withdrawn and replaced by local workers: a reversal of the original (colonial) phase of globalization.

Case 2: Pharmco
Pharmco is a UK-based pharmaceutical company although through acquisitions the bulk of operations are now in the US. The company is especially interesting because from its inception its policy has been to outsource its core business of developing and marketing drug therapies, whilst keeping inhouse the functional expertise to design and administer corporate strategy and monitor subcontractors. Since 2006 it has gradually moved to concentrate its various support functions in a somewhat unusual matrix-style shared service model but, somewhat untypically, certain functions are still embedded within individual divisions each will take the lead in hosting a function, say, HR or accounting. Other divisions, or indeed other shared service functions, then 'buy' services from them. The main focus of attention has been on the reshaping of mainstream professional functions, IT, Finance, HR and Finance into three groupings. first, frontline 'partners' within business divisions; second, corporate Centers of Excellence (CoE); third, transaction processing teams. The latter comprise the SSC. To demonstrate how tangled physical and psychological constructs can become, in practice in the IT function a large section of work had been outsourced, however, about half of these workers still sat at their old desks provided by Pharmco in the Head Office, the remainder were new workers at the outsource provider in India. The UK manager of (Shared Business Services Operating (SBSO)) explained the structure as follows (emboldened text added by the authors).

‘Business partners work alongside with the [divisional] customers; they diagnose problems and identify opportunities for efficiency. The CoEs will then design the solutions, and SBSO will then deliver the ongoing transactional process for that. Let’s take compensation for example. The business partners will work with the business to understand what reward structures they want to have in place. They’ll then talk to the CoEs, who will then decide which pay scales given skills & market rates are appropriate. The SBSO then goes out and provides an on-line solution whereby all pay data is available to managers who can then input pay reviews on a self-serve basis. Now, it’s not that one bit doesn’t talk to the other, and it’s not that as soon as the business partners have finished it goes to a CoE. We have project teams that work together on solutions. But, the accountability for the individual aspects of the role is clearly delineated, between business partners, CoEs and the SBSO.’

Figure 3 seeks to depict this approach schematically by positioning typical functional activities on a grid. The vertical axis indicates the extent to which an activity is routine, ad hoc or a continuous policy style. The horizontal axis indicates the extent to which a function is passive or reactive to user requests, or alternatively seeks opportunities to pro-actively interject into operations and systems.
Case 3: Oilco.

The third case, Oilco, is a large global petroleum company (100,000+ employees) with a mature SSC infrastructure comprising a number of centers around the world. The interview highlights some significant international employment trends, from the perspective of Singapore’s (knowledge-based service economy). Our key informant was a senior finance manager who had been involved in the design and management of the company’s SSC operations and had extensive experience of the development of professional support functions. He qualified in the UK, but had spent much of his career overseas. He had some forthright views on the nature of Western attitudes to education and work and the likely impacts on professional employability in a 24/7 global environment. First, we asked whether the work of management accounting had been impacted by shared services and if there was a polarization in professional roles nowadays.

(Emphasis by authors):

‘Yes, I do see that happening, .... I think there are more and more talented people invested with the experience of operating these [business support processes] who will eat their [professionals in the developed world] lunch in terms of knowing how best to design and operate a world-class process.

I see it as the global creation of the same kind of work that I did thirty years ago. The role is influenced by technology for sure but the fundamental activities are no different. What’s happened is that the processes have been created on a much larger scale.

But, that doesn’t mean that just because we have large scale that people get stuck in a category of work for their whole career, say only working on accounts payable. You can still work through these different processes but I would say that the bar has moved up, and whereby in my time twenty/thirty years ago I might have only spent one or two years in each of the elements of functional capability, these days we’re expecting people to actually show that they can become world-class experts, managing a large scale team and effecting very measured results.

Therefore there is probably more opportunity for people who do want to specialize and to stay in a speciality, or to only choose one or two specialities for their career. I’ve got to where I am today because I’ve had to practice almost everything that one could do as a generalist in finance in order to become a CFO. I think the career paths are now different because you can get to the top of the tree in Oilco by managing one of the
global process teams. That is without necessarily being a generalist and strong in every suit’.

We asked if, because of the way IT enables knowledge to be leveraged, this may result in a headcount reduction at that level?

‘Correct. So therefore the top of that pyramid is very small indeed because the organizational model, the business model is very flat below that. So typically we have people at relatively junior levels of supervision or lower levels of management who are managing teams of 50-100 people’.

We also considered what is happening to the mid-tier, say, the newly-qualified accountant. We wanted to find out if that role is largely disappearing, or is it becoming a role that people progress through very quickly to become experts, or perhaps they never get to because they are destined to stay at a technician level.

‘It’s a facet of the business model that we’re operating with a relatively high staff turnover, 10-15% per annum. Now that’s tough to deal with because we’re also getting new work in and are having to continually train people. But it keeps our costs down and it means there’s an honest dialogue between ourselves as employer and prospective employees, but we’re not offering them a career for life. Peoples’ expectations should be quite different to the one that I think I had thirty years ago where I planned to spend my career within Oilco, and I have. These young people have been told quite clearly we’ll give you very good training and experience - you’ll have a “stamp in your passport”. There may be opportunities for you towards the top end of each process’ but these are very competitive.

We also enquired about the work culture and the impact of offshoring, in developed versus developing countries?

‘Things might change but the developed countries are facing more difficult economic times.....over the last few decades there has been an emergence of culture where an academic qualification entitles you to something, whereas I think in the emerging economies the lack of a similar sense of social contract and the nature of the demographics means that the appetite and the competition for work is huge.

For example, people who are qualified finance graduates in Manila have no reticence in working any of the three shifts that I offer to them. I’ll say ‘listen I don’t want you to come back to me in a year’s time and tell me you’ve got a problem with this, I’ll be completely
explicit in this. And, they say. “You seem like a nice guy, but you really don’t understand. I have two other choices in life, either I go and work in the Middle East and I send my money back and I see my family once a year or I stay in the Philippines where I’m well qualified but I can’t find a job as an accountant because of the development stage of the economy. But, if I join you and deploy my professional skills then I get personal growth. You employ me in a time period that suits you and I accept the win-win in that.”

Personally, I think they would work whatever it takes. So our challenge is not to exhort people to do the conventional 35 or the 40 hours, it’s to ensure that they’re not impinging upon their own health and safety by working more than they should do’.

We were keen to investigate the longer term challenges for the profession, especially if ownership of career & responsibility for employability was seen as moving from the organisation to the individual?

‘Yes. Moving in that direction but still with the organisation doing everything it can to help the employee to maintain or improve their market ability internally and externally. So, competency frameworks linked to the CIMA qualification (Chartered Institute of Management Accountants) and work experience, post qualification experiences and certification for Six Sigma, green belt, yellow belt, and black belt are all part of what we offer to the employee’.

This informant further explained that IT enabled self-service support and enquiry facilities are leading to a reduction in the professional headcount. BPR and call-centre style workflow processing appear to be creating a widening divide between a smaller group of elite professionals, engaged in higher level diagnostic and design work, and on the other hand the bulk of technician level staff that deliver the support services (see Figure 3).

5. Discussion

The SSC and the employability of professionals

Whilst it was noted by some of our interviewees that the many of the New Working Practices were ‘happening anyway’, a feature of the SSC model is that migration and growth can be gradual, with the re-engineering of roles and subsequent headcount reductions manifesting almost imperceptibly, even when new facilities are set up on green-field sites. Moreover we
believe that the effects on professional careers and employability could be far reaching but to date these implications have generally stayed ‘below the radar’. The relative neglect of SSCs in academic literature and the public gaze may be due to a number of reasons. First, the move to a SSC can be a phased process of migration, with people sometimes remaining at the same desk for a time. Moreover, subsequent headcount reductions through continuous improvement and self-service systems can generally be managed through natural wastage and voluntary redundancy over time. Second, where the re-engineering of activities results in more routinised work the adjustment to a lower level technician workforce can again be managed through natural wastage and by simply not promoting people. Moreover, if the SSC is subsequently sold to a third party, by then the psychological bonds with the mother organization, (and unions representing the core workers’) are likely to be weaker.

The implications for the employability of individual professionals arising from the case evidence suggest a mixture of opportunities and threats as at Oilco. For some workers, the SSC brings opportunities for specialization and advancement, but for others flattened structures mean a lower probability of advancement. One can envisage that over time the widening divide between the technician and elite levels will become difficult to cross. Indeed, in the longer term there may be a ‘hollowing out’ of professional work with implications for career progression, employability and Continuing Professional Development (CPD), especially for those individuals at the earlier stages of their careers. This could result in an ‘hourglass’ profession whereby the middle, comprised typically of recently qualified professionals, will be competing for tough to get promotion or having to leave with their experience ‘passport stamped’.

The experience of Oilco suggests that the management perspective not only needs to be concerned with balancing expertise with available positions, but also with managing individuals’ motivation to compete in both the internal and external knowledge markets, and supporting them in improving their personal and social capital. The offshoring of a significant volume of professional work could further reduce career opportunities in developed countries and mean workers taking lower wages, working longer hours to compete, or even having no job at all. Essentially, workers now have to compete individually and collectively across time and space to remain employed.

At Pharmco it was noted that the SSC can result in employees becoming psychologically distanced from the mother organisation, sometimes whilst continuing to do the same job at the same desk. Thus, it is likely that, over time, the SSC workers will lose the support and thus the industrial leverage of core workers Sustaining employability through Continuing Professional Development, while at the same time lacking a long term relationship with the Human Resources
support functions enjoyed by individuals in a more ‘permanent’ contract also places significant demands on workers’ motivational resources. We suggest that for these individuals a conception of employability needs to further account for the individual-motivational aspects to a greater extent than for their tenured peers. For Bankco workers in London it may be too late unless they can add value to their present skill set by undertaking more client facing roles which are difficult to do remotely.

For organizations, the implication might be the emergence of a development gap because the next ‘generation’ of higher level business partners may not be acquiring the experience required. While Oilco has identified that significant numbers of technician workers may not be able to progress, to its credit the company has chosen to have an honest dialogue, with their young mid-career qualified workers in developing countries. A further scenario might envisage that in developed countries there is a danger that the future supply of elite workers will be compromised without a comprehensive set of technical competences and opportunities for inculcation into the values of a particular profession, if the technician level jobs are relocated overseas. For professional bodies, the theme at Pharmco and Oilco of aspects of professional work going over to a self-service basis is a direct threat to the occupational territory of the professions and thus to professional bodies. Perhaps, in time there might even be a grouping of business support service executives which see themselves primarily as career SSC workers and hold non-professional qualifications such as MBA and MSc.

Challenging the assumptions inherent in the career literature

From the review of theoretical and empirical literature on careers and employability we suggest that the notion of employability building into a seamless, progressive career pattern is still a highly prevalent view. Given the changes in work practices and organisation forms, one might speculate whether such predictability is realistic, in the post-industrial, knowledge-based, economy for a significant proportion of the population. Indeed, when taken together, the ongoing reorganisation, reconfiguration, redesign, relocation, commoditization & marketization of knowledge work could, over time, lead to a hollowing out of the professional skill-set with implications for what we understand as the map of the occupational territory. This is particularly problematic for those individuals who previously would have regarded themselves as professionals fulfilling what were integral, if not necessarily core functions in organizations, but, now find themselves fulfilling a narrower, more programmed role, and in a more transactional relationship with their employing organizations.

6. Conclusions and suggestions for further research
The paper has sought to raise awareness of changes in business support services, in particular the SSC model, and to suggest that along with more mixed approaches to sourcing this holds a significant issue for the continued health of professional life in developing countries. The three case studies have highlighted two particular aspects across organizations and professional groupings, and for the individual the need for a greater focus on employability as the cutting edge of an overall career trajectory. Firstly, as tasks become redefined and commoditised over time and distance much of the knowledge work comprising today’s business professions can, in the manner of the old-time Martini slogan, be undertaken *any time, any place, any where!* This new flexibility approach to labour sourcing means that many workers may find themselves continually renegotiating their employment relationship from a zero base. Indeed, for many workers, the ability to keep the job one has, and at the same time keep oneself updated to get the next job, is more pressing than the potential trajectory of an overall career. Secondly, the re-engineering of many mid-professional tasks is creating professional career structures akin to the hourglass metaphor within occupational classifications, with a mid-career funnel; in flat, competitive, hierarchies this will naturally be difficult to pass through. We believe that the empirical findings represents a timely challenge to extant career theory in the context of a global Knowledge-Based Economy, below we suggest some further research directions on the implications for workers, employers and professional bodies. We also suggest that the notion of the KBE as a basis for sustainable employment in the future is seriously brought into question by the notion that knowledge-based professional careers may, in the 21st century, be just as vulnerable to cost-based job migration as manufacturing jobs in Western economies were in the late 20th century.

In a range of previous employability studies [29, 32, 41, 43, 44] the individual-motivational aspects have, arguably, been neglected and we suggest that this should be a priority for future research in this rapidly developing field. It would be helpful to provide exemplars of employability-enhancing work experiences across a broad range of SSC workers and contingent job seekers and if possible to survey those not so fortunate workers that have already been displaced by more junior or offshore staff. It would also be useful to test the extent to which overall career satisfaction or immediate feelings of self-efficacy within a career are influenced by the range of intrinsic motivation factors, and to gauge the extent to which individuals have embraced the new requirements for employment flexibility in which ‘boundaryless’ means any time, any place, any where. Finally we suggest that there is a significant need for a more sophisticated concept of employment flexibility and career to encompass 21st century developments rather than the path-dependent models proposed in the 1990’s.
References


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**Figure 1** Moving to a Shared Service Model

Note that some services and functions that might previously have been centralised within the corporate head office which might also be moved to the SSC.
Figure 2 Dimensions of Knowledge-work & sourcing Flexibility

<table>
<thead>
<tr>
<th>Traditional Dimension</th>
<th>Global Knowledge Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographically specific</td>
<td>Location</td>
</tr>
<tr>
<td>On-shore</td>
<td>Location neutral</td>
</tr>
<tr>
<td>Face-to-face/close to core</td>
<td>Cheaper off-shore</td>
</tr>
<tr>
<td>Same time-zone</td>
<td>Remote</td>
</tr>
<tr>
<td>Dedicated infrastructure</td>
<td>Time-zone not critical</td>
</tr>
<tr>
<td></td>
<td>Flexible infrastructure</td>
</tr>
<tr>
<td>Tenure with first-tier organisation</td>
<td>Contract Ownership</td>
</tr>
<tr>
<td></td>
<td>Contingent individual</td>
</tr>
<tr>
<td></td>
<td>Third party employer</td>
</tr>
<tr>
<td>Salaried with notice period and termination terms</td>
<td>Contract terms</td>
</tr>
<tr>
<td></td>
<td>Little commitment</td>
</tr>
<tr>
<td></td>
<td>Per job/contract/per hour</td>
</tr>
<tr>
<td>Uncertain Varied Person specific role</td>
<td>Task/role profile</td>
</tr>
<tr>
<td></td>
<td>More certain</td>
</tr>
<tr>
<td></td>
<td>Programmed</td>
</tr>
<tr>
<td></td>
<td>Allocated within team</td>
</tr>
<tr>
<td>Tacit Local idiosyncrasies Context/firm specific</td>
<td>Task knowledge</td>
</tr>
<tr>
<td></td>
<td>Explicit</td>
</tr>
<tr>
<td></td>
<td>Standardised</td>
</tr>
<tr>
<td></td>
<td>Not context/firm specific</td>
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Figure 3 Pharmco Service dimensions
Six Sigma is a technique based on the ethos of continuous improvement.