

Employment sustainability in an era of economic uncertainty

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Track 5- New Forms of Work and Employment

ABSTRACT:

The concept of sustainability has and is being applied in a number of ways across various academic fields—economic, social, political and environmental sustainability spring readily to mind. However, this paper seeks to identify, analyse and emphasise an aspect of sustainability that is often subsumed in these more grand and sweeping conceptualisations—that of employment sustainability. It will be situated in the current (mid 2009) reality of a world financial crisis and economic recession. World economic development had, in the decade up to mid-2007, produced economic growth, rising employment levels in many developed and developing economies and concerns from a range of economists and government ministers about existing and emerging skill shortages in national labour markets. Such shortages, it has been argued, would limit further economic growth and require employment solutions such as extending working lives and/or requiring the attraction of more workers from overseas.

However financial and then economic ‘storm clouds’ gathered during 2007, ‘broke’ in 2008 and continued in a deluge during 2009. The United States ‘sub-prime’ crisis and resultant credit restrictions spread to other developed economies. In combination with these financial problems, rising world oil and basic food prices turned economic ‘boom’ into ‘gloom’ in a number of countries. Some authorities saw these economic problems as ‘tipping points’ for the major developed and developing economies and consequently the world economy. Knight, then the retiring General Manager of the Bank for International Settlements, observed that ‘... we appear to be entering a period of serious stagflation, combined with a large downside risk to growth and employment’ (2008:7). Indeed, these changes led during the latter part of 2008 and into 2009 to rising unemployment in many of the developed and developing economies of the world. More recently, the International Monetary Fund (IMF) has predicted a 1.3% decline in world economic output in 2009 (IMF, 2009). So an important question to be considered in this paper is, given that the world economy has tipped into recession, how will this affect the employment sustainability of different workers in different industries?

The paper firstly briefly explores the major interpretations of sustainability and then relates employment sustainability to these larger concepts. Next, it focuses on a new component of employment sustainability, that of career ethics. Some recent career development literature discusses the importance of ethics when employees make decisions about the type of work they wish to do (Sainty, 2007a and 2008) and employers’ expectations that workers will possess integrity, ethics, high professional standards and commitment to the organisations’ values (Malpas, 2008, Sainty, 2007a and Sainty, 2007b). However this research is drawn from first and final year undergraduates and Masters of Business Administration (MBA) students in different universities and countries rather than working populations as a whole and the existence of this employee concern is debatable. Consequently a broader conceptual structure for

employment sustainability is created and examined within the context of the world economic recession. A second purpose of this paper is to provide some insight into how employees, employers and governments may deal with this economic downturn—a phenomenon that is quite different from the benign economic conditions that many workers have grown to expect and had taken as the normal state of affairs in their working lives to date.

INTRODUCTION

The term ‘sustainability’ is used in a number of contextual and intellectual/academic frameworks such as economics, demography, geography, society, politics and environmental studies. However before this diversity of usage is investigated, it is useful to identify the origin of the word ‘sustain’ as it provides an insight into how and why the word sustainability has become so widely incorporated into these various intellectual discussions and disciplinary frameworks. The Concise Oxford Dictionary (McIntosh, 1975:1303) defines the word sustain using eight connected meanings:

To support, enable to last out; endure without giving way; stand, bear up against, undergo, experience, suffer (for example a defeat in battle); allow the validity of, give a decision in favour of (a court of other authority decision); bear out, tend to substantiate or corroborate, confirm (statement, charge or theory), keep up or represent adequately; keep going continuously.

Thus the reason for the broad usage of the term sustainability starts to become clear—it has a range and flexibility of meanings that facilitates its incorporation into various areas of human inquiry, especially in the current era of humanity’s development. While it is convenient to briefly examine each context separately, in reality there is considerable overlap between them, especially but not exclusively, in that economic, environmental, demographic, social and environmental sustainability issues impact upon the actions and degrees of freedom granted to the political sphere to take action to remedy unsustainability in one or more of these other spheres. For example, the unsustainability of the world economic system has impacted upon the political actions taken, both in Australia and other western developed economies, to both support and limit the actions of their various national financial sectors to stabilise the world’s financial markets and limit the social and economic consequences of the current world recession. Such actions have ranged from guaranteeing banks’ deposits to nationalising whole banks to protect them from collapse.

BACKGROUND

The major interpretations of sustainability that are provided in this paper are those that relate to economics, demography, geography, society, politics and environmental studies. Sustainability when linked to economics and the physical environment is often used to pose questions about whether specific economically induced practices (for example, the burning of coal and petroleum products to create electrical energy, or using carbon-based fuels to move people and products within towns and cities and around the world), are in fact sustainable in the long or even short-term. In short, economic growth in general can only be considered to be sustainable if it results in both an improvement in people’s lives and the physical environment (National Health Service, UK, 2009). A more critical view of economic sustainability is that ‘no economic system is sustainable

unless it accommodates the ecosystems on which it depends' (Green Party of America, 2004).

Sustainability issues in relationship to demography (the study of populations), society and the environment often pose the question of how to maintain societies in the light of world population growth with its consequent pressures on, for example, food supplies and potable water (United Nations Environment Program, 2009). Sustainability issues that deal with politics and the environment often relate to the apparent lack of understanding by politicians or alleged weakness of political will by governments, to set targets to limit such economically-sensitive variables as carbon production (through the use of carbon-based fuels) or limitations on the use of resources in wasteful and non-reusable ways (for example excessive packaging and toxic chemicals placed in waste dumps and waterways).

However, within each of these various manifestations of sustainability, there is the underlying requirement for people to be employed in order to achieve positive outcomes. A couple of examples will help make this point clear. In the case of world population growth and the consequent pressure upon arable land and water supplies, there is a need to employ and train people to start to deal with these challenges. A second example is the actions by national governments, such as the Australian Federal Government's intention to impose carbon cap and trading programs on their industries and citizens are likely to have an adverse impact upon employment in carbon-intensive industries (as well-funded lobbying and publicity campaigns by affected industries are only too willing to proclaim!).

Similarly, government funding and financial support for the so-called 'green industries', including alternative energy generation plants (using solar, wind, tide, geothermal and biomass sources) and energy conservation programs (such as the recently introduced Australian government-funded rebate for building insulation installations) have considerable potential to create 'green jobs' (NSW Department of Education and Training, 2009). In addition, employment opportunities may be created by the responses of various industries to convert their production techniques or take advantage of new business opportunities, themselves created by the change in government policy and public changes in buying patterns towards goods and services that are produced with a lower carbon footprint and/or greater conservation of resources and energy.

There is an additional employment potential created when governments and the private sector initiate such job creation/change strategies, and this is the requirement for the training and retraining of employees. Thus teaching and training positions are created to support new skill acquisition and maintenance processes required as a consequence of the changes in government policies on carbon-intensive production/energy conservation measures. In 2005, the New South Wales Board of Vocational Education and Training (NSWBVET) recognised the need for altered skills set requirements for workers to be employed to help in the response to climate change and to aid in the creation of sustainable business development. It therefore commissioned research from the Workplace Research Centre to investigate the skills needed for such sustainable business development (Evans, 2009). The NSWBVET has since that time fostered the development of training courses that provide a sustainability focus for new and existing workers taking a range of training programs, for example in the building and energy sectors (Evans, 2009). It is argued in this paper that progress in these fields of

sustainability will have a strong impact upon the employment of people in various countries.

The main focus of this paper is employment sustainability. Employment sustainability has been defined by Kellard, Walker, Ashworth, Howard and Liu (2001: iii) as ‘...the maintenance of a stable or upward employment trajectory in the longer term’. These researchers proposed two ways of measuring the sustainability of employment, based on workers reaching (i) three or (ii) nine month thresholds of continuous employment. This paper also argues that a more recently identified aspect of employment sustainability is that of career ethics. Career ethics has been defined as a desire by current or potential employees to incorporate ‘ethics into career decisions—in choice of employer, seeking a career, matching personal values or the desire to make work more meaningful’ (Sainty, 2008). As such Sainty (2008) views this desire as a supportive ‘complement to the use of corporate social responsibility to attract talented employees’.

Sainty (2008) characterises career ethics as being displayed by an employee or potential employee when they ask questions about their potential employer (and are influenced in their job taking decisions by the answers they find) that focus on whether the employer produces its products in an environmentally sustainable way and demonstrates ongoing operational care in relation to the environment, its employees and the general community. An important subset of an employer being ethical is that identified by Mackay (2008) as either the absence of or strong actions taken to reduce, bullying in the workplace. This author identifies the presence of this behaviour in some workplaces as:

Perhaps the ugliest sign of lack of progress in the humanising of the workplace...No workplace phenomenon causes more tension, resentment and emotional stress (Mackay, 2008:67).

Organisations in a number of industries and countries around the world are recognising the importance of being an ethical employer and are seeking employees who themselves can demonstrate that they too are ethical in their approach to their work and their employers (Malpas, 2008, Sainty, 2007a and Graduate Careers Australia, 2009). The realisation by some employers of the need for them to demonstrate corporate social responsibility is an important aspect of this dawning realisation of the long-term importance of ethical business behaviour. It is also resulting in the creation of a number of positions within these organisations that concentrate on such behaviours being translated into on-going business practices (sustainability jobs australia, 2009a).

While the current financial and economic crisis afflicting the world economy may appear to force employees to make a choice *between* being employed and having a career that is ethical, this paper argues that both are simultaneously achievable, but this may well be a combination that is only available to university graduates or workers with skill sets that are in very short supply. The importance of career ethics may, in the current economic recession, be subsumed by the more basic need to have a job.

In this paper, a broader conceptual structure for employment sustainability is created and examined within the context of the current world economic recession. An important purpose of this paper is to provide some insight into how employees, employers and governments may deal with this downturn—a phenomenon that is quite different from the benign economic conditions that many workers have grown to expect and take as the normal state of affairs.

METHODS

Employment sustainability is defined to incorporate specific aspects of the meaning of ‘to sustain’ (as defined above). So those actions that enable employees to: last out; endure without giving way; stand, bear up against, experience; keep up and keep going continuously are combined with the meaning of employment sustainability provided by Kellard et al (2001) above to create a working definition of employment sustainability. This definition is strongly related to ‘employability, job stability, job retention, employment development and development...and self-sufficiency’ (Kellard et al 2001: ii). Thus employment sustainability is the ability of employees to remain employed in the face of the current world recession and consequent employer cutbacks to their individual labour force numbers. The research methods used are: (i) an analysis of relevant research and a short employment related survey of mainly Generation Y undergraduate students in late 2008; (ii) an on-going literature review to conceptualise various aspects of employment sustainability and career ethics; and (iii) investigation of relevant strategies that employees, employers and government could use in order to sustain employment.

RESULTS

Employment sustainability

Employment sustainability becomes increasingly more complex as it is investigated. Kellard et al (2001) define employment sustainability as maintaining a stable or upward long-term employment trajectory; these authors’ research revealed a number of institutional policy responses that could be used to support employment sustainability for the greatest number of workers and especially those who are at the highest risk of not being employed for considerable periods of their working lives. The revealed strategies are set out below in Table 1. They demonstrate both an orthodox attempt to match the supply of labour with the demand that exists for it and a humane, caring and ethical approach to supporting people in their work. They also envisage a joint role for government and employers.

Table 1: Adapting policy to support employment sustainability

Strategy	Action
Job matching	Mechanisms to support matching people with jobs
Work trial	Expanding of this or an intern approach
Work preparation	Developing job-ready skills by providing such assistance
Soft skills	Increasing emphasis on their development
Work first approach	For those who were above the threshold of basic job readiness
Skills alongside employment	Further development
Discretionary approach	Expansion (part of the personal advisor model); assembling packages of support tailored to individual needs
Joined-up partnerships	Utilizing the knowledge and skills of local intermediary organisations and groups to build up this type of expertise
Continuation of support	Provided during the early transition into work, and for longer if appropriate
Liaison between agencies	Intermediaries and employers to develop successful strategies to recruit and retain employees
Mentoring	Implement such systems for new employees in the workplace

Adapted from Kellard, K., Walker, R., Ashworth, K., Howard, M. and Liu, W. (2001), *Staying in Work: Thinking about a New Policy Agenda, Research RR 264*, Department of Education and Employment, Norwich, United Kingdom, p. iii.

A more recent Australian study (Wren, 2008) that focuses on retaining job skills during the current economic recession has generated the following recommendations that can be seen to sustain employment: (i) establishing a new national 'Skill Development Fund' to allow employers to retain their employees while they release them for training, with a part of this funding going to re-skill workers for new green jobs; (ii) such funding could also be used to enhance work competence shifts to increase employee productivity and (iii) case management and skills support should be given to those newly 'retrenched workers who are at risk of long-term unemployment or leaving the labour force' (Wren, 2008:7). Again a joint role for government and employers is envisaged and required.

The complexity associated with employment sustainability also arises because of at least two additional factors—(i) the creation of so-called 'green jobs' (Evans, 2009) and (ii) the growing range of jobs that are given the label of sustainability jobs (sustainability jobs australia, 2009a). Evans (2009) identifies green jobs being created in the new 'eco industries' of solar, wind, bio-fuels and other renewable energy sources' (Evans, 2009:15). In addition, the growth in the use of the term 'green jobs', meaning work that aids one or more type of sustainability (as noted above) is both strengthening the importance of such work and creating a more richly textured picture of employment sustainability. This source also identifies the following traditional industries as ones that have considerable potential to be 'greened'—manufacturing, electricity, gas and water, construction, agriculture, forestry, fishing and land management, wholesale and retail trade, transport and storage, property and business services and government administration (Evan, 2009:16).

The existence of a separate and new set of jobs that relate to sustainability responsibilities of organisations is indicated by the creation of specific recruitment websites to advertise such types of employment: for example Sustainability Jobs Australia (2009a) is a recruitment organisation presenting itself as 'connecting people and business working towards a sustainable future' and specialising in finding appropriate senior executives, mid-level managers, junior analysts and project specific contractors for sustainability related roles and Corporate Social Responsibility. It is allied in its focus on sustainability and sustainability jobs with two other firms: (i) 'Executive Shaper' which is an executive search firm and (ii) 'Business Shaper' which is a consultancy focused on providing sustainability advisory and project services (sustainability jobs australia, 2009b).

To investigate how a specific type of individual who were not currently in the full-time workforce, perceive how they could achieve employment sustainability, a class of second year university students enrolled in a business degree were asked (in October 2008) to describe how they would attempt to ensure their own employment sustainability in light of the emerging economic crisis (as it was then understood). Seventeen students—thirteen females and four males were asked to answer the following question—'How would you deal, as a person who wants to work, with the prospect of fewer jobs being available to you than there are at present (that is in October, 2008)?' Of the four males, two would look more broadly to see if there were other jobs they could do or work overseas if suitable jobs were available, the third male would be willing to take on a 'non-graduate' job, or work two casual jobs or as a last choice, do commission work. He would network to find a suitable job and review other job options. The last male respondent did not appear to understand the question. In reviewing the answers provided by the female students, the following responses were given: 'increase and diversify my skill set, possibly work overseas, join the relevant professional association,

research job requirements, network, improve awareness and knowledge of specific targeted industry and career, be flexible in looking at a range of industries and jobs for employment and self-employment options’.

Career Ethics

With regards to the pursuit of career ethics, there is a growing perception that, at least for final year undergraduate students in Australia and the United Kingdom (UK), and Master of Business Administration (MBA) students in the UK and Europe (Sainty, 2007b, citing Stanford Graduate School of Business survey, 2004), a prospective employer’s social responsibility and ethical track record are important considerations when they consider for which organisation they would like to work (Sainty, 2007b). Similarly, the Graduate Careers Council of Australia (GCCA) (2009) notes that ‘for an increasing number of graduates, an organisation’s corporate ethics is also significant (as a factor in the appeal of a potential employer)’.

Also, there is apparent recognition by some larger employers that it is important to operate in a socially responsible manner. For example, the 250 largest Australian employers are encouraged to each participate in an annual corporate responsibility survey that is later independently validated. They are required to voluntarily self-assess how much their ‘...corporate strategy is integrated in the management of community, environment, marketplace and workplace and performance in social and environmental performance and impact areas’ (Sainty, 2008).

DISCUSSION

Employment sustainability

In relation to the basic definition of employment sustainability, the strategies identified in Table 1 appear to be quite appropriate for an economy operating in more ‘normal’ times. But in the current global economic recession they would be insufficient to restore employment to a more normal level. The recommendations made by Wren (2008) are more focused on the current Australian economic situation and do therefore engage more realistically with the challenge of creating employment sustainability. Both sets of strategies require the joint action of organisations and government. At a different level of analysis, the growth of green jobs and sustainability jobs adds considerable texture and complexity to the initial notion of employment sustainability provided by Kellard et al (2001) above. This is because it creates an additional ‘dimension’ to this notion. The small survey of second year university students (October, 2008) reported in this paper revealed a reasonable conventional approach by them to creating employment sustainability. However, the nature of this current economic recession may require a more broadly based set of actions by them to achieve their goal, for example informational interviewing, offering themselves for short-term, temporary employment without payment and undertaking volunteer work may also be needed to be added to their existing set of employment sustainability strategies.

Career Ethics

The recognition by Sainty (2007a, 2008) of career ethics does support an increasing recognition by organisations of the need for them to exercise corporate social responsibility and clearly demonstrate their commitment to triple bottom line reporting (a

framework for measuring an organisation's performance against economic, social and environmental parameters (GCCA, 2009). The growth of career ethics in the minds and actions of potential employees both provides support for corporate social responsibility initiatives and bodes well for the movement of workers into sustainability and green jobs.

However, the database and research that supports the existence of the concept of career ethics and the argument that it is having an impact on employers' and potential employers' work and employer choices, is both based on a narrow research base (that is, undergraduate and MBA students) and may have been the outcome of labour shortages in the various economies of the countries where and when the surveys were conducted. Thus the importance in job choice of the ethicality of future employers may not be shared by the majority of the current and potential workforce because they may not have the freedom to be so selective about the ethical characteristics of the employers for whom they work. Even if those in the demographic who now comprise the research database still feel the same way about the need for employers to be ethical and/or want to work in green or sustainability jobs, these views may now be overwhelmed and replaced with a more traditional concern during a recessionary period— that of just getting a job. But such a retreat to a more basic interpretation of employment sustainability may not take place *if* governments can adequately facilitate the economic recovery and transformation that appears to be required —that is from a high to low carbon footprint economy and to create economic systems that recycle more and waste less.

CONCLUSION

The paper provides an exploration of the concept of employment sustainability and career ethics within the context of the current global economic recession. While this current economic recession may appear to some readers to imply employees will need to make a choice *between* being employed and having a career that is ethical, this paper argues that both can be simultaneously achievable. Employees will need to be more proactive and lateral thinking to ensure their employment sustainability during and after the current economic recession. However employers need to play their part in achieving this goal. The emergence of sustainability and green jobs, acknowledgement of the need for corporate social responsibility by an increasing number of employers and a more proactive, interventionist stance by governments could lead to a greater level of employment sustainability and career ethics. Further research into the linkage between employment sustainability and career ethics is recommended in the light of the impact of the current world recession.

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