Corresponding Author: Dr. Andrew Trevor Rothwell, Ph.D., M.A., B.A.,

Corresponding Author's Institution: Coventry University

First Author: Andrew T Rothwell, PhD, MA, BA

Order of Authors: Andrew T Rothwell, PhD, MA, BA; Ian P Herbert, MBA ; Will B Seal, PhD, BPhil, BA

Abstract: The paper presents evidence case study evidence of evolutionary changes in business support functions resulting in a fundamental hollowing out of the professional space over time and distance, creating the 'hourglass' profession. In an IT-enabled, boundaryless world, many professional activities can now be undertaken, in the manner of the Martini slogan, 'any time, any place, anywhere'. This paper aims:
*   To investigate 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 explore the impact of these changes for individual professional workers, and to highlight the need for a greater focus on individual employability as the driver of an overall career trajectory.

*Cover Letter

Department of HRM

De Montfort University

Leicester, LE1 9BH

UK

PROFESSOR MARK SAVICKAS

THE EDITOR

JOURNAL OF VOCATIONAL BEHAVIOR   December 15th[h] 2010

Dear Professor Savickas

Ms. No.: JVB-10-203
NEW Title: Shared Service Centres and Professional Employability

I attach a final resubmission of the above paper. I have responded to your comments as follows:

1. You will see that we now have a simple title. You were quite right, far too many concepts in the first one! I have made no other very significant changes (other than references, formatting and corrections), so the paper is as previously reviewed.

2. I have put the references in proper APA style and reformatted the paper hopefully in proper APA style . I am sorry that we used the wrong referencing style previously, we thought that this (the' numbers' one) was the correct one to use because that's what it says on the journal website,(un less I misunderstood the instructions) …..

http://www.elsevier.com/wps/find/journaldescription.cws_home/622908/authorinstructions

To conclude, thank you for your patience, for considering our work and for agreeing to publish this in the Journal of Vocational Behavior. I have always thought this journal is the natural home for this research. I would welcome the opportunity to support the journal personally, if only as a reviewer. Meanwhile on behalf of my fellow authors and myself, may we wish you every success for the New Year 2011.

Kind Regards

Andrew Rothwell

Dr Andrew Rothwell

De Montfort University

RESPONSE TO REVIEWERS

Dear Professor Savickas

Ms. No.: JVB-10-203

NEW Title: Shared Service Centres and Professional Employability

I attach a final resubmission of the above paper. I have responded to your comments as follows:

1. You will see that we now have a simple title. You were quite right, far too many concepts in the first one! I have made no other very significant changes (other than references, formatting and corrections), so the paper is as previously reviewed.

2. I have put the references in proper APA style and reformatted the paper hopefully in proper APA style . I am sorry that we used the wrong referencing style previously, we thought that this (the' numbers' one) was the correct one to use because that's what it says on the journal website,(un less I misunderstood the instructions) …..

http://www.elsevier.com/wps/find/journaldescription.cws_home/622908/authorinstructions

Shared Service Centres and Professional Employability

Rothwell, A. T.([1]), Herbert, I.P. ([2]), Seal W. ([2]),

Address of corresponding author (1):

Dr Andrew Rothwell, HRM Department, Leicester Business School, The Gateway, Leicester, LE1 9BH, tel 0116 257 7214, Fax 01116 251 7548, email: arothwell@dmu.ac.uk

Introduction: Shared Service Centres and Professional Employability.

Much has been written in the last two decades about the changing nature of work and careers. 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 (Prahalad and Hamel, 1990), hence between core and peripheral workers (Atkinson, 1984). Organizations have challenged the need to undertake many activities which, traditionally, have been regarded as part of the value chain. A 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. 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.

An ongoing longitudinal enquiry by the authors has 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 (Sristava, 2009), the SSC form has largely gone unnoticed by both the academic community and the public. In this paper we suggest that in developed economies the nature and prosperity of those professions which have traditionally been seen as integral support services to organizations might be profoundly affected, with a significant impact on the individuals who work in them.

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 for individual professionals;

RA 2: to examine the motivations of individual professionals for engaging in the SSC model of professional work;

RA 3: to critically evaluate the implications for the employability of individual professionals arising from the advancement of the SSC model of professional work.

The paper is organized as follows. The following section provides an introduction to the marketization of professional support activities, particularly the shared service centre (SSC) model, and the implications this has for the individuals who work in them. To enhance understanding of the individual-impact dimension, we then offer a concise review of the literature on employability within the context of perspectives on contemporary careers. Building on these perspectives, we then offer

a rationale for the methodological approach taken, and our primary data collection strategies. Next we present specific evidence from three case organizations, all of which have utilized the SSC model internationally. Following a brief description of each organization this evidence is discussed thematically according to the three research aims above. Finally, we make some suggestions for further research and theory development.

The Marketization of Business Services and the Martini Workers

In the 1990s many organizations adopted a range of new working practices, for example, delayering, rightsizing, BPR, outsourcing and value chain analysis (Otley, 1994, Marchington, Grimshaw, Rubery & Wilmott, 2005). The overall effect tended to be a fundamental reappraisal of organizational shape and outlook (Baruch and Pieperl 1997) with a focus on a core of key (career) workers, supplemented as required by non-core, contingent workers. Early conceptions of the flexible approach to workforce planning had a nucleus of 'professional' managers and functional specialists, supplemented by a peripheral workforce comprising low-skilled workers, plus those professionals with specialist skills but not required on a continuous basis (Atkinson 1984, Handy 1989).

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 include; headcount reduction, cost reduction through market forces, access to greater expertise and technology, a keener focus on core activities and better operational flexibility (Bangeman 2005, Langfield–Smith & Smith 2003, Janssen & Joha 2006). 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 (Wright 2008, Pickard 2009, CIPD 2009). Many professionals 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 center (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. Our study focuses on the impact of these new organizations on the individuals who work in them.

(Figure 1 about here).

Like outsourcing, the SSC model can provide for economies of scale and scope, together with arbitrage opportunities in respect of labor 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. Because of this geographical flexibility, which also frees organizations from the constraints of time zones, we have adopted the term 'Martini Workers' (after the advertising slogan of the 1970's: 'any time, any place,

anywhere') to characterize this flexible mode of employment. We do not claim this as original, it was used for example in a 1996 BBC Television documentary to describe employment practices within the Rover automotive plant (BBC, 1996). We have tentatively illustrated the 'Martini' range of dimensions of employment flexibility in figure 2. This embraces any time (from full time to zero hours, also any time zone), any place (geographical flexibility), and also anywhere (inside or outside the organization). We have added a further dimension (any how?), of the level of procedural prescription determined by the parent company. We suggest that most contemporary flexible working practices can be mapped against this diagram.

(Figure 2 about here).

According to Bergeron (2002):

'Shared 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)

For organizations, the SSC model can provide a number of additional benefits to outsourcing. First, management control and thus flexibility is retained within the hierarchy of the firm. Second, the migration of systems and staff can be phased, 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 (Bergeron, ibid). Third, because workers are psychologically (and usually physically) distanced from the mother organization, 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 contractual costs associated with third parties (Bergeron, ibid.). 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. The next section considers the motivation of individual professionals in relation to their employment in this new work scenario.

Individual career motivations for engaging with professional work in a Shared Service Center (SSC) context.

In this section we consider why individuals engage with professional work in the SSC context. We suggest that this decision is only to some extent a matter of free choice, and may have both positive and negative implications. For some time researchers have promoted the notion that careers especially for professionals have fundamentally changed (Heaton a & Ackah, 2008, Bangemann,2005, Janssen and Joha 2006, Wright 2008). Heaton and Ackah's 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 – ; (2007,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 (1967) corporate man 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, Hesketh and Williams (2003) argued that in the knowledge based economy (KBE) positional conflict between workers for the next short term job brings into sharp focus the consequences of winning or losing. De Jong, De Cuyper, De Witte, Silla, & Bernhard-Ottel (2009) 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. Similarly, in a study of 'mainly highly skilled professionals' De Cuyper, Notelars & De Witte (2009) found that individuals in continuous temporary employment did not inevitably end up with unfavorable outcomes (such as lower affective commitment, work engagement) over time, especially when they did not perceive it as a trap, or it had been a matter of personal choice. We suggest that there may be an emerging theme that professional employment in the SSC context may be a matter of choice for some: for others it may be all that is available as an entry route to a professional role. We suggest this is a key point for individual employees and one which we explore in our primary research. Forrier, Sels and Stynen (2009) proposed an agency model of career mobility central to which is the notion of 'movement capital' which (p. 742) 'encompasses the individual skills, knowledge, competencies and attitudes influencing an individuals' career mobility opportunities'. Forrier et al. in using the term 'movement capital', embrace in their recent work the concepts of human capital, social capital, self-awareness and adaptability.

The issue is of mobility and opportunities is a key consideration in the present study. We were attracted to the broader definition of the term 'employability' (Fugate 2006, Fugate & Kinicki 2008) which we use in connection with individual perceptions. Fugate and Kinicki 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' (Fugate 2006, p. 20). 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. For example, an earlier definition (Hillage & Pollard 1998) defined employability in terms of individual attributes as being related to the ability to move self-sufficiently within a labour market and to achieve sustainable employment.

We suggest that the context thus includes 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. This may be subject to inhibiting factors: one of the potential influencing factors from our exploratory research was the notion that professional service functions in organisations (such as accounting or human resources) may be subject to a narrowing or bottleneck effect: metaphorically, to become 'hourglass' shaped, due to a concentration of work at the lower transactional end of the scale (CIPD 2004, Hibberd 2009) mainly at the expense of the middle. The notion of the hourglass profession is adapted from economics studies (Goos and Manning 2003, Nolan 2004) 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 contention to this is the challenge that middle level jobs will be not necessarily be 'upskilled' into higher level knowledge work (Anderson 2007). Of no less importance is the state of the external labour market, such as the prevalence of unemployment, or the demand for one's occupation (Lane, Puri, Cleveley, Wylie & Rajan 2000). 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 internal and external labour markets (Rothwell & Arnold 2007, Nauta, van Vianen, van der Heijden & van Dam, 2009). For contingent workers the internal market represents the opportunity to continue with the present employer. According to Redpath, Hurst & Devine (2009) 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 summary 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 internal and external labour markets with their organizational position in relation to the 'hourglass' as a key influence.

The future implications for individual professionals: employability for the Martini workers in the hourglass profession?

   Whilst literature on individual career self-management is copious (Hall, 2004), 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 individuals, the challenge is how to optimize their opportunities, rather than how to simply survive and stay employed. Those individuals who through choice or necessity become independent workers then have to make adjustments to their vocational pathway, and upgrade their personal capabilities potentially without the support mechanisms that were typically enjoyed by those core workers within the traditional, employer-managed career. Employers' practices 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 employer avoids the problem of cultural inflexibility that can manifest over time with a permanent work force. 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 (2005) 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 (De Cuyper, Bernhard-Ottel, De Witte, and Alarco 2008),

For individual professionals this relative insecurity and uncertainty, compounded by entry level staff being locked in to transactional roles, has further implications in terms of enhancement of professional progression through access to Continuing Professional Development (CPD), in that they may not be acquiring the experiential learning that is needed to combat accelerating knowledge obsolescence. Hibberd (2009, p.15) 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.(2004, p.6) 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'.

As a summary of the main concerns identified in our literature review, our exploratory work suggested that while the SSC model was being widely adopted by organizations especially in respect of professional support activities (eg. accounting, human resources), this was an under-researched area, yet one which could have potentially serious implications for individuals engaged in professional careers. The expectation of flexibility (the 'Martini workers') carried with it an inherent insecurity. Traditional perspectives on contemporary careers had made assumptions about in-control achievers who possessed scarce skill sets that could transcend organizational boundaries, although these in turn rested on further assumptions about such individuals' ability to stay 'ahead of the game' through CPD. In the hourglass structure, we suggest that the restriction of opportunities due to the career bottleneck arising from the polarization of professional activities has the potential to consign entry-level individuals to transactional roles from which there appears to be little potential to escape. At the bigger picture level of course this log-jam has very serious long term implications not only for organizations (developing and retaining talent, sustainability of skills and knowledge) but also for professions in terms of the development of their members, their professional status, and the sustainability of their knowledge base. In this paper we focus on the individual concerns, while recognizing the place these have in the wider context. The next section describes our research design.

Method

Due to the emergent nature of the research a grounded theory approach (Glaser 2003) was adopted. We were not seeking to test constructs derived from existing theory because there was not an academically grounded theoretical base central to this field of study. The grounded approach advocates the use of multiple data sources converging on the same phenomenon. We have drawn on related constructs (flexible employment, boundaryless careers, employability) but the focused

concern of our enquiry (fundamental changes to the nature of professional careers for individuals driven by global organizational change) proved to be relatively un-researched. Our aim instead has been to generate theoretical perspectives to seek to explain emerging themes, based on an evolutionary approach to data analysis. In this respect we followed the example of Floersch, Longhofer, Kranke,Townsend (2010), whose multidimensional approach had been as follows (p. 408):

'(1) thematic analysis allows us to see patterns in the dataset; (2) grounded theory helps us to see how the patterns relate and connect; and, (3) narrative analysis adds temporality and plot'

Data were gathered through semi-structured interviews conducted in English. Clarke (2008) suggested that interviews can be an effective tool for researching careers as they provide a rich source of data, especially from individuals in mid-level to senior management. In this case they have enabled personal narratives to be compared with emerging models of theory and practice. The overall enquiry has comprised a longitudinal case study of three organizations which had adopted the SSC model, and our main informants were at senior management and executive levels in the accounting and finance functions, as these were the original professional focus of our enquiry. This was the 'home' profession of two members of the research team, and the enquiry grew out of a long established study investigating the changing nature of that professional field. We were also attracted to the contrast between the traditional route of long professional formation, where persistence was rewarded by career security, and the threats to that stability posed by new models of employment. During the research it emerged that similar concerns might apply in other professional areas (notably IT and HR) which will be the focus of future studies. We acknowledge that data would have been strengthened by first-hand accounts from a diagonal-slice of employees: this will be undertaken in a later stage of the research. The challenge here is that the employees most affected are also most likely to have left the organization.

Field visits initially 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 more significant theme became apparent as a result of coding the transcripts and analyzing them with the software package N-Vivo. This was the perceived effect on individual workers' employability and professional career as SSC's reconfigured the nature and location of knowledge work, hence the individual focus of this paper. Key informant interviews were identified as the most appropriate means of capturing a range of views, conducted in the UK, Poland, Singapore & Hong Kong. Because of the relative newness of the research field, purposive sampling was needed to identify and target individuals who could provide the information we were looking for because they were the only people who actually had this (Floersch et al., 2010). Within the broad definition of purposive sampling we refined our selection through judgement sampling, this identifying a number of knowledgeable opinion leaders whose enlightened views could be a rich source of data. We acknowledge the limitations in the generalizability of purposive sampling but due to the relative newness of the research field this was the only strategy available (Floersch et al., 2010).

This paper is based on nineteen interviews involving a total of eleven senior managers in the SSC's which typically lasted 60 to 90 minutes. They were conducted with two interviewers to minimize individual bias. Respondents were first briefed as to the background of the research and provided with information on the outline of the semi-structured interview. Interviews were pre-scripted to

explore the main themes of our enquiry, evolving over time. The sessions were recorded then transcribed by a professional typist. A copy was sent to each participant for verification that their views had been recorded as they intended. Often there was some helpful clarification and further insights added. These informed subsequent interviews by providing a further focus for questions and clarification in the manner of progressive focusing (Clarke 2009) whereby emerging themes were prioritized, refined and clarified. The transcripts and other field notes were coded by theme using N-Vivo 8™ by a third member of the research team, again with the intention of reducing bias. This provided further insights and linkages between interviewees and events over time. An invaluable tool was found to be the research journal, which as Johnston (2006, p.387) suggested:

' – can then act as a conceptual launch pad from which the researcher can then jump to specific points in their literature - to explain, conceptualize and theorize'.

Case Studies

The following section offers a brief description of each of the three organizational contexts. Each is a global entity with one from the pharmaceutical sector, one from the finance sector, and one oil company. This is then followed by a results section in which the thematic issues arising under each of the three main research aims are systematically discussed and analyzed. All organizations have been anonymised. We acknowledge the limitations of a small sample but would emphasize the exploratory nature of our research.

 Bankco

BankCo is a European bank with retail, investment and trading operations in all of the major global financial centers. The shared service operation was 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, more typically associated with SSCs, plus a smaller, more recent, near-shore centre (NSC) in Eastern Europe.The NSC's rationale was 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 took advantage of a lower cost environment but is reportedly different in two respects. First, it could access workers with much higher levels of business and language capability and second, the time zone was broadly aligned with the European business divisions. The surrounding business park accommodated numerous SSCs of western blue-chip companies. BankCo chose this particular location because of 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.

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 inception its policy has been to outsource its core business of developing and marketing drug therapies, whilst keeping in-house 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, as 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 there are frontline 'partners' within business divisions; second, corporate Centers of Excellence (CoE); third, transaction processing teams. The latter comprise the SSC. As an example of how complex arrangements can become, 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.

OilCo

The third case organization, OilCo, is a large global petroleum company (100,000+ employees) with a mature SSC infrastructure comprising a number of centers around the world. This company was one of the first modern major international corporations to have a truly global presence. Our main primary data collection took place in their Singapore SSC, and highlighted some significant international employment trends from the perspective of Singapore's knowledge-based service economy. The executives interviewed explained the shared services project as mature (starting mid-1990s) with five SSC hubs across the world. The present challenge (2010) is to migrate higher cognitive services to the SSCs, including finance jobs that were previously seen as 'business partner' roles and integral to the process of divisional management.

Results

In this section we have organized our analysis according to our three main research aims, drawing from a range of respondents across the three case organizations, with the issues arranged by the main thematic 'nodes' identified. The interviews followed a similar pattern in each case. Where particular issues emerged, respondents were permitted more free expression as rich data was produced.

RA 1: to investigate the impact of the SSC model as an emerging organizational form on the nature and location of professional work for individual professionals;

While the organizational motivation across all three case situations was clearly cost driven, there were also flexibility imperatives, as well as the opportunity to tap into a skilled workforce overseas. Also significant was the manner in which tacit professional knowledge was being made explicit and codified. For example, our BankCo data revealed that their legal department had a need for around 30-35 full-time equivalent (FTE) staff possessing both legal qualifications and language skills. Knowledge of financial services was important but 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. Our informant, the Director, was confident that the mixed approach to sourcing gave an appropriate balance between cost, enhanced control, with staff 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. 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. 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 business processes offshore. 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 - So the actual process of off-shoring has put more controls in place, together with the process documentation.'

One executive level respondent at PharmCo suggested that there were benefits across the OSC's that accrued from collaborative working:

'So if you're in Continental Europe or Latin America and suddenly you have a 24/7 help desk that speaks 5 different languages that can help you that's fantastic. We have corporate strategies to grow geographically so I couldn't possibly have provided service to these people by only having onsite teams. Or, only onshore teams in locations like the US and the UK where - people are still not into working graveyard shifts at 4am in the morning. It's absolutely the right thing to do, so we gave that 'phone the number 24-7 24-7'.

What was also clear was that these were organizations that had a mature approach to service flexibility, and that the success or structural changes could also be attributable to evolution of the approach over time. From a PharmCo respondent:

' - from day one we have been a massive outsourcing organization. So we don't have any research facilities in our buildings here, we have a few in the US but far less than anyone else. The CEO when I

joined, which was 9 years ago when the company was still very small, he used to say, we are the most profitable pharmaceutical company per employee, because we had so few employees compared to other organizations. That's really helped us as the pharma sector has gone through difficult times because we are much more scaleable in our business model'.

Finally in this broad theme of responses another 'node' referred to the changes in the structure of professional roles and the role of technology in driving organizational change. One of our OilCo respondents suggested:

'(We) had about 30 business units and within those business units there was a financial director, a senior management accountant, and then technician people. That layer of finance director and senior management accountant has disappeared with the regional structure - and so there is a sort of hollowing out of the business there, and what is driving that is the technology, the ERP (Enterprise Resource Planning) system. So whereas before that was a manual process that's now done at the push of a button. And effectively a draft set of accounts we can get directly from the system without an accountant having to prepare them'.

In summary, our data suggest that for our case organizations the rationale for SSC operation is strong and goes beyond simple cost-based job migration. Technical professional knowledge is not unique to the host country, and can be quickly embraced by a well-educated and well-motivated global workforce, or replaced by automated processes. This tends to compound the hollowing-out effect of the functional hierarchy, hence the hourglass model. As an aside, at the macro level, these factors also weaken the rationale for first-world countries building employability futures premised on the knowledge-based economy. They don't exclusively own the technology or skills, they can't ring-fence the knowledge, and they certainly don't have an exclusive right to either of these.

RA 2: to examine the motivations of individual professionals for engaging in the SSC model of professional work;

We suggest that an original contribution of our research is to break the mold of the Euro/US centric tendency in the career research field, to consider the perspective of individuals who work in Off Shore Service Centers, and also Near Shore Centers in the 'New Europe'. Our respondents reported little difficulty recruiting staff, and equally little difficulty motivating them. From an OilCo executive in Singapore:

'Things might change but the developed countries are facing more difficult economic times.....over the last few decades [in the West] 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. 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'.

A significant theme that produced a strong nodal emphasis in our analysis was related to the caliber of individuals employed, contrasting with western stereotypes of the typical 'call-center' operative. From one of BankCo's senior respondents in London, on the subject of India:

'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". 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.'

This theme was reinforced by one of our OilCo respondents in respect of the type of people taking on professional roles in overseas SSC's:

'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 I 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'.

Not only were the OSC workers expected to quickly embrace their professional roles, there was reported to be an expectation that they take on significant management responsibilities as well. One OilCo respondent suggested:

' - 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'.

The picture therefore presented is of highly motivated workers who are technically skilled and keen to embrace responsibility. This is an attractive package to organizational strategists, and potentially an employability enhancing profile for a 'Martini' individual looking to overcome the 'Hourglass' career restrictions.

RA 3: to critically evaluate the implications for the employability of individual professionals arising from the advancement of the SSC model of professional work.

Our third research aim related to the implications for those individuals entering professional work in the SSC context, whether OSC or NSC, and what this meant for the sustainability of their careers and their progress through the profession. We suggest this is also an original contribution, as the limited HRM research in this area has tended to focus on the organizational-strategic level. Two of

our interviews took place with executive level informants from Bankco's Asian division based in Singapore & Hong Kong. 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 labor market was not apparent 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 phase of globalization.

One OilCo respondent was rather more forthright about the impact that the new professional entrants would have in a competitive labor market, with the potential implication that 'home country' professionals could face tough competition from overseas:

'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 work processes have been created on a much larger scale through aggregation in the service centers'.

One of the themes explored was whether the phenomenon of the 'hourglass' was a myth or reality. To pursue this, some of the interview questions focused on what was happening to the mid-tier professionals such as the newly-qualified accountants. We wanted to find out if that role was largely disappearing, or was it becoming a role that people progress through very quickly to become experts, or perhaps they never got to being destined to stay at a technician level, falling victims to the 'hourglass' career development log-jam. In reality we found the answer was not quite so simple, as perhaps our original thinking had been premised on models of professional tenure that did not necessarily translate into the OSC context. From an executive level respondent with OilCo:

'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; 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.

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 this support and thus the industrial leverage of core workers. 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. One dimension that emerged under the theme of individual employability was the highly pragmatic attitude of some OSC professional workers to the sustainability of their roles, and the place of the work in their overall lives. From one of our Singapore respondents:

' 'People who are qualified finance graduates and CPA's 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'.

This suggested that for the individual employees, the employability enhancement gained through the experiential development, and the added-value on their resumé from a globally positioned high-brand employer, was enough to offset what initially appeared to be unfavorable working conditions. Although there was an expectation to some extent that individuals take responsibility for their own careers, the employers did not totally abandon their obligations to personal and professional development. We explored this theme with one of our OilCo respondents in Hong Kong:

'[We are] moving in that direction but still with the organization 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 (UK Chartered Institute of Management Accountants) and work experience, post qualification experiences and certification for Six Sigma, are all part of what we offer to the employee'.

We developed this line of questioning, and found that the phenomenon of overseas workers taking on UK qualifications could be more widespread. Again from OilCo:

'In Glasgow (UK) and Kuala Lumpur (Malaysia) we have a reasonable number of people who are interested to do CIMA via qualification whilst working. In places like Manila and Chennai they are relatively highly qualified and CPA equivalent - Now that they've realized that there is a lot of management accounting work coming in, even in Manila and Chennai where minds were relatively set against CIMA, now we've seen significant pockets of interest to progress there from staff and managers'.

The potential implication is that this locates professional development and employability enhancement in the psychological contract of the offshore SSC workers as part of the employers' side of the 'deal'. If embraced widely, this could become a powerful factor in empowering such workers to enjoy a significant degree of boundarylessness while still accepting the relative risks of contingent employment. It also reinforces the notion of the global mobility of knowledge work and the removal of the geographical aspect of professional barriers to entry.

Discussion

SSC's, hourglass structures and the employability of 'Martini' professionals

We suggest that our research presents a wake-up call to individual professionals in first-world countries. Hitherto, their professional roles, protected by barriers to entry, acquired through structured formation and progression, and secured by knowledge that removed dependence on organizational bonds had given them a degree of perceived security that had defied the sometimes apocalyptic predictions of late-20th and early-21st century career theorists (Handy 1989, Baruch and Pieperl 1997, Marchington et al. 2005, Wright 2008). This sense of security has been ill-founded. In this section we offer further reflections on our findings, structured according to our three research aims, beginning with some general observations, then the organizational level, followed by individual motivational aspects, and finally the long term individual implications.

The relative neglect of SSCs in academic literature and the public gaze may have been due to a number of reasons. First, the move to a SSC can be a low-key phased process of migration, with people sometimes remaining at the same desk for a time. 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 routinized work the adjustment to a lower level technician workforce can again be managed through natural wastage and by simply not promoting people. 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. Particularly from our OilCo data, we noted that IT enabled self-service support and enquiry facilities appeared to be connected to a reduction in the professional headcount. In addition process re-engineering and call-centre style workflow processing appear to create a widening divide between a smaller group of elite professionals engaged in higher level diagnostic and design work, with a large mass of technician level staff that were delivering the support services and transactional processing, hence the hourglass structure.

For organizations and professions, our research confirms the emergence of an anecdotally-feared development gap (CIPD 2004, Hibberd 2009) because the next generation of higher level business partners may not be acquiring the experience required. While OilCo identified that significant numbers of technician workers had problems in career progression, to its credit the company had chosen to have an honest dialog with their young mid-career qualified workers in developing countries. A further scenario might emerge 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.

At the individual-motivational level, 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 off-shoring of a significant volume of professional work could further reduce career opportunities in developed countries and mean workers taking lower pay, working longer hours to compete, or even having no job at all. Professional workers may now have to compete individually and collectively across time and space to remain employed.

Conclusions and suggestions for further research

This 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. We have highlighted issues for 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. First, the flexible, global, approach to labour sourcing means that many workers, within a series of contingent roles, may find themselves continually renegotiating their employment relationship from a zero base. The ability to keep the job one has, and at the same time keep oneself updated to get the next job, may become more pressing than the potential trajectory of an overall career. Secondly, the re-engineering of many mid-professional tasks appears to be creating professional career structures akin to the hourglass metaphor with a mid-career funnel. Over time the widening divide between the technician and elite levels may become difficult to cross. Third, the calibre of individuals employed in the offshore SSC's especially presents a serious competitive threat to the position of professionals in first-world countries in a global, 'Martini' labor market. We also suggest that the notion of the knowledge based economy as a basis for sustainable employment is seriously compromised 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. As the market in knowledge work becomes global, professional workers must compete with other individuals across the globe for positions within SSCs and then competing collectively as an SSC against third party providers.

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 for professionals is still relatively common. Given the changes in work practices and organisation forms, one might speculate whether such predictability is realistic. Indeed, when taken together, the ongoing reorganisation, reconfiguration, redesign, relocation, commoditization and 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. The consequence may be an 'hourglass' profession whereby the middle, comprised typically of recently qualified professionals, will be competing for tough to get promotion or aiming to leave with their experience 'passport stamped'.

We intend to develop this research at both the individual-impact and organizational-strategic level. The three 'case' organizations have now joined seven others in an open forum organized by the researchers, which we intend to use a vehicle to further explore emerging issues. For individuals, we would particularly like to try to identify exemplars of employability-enhancing work experiences across a broad range of SSC occupations. In respect of the 'home country' impacts, it may be desirable (although difficult) to survey those workers that have already been displaced by more junior or offshore staff. Finally we suggest that there is a significant need for a more sophisticated conception of sustainable professional employment and professional careers to encompass flexible, global 21st century developments.

References

Anderson P., (2007), Stuck in the Middle of a Metaphor: Intermediate Occupations and some limitations of the Hourglass Economy Thesis, Work, Employment and Society Conference,

Beyond these shores? Sinking or swimming in the globalised new economy? 12 – 14 September, University of Aberdeen.

Atkinson, J. (1984), Manpower strategies for flexible organizations, Personnel Management, 16, 28-31.

Bangemann, T.O. Shared services in finance and accounting, (2005)., Gower, Aldershot.

Baruch, Y. and Pieperl, M. (1997), High flyers: glorious past, gloomy present, any future?, Career Development International, 2, 354-358.

BBC Television, (1996), When Rover met BMW, Episode 3: A job for life, November 19th 1996, available on: http://ftvdb.bfi.org.uk/sift/series/27081, accessed October 4th 2010.

Beard, K.M. and Edwards, J.R. (2005), Employees at Risk: Contingent Work and the Psychological Experience of Contingent Workers, in Cooper, C.L. and Rousseau, D.M., (Eds) Trends in Organizational Behaviour, 2, pp 109-126, Hoboken NJ, John Wiley.

Bergeron, B. Essentials of Shared Services, (2002), New York: John Wiley & Sons.

Brown, P., Hesketh, A. and Williams, S. (2003), "Employability in a Knowledge-driven Economy, Journal. of Education and Work, 16, 107 – 126

Brown, P., Hesketh, A. (2004), The Mismanagement of Talent: Employability and Jobs in the Knowledge Economy, Oxford, Oxford University Press.

Chartered Institute of Personnel and Development (2004), Managing the careers of professional knowledge workers, London, Chartered Institute of Personnel and Development.

Chartered Institute of Personnel & Development, (2009), CIPD Survey Report HR Outsourcing and the HR Function, Threat or opportunity?, London, Chartered Institute of Personnel and Development.

Clarke M., (2009), Plodders, pragmatists, visionaries and opportunists: career patterns and employability, Career Development International, 14, 8-28

De Cuyper N., Notelars G., De Witte H., (2009), Transitioning between temporary and permanent employment: A two-wave study on the entrapment, the stepping stone and the selection hypothesis, Journal of Occupational and Organizational Psychology, 82, 67-88.

De Cuyper N., Bernhard-Ottel C., Bernston E., De Witte H., and Alarco B., (2008), Employability and Employees well-being: mediation by job insecurity, Applied. Psychology: An International review, 57, 488-509

De Jong, J., De Cuyper N.D., De Witte H., Sllla I., and Bernhard-Ottel C., (2009), Motives for accepting temporary employment: a typology, International Journal of Manpower, 30, 237-252

Floersch J., Longhofer J.L., Kranke D., Townsend L., (2010), Integrating Thematic, Grounded Theory and Narrative Analysis: A case study of adolescent psychotropic treatment, Qualitative Social Work, 9, 407-425

Forrier A., Sels., L., Stynen D., (2009), Career mobility at the intersection between agent and structure: A conceptual model, Journal of Occupational and Organizational Psychology, 82, 739-759

Fugate M., (2006), Employability, In J Greenhaus and G. Callanan (Eds.), Encyclopaedia of Career Development, Thousand Oaks: CA, Sage.

Fugate M., and Kinicki A.J., (2008), A dispositional approach to employability: Development of a measure and test of implications for employee reactions to organizational change, Journal of Occupational and Organizational Psychology, 81, 503-527

Glaser B., (2003), The grounded theory perspective II: Descriptions of remodeling of grounded theory methodology, (2003), Mill Valley CA., Sociology Press,

Goos M., and Manning A., (2003), Lousy and Lovely Jobs: the Rising Polarization of Work in Britain, Research Paper, Centre for Economic Performance, London School of Economics and Political Science, ISBN 0 7530 1682 6,

Hall, D.T. (2004), The Protean Career: A quarter-century journey, Journal of Vocational Behavior, 65, 1-13.

Handy, C. (1989), The Age of Unreason, London, Random House

Heaton N., and Ackah C., (2007), Changing HR careers: implications for management development, Journal of Management Development, 26, 951-961.

Hibberd G., (2009), Centres of Attention, People Management, 27 August, 15

Hillage, J. and Pollard, E. (1998), Employability: Developing a Framework for Policy Analysis, Department for Education and Employment Briefing No.85. http://www.employment-studies.co.uk/pubs/summary.php?id=emplblty

Janssen, M. and Joha, A., (2006) Motives for establishing shared service centers in public administrations, International Journal of Information Management, 26, 102-115.

Johnston L., (2006), Software and Method: reflections on teaching and using QSR NVivo in Doctoral Research, International Journal of Social Research Methodology (9), 378-391

Lane D., Puri A., Cleverly P., Rajan A., (2000), Employability: bridging the gap between rhetoric and reality: second report: employer's perspective, London, Centre for Research in Employment and Technology in Europe.

Langfield-Smith, K. and Smith, D. (2003), Management control systems and trust in outsourcing relationships, Management Accounting Research, 14, 281-307.

Marchington, M., Grimshaw, D., Rubery, J. and Willmott, H. (eds.) (2005), Fragmenting Work: blurring organizational boundaries and disordering hierarchies, Oxford, Oxford University Press.

Mallough, S., Kleiner, B.H., (2001), How to determine employability and wage earning capacity, Management Research News, 24, 118-22.

Nauta A., van Vianen A, van der Heijden B., van Dam K., Willemsen M., (2009), Understanding the factors that promote employability orientation, Journal of Organizational and Occupational Psychology, 82, 233-251

Nolan P., (2004), Shaping the future, the political economy of work, Industrial relations Journal, 35, 378-387

Otley, D. (1994), Management control in contemporary organizations: towards a wider framework, Management Accounting Research. 5, 289-299.

Peiperl, M. and Baruch, Y. (1997), Back to square zero: the post corporate career? Organisational Dynamics, 25, 7-22.

Perrow C., (1967), A framework for the comparative analysis of organizations, American Sociological Review, 32, 194-208

Pickard J., Calling the shots, People Management, 2 July, (2009), 20-23

Prahalad, C.K. and Hamel, G. (1990), The Core Competence of the Corporation, Harvard. Business Review, May–June, 79-91.

Redpath L., Hurst D., Devine K., (2009), Knowledge Workers, Managers and Contingent Employment Relationships, Personnel. Review 38, 74-89

Srivastava, M., (2009), Obama vs. Outsourcing, Business Week, May 06, http://www.businessweek.com/blogs/eyeonasia/archives/2009/05/obama_vs_outsourcing.html accessed December 11th 2010.

Wright C., (2008), Reinventing human resource management: Business partners, internal consultants and the limits to professionalization, Human Relations, 6, 1063-1098

Figure

Figure 1 Moving to a Shared Service Model

Shared service centre structure

Head Office

Business unit 1   Business unit 2   Business unit 3

Service departments   Operating units   Service departments   Operating units   Service department   Operating units

Conventional Divisional structure

(support services embedded)

Top management

Business unit 1   Business unit 2   Business unit 3

Operating units   Operating units   Operating units
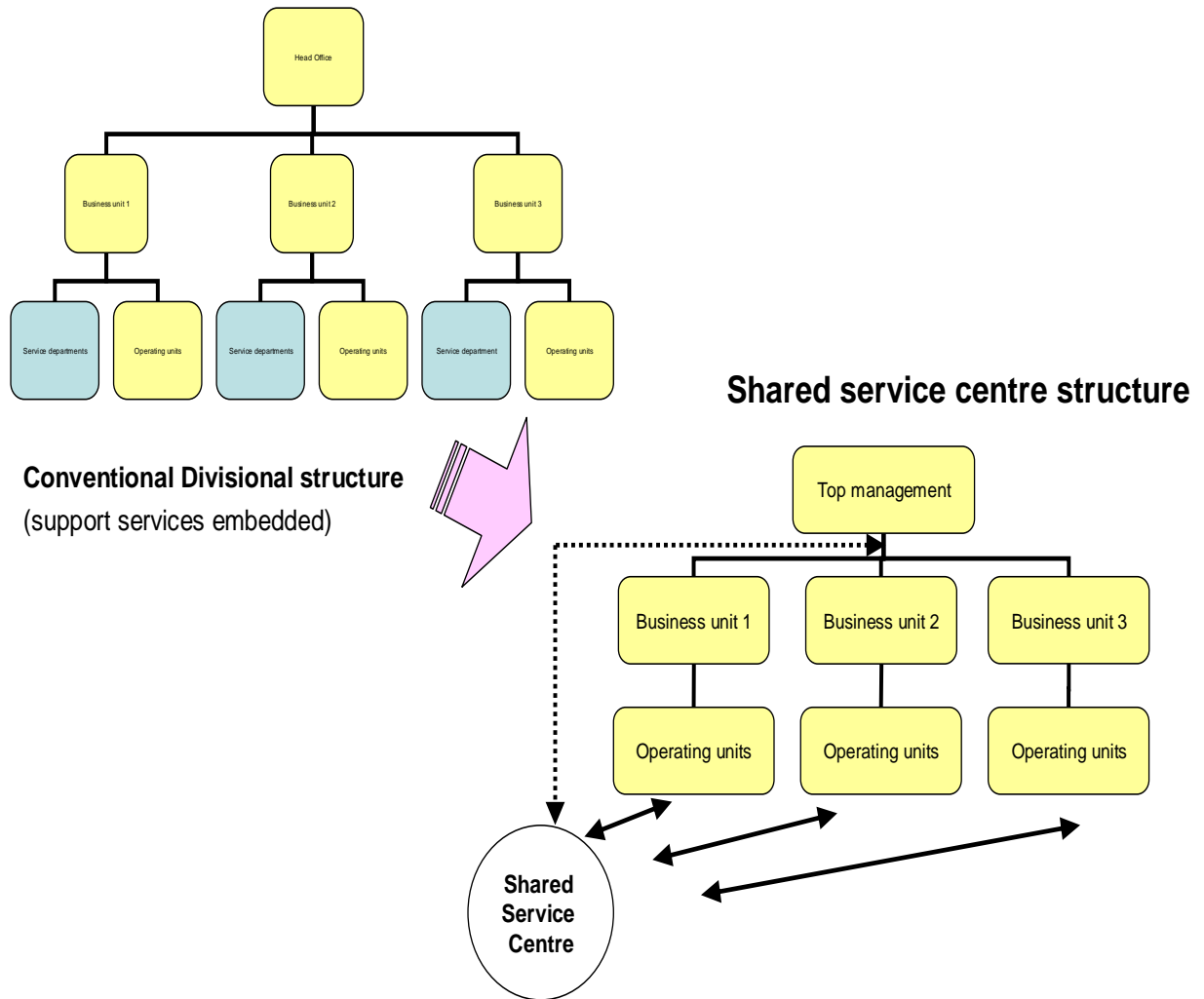
Shared
Service
Centre

Figure

Figure 2: The Martini Workers, Dimension of Employment Flexibility