



New psychological contracts in the world of work: economic citizens or victims of the market?

New
psychological
contracts

The situation in Germany

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Abstract

Purpose – The aim of the paper is to present the causes and manifestations of the changed conditions of work for employees since the 1990s with a particular focus on the situation in Germany. These changes are characterized by a higher demand for expertise and a lower protection against life risks for employees. The paper seeks to address some of the issues surrounding this.

Design/methodology/approach – The desire to realize an individual concept of personal identity in work life is argued to be the main driving force of individual career development. It is set in relation to new normative guiding principles of employment (protean career model, boundaryless career model, employability construct).

Findings – Empirical studies support the importance of an individual work identity concept for individual career development. The political and, more importantly, the economic situation in Germany, Europe and other parts of the world has dramatically changed since 1989. The prospective demographic changes in Germany until 2050 and their effects on the job market are also considered.

Originality/value – The paper describes the underlying causes for the changes in the conditions of employment and how these are manifested in the conditions of work, and it also presents empirical findings about the individual coping with career changes.

Keywords Employment, Germany, Change management

Paper type General review

Introduction

Since, the middle of the 1990s the conditions of gainful employment is in flux in Germany and other western industrialized and welfare nations. For many liberals, this process of change is considered to be an opportunity for new developments, assuming that employees might be able to become active in creating and using their potential (Wollert, 2001). At the same time, for example, representatives of the Catholic social teaching voice their fear that the changing conditions may lead to the total access of the work force for a “most efficient managerial exploitation” of labor (Hengsbach, 2001, p. 35; Trans. by Blickle and Witzki).

The first section of this paper describes the underlying causes for the changes in the conditions of gainful employment and how these changes are manifested in the conditions of work. Some authors refer to this as a new psychological contract. The second section focuses on the psychological importance of work and investigates the driving forces behind individual career development. The third section presents

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three new central normative guiding principles of gainful employment: the protean career model, the boundaryless career model and the employability construct. The fourth section presents empirical findings about the individual coping with career changes. Particularly in Germany, the aging of the society will have a strong influence on work life. This will be the focus of the fifth section. Finally, the fundamental principles are summarized.

The change in work conditions

The change in work conditions since the mid-1990s is primarily driven by four key changes in the economic marketplace (Rump, 2003; Friedman, 2005):

- (1) the increased global interconnectedness of national economies;
- (2) the capabilities of new information and communication technologies;
- (3) the development from industrial to information societies; and
- (4) the application of new managerial strategies (mergers, acquisitions, downsizing, and business re-engineering).

The increased global interconnectedness of national economies was made possible through world trade agreements General Agreement on Tariffs and Trade in the 1980s. These agreements greatly facilitated the international exchange of goods, money and services. This development was strengthened by the breakdown of the Soviet Union and its satellite states and the subsequent joining of these states and the People's Republic of China in the free world trade. Important factors for the members of the European Union (EU) at that time were the liberalization of economic relations to new member states[1], the introduction of the Euro, and the transfer of regulation competencies to the EU in Brussels. Thus, supra-national and sometimes global standards emerged for product design and safety, international trade, and financial commerce. While in 1980, the export quota of Germany was 36 percent, it increased to 49 percent in 2000 and is expected to reach 60 percent in 2010 (IDW, 2002). Roughly 40 percent of German companies invest in foreign countries. This trend is anticipated to intensify over time. Furthermore, the number of international mergers increased by a factor of 2.8 in the decade between 1990 and 2000 (Rump, 2003). Combined, these developments have greatly reduced the economic control of national governments and forced individual companies to compete in a global market. The effects of this increase in international pressure can be observed in the changing landscape of individual jobs within the companies competing in the global market, both in Germany and in other traditional countries of the EU. Individual jobs in these companies in Germany and other traditional countries of the EU are exposed to increased international competitive pressure. Further aggravating the situation is a reduction in protective regulation for employees due to competition between national states to attract international business (Niedenhoff, 1999).

Work conditions have also been affected by a great increase in the impact of new information and communication technologies. This is shown by the following facts (Cascio, 2003): computer-based work has considerably increased both in a qualitative and a quantitative manner. Data exchange and communication via satellites has gained importance. In 2003, roughly 40 million mobile phones were used in Germany (Rump, 2003) which equates to roughly half of its population of approximately 82 million people.

Call centers are a growing industry. The internet creates opportunities for 24 hour business transactions around the globe in addition to the possibility of worldwide information search and transfer. Employees can now work at different locations at different times while still being able to coordinate their work. There has been a great increase in the possibility to fulfill work tasks independently from location and time constraints. New information and communication technologies have contributed to a rise in work productivity and a decline in the volume of paid work in Germany as many jobs have been relocated to other countries. In Germany, the outsourcing of computer programming tasks to India and the outsourcing of call-centers to Turkey exemplify this trend.

The change from an industrial to a knowledge-based society is evidenced by the following figures. Only 20 percent of the employees in industry are working in classical production settings. Even of these 20 percent, the vast majority are providing services. The most important tasks are mining, storage, handling and use of information and knowledge (Niedenhoff, 1999). Productivity growth is primarily based on the use of knowledge. The use of knowledge enables companies to differentiate themselves from competition through new and high-quality products and services and to cut the time of product and innovation cycles. The size of a company loses its prominence. Instead a company's speed in decision processes has become the decisive factor. On the part of employees this means that, the only way to conserve their employability is through an ongoing development of their qualifications throughout their work life.

Another potential reason for the changed conditions of work is diversification on the part of the employees. Flynn (1984) has shown the intelligence quotient of US-Americans has consistently increased over the decades, from one age-group to the next. This trend was also observed in another 14 countries (Flynn, 1987). In Germany, this trend is combined with an increase in the level of an individual's qualifications. Between 1991 and 2003 the number of employees with a degree from a university or a Fachhochschule (technical college, trade school, university of applied science) has risen from 12 to 17 percent. This 5 percent increase was independent of gender (Statistisches Bundesamt, 2004, p. 59). One hypothesis is that this reflects the changed requirements of work content and the degree of freedom within work (Rosenstiel and Nerdinger, 2000) which leads to a restructuring of work conditions (Moser and Zempel, 2004).

Finally, change in management strategies (i.e. mergers and acquisitions, downsizing, and business re-engineering) since the mid-1990s may also contribute to a change in work conditions. For some of the affected employees this resulted in job loss. For the survivors of layoffs, this lead to an increased workload (Fay and Lührmann, 2004). The consequences for employees that lost their jobs were quite different in the USA and in Germany: due to the growing economy in the US even those people with low qualifications were likely to find new jobs (Cascio, 2003), while the stagnating economy in Germany led to prolonged periods of unemployment for individuals with low-qualifications or from former East Germany (Rump, 2003).

How did this development affect employment relationships? Prior to the 1990s, employees in western-industrialized and welfare nations could rely on a permanent, stable, reliable, and secure job within their organization once they fulfilled certain requirements. These requirements consisted of job-relevant knowledge as well as specialized abilities and skills. Given the loyalty and compliance, the employee faced manageable tasks and was rewarded by a continual climb in the organizational

hierarchy and with a protection against life risks. The situation post 1990s is dramatically different for many employees. One example for this change is Mr G:

Mr G. is 34 years old and lives with his partner and two small children in a major metropolitan area in the southern part of Germany. He is working as a so-called “constant contract” worker at a broadcasting service. This means he has (after a long period of unemployment and journalistic casual jobs) a job with a guaranteed, but not very high number of assignments. He only works in short-term projects. Work load and income vary a great deal. He does not have a fixed work schedule, but works according to studio time, colleagues, interview partners and so on. Periods of great pressure alter with periods of few demands, which he uses for additional assignments and further education. Mr G. works only occasionally at the radio station, most of the time he works at home and researching on location. For Mr G. every day is different . . . He knows what is coming up for a maximum of three months in advance and has to be open to make short-term arrangements both in respect to his work and private life. He is going on vacation when there is an open time slot. He does not know how long he is able and would like to continue working at his current radio station (Voß, 1998, pp. 481-82; Trans. by Blicke and Witzki).

In today’s economic marketplace, the time of employment in an organization is oftentimes limited and the continuation uncertain (Dostal, 2001). The nature of work varies over time creating a patch-work career biography (Lang-von Wins *et al.*, 2004). Many people have had a number of diverse jobs to earn their living. Interruptions in a career biography due to periods of unemployment are not uncommon. Income is less dependent on age, gender, family status, and job tenure and more dependent on whether an individual’s knowledge can ensure the success of the employer at a given time. A continual development of qualifications is increasingly the responsibility of the employee, who also needs to protect against life risks (Voß, 1998; Table I).

Particularly in Germany there has been a strong increase in precarious employment relationships (also referred to as contingent employment relationships) such as fixed-term employment, part-time employment, and bogus self-employment (Scheinselbstständigkeit; Statistisches Bundesamt, 2004, p. 42-47). In 1991, 11 percent of the 15-29 year old persons in dependent employment had fixed-term contracts, rising to 20 percent in 2003. Part-time employment also increased substantially during this period. Since 1991, the percentage of dependent employees with part-time contracts rose 51 percent, which represents an increase of 2.4 million (22 percent of all employees).

Old psychological contract	New psychological contract
Stability, predictability	Change, uncertainty
Permanence	Temporariness
Standard work patterns	Flexible work
Valuing loyalty	Valuing performance and skills
Paternalism	Self-reliance
Job security	Employment security ^a
Linear career growth	Multiple careers
One-time learning	Life-long learning

Table I.
Old and new
psychological contract
according to Cascio (2003)

Note: ^aIn contrast to the situation in the USA, where job security implies employment security (i.e. that a person can easily find a job with a different employer) in Germany job security is available only to highly qualified persons

Full-time employment accounted for only 78 percent of the employed population in 2003. There has also been a strong rise in the number of self-employed[2] people, many of whom are self-employed without employees. From 1991 to 2003 there was a 42 percent rise in number of self-employed individuals without employees, creating for a total of 2 million individuals. It might be assumed that a substantial number of these people work in conditions that represent or are similar to bogus self-employment – they are registered as self-employed, but in practice have a subordinate employment status. An example of bogus self-employment are truck drivers driving their own trucks for a transport company through which they were once employed. Although performing the same tasks as they did when they were employed by the company, these self-employed truck drivers now carry all economic risks. In addition, they have to finance their own healthcare and unemployment insurance, vacation time, and sick leave. Finally, it should be noted that the number of gainful employments with simple requirements have decreased while those with complex requirements have increased (Reinberg and Schreyer, 2003; for the projected numbers in 2010 Figure 1).

Gainful employment as expression of personal identity

One of the leading psychological theories on career development is the career construction theory (Savickas, 2002) that argues that individual career development is a continuous not always linear process of decisions and actions controlled by the person containing repetitions, interactions and omissions. Career construction theory states that the goal of people is to find positions and roles in their work life that validate their self-concept. If people do not perceive the possibility of fulfilling their self-concept they re-orient their work life.

A study by Sieverding (1992) may serve as an example. It examined why there were roughly equal numbers of female and male students completing medical school, but a larger number of male than female medical specialists. Sieverding found that

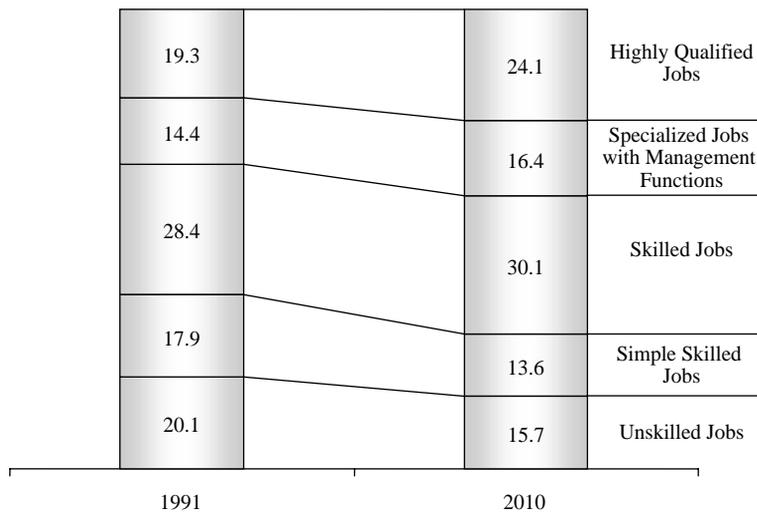


Figure 1.
Estimates of the quota of
employees by qualification
level in Germany in 1991
and 2010

Note: Employees in training (Auszubildende) are not represented in these percentages
Source: Reinberg and Schreyer (2003, p. 4)

female students believed that in order to complete specialist training in a hospital one had to appear as aggressive, dominant, cool, egoistic, and tough. However, the ideal self-concept of a female medical student as a doctor in a hospital was to be friendly, helpful, and warm hearted. Sieverding suggested this discrepancy between work concept and ideal self-concept contributed to fewer female graduates of medical school continuing on with training to become medical specialists.

Important triggers of individual developmental processes are shared normative expectations that are presented to the individual by their social environment. Termed developmental tasks, these tasks accompany us throughout life. Success in accomplishing a developmental task leads to satisfaction and recognition, while failure can make the individual feel miserable and can lead to the rejection of the individual by society making the accomplishment of later developmental tasks more difficult.

In career construction theory the period between 14 and 24 years of age are referred to as vocational exploration phase. During this period people tend to shift from vocational wishes and daydreams to finding a fixed placement in the world of work. The developmental tasks consist of making and following through with a career choice. In this instance, it is important that one perform an elaborate appraisal of one's job interests (e.g. working with people vs working with things), one's job relevant abilities (e.g. are one's strengths in the field of mathematics or in the languages), and the importance one assigns to work values (e.g. job security vs job variation) using goal-oriented self-exploration. The job-seeker has to develop an elaborate vocational self-concept while collecting information concerning requirements, routines, and rewards offered by certain occupational fields and individual jobs in an effort to develop a cognitive map of the work environment (i.e. an occupational map). By comparing the self-concept and the occupational map preferences for a particular kind of work should be made. Finally, the individual should realize his/her vocational choice despite facing resistance and difficulties.

Savickas (2002) reports three different styles used to cope with the developmental tasks of the exploration phase. The first of these styles, informational style, is characterized by active exploration and self-reliant, highly problem-focused coping. Normative style is characterized by a close match to the guidelines and expectations of significant others. Avoidant style is signified by delaying and procrastinating behavior toward career choices. People exhibiting this style often lack positive role models, display deficits in problem-oriented behavior, and often utilize emotion-laden coping strategies.

In summary, according to career construction theory the main driving force of individual career development and personal satisfaction with career development is the development, implementation and enhancement of a vocational self-concept, i.e. a vocational identity.

Although, the actual work frequently does not correspond to an individual's expectations, but is experienced as cumbering and exhausting, many people prefer to remain employed rather than register as unemployed or retire. Oftentimes, this is driven by financial reasons. Therefore, Jahoda (1981) has termed the need to ensure one's livelihood a manifest function of gainful employment. In addition, there are a number of latent functions of gainful employment. Although these latent functions have a positive influence on psychological well being, the employees do not have to be aware of them.

One latent function of gainful employment is to provide a temporal structure. Working hours put an end to sleeping hours and thus mark the subjective start of the day.

The end of the workday allows time for the household, family, social activities and relaxation. Employment also structures the week into workdays and weekends and the year into work time, holidays, and vacation times. The time structure provided by work can therefore be considered as a relieving and stabilizing factor.

Employment can also induce activity. Jahoda (1981) showed that unemployed people stay in bed longer than employed people. Unemployed people were also shown to move physically slower and less often than employed people. Thus, employment can be said to be a means for helping to overcome physical and mental lethargy.

Another latent function of gainful employment is that employment enables regular social contacts outside of the nuclear family and provides possibilities for shared social experiences. Work life exposes people to new information and the latest gossip. Work allows people to take part in the lives of others, compare themselves with others, and cooperate or argue with others.

Employment gives purpose to our life by providing goals and aims that go beyond the individual concerned. The kiosk owner at the soccer stadium contributes to a fan's enjoyment of a game. A sales person at a department store assists customers to find holiday gifts for their loved ones. A garbage collector keeps his city clean and tidy. A midwife protects mothers and helps newborns to enter the world.

Finally, employment provides identity and status. Most of the employed are part of a company, providing them with an identity. "Ah, you are working at the city hospital!" But even those who have a job with a low-social prestige are financially independent and are not forced to ask other people (e.g. parents, spouses, children) to help make their wishes come true. Employed people have a boss or are their own boss. They work for people or have people working for them. They have co-workers and there are people who are lower or higher in the hierarchy.

New normative guiding concepts

What are the new guiding principles of career development for employees? Three fairly similar concepts (Inkson, 2006) have been suggested (Table II) to serve as a normative guiding principle for employees confronted with the current changes in employment relationships:

- (1) the protean career model (Hall, 2004);
- (2) the boundaryless career model (Arthur and Rousseau, 1996; Voß, 1998); and
- (3) the employability construct (Fugate *et al.*, 2004).

The concept of vocational identity is of major importance in all three principles.

In Homer's *Odyssey* Proteus is one of the gods of the sea who can change form at will. In the legend he changes into a lion, a snake, a panther, a boar, and even water.

Protean career	Boundaryless career	Employability model
Self-direction and adaptability based on identity and values	Pro-active boundary-crossing based on accumulation of career capital	Coping based on secure/confident identity, career adaptability as well as human and social capital

Source: Inkson (2006)

Table II.
New normative guiding
principles for employees

In the protean career model, Hall (2004) uses Proteus to exemplify the guiding principle of autonomous vocational adaptability. In close proximity to career construction theory his guiding principle postulates:

- the ideal of developing an individual vocational identity (what are my strengths? What are my values? What are my goals? – corresponding to the career capital aspect of knowing why described in the next section);
- the development of a skill to anticipate new trends and developments in one's own work context; and
- the ability to adapt one's skills and attitudes to situational requirements.

The employee does not enter a psychological contract with the organization but rather with himself/herself. Success is not measured in material gain, but in how far one's own goals are achieved.

The guiding principle of the boundaryless career suggests that employees develop the ability to flexibly switch between different career models and employers within a given industry and a particular occupation (i.e. career as a specialist vs career as a manager). This can include phases of family time and self-employment (Arthur and Rousseau, 1996). Changes of career models or employers are made possible by career capital which, in turn, is enhanced by the changes. There are three aspects of career capital: knowing why (work identity and values), knowing how (work skills and experiences), and knowing whom (work related networks and reputation).

Using the construct of employability Fugate *et al.* (2004) have tried to identify factors that underlie the ability of people to maintain their employment, especially during precarious labor market prospects. This construct is more descriptive than the two aforementioned guiding principles. The construct of employability is conceptualized as an overlap of career identity, the readiness to adjust in a work setting (termed personal adaptability), and individual social and human capital. People should explore their job options based upon a differentiated vocational self-concept (i.e. a secure career identity – knowing why), and a rich occupational map. Beneficial for this is an informational style that is signified by an active search behavior and an independent strong problem-oriented approach. Personal adaptability is enhanced by the following attitudes and dispositions: optimism, willingness to learn, openness for experience, taking an active part in one's vocational life (i.e. internal *locus* of control) as well as a generalized self-efficacy. Social capital is manifested in a person's social network which can vary in respect to size and strength. Networks provide the opportunity to discover opportunities in the work environment and the possibility to realize them. An individual's human capital can be measured in terms of the individual's abilities, primary and secondary educational training (high school, university, graduate school), primary and continued training, as well as the duration and intensity of one's work and job experiences.

Empirical studies about individual work changes

In this section results of empirical studies about the individual coping with changes in the work setting are presented. The studies show that, the main factors of work adaptability are the development of a work identity and human capital. These factors are supported by an anticipating and planning attitude towards one's own job related future. Clearly defined problematic groups can be identified with respect to the further development of one's own

human capital. However, even unfavorable aspects of self-concept such as low self-esteem and low optimism can be significantly improved through psychological training.

Eby *et al.* (2003) studied the relative importance of the three aspects of career capital: knowing why (refined vocational self-concept), knowing how (human capital), and knowing whom (social capital) on a sample of 458 North American college students who had graduated in 1995. Six years post-graduation, in 2001, the participants were questioned about their work success, their promotion prospects, and their job market prospects. In accordance with career construction theory the authors found that, the most important factor for existing career success and the assessment of one's promotion prospects was a refined vocational self-concept. The job market prospects were most influenced by human capital.

Ebberwein *et al.* (2004) analyzed 18 qualitative interviews with people in the US who had recently lost their employment. The average age of the sample was 44 years. The authors found that it was easier for these people to adapt to the job loss if they possessed financial resources or if they had received a severance payment by the former employer. Unemployed persons that were judged to cope in accordance with career construction theory were found to adapt more quickly to the changing situation, plan their actions in more detail, realize early on that they might lose their job, set realistic goals for themselves, and were more likely to select a new job that was judged to be favorable to their long-term situation as opposed to the first job that came their way. The authors concluded that, an anticipating and planning attitude toward one's own work future has a favorable effect on finding a subjectively satisfying re-employment opportunity.

Human capital is increased, in part, by continuing further vocational education. Factors that are deemed favorable for further vocational education to improve work knowledge have been summarized by Blickle and Schneider (n.d.). Important motives for obtaining further vocational education are the general need for individual continued training and self-improvement, the hope of financial improvement, the wish for job security, the prospective growth of one's reputation, the wish to actualize work-related special knowledge, and the perceived commitment towards further vocational education by the employer. Organizational factors that benefit the readiness of one to receive further vocational education are an existing organizational culture of learning, the construction of tasks that support learning as well as social support by supervisors and colleagues. The motivation to take part in training is supported by a low level of anxiety, taking an active part in one's vocational life (i.e. internal *locus* of control), high degrees of self-efficacy and conscientiousness in addition to a strong need for achievement. Groups that have been deemed less likely to receive further vocational education include women, older people, people with a low level of education and a low-social status, and employees of small and medium-size businesses.

Self-confidence, optimism, and taking an active part in one's vocational life (i.e. internal *locus* of control) play an important part in the successful adaptation of adults to changing employment relationships. Vinokur and colleagues implemented extensive intervention and evaluation studies with unemployed people in the US. They were able to show that these factors can be strengthened by psychological intervention as part of an outplacement or unemployed training (van Ryn and Vinokur, 1992). Even after 2.5 years these interventions showed an effect in the form of an increased employment rate and a higher income by those who participated in the training (Vinokur *et al.*, 1991; Vinokur and Schul, 1997).

Perspectives based on the demographic change in Germany

The aging of the society will have a strong impact on work life. This may especially be true for Germany. The effects of this development on employment relationships are discussed in this section. It is estimated that the population in Germany will decrease from 82.5 to 75 million people by 2050 (Allmendinger and Ebner, 2006). The percent of persons under 20 years of age will decrease from 21 to 16 percent. The percent of people between 20 and 59 years of age will decrease from 55 to 47 percent. In contrast, the percent of 60-79 year olds will increase from 20 to 25 percent and the percent of persons over 80 years of age will increase from 4 to 12 percent. Depending upon the number of people who immigrate to Germany, it is estimated that the supply of labor will decrease from 44.5 to between 32 and 38 million workers until 2050.

In Germany, more than 8 million of the almost 11 million part-time workers are women (Wanger, 2005). The reasons for the high proportion of women employed in part-time work are the discontinuities and restrictions in employment periods due to child care and care for parents and grandparents with extended lifespans. These restrictions and discontinuities have a negative effect on the career development of women (Abele-Brehm and Stief, 2004). In Germany, the income of women currently remains lower than the income of men, even when taking into account shorter work hours (Achatz *et al.*, 2004). Furthermore, women are still greatly under-represented in managerial positions (Brader and Lewerenz, 2006), despite that women, on average, tend to possess a higher educational degree than men (Statistisches Bundesamt, 2005).

Only 38 percent of the 55-64 year-olds in Germany are employed. The reasons for this are a reduction in earning capacity (roughly 1.8 million people in Germany receive an invalidity pension), a high overall unemployment rate, and a long period of a publicly supported early retirement policy by employers (Allmendinger and Ebner, 2006). In principle, 15 percent of all businesses do not recruit older employees (Bellmann *et al.*, 2003), and only 2 percent of all businesses offer special workplace facilities for older employees.

Given the employment situation in general, Allmendinger and Ebner (2006, p. 227) suggest the following:

Especially, the expansion of sophisticated service jobs increases the demand for highly qualified workers, while there is a decrease in the demand for lower qualified workers [...]. The shrinking supply of labor, the increasingly older potential employees and the increased qualification demands require an increase in the employment quota of female and older workers as well as a more effective and sustained education and further vocational education (Trans. and italics added by Blickle and Witzki).

Older people possess knowledge and experiences that enable them to creatively meet new challenges. In particular, the decisions and conclusions of older people tend to be more thoughtful, more cautious, and more realistic in the business setting (Lehr and Kruse, 2006). Older employees are often considered at risk due to a decrease in bodily strength, deteriorating health, a reduction in the performance of their senses, losses in the information processing and reaction speeds, a decrement in the capacity of working memory as well as an abating of selective attention (Maintz, 2003). Owing to these increased risks, it will become necessary to reorganize tasks for older employees in such a way that these risks are minimized so that older employees can fully utilize their strengths and realize their potential.

Conclusions

The political and, more importantly, the economic situation in Germany, Europe and other parts of the world has dramatically changed since 1989. These changes can be felt by more and more employees: The demand for expertise has increased while the security against life risks has decreased. At the same time, this development leads to more opportunities for individual development and individual arrangement for vocational development. The three aspects of career capital are of major importance to make use of these opportunities: knowing why, knowing how, and knowing whom. Problematic groups with respect to vocational development are women, older people, people with a low-educational degree and low-social status, as well as employees in small and medium size businesses. In Germany, it is true that the shrinking supply of labor, increasing age of potential employees, and increased demands of special qualifications requires an increase in the employment quota of women and older employees in addition to a more effective and sustained education and further vocational education.

Notes

1. Member states of EU before 1995: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, The Netherlands, Portugal, Republic of Ireland, Spain and UK; new member states: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Rumania, Slovak Republic, and Slovenia.
2. We do not use the term *freelance* work in this context, because it is the literal translation of the German term *freiberufliche Tätigkeit*, which refers most commonly to free professions and is a special legal construct in Germany.

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