

Flexibility/Security Policies and the Labour Market Trajectories of IT Workers

Martin Cooke and Kerry Platman

Executive Summary

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This paper responds to the growing interest in “flexicurity” as a framework for helping welfare states reconcile two key pressures: the demand for flexibility in the functioning of labour markets and the organization of work; and the simultaneous demand for income security among citizens, especially those vulnerable to unemployment and under-employment. The appeal of “flexicurity” among public policy communities in Europe, and to a lesser extent Canada, lies in the way it recognizes the important role that welfare provision can play in supporting employment transitions that foster competitive working practices. The approach has gained ground against a backdrop of population ageing, technological change and industrial volatility because of the increasing need for multiple job transitions, lifelong learning and extensions to working lives.

Yet despite the interest in “flexicurity,” questions remain over how policies could be formulated to encourage flexible labour markets that are mutually beneficial for global industries and for individual workers. We need a better understanding of current employment trajectories in order to identify promising policies will lead to successful labour market transitions and longer working lives.

This paper uses case study data collected in Canada and the United Kingdom of small and mid-sized firms operating in the information technology (IT) sector. The sector is marked by a high degree of volatility and a lack of formal regulation, including an absence of rigid professional entry requirements. Yet even small firms in this sector often compete at an international level and are having to respond to rapid technological innovation and market fluctuations. By examining the life-course trajectories of IT professionals aged 40 and over, we are able to explore the factors that contributed to their successful work transitions. This focus on “survivors” allows us to understand the resources that were important to them during these employment transitions, whether in finding or keeping a job, setting up a new venture or accessing the skills they needed to remain in employment.

Our analysis uncovered a spectrum of labour market experiences and transitions, with individuals reporting a great variety of entries into and pathways through careers. However, there was a shared sense among respondents of job insecurity and/or disruption. Even firms with seemingly continuous trading records had changed products, ownership, premises, staffing levels and management styles.

Our life-course analysis of career trajectories identified six factors that were critical to successful labour market transitions:

- **Skills and experience**, notably the ability to maintain IT-related skills through on-the-job learning and self-tuition at work or on home-time;
- **Timing**, by entering the industry, firm or position during periods of expansion and opportunity and making timely decisions over employment-related moves;

- **Family**, involving supportive spouses whose financial resources or roles as primary carers allowed their IT “partners” to make risky employment transitions, such as retraining or innovation in a new IT venture;
- **Gender**, with women’s IT careers being shaped far more than men’s by caregiving and the demands of family life, dependent children and frail relatives;
- **Networks**, both personal and professional, which had provided labour market intelligence and increased job options for IT professionals; and
- **Chance (or risk)**, with individuals being able to tolerate uncertainty and developments that were beyond their immediate control, such as re-financing their firms and shifting technological requirements.

Although other factors such as education and income were important, the six features mentioned above indicated successful transitions that allowed our Canadian and United Kingdom professionals to retain a foothold in the IT labour market over a number of decades. Our findings highlight the importance of policies that offer added resources to individuals as they navigate the uncertainties of employment. In particular, these should:

- Recognize the interconnectedness of work, family and caregiving, and that employment strategies are often made in the context of all family resources;
- Allow workers to exert control over the timing of an employment transition, so that they may take advantage of sudden and unexpected shifts in the fortunes of their firm or industry;
- Permit a much greater role to be played by professional organizations, government agencies and sector-specific bodies in providing local labour market information to guide individuals towards promising employment pathways;
- Explore the potential role of specialist brokers or representatives who can exploit existing sector-specific labour market intelligence for the benefit of timely labour market transitions in niche sectors and occupations; and
- Find innovative ways to foster and promote networks that both enhance security of income and improve the ability of people to control their employment fortunes, such as through clusters or collectives of semi-independent consultants that are fostered by sector bodies.