



King's Research Portal

DOI:

[10.1177/1534484314543013](https://doi.org/10.1177/1534484314543013)

Document Version

Peer reviewed version

[Link to publication record in King's Research Portal](#)

Citation for published version (APA):

Kornelakis, A. (2014). Balancing Flexibility with Security in Organizations? Exploring the links between Flexicurity and Human Resource Development. *Human Resource Development Review*, 13(4), 398-412. <https://doi.org/10.1177/1534484314543013>

Citing this paper

Please note that where the full-text provided on King's Research Portal is the Author Accepted Manuscript or Post-Print version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version for pagination, volume/issue, and date of publication details. And where the final published version is provided on the Research Portal, if citing you are again advised to check the publisher's website for any subsequent corrections.

General rights

Copyright and moral rights for the publications made accessible in the Research Portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognize and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the Research Portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the Research Portal

Take down policy

If you believe that this document breaches copyright please contact librarypure@kcl.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.



King's Research Portal

DOI:

[10.1177/1534484314543013](https://doi.org/10.1177/1534484314543013)

Document Version

Peer reviewed version

[Link to publication record in King's Research Portal](#)

Citation for published version (APA):

Kornelakis, A. (2014). Balancing Flexibility with Security in Organizations? Exploring the links between Flexicurity and Human Resource Development. *Human Resource Development Review*, 13(4), 398-412. 10.1177/1534484314543013

Citing this paper

Please note that where the full-text provided on King's Research Portal is the Author Accepted Manuscript or Post-Print version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version for pagination, volume/issue, and date of publication details. And where the final published version is provided on the Research Portal, if citing you are again advised to check the publisher's website for any subsequent corrections.

General rights

Copyright and moral rights for the publications made accessible in the Research Portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognize and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the Research Portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the Research Portal

Take down policy

If you believe that this document breaches copyright please contact librarypure@kcl.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.

To cite this article: Kornelakis Andreas (2014) 'Balancing Flexibility with Security in Organizations? Exploring the links between Flexicurity and Human Resource Development' *Human Resource Development Review* Vol. 13, No. 4, pp.398-412.

**Balancing Flexibility with Security in Organizations? Exploring the links
between Flexicurity and Human Resource Development**

Abstract

Recent scholarship in the Human Resource Development (HRD) field considered how practice might respond to contemporary issues facing organizations, such as the emergence of the knowledge economy, and the needs for lifelong learning and organizational flexibility. A similar set of challenges have pre-occupied European policymakers, with a notable debate on how to increase flexibility in Europe. The article reviews the theoretical debate on flexibility, and the related policy of 'Flexicurity' that aspires to balance flexibility with employment security at the national-level. The article argues that the challenges that both nations and organizations face should not be seen as mutually exclusive. Instead, it suggests that labor policy and workplace practice can be mutually enhancing and calls for a research agenda on 'organizational Flexicurity'. The article suggests that HRD scholars are best placed to advance such an agenda, as career development and learning lies of the heart of those issues.

Keywords: Career Development; Employability; Flexibility; Lifelong Learning; Policy.

Human resource development (HRD) scholars have recently considered how practice might respond to emerging challenges facing organizations such as the knowledge economy, globalization, the pressures for competitiveness and performance, as well as the needs to foster organizational flexibility through policies of employability and lifelong learning (Baruch, 2011; Murphy & Garavan, 2009; Nijhof, 2005; Thijssen, Van der Heijden, & Rocco, 2008). The monumental transformation in the nature of employment across and within organizations is at the heart of those debates. In the past, jobs for individuals were based on careers in internal labor markets (Grimshaw, Ward, Rubery, & Beynon, 2001). The formal employment relationship was implicitly underpinned by a 'psychological contract' (Baruch, 2011, p. 454) that ensured lifetime employment in large organizations as a reward for employees' loyalty and trust (Thijssen, et al., 2008, p. 166).

However, organizations are increasingly becoming 'lean and mean' as they go through multiple transformations such as delayering, re-engineering, downsizing and flattening hierarchies (Baruch, 2011). As a result, the nature of employment has been reshaped with the emergence of 'protean' or 'boundaryless' careers (Arthur & Rousseau, 1996; McDonald & Hite, 2005; Thijssen, et al., 2008, pp. 167-168). Therefore, the pattern of lifetime employment in the large organization is replaced by lateral moves across jobs and organizations. This has dramatically increased the importance of standards for national human resource development and practices that promote employability (Murphy & Garavan, 2009; Nijhof, 2005).

A similar set of concerns have pre-occupied European policymakers, who appear eager to transform Europe into a competitive knowledge economy fit for

globalization. Thus, at the European policy level, the principles of ‘Flexicurity’ have been quite popular as an innovative way to address those emerging challenges (Madsen, 2002; Wilthagen & Tros, 2004). This idea is gaining popularity even in the United States with proponents of an American version of Flexicurity (Appelbaum, 2012; Kalleberg, 2011). In both settings, lifelong learning policies have a central role to play in addressing the challenges of globalization and the dynamics of the changing workplace (Garavan, O'Donnell, McGuire, & Watson, 2007, pp. 3-6). Accordingly, at the organizational level, career development appears to be a key HRD practice to promote employability and reconcile the individual employee interests with organizational needs for flexibility (McDonald & Hite, 2005).

At the backdrop of these scholarly and policy debates, the article suggests that the challenges are similar both for nations and for organizations, and therefore, they should not be conceived as mutually exclusive. Moreover, the article emphasises that labor policy and workplace practice can be mutually enhancing, and thus, calls for an agenda on ‘organizational Flexicurity’. Finally, the article contends that HRD scholars are best placed to advance such an agenda, and explores some future avenues for HRD research and practice.

The rest of the article proceeds as follows. The first section clarifies the definitions between different types of labor flexibility at the macro- and organizational levels. The second section reviews the academic and policy debate on flexibility contrasting the European with the US labor markets. The review concludes that Europe has been flexible, albeit possessed a different type of flexibility than the United States. The third section considers the recently emerged policy of Flexicurity that aspires to balance the demand for flexibility with the need for security, through national level policies. However, the fourth section points out that the transferability

of Flexicurity into diverse institutional contexts is not straightforward. Additionally, the policy is criticised for being overly focused on the macro-institutional environment. Hence, it misses the point that micro-level HRD practices need to be implemented by organizations to reach the desired state of employability. The final section examines the implications of these arguments for HRD scholars and practitioners.

Definitions and Typologies of Flexibility

The ‘debate on flexibility’ dates back to the early 1970s, when the Organization for Economic Cooperation and Development (OECD) held a conference on the adaptation of working time, and flexibility was seen as ‘free individual choice in working life and life in general’ (Michon, 1987, p. 167). This viewpoint was similar to the objectives of the ‘Quality of Working Life’ movement. Indeed, Hyman (1999, p. 4) notes that ‘the 1970s objective of “humanization of work” was in essence a claim for flexibility in the interests of workers through the human-centred application of technologies’. By 1985 the objective of flexibility -according to the OECD- was reoriented towards ‘adjustment to structural change’ (Michon, 1987, p. 167). Thus the emphasis shifted towards flexibility in the interests of organizations.

In the early 1990s, the OECD advocated more flexibility in the labor market – claiming that it would reduce unemployment– through the ‘*OECD Jobs Study*’ (OECD, 1994). As Agell (1999, p. F143) notes the idea that flexibility will reduce unemployment:

‘has been a recurring message of publications from the OECD and the IMF, it carries the day in weekly magazines like *The Economist* [and] it provides the intellectual backbone for policy proposals from various think tanks’.

Since the mid 1980s various commentators emphasized the vagueness of the notion of flexibility and its multiple meanings and forms. Definitions of flexibility have been abundant with a proliferation of typologies of flexibility (Atkinson & Meager, 1986; Boyer, 1987; Casey, Keep, & Mayhew, 1999; Monastiriotis, 2003; Regini, 2000; Streeck, 1987). Discussing the differences and limitations of those typologies goes beyond the scope of this article. Instead, the article adopts the definitions and categorization in Table 1, because it strikes a balance between parsimony and clarity. The next section reviews the key theoretical works in the academic and policy debate on flexibility in Europe.

Table 1: Type of Labor Flexibility	Definition
-Macroeconomic labor flexibility	Aggregate flexibility of nominal and real wages
-Microeconomic or Organizational flexibility	
--Numerical or External	Ability to vary the level of employment (e.g. outsourcing, temps, fixed term contracts, ease of hire and fire, low EPL)
--Functional or Internal	Ease with which employees can be switched between different tasks and jobs within the firm (e.g. team work, job rotation, job enrichment and enlargement)
--Working time or Temporal	Ability to vary the hours of employment (e.g. overtime, flexitime, zero-hours contracts, part time contracts)
--Pay or Financial	Ability to vary the level of pay in tandem with performance, decreased commitment to fixed pay (e.g. bonuses, piece-rates, merit pay, performance-related pay, etc.)
Source: Based on Casey <i>et al.</i> , (1999, p.71)	

The Historical Debate on Labor Flexibility

The theoretical case in favour of *macro-economic flexibility* is based on the neo-classical perfect competition model. Admittedly, this ‘textbook model’ exists nowhere in the world. As the Harvard labor economist, Richard Freeman, notes:

‘EU labor markets suck compared to the perfect Invisible Hand market of economic theory. But so, too, does the US labor market. The EU labor market fails on the quantity side’ while ‘the US labor market fails on the price side of the market’ (Freeman, 2004, p. 34).

Economists themselves acknowledge that there are ‘frictions’ in the labor market that prevent it from functioning as the textbook model predicts. There are three main frictions: absence of perfect information; costs of moving between employers; and workers having heterogeneous preferences for different jobs (Metcalf, 2007, p. 8). This raises the question: is labor like any other commodity? Intuitively, labor seems somewhat different compared to a product. The Nobel Laureate, Robert Solow, commented on this:

‘...perhaps the dominant tradition right now, especially in macroeconomics, holds that in nearly all respects the labor market is just like other markets. It should be analyzed in much the same way that one should analyze the market for any perishable commodity, using the conventional apparatus of supply and demand. Common sense, on the other hand, seems to take it for granted that there is something special about labor as a commodity, and therefore about the labor market, too.’ (Solow, 1990, p. 3).

Unlike labor, a product does not have preferences over the potential buyer and a product is (almost) completely mobile. Richard Hyman also points out:

‘Buy a kilo of potatoes and they become physically your property, while the seller parts company with them for good. But the employer does not buy a worker: that is what distinguishes wage-labour from slavery...For this reason as Marx insisted, labour as such is not a commodity; what the worker sells is his or her ability to work, or “labour power”.’ (Hyman, 2001, p. 281).

Nevertheless, policymakers in the OECD and elsewhere advocated the removal of regulations and other ‘rigidities’ in the labor market via deregulation. The focus was on increasing *macro-economic flexibility* with the ultimate aim that labor markets follow the ‘market mechanism’ operating similarly to product or capital markets.

However, this expectation was overly ambitious. Even though labor mobility could be increased, labor is unlikely to become as mobile as products or as capital. Instead, employees are likely to continue having preferences over location of job (as opposed to a kilo of potatoes over the buyer) or language barriers in finding a job elsewhere.

Moreover, there is something paradoxical in the ‘logic’ of labor market deregulation. Government regulation was supposed to be a ‘second best’ solution to correct market failures. The paradox lies in the fact that removing the regulation gets us back where we started: in the market failures. Indeed, Adnett (1996, pp. 73-74) explains that those who argue for reducing government regulation and strengthening market forces recognize the potential for market failures, but stress that ‘government interference may reduce efficiency still further’. However, there are always ‘social justice’ objectives apart from ‘efficiency’ concerns, and those who favour deregulation rarely distinguish between good and bad ‘rigidities’ in the labor market (Agell, 1999, p. F144).

The thesis in favour of more labor market flexibility does not only rest on theoretical arguments. The empirical example of a flexible labor market is the United States (US). Admittedly, in the 1990s and early 2000s the US has delivered lower unemployment rates than Europe. However, if one looks at a longer time period, the US did not always have lower unemployment than Europe and the phase of the business cycle matters. Thus, it is unfair to compare the US and the EU unemployment rates, and especially making inferences about policy, when the former was ‘at the peak of a cyclical boom’ and the latter was ‘in deep recession’ (Palley, 1998, p. 337). Indeed, the case of Germany is indicative. Despite introduction of flexible labor market reforms, especially at the low end, low growth and high unemployment are largely accounted for by the persistent weakness of domestic

aggregate demand (Carlin & Soskice, 2009). Finally, there is also another ‘reading’ to the low US unemployment rate in the 1990s. Freeman (1995, p. 64) argued that ‘the US successfully avoided long-term unemployment but developed a long term crime and imprisonment problem’. Indeed, evidence suggests that if the incarceration rates and the unemployment rates of the US and of Germany were added and compared, then the total US rate is slightly higher than Germany’s (Western & Beckett, 1999). A range of studies suggest that the weak job market for the low skilled and the high wage inequality contribute to the high crime rate and concludes that ‘many low skill men who would be on the dole in Europe, commit crimes and/or are locked up in the US’ (Freeman, 1995, p. 64).

The other arguments in favour of flexibility focus on the *micro-economic or organizational flexibility*, as outlined in the Table above. For instance, *numerical flexibility* is needed by organizations so that they are responsive to consumer demand changes and market fluctuations in general. The stylized picture is again on the one hand a ‘sclerotic’ European labor market, and on the other hand, a ‘dynamic’ American labor market. This picture is refuted by a study regarding labor adjustment between Germany and the US (Houseman & Abraham, 1995). Germany is not necessarily representative of all Europe, but is definitely representative of a ‘rigid’ labor market, with strong unionization, strict employment protection regulations, and well-developed welfare state. Houseman and Abraham (1995:307) concluded that ‘the adjustment of total labor input in the two countries is similar’, but of a different kind. The US relies more on *numerical flexibility*, whereas Germany relies mainly on *working time flexibility*. Even more, it is important to keep in mind that this last type of flexibility has also advantages for the employees as well (Callahan, 2007, p. 80).

Part time work is also another instance of *working time flexibility*. It is especially prevalent in the Netherlands, which has a very high employment rate, because a large part of the workforce is employed in part time jobs (Visser, 2002). Although part-time work is considered to be ‘atypical’ (in the sense that it deviates from the typical full-time employment relationship), it is not necessarily precarious. Of course this requires that part-timers be granted with the same employment rights as those in full-time permanent employment. Moreover, part-time work is also undesirable to the extent that it is involuntary: when people work in part-time jobs because full time jobs are not available. But as Legge (1998, p. 288) notes, evidence from the UK show that the majority of part-time employees ‘do not want a full time job’, whereas ‘most women part timers appear to be in stable and secure employment’. Finally, part time arrangements may facilitate ‘a flexible rather than abrupt transition from normal employment to retirement’ (Hyman, 1999).

Another type of micro-economic flexibility that is characteristic to Germany is *functional flexibility*. As a by-product of strict Employment Protection Legislation (EPL), both employers and workers have an incentive to invest in human capital. Hence, the German employees possess multiple skills and may be deployed in a variety of posts within the production process leading to a ‘high-skills equilibrium’ (Culpepper, 1999). The products in this case can be of high quality (‘high-spec’, customizable and reliable goods/services). This strategy that many big German manufacturing companies follow has been named ‘diversified quality production’ (Rubery & Grimshaw, 2003, p. 62). A highly skilled workforce is definitely ‘flexible’ in the sense that it can easily adapt to changes in stemming from work organization or technological change. However, functional flexibility requires trust, commitment and loyalty, which in turn can allow for the investment in human capital and learning.

Understandably, there is a dark side in different types of flexibility. Non-standard flexible forms of employment such as: spurious self-employment, temporary work, outsourcing (subcontracting), ‘insourcing’ (agency staff) are all associated with precariousness, bad jobs and insecurity. For example, a study in the US revealed that ‘every type of non-standard employment is associated with more bad job characteristics than is standard full-time employment’ (Kalleberg, Reskin, & Hudson, 2000, p. 267). Even functional flexibility seems to have a dark side and it may not always result in a positive-sum game. Legge (1998, p. 291) points out that functional flexibility may turn out to be ‘labour intensification’ and ‘management by stress’. Flexicurity appears as a policy strategy that addresses the pitfalls of flexibility by striking a balance between the organization’s demands for flexibility with the employees’ needs for security.

Balancing Flexibility with Security: The Flexicurity Model(s)

The neologism of ‘Flexicurity’ was born in the Netherlands in 1995 and its ‘father’ was the Dutch Sociologist Hans Adriaansens who launched the concept in speeches and interviews (Wilthagen, 1998). The definition that we adopt here is the following:

‘A policy strategy that attempts, synchronically and in a deliberate way, to enhance the flexibility of labour markets, work organisation and labour relations on the one hand, and to enhance security – employment security and social security – notably for weaker groups in and outside the labour market, on the other hand’ (Wilthagen & Tros, 2004, p. 169).

The above definition sheds light on the purpose of the policy and the constituent elements of the concept. For instance, Flexicurity is not a form of Flexibility, but it might entail different forms of Flexibility (as those outlined in Table 1). It is not an

outcome of the labor market, but a conscientious policy strategy. The term was used to describe the direction of labor market reforms mainly in the Netherlands and in Denmark. The Dutch and the Danish Flexicurity models (Madsen, 2002; Wilthagen, 1998) are similar in some respects. Both models offer high ‘income security’ for the unemployed through the highest level of unemployment benefits in the EU (European Commission, 2006, p. 92). Income security ensures that laid off employees will be able to sustain their standard of living, while they are searching for another job. At the same time both systems emphasise ‘employment security’ or ‘employability’ through lifelong learning (LLL) programmes, which also reflects the wider focus of European skill formation policy (Nijhof, 2005). This ensures that dismissed employees will have the chance to upgrade their skills (through retraining) that will facilitate job finding. Indeed, both countries have the highest levels of spending per unemployed in training in the EU (European Commission, 2006, p. 98).

The important aspect on which the two models differ is the strictness of employment protection legislation (EPL). The Netherlands has an intermediate level of EPL among EU countries. A Law on Flexibility and Security has been an important step towards the formation of the Flexicurity model. In the whole process the role of ‘The Foundation of Labour’ was crucial. The Foundation of Labour is an organization, which is remarkable for its achievements of positive sum bargaining. In this venue, trade unions and employers’ confederations managed to reach an utterly detailed agreement on flexibility and security in 1996, which was passed as a new bill from the coalition government (Wilthagen, 1998, p. 14). The changes regarding flexibility included: (i) strengthening the position of atypical workers, and (ii) relaxing the EPL for those with regular employment (Wilthagen & Tros, 2004, p.

175). One should note that the Dutch Flexicurity model did not emerge out of a grand design, but was an unanticipated process (Wilthagen, 1998, p. 10).

On the other hand, Denmark has low level of EPL strictness, which is quite close to the UK (European Commission, 2006, p. 82). The very low level of regulation of hiring and firing is a traditional characteristic of the Danish labor market and dates back to the late 18th century (Wilthagen, Tros, & Van Lieshout, 2004, p. 118). It might be assumed that the high level of flexibility would lead to increased feelings of insecurity, however, they do not. There are three explanations for this: (i) predominance of small medium-sized enterprises and absence of strong internal labor markets (ii) low unemployment (iii) high level and long duration of the unemployment benefits (Madsen, 2002, p. 249).

In the early 2000s, the Danish and Dutch cases have been used as ‘best practice’ models, especially at the European level, providing a blueprint for European labor markets. Admittedly, the European Commission’s *Communication on Flexicurity* in 2007 allowed for different ‘pathways to Flexicurity’ (European Commission, 2007, pp. 14-19), and also used a range of different countries (Denmark, the Netherlands, Austria, Spain, Ireland) as examples for these pathways (pp. 20-21).

The article argues that the transferability of Flexicurity is not straightforward, since some pathways appear to be more readily applicable to some countries than others. Additionally, the Flexicurity policies are overly focused on the macro-institutional environment, and thus, downplay the role that micro-level HRD practices. The rest of the article elaborates on this critique. It considers the problem of transferability with the brief examination of two ‘deviant’ cases in Europe: the United Kingdom and Greece. The final section elaborates on how the micro-level practices

for ‘organizational Flexicurity’ can be part of the agenda of HRD scholars and practitioners.

Transplanting Flexicurity across Institutional Contexts.

In the comparative political economy literature, Europe is conventionally divided into four distinct institutional contexts of capitalism: *the Market based model, the Social democratic model, the Continental European model, and the Mediterranean model* (Amable, 2003, p. 14). According to this typology, Denmark belongs to the Social democratic model, and the Netherlands is part of the Continental European model. In other words, the two archetypes of Flexicurity appear to be part of the Continental/Social Democratic cluster. The question that arises is how transferable is the Flexicurity policy to other countries? For the sake of the argument, one could pick the United Kingdom as a representative of the Market-based model and Greece as a representative of the Mediterranean model.

Greece and the UK are not as dissimilar as one might think at first sight. They have common features that contrast them sharply against Denmark and the Netherlands. They are the two countries with the lowest level of unemployment benefits in the EU15 (European Commission, 2006, p. 92) thus providing very low ‘income security’. The Flexicurity model would require a vast increase in the level of unemployment benefits. In the context of budget constraints and austerity measures, such an increase is also highly unlikely. Additionally, they have the lowest level of spending on lifelong learning among the EU15, hence they offer very low potential to foster ‘employability’. Again, an increase in that type of spending is also unlikely. In light of these characteristics, it is not surprising that both UK and Greece score high on job insecurity indices (Boeri, 2002, p. 13). Additionally, both countries are marked

by low-trust industrial relations systems, which make any agreement on Flexicurity difficult. Wilthagen and Tros (2004, p. 178) note insightfully that ‘countries...that lack a tradition and platform for coordination, consultation and negotiation, seem to be at disadvantage’.

This analysis prepares the ground for the key argument in favour of ‘organizational Flexicurity’. Balancing the demands for organizational flexibility with the needs for employees’ security should not only be placed in the remit of labor policy, but also within the remit of organizations, and especially HRD policy and practice. The key is to achieve complementarities between macro-level labor policy and micro-level HRD practices. For example, employability is not only promoted through spending in vocational education programmes, but also through active career development within organizations (McDonald & Hite, 2005). Especially in a context of permanent fiscal austerity, the success of Flexicurity should not only lay in the hands of the government policy. Organizations are also expected to assume responsibility to balance organizational flexibility with their employees’ needs for security. Several works in the HRD field examined the constituent concept of employability at the societal, organizational and individual-level (e.g. Baruch, 2001; Carbery & Garavan, 2005; Thijssen *et al.*, 2008). Along these lines, polyvalent skills are important for functional flexibility, while working time flexibility facilitates work-life balance. Therefore, scholarly research should engage further with those micro-level practices. The research task is to conceptualise the constituent elements of ‘organizational Flexicurity’ or ‘Flexicurity at the workplace’ to complement existing scholarship on macro-level Flexicurity. No doubt, the first seeds for this task can already be found in the human resource development literature that focuses on

employability. The next section builds upon these works and outlines a research agenda for HRD scholars and charts the implications for HRD practitioners.

Flexicurity and Human Resource Development - Implications for HRD Scholars

Although the variable arrangements of national cultural and institutional contexts (Amable, 2003) provide scholars with an immense challenge, HRD scholars are in an advantageous position to pay attention to labor policy. Further empirical research is needed to inquire how far those national contexts offer constraints or opportunities to achieve work-life balance and develop lifelong learning practices. More often than not, this may require problematizing the role of the different HRD actors (Garavan, et al., 2007) and stakeholders (business associations, trade unions, professional associations, government agencies) and how the relationships among them unfold over time. Research in cognate fields has shown that collective actors, such as trade unions and business associations, may be instrumental in balancing organizational needs for flexibility and employees' needs for security in the post-industrial age (Anonymized References).

The article calls for an interdisciplinary and critical agenda on how to balance flexibility with security in organizations. This approach should not only draw on HRD theory, but should also incorporate insights from labor and social policy, labor relations and political economy. Even more, scholars need to move beyond the pre-occupation with aligning HRD practice to organizational performance, as the agenda of 'Strategic HRD' (Garavan, 2007) implies. Instead, a 'critical perspective' that emphasizes the benefits to employees (Callahan, 2007, p. 80) appears as a better starting point for an agenda seeking to reconcile the demands for flexibility with

employees' needs for security. This perspective has also implications for HRD practice which are considered below.

Apart from integrating insights from cognate fields, the empirical studies should be grounded on emerging practice and explore innovative policies that seek to promote Flexicurity at the organization level (e.g. Broughton, Biletta, & Vacas, 2012). Along these lines, we need in-depth and contextualised case studies of organizations that seek to bridge the gap between macro-level policy and micro-level practice. This requires novel conceptual frameworks that build upon existing research on micro-macro linkages in employment and skill-formation systems (Brown & Reich, 1997; Marsden, 2004; Rubery & Grimshaw, 2003).

There is a range of relevant HRD-oriented research questions that stem from this analysis. For instance, how can we revive the relevance of career development practices (McDonald & Hite, 2005) to balance flexibility with security? Answering this question would require an explicit consideration of how the institutional policy frame interacts with organizational practices. This obviously should seek to address the limitations of a purely organizational approach to employability, and shift the focus on how national skill formation policies (Nijhof, 2005) may fill those gaps. The focus on employability (Baruch, 2011) implies a shift from 'narrow' skills in the interest of organizations to 'broad' skills that foster the mobility of employees across sectors and occupations. In other words, realizing the prospect of 'boundaryless' careers requires a careful reconsideration of both policy and practice. Other research questions could consider the role of national institutions in shaping convergence and diversity in HRD practices (Woodall, 2005). The analysis should try not only to explain patterns of convergence and divergence, but also identify under what

conditions some HRD practices are more suitable for particular institutional contexts than others. The final part of this article considers the implications for HRD practice.

Flexibility with Security in Organizations - Implications for HRD Practice

The above debates and analysis have also implications for HRD practice. The key challenge for organizations is to internalize the idea that enhancing the feeling of security among employees will likely have positive spillover effects on performance, loyalty, commitment and productivity. The HRD practitioners are key in conveying the message that the private, public and non-profit organizations are expected to assume social responsibility by instilling security in day-to-day practice.

This will likely require innovative ways to balance flexibility with security in organizations, while emphasizing the benefits to employees (Callahan, 2007, p. 80). The organizational-level HRD policies should pay close attention to the complementarities and synergies with existing labor policy frameworks. Starting with the example of *functional flexibility*, the key HRD implication is to tie career development with national policy frameworks. Improving the outcomes for employees may require the engagement of HRD practitioners with a range of other stakeholders (local councils, business associations, trade unions and government agencies) to develop NHRD standards through professional work-based qualifications and accreditation. It would also require developing 'out of the box' thinking on how to further promote a lifelong learning culture within and across organizations. Identifying career development needs may require not only self-reflection but also periodic evaluation. In other words, the analysis of learning needs should be systematic and regular, rather than using it ad hoc, only when a problem arises. In order to promote employability, the skills should not be narrowly defined on the basis

of current needs in the organization, but more generally on the basis of future needs in the wider industry or sector. Employees should be constantly aware of training and learning opportunities available from a range of providers in their locality (e.g. further education colleges, etc.) and organizations should facilitate access to learning through funding.

Additionally, *working time flexibility* provides fertile ground for balancing flexibility with security in organizations. For instance, sliding schedules and flexi-time may be implemented to balance childcare or elderly care needs of a diverse workforce. Additionally, compressed working week might be helpful towards allowing time for family or attendance of training programmes that promote career objectives. Switching easily from full-time to part-time employment in permanent jobs may enhance the benefits to employees with diverse needs. Working time adjustments should be de-coupled from the uncertainty and volatility of customer demand fluctuations. HRD practitioners may implement ‘working time accounts’. Employees may accumulate ‘credit’ while working overtime and in the future choose to take time off in the form of parental leave or study leave. Although the national institutional frameworks might not encourage those practices, HRD practitioners are critical in diffusing those innovative practices across organizations.

Finally, *pay flexibility* provides some opportunities to promote employability. The reward and compensation practices have been for so long narrowly focused on a link with performance. Instead, an agenda that emphasizes the benefits of employability to employees would link reward practices with the attainment of learning objectives. There can be at least two ways to implement this. On the one hand, the reward might be used as an incentive to motivate an employee to take up training. This would be the example of rewarding employees with the so-called

‘learning vouchers’. Learning vouchers could be used to pay for fees of a training programme in a range of providers of their choice. On the other hand, organizations could reward an employee after the training has taken place. In other words, once an employee successfully gets an accredited qualification could be rewarded with a bonus, or discretionary pay increment. For example, Cisco provides a range of qualifications (Associate, Professional, Expert level) for network engineers. An employee might get a bonus payment once the qualification is obtained. This will serve the purposes of steering employability and career development, as this type of qualifications is widely accepted across the industry.

As a concluding remark, it is fair to say that some of those practices are already emerging in innovative workplaces (Broughton, et al., 2012). Nevertheless, it is important that practitioners are not discouraged by the recessionary phase of the business cycle and seek to discover innovative ways to balance flexibility with security in organizations. Practitioners may further engage with academics to share ‘best practice’, but also to identify ‘best fit’ solutions, acknowledging the sensitivity to local institutional contexts. This necessity becomes all the more important in the current economic climate.

References

- Adnett, N. (1996). *European labour markets: analysis and policy*. London: Addison Wesley.
- Agell, J. (1999). On the Benefits from Rigid Labour Markets: Norms, Market Failures and Social Insurance. *Economic Journal*, 109 F143-F164.
- Amable, B. (2003). *The Diversity of Modern Capitalism*. Oxford: Oxford University Press.
- Appelbaum, E. (2012). Reducing Inequality and Insecurity: Rethinking Labor and Employment Policy for the 21st Century. *Work and Occupations*, 39(4), 311-320.
- Arthur, M., & Rousseau, D. (Eds.). (1996). *The Boundaryless Career: a new employment principle for a new organizational era*. Oxford; New York: Oxford University Press.
- Atkinson, J., & Meager, N. (1986). *Changing Working Patterns: how companies achieve flexibility to meet new needs*. London: Institute of Manpower Studies.
- Baruch, Y. (2011). Employability: a substitute for loyalty? *Human Resource Development International*, 4(4), 543-566.
- Boeri, T. (2002). *Let Social Policy Models compete and Europe will win*. Paper presented at the JFK School of Government, Harvard University. [http://www.ksg.harvard.edu/m-rcbg/Conferences/us-eu relations/boeri us european trends.pdf](http://www.ksg.harvard.edu/m-rcbg/Conferences/us-eu%20relations/boeri%20us%20european%20trends.pdf)
- Boyer, R. (1987). Labour Flexibilities: Many forms, uncertain effects. *Labour and Society*, 12(1), 107-129.
- Broughton, A., Biletta, I., & Vacas, C. (2012). Flexicurity: Actions at Company Level Retrieved from <http://www.eurofound.europa.eu/pubdocs/2012/22/en/1/EF1222EN.pdf>
- Brown, C., & Reich, M. (1997). Micro-Macro Kinkages in High Performance Employment Systems. *Organization Studies*, 18(5), 765-781.
- Callahan, J. (2007). Gazing into the Crystall Ball: Critical HRD as a Future of Research in the Field. *Human Resource Development International*, 10(1), 77-82.
- Carlin, W., & Soskice, D. (2009). German economic performance: disentangling the role of supply-side reforms, macroeconomic policy and coordinated economy institutions. *Socio-Economic Review*, 7(1), 67-99.
- Casey, B., Keep, E., & Mayhew, K. (1999). Flexibility, Quality and Competitiveness. *National Institute Economic Review*, 168, 70-81.
- Culpepper, P. (1999). The future of the high-skill equilibrium in Germany. *Oxford Review of Economic Policy*, 15(1), 43-60.
- European Commission. (2006). *Employment in Europe 2006*. Brussels: European Commission.
- European Commission. (2007). *Towards Common Principles on Flexicurity: More and Better Jobs through Flexibility and Security*. Brussels European Commission.
- Freeman, R. (1995). The limits of wage flexibility to curing unemployment. *Oxford Review of Economic Policy*, 11(1), 63-72.
- Freeman, R. (2004). Are European Labour Markets as awful as all that? *CESifo Forum*(1), 34-39.
- Garavan, T. (2007). A Strategic Perspective on Human Resource Development. *Advances in Developing Human Resources*, 9(1), 11-30.

- Garavan, T., O'Donnell, D., McGuire, D., & Watson, S. (2007). Exploring Perspectives on Human Resource Development: An Introduction. *Advances in Developing Human Resources*, 9(1), 3-10.
- Grimshaw, D., Ward, K., Rubery, J., & Beynon, H. (2001). Organisations and the Transformation of the Internal Labour Market. *Work, Employment and Society*, 15(1), 25-54.
- Houseman, S., & Abraham, K. (1995). Labor adjustment under different structures. In F. Buttler, W. Franz, R. Schettkat & D. Soskice (Eds.), *Institutional frameworks and labour market performance: comparative views on the US and German economies* (pp. 285-311). London: Routledge.
- Hyman, R. (1999). *An emerging agenda for trade unions?* ILO Discussion Paper, (DP/98). International Labour Organisation, Geneva.
- Hyman, R. (2001). The Europeanisation -or the erosion- of industrial relations? *Industrial Relations Journal*, 32(4), 280-294.
- Kalleberg, A. (2011). *Good jobs, bad jobs: The rise of polarized and precarious employment systems in the United States, 1970s to 2000s*. New York: Russell Sage.
- Kalleberg, A., Reskin, B., & Hudson, K. (2000). Bad jobs in America: Standard and Nonstandard Employment Relations and Job Quality in the United States. *American Sociological Review*, 65(2), 256-278.
- Legge, K. (1998). Flexibility: the gift-wrapping of employment degradation. In P. Sparrow & M. Marchington (Eds.), *Human Resource Management: The New Agenda* (pp. 286-295). London: Pitman Publishing.
- Madsen, P. (2002). The Danish Model of "Flexicurity" – A Paradise with some Snakes. In H. Sarfati & G. Bonoli (Eds.), *Labour market and social protections reforms in international perspective: Parallel or converging tracks?* (pp. 243-265). Aldershot: Ashgate.
- Marsden, D. (2004). Employment Systems: Workplace HRM Strategies and Labour Institutions. In B. Kaufman (Ed.), *Theoretical Perspectives on Work and the Employment Relationship*. Champaign; IL: Industrial Relations Research Association.
- McDonald, K., & Hite, L. (2005). Reviving the Relevance of Career Development in Human Resource Development. *Human Resource Development Review*, 4(4), 418-439.
- Metcalf, D. (2007). Why has the British national minimum wage had little or no impact on employment? Discussion paper, No.0781, LSE Centre for Economic Performance, April 2007, London, available at: *CEP Discussion Paper*, 0781. Retrieved from <http://cep.lse.ac.uk/pubs/number.asp?number=781>
- Michon, F. (1987). Time and flexibility: working time in the debate on flexibility. *Labour and Society*, 12(1), 153-174.
- Monastiriotis, V. (2003). A panel of regional indicators of labour market flexibility: the UK, 1979-1998. In F. Caroleo & S. Destefanis (Eds.), *The European labour market: regional dimensions* (pp. 221-244). Heidelberg: Physica-Verlag.
- Murphy, A., & Garavan, T. (2009). The Adoption and Diffusion of an NHRD Standard: A Conceptual Framework. *Human Resource Development Review*, 8(1), 3-21.
- Nijhof, W. (2005). Lifelong Learning as a European Skill Formation Policy. *Human Resource Development Review*, 4(4), 401-417.

- OECD. (1994). The OECD Jobs Study *Facts, Analysis, Strategies* Retrieved from <http://www.oecd.org/els/emp/1941679.pdf>
- Palley, T. (1998). Restoring prosperity: Why the US model is not the answer for the United States or Europe. *Journal of Post-Keynesian Economics*, 20(3), 337-353.
- Regini, M. (2000). The Dilemmas of Labour Market Regulation. In M. Regini & G. Esping-Andersen (Eds.), *Why deregulate labour markets?* (pp. 11-29). Oxford: Oxford University Press.
- Rubery, J., & Grimshaw, D. (2003). *The Organization of Employment: An International Perspective*. Basingstoke: Palgrave Macmillan.
- Solow, R. (1990). *The Labor Market as a Social Institution*. Oxford: Basil Blackwell.
- Streeck, W. (1987). The Uncertainties of Management in the Management of Uncertainty: Employers, Labor Relations and Industrial Adjustment in the 80s. *Work, Employment and Society*, 1(3), 281-308.
- Thijssen, J., Van der Heijden, B., & Rocco, T. (2008). Toward the Employability-Link Model: Current Employment Transition to Future Employment Perspectives *Human Resource Development Review*, 7(2), 165-183.
- Visser, J. (2002). The first part-time economy in the world: a model to be followed? *Journal of European Social Policy*, 12(1), 23-42.
- Western, B., & Beckett, K. (1999). How unregulated is the U.S. labor market? The penal system as a labor market institution. *The American Journal of Sociology*, 104(4), 1030-1060.
- Wilthagen, T. (1998). Flexicurity: A New Paradigm for Labour Market Policy Reform? *WZB Discussion Paper*. Retrieved from <http://skylia.wz-berlin.de/pdf/1998/i98-202.pdf>
- Wilthagen, T., & Tros, F. (2004). The concept of ‘flexicurity’: a new approach to regulating employment and labour markets. *Transfer: European Review of Labour and Research*, 10(2), 166-186.
- Wilthagen, T., Tros, F., & Van Lieshout, H. (2004). Towards “flexicurity”?: balancing flexibility and security in EU member states. *European Journal of Social Security*, 6(2), 113-136.
- Woodall, J. (2005). Editorial: Convergence and Diversity in HRD. *Human Resource Development International*, 8(1), 1-4.

Anonymous References (to be supplied at a later stage)