Health, Wealth and Happiness?
Employers, Employability and the Knowledge Economy

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SECTION 1: INTRODUCTION

1.1   Mapping Employability

During the last decade, employability has emerged to become something of a 'buzzword' in labour market policy circles around the world (Peck & Theodore, 2000; Hartshorn & Sear, 2005; McQuaid, Green & Danson, 2005). However, despite the mounting body of rhetoric which has come to surround the usage and meaning of the term, there is, on closer inspection, no consensus "amongst policy and practitioner communities" with regard to the particular type, or types, of employability "required by different groupings within society" (Hartshorn & Sear, 2005: 271). It seems that employability is seldom clearly defined and operationalised by those who use it (Harvey, 2001); moreover, the diverse meanings that do exist are "deployed according to organisational objectives, political necessity or ideological leaning" (Gore, 2005: 341). By way of illustration, it is interesting to consider Harvey's (2001) explanation of employability as it relates to tertiary education outcomes, which, it should be noted, is only one of several policy arenas in which employability is routinely invoked. Harvey (2001: 98) writes that the "core notion" in the literature on employability "relates to the propensity of students to obtain a job". This type of definition, often with minor embellishments or specifications, appears recurrently throughout the literature as illustrated in the two examples below:

> "Employability relates to both unemployed people seeking work and those in employment seeking better jobs with their current or a different employer" (McQuaid et al., 2005: 191).

> "…the individual's ability to find and to keep a stable job in a given economic and institutional context: what could be termed his/her *employability*" (Gazier, 2006: 11, emphasis in original).

However, Harvey (2001) then goes on to list several other ideas that are habitually enmeshed with this core, or 'common-sense', definition. For example, there is the notion that employability is not just about the ability to secure *any* job but about the ability to secure *fulfilling* work that will make use of graduate skills and abilities. This concern with the quality of employment, and the associated notion that work will ideally contribute to the ongoing enhancement of employability, is a common theme that runs through the literature. The following definition provides an example of this idea:

> "In simple terms, employability is about being capable of getting and keeping fulfilling work. More comprehensively employability is the capability to move self-sufficiently within the labour market to realise potential through sustainable employment" (Hillage & Pollard, 1998: 2).

Harvey (2001) goes on to write that in some contexts, employability is used to refer to a graduate's ability to demonstrate to potential employers that they possess desired

attributes at the point of recruitment, in other words, that they have the ability to 'hit the ground running'. In this regard, it is important to note that employability is often explicitly connected to perceived skills shortages and concerns that such shortages limit organisational growth and efficacy, thus representing a major barrier to national productivity (Taylor, 1998; Handel, 2003; Taylor, 2005). The skills shortages debates are often focused on young workers. According to Taylor (1998), for example, the discourse of employability in Canada is rooted in the concerns of corporate leaders that young people are not being adequately prepared for the workplace, a view also held by the OECD, which in the 1990s was arguing that schools had become out of touch with the knowledge and skills employers required. Much has been written, also, about the problematic attitudes of young people towards employment (Tresize-Brown, 2005). An Australian study of trade-based occupations found that young workers were perceived by employers as primarily lacking attitudinal attributes, such as a prior sense of enculturation into the culture of employment and the capacity to follow instructions (Koczberski & Taylor, 1999, cited in Taylor, 2005).

The discourse of employability is also bound up with the decline of the traditional career for white-collar workers, based on long-term commitment to one employer and gradual progression along the organisational hierarchy. In an era of flatter organisational structures and an unstable and rapidly changing business environment, the new requirement is for employees to protect their employability by committing to a programme of ongoing learning and personal development beyond formal education (Hillage & Pollard, 1998; Opengart & Short, 2002; Brown, Hesketh & Williams, 2003; Harvey, 2001; Van der Heijde & Van der Heijden, 2006; Moreau & Leathwood, 2007). This represents a major shift in responsibility for career development and management with the focus now squarely on employees who must be "malleable over time" in order to meet the demands of employers (Fugate, Kinicki & Ashforth, 2004: 16). The following definition from a paper that focuses on the relationship between training and employability illustrates this idea well:

> "…we…define a worker's employability as: The capacity and willingness to be and to remain attractive in the labour market, by anticipating changes in tasks and work environment and reacting to these changes in a proactive way" (Sanders & de Grip, 2004: 76).

In a similar way, Fugate et al. (2004: 14) argue that employability represents a form of work specific (pro)active adaptability that encompasses career identity, personal adaptability and social and human capital. In short, employability is:

> "…a psycho-social construct that embodies individual characteristics that foster adaptive cognition, behaviour, and affect, and enhance the individual-work interface" (Fugate et al., 2004: 15).

A major area of policy discourse, which is often associated with the issue of skills shortages, utilises a definition of employability that foregrounds the notion of 'employability skills' or individual competencies (Harvey, 2001). This is demonstrated in the following definitions:

> "Employability is having a set of skills, knowledge, understanding and personal attributes that make a person more likely to choose and secure occupations in which they can be satisfied and successful" (Pool & Sewell, 2007: 280).

> "…employability is defined as "the continuous fulfilling, acquiring or creating of work through the optimal use of competences"" (Van der Heijde & Van der Heijden, 2005, cited in Van der Heijde & Van der Heijden, 2006: 453).

A number of employability skills frameworks have been developed by corporate bodies in an attempt to identify the skill and competency sets required in employees if businesses are to be successful in an environment characterised by global competition and technological innovation. Such frameworks typically make distinctions between different types, or levels, of skills. Although there is significant variation in the terminology used, common categories include basic (or 'core') skills such as literacy and numeracy, generic attributes (or personal characteristics) which are transferable across different organisational settings, and job, company or sector specific knowledge and competencies (Harvey, 2001).

The framework developed by the Australian Chamber of Commerce and Industry(ACCI) and Business Council of Australia (BAC) – *Employability Skills for the Future* (ACCI/BCA, 2002) – uses two key categories: personal attributes, which are described as a set of non skill-based behaviours and attitudes such as loyalty, honesty, enthusiasm, commonsense, positive self-esteem and adaptability; and skills or 'learned capacities' such as communication, teamworking, problem solving, self-management, and initiative or enterprise skills. In a similar way to some of the definitions discussed above, the definition of employability skills in the framework incorporates the 'core' notion (ability to gain employment), however, it also makes explicit reference to organisations, positing employability skills as a key resource for organisational success:

> "…skills required not only to gain employment, but also to progress within an enterprise so as to achieve one's potential and contribute successfully to enterprise strategic directions" (ACCI/BCA, 2002: 3).

What is interesting to note in this framework (and others) is the way that 'employability' is imbued with significance that goes beyond the 'common-sense' understanding of the term described earlier. As the following quote shows, employability is often used to describe a suitable orientation to life. Explaining why the 'new' skills are called employability skills rather than employment-related skills, it is stated that:

> "Employability…conveys a greater sense of an individual's long-term capacity to build a career and to prosper in a dynamic labour market. Employability implies qualities of resourcefulness, adaptability and flexibility, whereas employment-related suggests an orientation to the current state of the labour market. As such, employability has more potential as a term to signal the qualities

needed for success not only in paid employment but also in other
domains of life" (ACER, 2001, cited in ACCI/BCA, 2002: 4).

The discourse of employability has become intimately enmeshed with education
policy (Butterwick & Benjamin, 2006), evident in a new emphasis on the
responsibility of formal education to develop and deliver well-rounded citizens. In
1997, the Organisation for Economic Cooperation and Development (OECD)
Programme for International Student Assessment (PISA) was set up to monitor "the
extent to which students near the end of compulsory schooling have acquired the
knowledge and skills essential for full participation in society" (OECD, 2005: 3). A
key project for PISA has been *The Definition and Selection of Key Competencies*
(DeSeCo) project. Until the start of this project, the major impetus in OECD
countries in the area of key competencies had come from the business sector and
employers. These stakeholders tend to take a more purely economic view in which
competencies are important because they contribute to productivity and market
competitiveness, minimise unemployment by developing an adaptive and qualified
labour force, and create an environment for innovation in the face of global
competition. However, from the start the DeSeCo project took a broader social
perspective, seeing the development of knowledge, skills and competencies as
assisting the ability of individuals to participate in democratic institutions,
contributing to social cohesion and justice, and strengthening human rights and
autonomy as counterweights to the increasing global inequality of opportunities and
marginalisation.[1]

Finally, as insinuated above, another dominant strand of employability discourse
concerns the need to increase employment levels amongst unemployed or jobless
people; portrayed as a strategy to maximise national productivity at the same time as
ending poverty and social exclusion (Peck & Theodore, 2000; Brown et al., 2003;
Gore, 2005; Lindsay, McQuaid & Dutton, 2007). Lunt (2006) situates the concern
with employability in New Zealand in relation to the shift in New Zealand politics to
the centre left following the election of the Labour-led Coalition government in 1999.
As Lunt (2006) notes, New Zealand Labour has attempted to align its traditional
values of income and employment security with the realities of an increasingly
changeable and unstable world. What has followed has been a clear policy emphasis
on modernising the welfare system, active labour market policy and enhancing the
employability of workers,[2] policy directives with strong connections to the "Third
Way" thinking arguably best exemplified by the British Labour government, which
sees itself as a world leader in the development and delivery of policies to promote
the employability of unemployed people (Lindsay et al., 2007). As the previous
British Prime Minister, Tony Blair, has argued:

> "Knowledge, skills, technology and enterprise are the keys" to
> economic competitiveness and job creation, "not rigid regulation
> and old-style interventionism…Employability…is what counts"
> (Blair, 1997, quoted in Peck & Theodore, 2000: 729).

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[1] For more information, see the DeSeCo website: www.portal-stat.admin.ch/deseco/intro.htm
[2] Groups considered 'at-risk', or disadvantaged in relation to the labour market, have been major targets for these interventions.
These groups include long-term unemployed people, sickness and invalid beneficiaries, young jobseekers, lone parents, mature
jobseekers, Maori, Pacific peoples and new migrants.

Notwithstanding the considerable conceptual variability, slippage and overlap plaguing the notion of employability, a number of theorists, including Hartshorn and Sear (2005), Lunt (2006), and Van der heijde and Van der Heijden (2006), argue that, while a precise definition of the term is unattainable, "it is possible to sketch its parameters" (Lunt, 2006: 474). By necessity, this has been the approach taken in this review: to avoid the fraught exercise of attempting to pin down employability, instead seeking to build up a composite picture of the contemporary concern with employability by identifying key ideas and contextual factors associated with the rise of the term as a major labour market policy concept. It has also been important, because of the ambiguities and inconsistencies in policy concerned with employability, to take a somewhat critical stance towards the literature and attempt to unpack a number of apparent tensions in the rhetoric surrounding this term.

1.2   Report Structure

The key requirement of this literature review was to focus on employer definitions of what constitutes employability, how they perceive current skill requirements and shortages, and what they consider constitutes adequate policy responses. Yet this proved somewhat challenging in practice, largely due to a shortage of employer driven definitions in the academic literature. The closest approximation of 'employer definitions' was found in various policy focused employability skills frameworks that involved employer or industry consultation. These frameworks, and the small body of academic studies that focus on employers' views of employability, indicate that for employers, employability is primarily construed as the skills, knowledge, competencies and attributes considered desirable in employees. Consequently, in the fulfilment of this central objective, several Australian and Canadian employability skills frameworks and a small number of research articles are discussed in Section 3.3.

However, it could be said that, aside from the discourses around welfare restructuring and the activation of the unemployed which are probably most reflective of the concerns of government, in the main, the employability literature is unequivocally concerned with the needs of employers: the new challenges organisations are facing and the new ways of working that are required to meet those challenges. Even the literature that focuses on individual workers and the need to be self-sufficient and proactive in their orientation to the labour market is always implicitly oriented towards determining the qualities that make workers attractive and sought-after by employers. As Harvey (2001: 102) puts it, "in the end it is the employers who convert the 'employability' of the graduate into employment", and in this sense, the entire body of employability literature might be viewed as more or less concerned with what employers' consider constitutes employability. However, given that a number of writers (Taylor, 1998; Harvey, 2001; Brown et al., 2003; Sanguinetti, 2004) are critical of the way that "employers' views are embraced by disciples" (Harvey, 2001: 97), it has seemed important to undertake some critical analysis of the role of employers' views in employability research and policy.

A suitable framework for this report – one that would lend itself to the dual objectives of describing employability (broadly, and from the perspective of employers) and critiquing the way the concept has been used in policy – was found in Brown et al.'s

(2003) description of consensus theory and conflict theory which contrast two ways of understanding the current policy emphasis on employability. Consensus theory is the predominant way of understanding employability, or what Brown et al. (2003: 114) calls the "official discourse of employability". It is assumed, under this view, that technological innovation, globalisation and the shift to a knowledge economy have wrought unprecedented changes in contemporary labour markets. "Employability" is a way of articulating the problem: the knowledge economy no longer views low-skilled workers as "employable", which has led to serious mismatches between labour demand and supply. "Employability" is also a way of articulating the solution to this problem: investment in the growth of human capital will promote innovation and enterprise, lead to the creation of high-skilled, high-wage jobs, put an end to poverty and social exclusion, and finally, secure national competitive advantage. In fact, the title of this report – *Health, Wealth and Happiness* – makes direct allusion to this official discourse of employability and attempts to convey something of the rhetorical tone surrounding the concept: the positing of employability as a panacea for an array of contemporary societal ills.

Alternatively, conflict theory takes a rather more sceptical view, arguing that employability represents "an attempt to legitimate unequal opportunities in education and the labour market at a time of growing income inequalities" (Brown et al., 2003: 114). Under this framework, the significance of employability to contemporary labour market policy is situated in relation to the shift towards market liberalism since the 1980s and the associated rhetoric of individual responsibility, the decline of the traditional career, employers' demands for greater flexibility in the hiring and firing of employees, and their desire to hire workers on the basis of "plug-in-and-play" (Lauder, 2001, cited in Brown et al., 2003: 114) rather than investing in training for new employees. Conflict theorists argue that employers are emphasising the importance of employability in an attempt to renege on their traditional moral obligations and responsibilities to employees.

In this report, Section 3 is roughly aligned with consensus theory or the official discourse of employability. This section, which is unashamedly uncritical in its presentation of the material, outlines the perceived changes to contemporary labour markets and considers the OECD policy responses to these changes. National frameworks of employability and other employer definitions of employability are described. Section 4 aims to challenge the official discourse of employability by examining some problematic tensions within this view. Taking Brown et al.'s (2003) description of the conflict view of employability as a starting point, Section 4 explores a range of common criticisms of the official discourse, such as the predominant focus on supply-side (individual) considerations, the problem of regional labour market variability and spatial mismatches between skill demand and supply, the implications of the emphasis on employer definitions of employability, issues around teaching and measuring employability skills, and the misaligned notion that employment is somehow inherently sustainable and contributes to the development of individual potential. First, however, Section 2 provides a brief historical overview of the conceptual development of employability. This short discussion aims to set the scene, exploring the changing usage of the term and charting its rise, since the mid 1990s, to "[command] a central place in labour market policies" (McQuaid et al., 2005: 191).

SECTION 2: THE HISTORICAL DEVELOPMENT OF EMPLOYABILITY AS A CONCEPT: A BRIEF OVERVIEW

According to two commentators, it is over a century since employability first emerged as a key concept within policy discussions on unemployment and labour market activity (McQuaid et al., 2005; Gazier, 2006), although other writers place its genesis later, around the 1950s (Sanders & de Grip, 2004; Van der heijde & Van der Heijden, 2006). Although these conflicting accounts present something of a problem when attempting to chart the historical development of employability, it was decided that because it was Gazier (2006) who appeared to provide the most comprehensive overview that his account of the term's conceptual development would be used in this section. Gazier charts the concept's evolution over the course of the past century, tracking its development towards currently accepted contemporary definitions. He differentiates between 'three generations', and several operational versions of employability, each of which is outlined, albeit somewhat succinctly, below. Note that the points below are taken from Gazier's 2006 paper in which he summarises his earlier work on the historical development of employability (see Gazier, 1999; 2001a; 2001b). Additional comments are drawn from McQuaid & Lindsay (2005), who also provide a summary of Gazier (1999; 2001a; 2001b).

The first generation of employability definitions was comprised of a singular usage of the concept which Gazier characterises as "dichotomic employability". Dichotomic employability emerged in the United Kingdom and North America and was in usage during the period 1900-1940. Gazier dubbed this form of employability "dichotomic" in recognition of the way it sought to oppose two categories of people: the "employable" and the apparently "unemployable"; paying scant attention to the possibility of additional conceptual nuances. "Employable" simply referred to all those individuals considered to be "valid and ready for work" (Gazier, 2006: 11), that is, of a suitable age, and without physical or mental impairment, or childcare responsibilities. In contrast, "unemployable" applied to those deemed "not valid and/or not ready for work" (Gazier, 2006: 11), and consequently, in need of welfare assistance. As McQuaid & Lindsay (2005: 201) argue, while helpful for distinguishing between 'employable' and 'unemployable' at a time of mass unemployment, this overly simplistic definition was more of an emergency distinction than a deliberate labour market policy tool.

The second generation of employability definitions began circa 1950, and persisted until the 1980s, consisting of three different definitions of the concept: "socio-medical employability", "manpower policy employability", and "flow employability". Two of these definitions, the "socio-medical" and "manpower policy" variants, are purely individual in their focus or scope, "[introducing] scales of individual employability with various lists of items" (Gazier, 2006: 12). Socio-medical employability sought to establish the work requirements necessitated by employment and examined the distance between the existing work capabilities of the physically and/or mentally disadvantaged. This version of employability focused predominantly on corporeal

and medical qualities and abilities of individuals (such as their physical strength and ocular abilities), and aimed to assess and overcome barriers to employment.

"Manpower policy employability" was predominantly used in the US from the 1960s. It extended the fundamental principals of socio-medical employability to other socially disadvantaged groups, with a continued emphasis on the distance between the work capabilities of these groups and those necessitated by work. However, it prioritised a different set of items, and focused largely on the social and educational capacities of individuals, such as the presence and/or level of qualifications, ownership of a driver's licence, extent and type of work experience, and social acceptability items such as appearance and criminal records. This framework was largely used by social workers who sought to reintegrate disadvantaged workers through training and placement actions.

The last of the second generation employability definitions – "flow employability" – first emerged within the French sociological literature of the 1960s. It adopted a much broader approach to employability than its rather individualistic second generation counterparts, and focused on the collective elements that may impact – positively or negatively – on the fate of a group of unemployed individuals. It referred largely to the demand side components of employability, namely the needs of the employer, and/or the accessibility of employment within local and national economies. In this framework, employability and vulnerability (the probability of falling into unemployment) are dependent on macro-economic factors: a period of economic expansion positively impacts upon employability, and correspondingly, any slowing down worsens it.

All three of these second generation employability definitions were abandoned in the early 1980s. The first two conceptualisations of employment were criticised because scores on their proposed item lists failed to correlate with, or predict, observed re-employment rates of unemployed individuals. Flow employability, on the other hand, was discarded purely because its primary focus on demand side considerations, macro-level economic change, and the absorption rate of the economy (McQuaid & Lindsay, 2005) seemed inadequate for the purpose of "orienting re-integration policies" (Gazier, 2006: 12).

The third generation of employability similarly consists of three definitions. The first of these – "labour market performance employability" – gained international usage at the end of the 1970s. Unconcerned with factors relating to causality, labour market performance employability is defined, somewhat simplistically, as being able to support oneself "through labour market participation" (Gazier, 2006: 12). It was measured through "concrete" outcomes of employability-enhancing programmes (and other labour market policy interventions), such as numbers of days employed, hours worked, and payment rates (McQuaid & Lindsay, 2005). This definition could be used retrospectively to evaluate the efficacy of such programmes, but it did not allow the causes of the labour market performances to be evaluated (Gazier, 2006).

The second definition of the third generation definitions – 'initiative employability' – first emerged in the human resource development literature of North America and Europe during the late 1980s. This conceptualisation of employability reflected a burgeoning awareness on the part of both individuals and organisations that

successful career development required, first, the nurturance of skills that are transferable; and second, the flexibility to move between job roles (Gazier, 2006). Once again, the emphasis is on the individual/employee, with the onus on workers to develop their workplace skills and networks, so strengthening their position when they need, or wish, to move from one position or organisation to another (McQuaid & Lindsay, 2005).

The most recent of these definitions – "interactive employability" – emerged in the 1980s, first in North America, before gaining acceptance internationally. This strand of employability maintains the emphasis on individual abilities, while also acknowledging that the employability of individuals is relative to a number of social and structural factors: for example, the employability of others, and the "opportunities, institutions and rules that govern the labour market' (McQuaid & Lindsay, 2005: 201). Employability, in this instance, is dependent on a host of factors; it is the product of an intersection between individual qualities and characteristics and labour market dynamics within a given employment sector (de Grip et al., 2004, in Gazier, 2006).

Although some of the above definitions of employability may retain a degree of utility (for example, labour market performance employability continues to be used in policy evaluation, and initiative employability is employed selectively in human resource development (McQuaid & Lindsay, 2005) and in "activating" discourses (Gazier, 2006: 13)), it is the latter of the third generation definitions – interactive employability – which now prevails within contemporary labour market policy (Gazier, 2006). However, as indicated in the introductory section, this is not to suggest that there is anything resembling a consensus on the horizon: employability "remains a hotly contested concept in terms of its use in both theory and policy" (McQuaid et al., 2005: 191).

As argued in Section 1, what is apparent is that recent changes in the economies of advanced industrial societies have given rise to a concern with employability that is manifestly distinct when compared to its earlier incarnations. Although Williams (2005: 33) considers there is "nothing new" in the idea that the work skills and personal qualities of workers desired by employers will evolve in relation to the changing requirements of industry and the economy, Van der heijde and Van der Heijden (2006: 451) perceive a more intimate link between:

> "…the conceptualization of employability and certain historical work and organizational developments in Western countries…in relation to the transition from an industrial to a postindustrial society…Employability is a symbol used to address work-related problems related to this transition".

The following section will explore the nature of this transition and its implications for employment in more detail.

SECTION 3: THE RISE OF EMPLOYABILTY AS A LABOUR MARKET POLICY CONCEPT

3.1   Introduction

Over the last 30 years, a number of factors have combined to radically change contemporary Western economies and labour markets. Given that these changes have been thoroughly examined by numerous commentators, and already alluded to in Section 1, this section will attempt to provide a broad – as opposed to detailed – sketch of the major changes and their implications for the nature of employment. Much of the focus in Section 3.2 below is on the policy responses to these changes advocated by the OECD.

The second part of the section discusses the development of employability frameworks in Australia and Canada in order to provide concrete examples of the way two nations have responded to these broad changes. Two selected frameworks are outlined: *Employability Skills for the Future* (ACCI/BCA, 2002) and *Employability Skills 2000+* (Conference Board of Canada, 2000). While there are, undoubtedly, countless frameworks that could be assessed, these two frameworks are considered to be broadly reflective of many of the other employability frameworks that currently exist throughout the world. Finally, selected studies into employers' views of employability are briefly outlined.

3.2   The Knowledge Economy

One of the key arenas in which debates about employability have been carried out is in the social and economic policies of major supranational organisations that act as think-tanks for developed nations (ACCI/BCA, 2002; McQuaid & Lindsay, 2005). Although the OECD is less inclined to use the term 'employability' than other organisations such as the International Labour Organisation (McQuaid & Lindsay, 2005), the OECD has played a key role in promoting active labour market policies and investment in human capital in member nations. An influential OECD report – *The Jobs Study* (1994) – is credited with sparking initial debates around the shifts that had and were occurring in contemporary economies that were perceived as having a major impact on labour market dynamics (OECD, 2006). *The Jobs Study* reflected a foremost concern with unemployment and the dramatic increases in wage inequality being experienced in OECD countries.

According to the OECD (1994), following the turbulent economic environment of the 1970s, the 1980s were characterised by a time of increasing financial market liberalisation and product market deregulation. The trend towards globalisation also played a major role by increasing international investment, trade, collaboration and competition. OECD labour markets experienced fundamental changes in the sectorial composition of jobs, for example, the proportion of jobs in agriculture and industry declined while employment in the service sector (finance, insurance and business services, community and personal services) rose rapidly. Technological change was

altering the nature of jobs and the skills sets required in employees and this was creating a general trend in labour demand away from low-paid unskilled jobs towards more highly skilled ones (OECD, 1994). As the OECD argued:

> "Structural unemployment grows from the gap between the pressures on economies to adapt to change and their ability to do so. Adaptation is fundamental to progress in a world of new technologies, globalisation and intense national and international competition…But…OECD economies and societies are inadequately equipped to reap the gains. Policies and systems have made economies rigid, and stalled the ability and even willingness to adapt. To realise the potential gains, societies and economies must respond rapidly to new imperatives and move towards the future opportunities" (OECD, 1994: Introduction).

Indeed, numerous commentators agree that, more than any other factor, technological innovation has been the driving force behind the shift to a knowledge economy in advanced capitalist economies (Pont & Werquin, 2001; Brown et al., 2003; Van der Heijde & Van der Heijden, 2006). Within a knowledge economy, value is created by productivity and innovation; thus the knowledge held by technical, scientific and other highly skilled professional workers is regarded as a key resource that enables firms to achieve performance and competitiveness (ACCI/BCA, 2002; Van der Heijde & Van der Heijden, 2006). In this context, employability is increasingly seen as a potential source of national competitive advantage (Taylor, 1998; Brown et al., 2003). Moreover, it is increasingly argued that, given the realities of an increasingly competitive global marketplace, national governments cannot be relied upon to guarantee employment for all. Instead, the role of government is to ensure all citizens are given the opportunity to enhance their employability, a strategy that is believed to have positive outcomes for labour market participation for even the most disadvantaged workers (Brown et al., 2003; McQuaid & Lindsay, 2005; Lunt, 2006).

The OECD (1994) argued that policy was needed in a number of areas, placing considerable importance on active labour market policies to improve access to the labour market and jobs, develop job-related skills, and promote more efficient labour markets. For instance, the OECD advocated that member nations adapt and align education and training systems with the needs of employers in order to upgrade skills and competencies and maximise the absorption of new technologies. The report argued that life-long learning needed to "become a central element in a high-skills, high-wage jobs strategy" (OECD, 1994: 2d). Life-long learning ideally starts with pre-school and early childhood development to provide a foundation for subsequent learning, and progresses through schooling, school-to-work transitions (including apprenticeships), a better balance between post-secondary school education and training, and enhancement of on-the-job training for adults. Flexible working time was promoted as a model that would encourage more women to work, and would more easily enable employees to participate in the new ethos of life-long learning. Finally, the OECD argued that tax and benefit systems required reform, including lower benefits to increase work incentives and in-work payments to encourage people to take low-wage jobs. In 2006, the *OECD Employment Outlook* reassessed the 1994 report, arguing that "the record shows that those countries which implemented its recommendations outperformed those who did not" (OECD, 2006: 12).

3.3   National Employability Frameworks and Employers' Views of Employability

As indicated in Section 1, the major requirement of this review was to present an account of employer definitions of employability. It soon became apparent, however, that few academic studies dealt explicitly with the employer view. Nonetheless, as the following discussion of employability frameworks developed in Australia and Canada will show, employer consultation has been a key way of developing employability frameworks and policy recommendations. In this sense, the various frameworks discussed below can be taken as indicative of employer definitions of employability. As an additional information source, the results of several Labour Market Dynamics (LMD) research reports into employment and skill requirements and selected other studies will be used to explore employer definitions.

Employability in the Australian Context

Williams (2005) provides a useful background discussion that traces the emergence of the concern with employability skills in Australia, writing that Australia embarked on as series of industrial and economic reforms during the 1980s and 1990s in an effort to enhance global competitiveness. A key aspect of this was the reorganisation of the Australian Vocational Education and Training (VET) system to align educational standards and frameworks with industry and employer needs. Following the emphasis on the development of key competencies in the US, Britain, and the OECD's DeSeCo project, Australia also attempted to define a set of transferable, generic skills regarded as critical to ensure workers' effective participation in employment. Ongoing concern about Australia's ability to operate in a knowledge-based economy resulted an early effort to develop an employability framework – the Mayer Committee's (1992) *Putting General Education to Work: The Key Competencies Report* – being revisited in three commissioned government reports which each contained revised frameworks:

- *Review of Research: Generic Skills for the New Economy* (Kearns, 2001)
- *Employability Skills for Australian Industry: Literature Review and Framework Development* (Curtis & McKenzie, 2001)
- *Employability Skills for the Future* (ACCI/BCA, 2002)

Given the significant overlap between the three frameworks, this section will focus on just one – *Employability Skills for the Future* (ACCI/BCA, 2002; McLeish, 2002) – which contains two broad categories of employability skills, distinguishing between personal attributes and skills.

'Personal attributes' are described as a set of non skill-based behaviours and attitudes that employers consider to be as important as employability skills and other technical or job-specific skills. Employers increasingly place a strong emphasis on employees exhibiting appropriate personal attributes that are acceptable to their working peers and the customer, and are also in line with the company's approach. The following personal attributes were identified in the employability skills framework:

- Loyalty
- Commitment
- Honesty and integrity
- Reliability
- Personal presentation
- Commonsense
- Positive self-esteem
- Sense of humour
- Balanced attitude to work and home life
- Ability to deal with pressure
- Motivation
- Adaptability

'Employability skills', on the other hand, denote the learned capacities of individuals. They include communication and teamwork, problem solving, initiative and enterprise, planning and organising, self-management, learning, and technology. The significance of each skill set is briefly outlined below, and the major elements of each are listed.

Communication skills were regarded as critical to customer service, workplace harmony, effective operations and productivity. The elements of communication identified included:
- Listening and understanding
- Speaking clearly and directly
- Writing to the needs of the audience
- Negotiating responsively
- Reading independently
- Empathising
- Using numeracy effectively
- Understanding the needs of internal and external customers
- Persuading effectively
- Establishing and using networks
- Being assertive
- Sharing information
- Speaking and writing in languages other than English

In the face of structural change, the growing complexity and diversity of services and products being provided, use of outsourced service providers, workplace flexibility and multiskilling were all identified as key contributing factors to the demand for *teamwork skills* in employees. The elements of teamwork skills identified in the study include:
- Working with people of different ages, gender, race, religion or political persuasion
- Working as an individual and as a member of a team
- Knowing how to define a role as part of a team
- Applying teamwork skills to a range of situations, e.g. futures planning, crisis problem solving
- Identifying the strengths of team members

- Coaching, mentoring and giving feedback

Enterprises indicated that employees needed to show a level of initiative in identifying and *solving problems* before they had an impact on production or service delivery. The ability to make decisions about work-based problems without supervisor involvement was viewed as a way to reduce the reliance on others to solve job-specific or workplace problems. The following elements of problem solving were considered important:
- Developing creative, innovative solutions
- Developing practical solutions
- Showing independence and initiative in identifying problems and solving them
- Solving problems in teams
- Applying a range of strategies to problem solving
- Using mathematics including budgeting and financial management to solve problems
- Applying problem-solving strategies across a range of areas
- Testing assumptions taking the context of data and circumstances into account
- Resolving customer concerns in relation to complex project issues

Employers indicated that the skill of *initiative and enterprise* was assuming greater importance in many workplaces. Elements of this skill include:
- Adapting to new situations
- Developing a strategic, creative, long-term vision
- Being creative
- Identifying opportunities not obvious to others
- Translating ideas into action
- Generating a range of options
- Initiating innovative solutions

It is increasingly important for employees to be adept at *planning and organising*, specifically, time management and project management capabilities. The following elements apply to this skill:
- Managing time and priorities: setting timelines and coordinating tasks for self and with others
- Being resourceful
- Taking initiative and making decisions
- Adapting resource allocations to cope with contingencies
- Establishing clear project goals and deliverables
- Allocating people and other resources to tasks
- Planning the use of resources including time management
- Participating in continuous improvement and planning processes
- Developing a vision and a proactive plan to accompany it
- Predicting: weighing up risk, evaluating alternatives and applying evaluation criteria
- Collecting, analysing and organising information
- Understanding basic business systems and their relationships

The elements of *self-management* include:
- Having a personal vision and goals
- Evaluating and monitoring own performance
- Having knowledge and confidence in own ideas and vision
- Articulating own ideas and vision
- Taking responsibility

All enterprises surveyed recognised the importance of *learning and skill development*, emphasising the need for employees to exhibit a proactive approach to managing their learning. The following elements of this skill were identified:
- Managing own learning
- Contributing to the learning community at the workplace
- Using a range of mediums to learn: mentoring, peer support, networking, IT, courses
- Applying learning to technical issues (e.g. learning about products) and people issues (e.g. interpersonal and cultural aspects of work)
- Having enthusiasm for ongoing learning
- Being willing to learn in any setting: on and off the job
- Being open to new ideas and techniques
- Being prepared to invest time and effort in learning new skills
- Acknowledging the need to learn in order to accommodate change

The framework also acknowledges the key role of *technology* and the need for employees to be able to operate effectively in an increasingly technological environment. The following elements of technology skills were identified:
- Having a range of basic IT skills
- Applying IT as a management tool
- Using IT to organise data
- Being willing to learn new IT skills
- Having basic occupational health and safety knowledge to apply technology
- Having the appropriate physical capacity

Employability in the Canadian Context

Reflecting similar debates in other developed countries, Taylor (1998) writes that the employability discourse in Canada is connected to the broader Canadian discourse around the need to forge closer ties between business and education in order to ensure Canada is competitive and successful in the global economy. Drawing on the argument that a more skilled workforce was the key to renewed Canadian prosperity, from the early 1990s, corporate bodies and politicians moved to address the needs of the information age by emphasising the need to develop 'knowledge workers' with high employability skills. The *Employability Skills Profile* (ESP) was first developed in 1996 by the business-sponsored organisation, the Conference Board of Canada, as part of its Corporate Council on Education programme. The ESP has since become the dominant employability framework in Canada and has been widely adapted in Canadian career education and life skills programmes (Butterwick & Benjamin, 2006). In 2000 a revised framework that expanded on the 1996 framework was published: *Employability Skills 2000+*.

In the 1996 ESP, 'academic skills' are described as the skills which provide the basic foundation to get, keep and progress on a job and achieve good results. The 2000 framework renames this skill set 'fundamental skills', describing them as the skills needed to provide a base for further development. They include:

Communicate:
- Read and understand information presented in a variety of forms (e.g., words, graphs, charts, diagrams)
- Write and speak so others pay attention and understand
- Listen and ask questions to understand and appreciate the points of view of others
- Share information using a range of information and communications technologies (e.g., voice, e-mail, computers)
- Use relevant scientific, technological and mathematical knowledge and skills to explain or clarify ideas

Manage Information:
- Locate, gather and organize information using appropriate technology and information systems
- Access, analyze and apply knowledge and skills from various disciplines (e.g., the arts, languages, science, technology, mathematics, social sciences, and the humanities)

Use Numbers:
- Decide what needs to be measured or calculated
- Observe and record data using appropriate methods, tools and technology
- Make estimates and verify calculations

Think & Solve Problems:
- Assess situations and identify problems
- Seek different points of view and evaluate them based on facts
- Recognize the human, interpersonal, technical, scientific and mathematical dimensions of a problem
- Identify the root cause of a problem
- Be creative and innovative in exploring possible solutions
- Readily use science, technology and mathematics as ways to think, gain and share knowledge, solve problems and make decisions
- Evaluate solutions to make recommendations or decisions
- Implement solutions
- Check to see if a solution works, and act on opportunities for improvement

The 1996 ESP viewed personal management skills as a combination of skills, attitudes and behaviours required to get, keep and progress on a job and to achieve good results. The revised 2000 framework described them as the personal skills, attitudes and behaviours that drive ones potential for growth. They include:

Demonstrate Positive Attitudes and Behaviours:
- Feel good about yourself and be confident

- Deal with people, problems and situations with honesty, integrity and personal ethics
- Recognize your own and other people's good efforts
- Take care of your personal health
- Show interest, initiative and effort

Be Responsible:
- Set goals and priorities balancing work and personal life
- Plan and manage time, money and other resources to achieve goals
- Assess, weigh and manage risk
- Be accountable for your actions and the actions of your group
- Be socially responsible and contribute to your community

Be Adaptable:
- Work independently or as a part of a team
- Carry out multiple tasks or projects
- Be innovative and resourceful: identify and suggest alternative ways to achieve goals and get the job done
- Be open and respond constructively to change
- Learn from your mistakes and accept feedback
- Cope with uncertainty

Learn Continuously:
- Be willing to continuously learn and grow
- Assess personal strengths and areas for development
- Set your own learning goals
- Identify and access learning sources and opportunities
- Plan for and achieve your learning goals

Work Safely:
- Be aware of personal and group health and safety practices and procedures, and act in accordance with these

The 1996 ESP denoted teamwork skills as those skills needed to work with others on a job and to achieve the best results. The 2000 framework describes them as the skills and attributes needed to contribute productively. The skills include:

Work with Others:
- Understand and work within the dynamics of a group
- Ensure that a team's purpose and objectives are clear
- Be flexible: respect, be open to and supportive of the thoughts, opinions and contributions of others in a group
- Recognize and respect people's diversity, individual differences and perspectives
- Accept and provide feedback in a constructive and considerate manner
- Contribute to a team by sharing information and expertise
- Lead or support when appropriate, motivating a group for high performance
- Understand the role of conflict in a group to reach solutions

- Manage and resolve conflict when appropriate

Participate in Projects and Tasks:
- Plan, design or carry out a project or task from start to finish with well-defined objectives and outcomes
- Develop a plan, seek feedback, test, revise and implement
- Work to agreed quality standards and specifications
- Select and use appropriate tools and technology for a task or project
- Adapt to changing requirements and information
- Continuously monitor the success of a project or task and identify ways to improve

Other Employer Definitions of Employability

In 2004 and 2005, the LMD Research Programme at Massey University conducted a series of studies into employment and skill requirements across a variety of urban and regional labour markets in New Zealand.[3]   The studies explored difficulties employers were experiencing in relation to recruiting employees, the skills and attributes they considered lacking in applicants, and reasons why current staff were not fully proficient. As such, the data provides a good indication of what New Zealand employers consider constitutes employability.

A key area of questioning in each study concerned current vacancies and hard-to-fill positions in an effort to determine the skills and employee qualities employers generally found difficult to obtain in recruits. Across the five studies, roughly half of the employers surveyed had current vacancies at the time of the research.[4] Employers were also asked whether they had any roles in their organisations that were generally hard to fill in order to provide a clearer picture of whether vacancies were related to the normal functioning and friction of the labour market or if they more problematic and persistent. The majority of employers in each study reported that one or more position/s within their organisation were generally hard to fill.[5] Each study explored the nature of these hard to fill positions in more detail, attempting to identify the most common causes of hard to fill positions. For two of the five studies, 'a low number of applicants generally' was the most significant cause of hard to fill vacancies (a reason also quite significant for the other studies), but across the other three studies, the most significant cause was a 'low number of appropriate applicants'.[6]

'Technical or practical skills' were the most difficult skills to obtain in applicants to hard to fill positions across all five studies, and when combined with the category 'IT or software skills' indicated that technical skills were generally difficult to obtain for around one-quarter to one-third of employers with hard to fill positions. However,

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[3] The largest study (de Bruin, McLaren, & Spoonley, 2005) covered four labour markets including two urban regions – Auckland and Wellington – and two semi-rural regions with smaller urban centres – Wanganui/Manawatu and Gisborne/East Coast (abbreviated to AWWG for the purposes of this report). A further semi-rural region – Wairarapa – was explored in a later study (McLaren, Leggatt-Cook & Spoonley, 2005), and several studies explored smaller labour markets within the Auckland Region encompassed by the Territorial Local Authorities of North Shore City (McLaren, Maidment & Spoonley, 2004), the Rodney District (McLaren, Westbrooke & Spoonley, 2004), and Waitakere City (McLaren & Spoonley, 2005).
[4] 29.7 percent North Shore; 47 percent Rodney; 47 percent AWWG; 56.9 percent Wairarapa; 66.4 percent Waitakere.
[5] 55.2 percent AWWG; 62.8 North Shore; 66.4 percent Waitakere; 74.1 percent Rodney; 74.6 percent Wairarapa.
[6] 11.0 percent Wairarapa; 18.6 percent Rodney District; 23.5 percent Waitakere City; 27.6 percent North Shore; no comparable figures for AWWG.

just over one-third of employers with hard to fill positions (and a majority of 55 percent in the North Shore study) considered that a variety of 'general' skills were difficult to obtain. These skill categories included: 'oral communication skills', 'problem solving skills', 'team working skills', 'literacy', and 'numeracy'.

Four of the studies went on to explore the personal qualities or attributes that employers experienced as difficult to find in applicants. The top two personal qualities or attributes were consistently 'attitude' (around one-quarter of responses) and 'work ethic' (around one-fifth of responses), although commitment, punctuality, presentation, interpersonal skills, and respect were all high on the list of qualities most difficult to obtain. In all cases, the high number of total responses in relation to the number of employers who responded to this question indicated that employers typically found that more than one personal quality was missing from applicants.

Two of the studies (North Shore City and Rodney District) also incorporated qualitative interviews with a small number of employers. The qualitative interviews confirmed that employers placed high regard on core/generic skills including interpersonal skills, attitudes, appropriate communication skills, good presentation, and a positive attitude to work, and frequently found it difficult to obtain these skills. Some employers regarded these basic skills and attitudes as more important for making a decision about whether to hire someone than technical skills and formal training. As one employer in the hospitality industry commented:

> "We tend to employ on attitude as opposed to skills test. Generally, we can teach people how to use a till, or we can teach people how to make a cup of espresso coffee, but it's very hard to teach people to turn up to work on time, or not to turn up hung-over…" (McLaren, Westbrooke & Spoonley, 2004: 43).

It is interesting to note that Devins and Hogarth's (2005) study into employers' recruitment practices showed that employers who were seeking to fill 'lower-level' occupations, for example, workers in a fast-food restaurant, tended to employ people on the basis on personal characteristics such as interpersonal skills, clean appearance and a positive attitude, rather than qualifications.

In the Rodney and North Shore studies employers singled out young people, or school leavers,[7] as having problematic attitudes towards work, especially in relation to their work ethic and commitment to remain with one employer. This finding aligns well with research by Taylor (2005) into the discourse on youth workers in Australia and the commonly held beliefs that they lack the right attitude to work (such as a willingness to work and the desire to learn), basic skills (such as numeracy and literacy, teamwork, communication) and an understanding of the way businesses operate, including the need to make a profit. Handel (2003) too presents evidence that employers in the US are less concerned about cognitive skills deficits than what they consider poor work habits, motivation, demeanour, and attitudes, described as "signals of general employability and readiness for work" (Holzer, 1996: 60, in Handel, 2003: 154).

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[7] 'Young people' and 'school leavers' are not necessarily the same, even though there is considerable overlap in the interview data. 'School leavers' implies people who have been employed directly from secondary or tertiary education institutions, while some young people will have come into their current jobs directly from other jobs.

Three of the LMD studies also explored the proficiency of current employees in order to indicate the existence of any skills gaps in the workplaces surveyed. Nearly two-thirds of employers in the Wairarapa study stated that some current employees were not fully proficient, with 'lack of experience/recently recruited' the main issue in over 40 percent of cases and 'recruitment problems/lack of numbers' the second most common reason for 15 percent of cases. In the Rodney study, nearly half of the employers considered that some current employees were not fully proficient. Again, 'lack of experience/recently recruited' was cited as the main reason but 'staff lack motivation' was also a key problem. Just over one-quarter of employers in the North Shore City felt staff proficiency was an issue, with the motivation of staff cited as the main problem.

Finally, four of the studies asked employers what skills they thought would become more important in the near future. In all but one of the studies, a variety of personal qualities and interpersonal skills comprised the majority of responses.[8] Technical, trade, and other job-specific skills were the next most common skill group cited by employers.[9] Literacy and numeracy were also common themes across all four studies, but these skills typically ranked low, around 2-5 percent of responses. The Employability Skills Survey conducted by Victoria University of Wellington (Vic Careers, 2006) similarly demonstrated that employers are seeking a range of basic skills, such as strong verbal and written communication skills, the right attitudes to work, such as a flexible and adaptable 'can do' attitude, in addition to skills associated with the new skill set, such as teamworking and problem solving skills.

In relation to the UK context, Hartshorn and Sear (2005) draw on and extend the work of Covin and Slevin (1991) to promote the argument that "enterprising skills are the new employability skills set" (Hartshorn & Sear, 2005: 276). Adapting the five dimensions of firm-level entrepreneurship identified by Lumpkin and Dess (1996), Hartshorn and Sear (2005) set out to test their hypothesis that innovativeness, autonomy, risk taking, proactiveness and competing intensively constitute the key individuals skills and behaviours required by contemporary organisations. According to their secondary analysis of data from three research and development projects undertaken in the North East of England, their hypothesis is indeed correct.

Innovation is associated with individual skills such as problem solving and creativity, and selected comments from the employers interviewed in the studies indicate that employees were not always open to new technologies and sometimes lacked the skills to work on some projects. Hartshorn and Sear (2005) argue that this reflects a mismatch between the nature of functionally driven employee training (attributed to the dominance of manufacturing in the area) and the new skill set required by employers. Employees of entrepreneurial organisations must be able to work autonomously, or "see ideas and projects through from beginning to end with minimal supervision" (Hartshorn & Sear, 2005: 277), and the mismatch of supply and demand for employees who could work autonomously was one of the themes to emerge for employers in the North East of England. For individuals, risk taking implies a degree of personal risk in relation to their work, and being proactive means researching and understanding markets and exhibiting anticipatory skills in relation to commercial

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[8] 52.8 percent In Waitakere; 58 percent in Rodney; 68.8 percent in North Shore; 42.4 percent in Wairarapa.
[9] 14.5 percent in Rodney; 18.5 percent in North Shore; 33.3 percent in Waitakere; 53.1 percent in Wairarapa.

opportunities. Finally, employability skills associated with competing intensively include strategic awareness of industries, competitors, and customers, and the ability to identify unconventional approaches to competing and the resilience to invest energy in a project and remain focused.

In conclusion, Hartshorn and Sear (2005) argue that their review highlights the need for individuals to exhibit a complex set of enterprising skills and competencies. However, they note that employers are still calling for more graduates and individuals with basic or vocational skills. Consequently, they set up three levels of an employability policy framework:

- Basic skills: literacy, numeracy, and the right attitudes to work (such as punctuality)
- Enterprising skills: evidence that recruits understand 'how' to engage in a modern knowledge economy that is characterised by speed or communication, increasing connections and interdependencies, technological change and knowledge-rich products
- Knowledge/sector-specific skills: this the contextual focus for both basic and enterprising skills, and there is a need for these skills to be creatively and flexibly transferable across contexts

3.4 Employer Definitions: Overall Comments

Although there is a considerable degree of variability in the precise terminology utilised in various employability frameworks, there is, nonetheless, a strong sense of uniformity across them. The elements of each framework, and the justifications for their inclusion, are now thoroughly familiar (and somewhat monotonous) arguments. Moreover, it appears that little genuinely new information is contributed by the studies discussed above, which in general, confirm the trend across OECD countries towards employers developing a strong demand for multi-skilled 'knowledge' workers, whose specialised vocational skills are supplemented with a wide range of core skills, and additional personal qualities.

Employer definitions, unsurprisingly, demonstrate an overwhelming emphasis on the characteristics and attributes of individuals. Yet an exclusively supply-side focus is criticised by many employability researchers (Peck & Theodore, 2000; Brown et al., 2003; Worth, 2003; Gore, 2005; Hartshorn & Sear, 2005; McQuaid & Lindsay, 2005; Butterwick & Benjamin, 2006). When compared to a more holistic employability framework, such as the model described by McQuaid and Lindsay (2005), it is apparent that there is minimal evidence of concern amongst employers in these studies of how personal circumstances (such as household circumstances, work culture and access to resources) impact on the employability skills and attributes of individuals.[10]

However, amongst the employers surveyed in the LMD studies at least, there is evidence that employers are aware of the impact of many demand factors. For

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[10] The LMD study of Rodney District (McLaren, Westbrooke & Spoonley, 2004), however, notes that two employers recognised that insufficient childcare policies were a cause of hard-to-fill vacancies in their companies.

example, the terms and conditions of jobs (what McQuaid & Lindsay (2005) would term 'vacancy characteristics') was noted as a common cause of hard-to-fill positions in many of the studies. In the LMD study of the Wairarapa Region (McLaren, Leggatt-Cook & Spoonley, 2005), the unappealing rural location of jobs in the area was cited as a key barrier to growth in employment, reflecting what McQuaid & Lindsay (2005) would describe as a feature of the local labour market in the Wairarapa. Several other demand side factors were noted across all the studies, including macroeconomic and labour market factors such as a general shortage of skills and government regulations that impacted on competitiveness. However, there was minimal recognition of the impact of recruitment factors in employability (McQuaid & Lindsay, 2005), with only the Rodney study (McLaren, Westbrooke & Spoonley, 2004) noting that three employers recognised that their company's recruitment strategies were a cause of hard-to-fill vacancies. The following section continues with this theme exploring other limitations of supply-side focused employability definitions.

SECTION 4: CRITICAL ANALYSIS OF EMPLOYABILITY FRAMEWORKS

4.1 Introduction

The purpose of this section is to present an alternative perspective to the official discourse of employability, what Brown et al. (2003) might denote as a 'conflict' theory of employability. A key criticism of the official discourse of employability is the predominant focus on the supply-side nature of the employment relationship and the attendant emphasis on individual responsibility for labour market outcomes. Much of the critique in this section is concerned with various aspects of this issue, particularly Section 4.2, while Section 4.3 presents a critical examination of this issue in relation to the notion of skills shortages. Section 4.4 addresses concerns with the privileging of employers' views in employability policy frameworks, but concludes that employers nonetheless have a critical role to play in the development of more holistic models of employability such as those described by Gore (2005) and McQuaid and Lindsay (2005). Section 4.5 discusses a range of problems associated with teaching and measuring employability and finally, Section 4.6 critiques the notion that employment is inherently sustainable and will contribute to the employability of workers. It should be noted that a number of additional comments relating to employability in the specific context of welfare restructuring could have been explored, however, it was decided that a comprehensive analysis of this substantial body of scholarship was beyond the scope of this review.

4.2 Supply-Side Orthodoxy

The critique of the predominant supply-side, or individual, focus in the policy oriented literature is probably one of the most repetitive themes in the academic literature on employability (Peck & Theodore, 2000; Brown et al., 2003; Worth, 2003; Gore, 2005; Hartshorn & Sear, 2005; McQuaid & Lindsay, 2005; Butterwick & Benjamin, 2006). Many definitions of employability that are used in policy frameworks are squarely centred on the individual, for example, according to Hillage and Pollard (1998: 1-2), "employability is about having the capability to gain initial employment, maintain employment and obtain new employment if required", going on to describe the four components of employability that, if successfully realised, will enable an individual to "move self-sufficiently within the labour market to realise potential through sustainable employment".[11]

In relation to the employability frameworks developed in Canada, an interesting shift of emphasis occurs between the 1996 and 2000 frameworks, suggesting that this rhetoric of individualism may have intensified over time. The 1996 *Employability Skills Profile* describes the academic, personal management and teamwork skills required to "form the foundation of a high-quality Canadian workforce both today and tomorrow" (Conference Board of Canada, 1996) whereas the *Employability Skills*

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[11] Several other supply-side focused definitions of employability were discussed in Section 1.

2000+ framework refers to "the skills YOU need to enter, stay in, and progress in the world of work – whether you work on your own or as part of a team" (Conference Board of Canada, 2000, emphasis in original). The 1996 framework takes a broad view of the way employability skills are obtained, arguing that employability skills:

> "…are developed in school and though a variety of life experiences outside school. The student, the family and the education system, supported and enhanced by the rest of society, share this responsibility" (Conference Board of Canada, 1996).

In contrast, the 2000 framework places greater onus on the individual playing the central role in coordinating the acquisition of skills from diverse sources:

> "You can develop your Employability Skills 2000+ at home, at school, at work and in the community. Family, friends, teachers, neighbours, employers, co-workers, government, business and industry can all play a part in helping you build these skills" (Conference Board of Canada, 2000).

The 2000 framework also displays a greater emphasis on the broad relevance of the framework, arguing that the skills identified in *Employability Skills 2000+* can be applied beyond the workplace into people's daily lives and personal activities.

Presented as value-free policies with generic applicability, such frameworks often appear innocuous and eminently sensible, however, the implication is that the blame for failure to find and/or maintain employment is placed squarely on the individual (Brown et al., 2003), their perceived personal deficiencies (Worth, 2003), or their lack of "right" attitudes to work (Butterwick & Benjamin, 2006). When such arguments are applied to the activation of the unemployed, this kind of supply-side fundamentalism, which locates both the causes of and the remedies to unemployment on the supply side of the labour market:

> "…insists that the unemployed should be implored – and *impelled*, if necessary – to price themselves back into work; and maintains that the state has neither the responsibility nor the capability to create jobs, but instead should work aggressively on the supply side to 'flexibilise' and 'motivate' the unemployed" (Peck and Theodore, 2000: 729, emphasis in original).

Bound up with concerns about welfare as a site of dependency that traps the poor on the margins of society, it is often argued that individuals are not lacking employability because of a shortage of job opportunities or demand from employers, but because of their own willingness and motivation to work. The role for government is thus to encourage and support individuals into employment through a range of programmes, which in Britain under Labour's New Deal, includes job-search assistance, subsidised employment, basic education and training, and work experience. The trade-off, however, is that penalties (such as benefit reduction) apply for non-participation in such programmes (Peck & Theodore, 2000), revealing a subtle blend of "voluntarism and compulsion" (Hartshorn & Sear, 2005: 272). There are strong parallels between the programmes of welfare restructuring in Britain and those in New Zealand, with

both policy contexts exhibiting "a shift of emphasis from *assuring* employment to *insuring* individuals via 'employability'" (Lunt, 2006: 483, emphasis in original).

The rhetoric of individualism in the official discourse of employability rarely accounts for the complex interweaving of individual factors, personal circumstances and external, demand-side factors that impact on the employability of any one individual (McQuaid & Lindsay, 2005; Lunt, 2006). Green, Shuttleworth and Lavery (2005), for example, explore how young Irish people's perceptions of the area in which they might look for work impacts on the job search process, showing how factors such as limited mobility, lack of confidence and religion intertwine to limit perceived employment opportunities. Official policy also tends to overlook the enduring impact of structural discrimination on labour market outcomes, with Brown et al. (2003) arguing that the predominant view of employability assumes that the knowledge economy has created, or is creating, a meritocracy whereby the emphasis on recruiting talent negates traditional class, gender and ethnic inequalities in relation to the labour market. However, it is well known that different groups of graduates receive different levels of returns on their education depending on their gender, ethnicity and social class (Moreau & Leathwood, 2006) and that social background continues to have a major impact on education and employment trajectories (Brown et al., 2003).

Moreover, several writers make reference to the notion of a "hierarchy of job seekers" (Brown et al., 2003: 111), or as Handel (2003: 160) puts it "one's relative position in the worker queue", arguing that employability does not only depend on possessing the right skills, knowledge and competencies to do a job, but also on how one compares to other job applicants. While a recent Scottish study showed that any formal qualification increases the probability that an individual will be in some sort of paid work (Gasteen & Houston, 2007), a number of researchers have indicated that the expectation of higher financial returns from formal qualifications is increasingly problematic (Moreau & Leathwood, 2006) with mounting evidence that pay related underemployment (Brown et al., 2003) and insecure, non-standard work (Worth, 2002) are growing problems for tertiary education graduates. As Peck and Theodore (2000: 736) put it:

> "…employment tends to go to the *most* employable; it is a supply-
> side fallacy to suggest that improving employability will increase
> the aggregate level of labour demand" (emphasis in original).

Supply-side focused definitions of employability are thus "ideologically loaded"; failing to account for the "duality" of employability, namely, that employability depends on both individual capabilities and a assortment of factors that are external to the individual (Brown et al., 2003: 110). The following section continues the critique of supply-side arguments, this time with specific reference to the issue of demand and supply mismatches in relation to employability.

4.3   Demand and Supply Mismatches

As described in Section 3.2, it is widely accepted that the forces of global competition and innovations in technology and workplace practices have resulted in changes in the

skills profile required by employers. Coupled with demographic factors, changing expectations with regard to training and education, and the impact of international labour market recruitment, these forces have resulted in serious skills shortages for many developed countries (de Bruin et al., 2005). Concerns about the impact of this mismatch between skill demand and skill supply have constituted a central theme in the official discourse of employability, with the general view often being that "deep-rooted skills deficiencies [are] a major social problem and a principal barrier to economic and social improvement" (Handel, 2003: 138). Nonetheless, this contention is not held universally.

Handel (2003) systematically explores two key assumptions: that the skills mismatch is driven by workforce developments, namely the declining growth of human capital, and that the skills mismatch is driven by employer-side changes such as the accelerating growth of job skill requirements due to the spread of computers and employee involvement techniques. With regard to the skills of the workforce, Handel (2003) cites a range of studies that have attempted to test skill levels. Overall, it appears that the absolute cognitive skills levels of young people are as high or higher that 30 years ago, suggesting that the stories of cognitive decline (and failure of schools) have little empirical basis. However, if job skill requirements are increasing, then stability or even modest increases in cognitive skills might still imply a skills gap. With regard to job skill requirements, trend studies do indeed indicate a shift towards jobs requiring more skills, but according to Handel (2003) there is little evidence for acceleration in the last two decades. Regarding the technology focus of the debate, there is little evidence that computer skills were in short supply, nor evidence of a general shortage of other technical or high-level skills. Overall, Handel (2003: 159) concludes that:

> "…employers do complain about the difficulties of meeting their labor needs with the workforce available to them, but it is not clear if the concerns are more with workers attitudes than cognitive skills and whether the complaints apply to many groups beyond young workers, for whom many of the problems may be transitory".

In a similar vein, the conflict view of employability holds that educational expansion does not reflect the greater demand for high-skilled employees, but rather, credential inflation. Because individuals are more highly educated in general, there has been a decline in the value of academic credentials as a screening device for employers. According to Brown et al. (2003), this partly explains the new emphasis on 'soft' skills and personal qualities as a way of making distinctions between prospective employees, and moreover, framing debates around skills shortages.

Devins and Hogarth's (2005) study also critically examines the discourses around skills shortages, arguing that in areas with high unemployment, employer specification and recruitment practices might be as (or more) important as skills shortages in determining the extent of mismatch unemployment. Their study showed that many employers do not use job advertisement channels that reach the unemployed, and few employers made efforts to ease the transition into work for previously unemployed people. Although good induction processes, on-going development and training, and opportunities for career progression have all been

found to reduce labour turnover, Devins and Hogarth (2005) found that employers are often willing to accept the costs of labour turnover in lower-level occupations as 'a fact of life'. They conclude that the supply-side emphasis in employability policy that aims to address skills shortages has resulted in little commentary and analysis of the demand side, whereas employers have a key role to play in the creation of job opportunities and recruiting people who are at risk of social exclusion.

Debates around skills shortages can also run into difficulty when attempting to explain the persistence of long-term unemployment in areas where employers experience difficulties filling job vacancies. As Houston (2005) explains, the argument that the long-term unemployed lack generic employability resulting in a mismatch between the skills they possess and the skills required by employers (the 'skills mismatch' argument), is often used as a justification for UK employment initiatives aimed at activating the long-term unemployed. However, once more, the supply-side focus of the skills mismatch argument relies on a range of problematic assumptions which, according to Houston (2005) the spatial mismatch argument can address. For instance, it is assumed that job seekers are able to search for jobs and commute across the whole of a metropolitan area when in fact labour market areas will be spatially circumscribed by people's need for a reasonable journey to work (Fernandez & Su, 2004; Houston, 2005). This has been shown to impact on labour market outcomes for ethnic minorities, who in American cities are sometimes concentrated in locations where they are less likely to find job opportunities (Fernandez & Su, 2004); low-skilled people, because the housing market tends to segregate people of different socio-economic status (Houston, 2005); and women, who tend to commute less than men because domestic responsibilities place restrictions around their engagement with paid work (Fernandez & Su, 2004). Spatial frictions around employment access can create labour shortages in specific areas. A study of employers in the North Shore, for example, noted that the high cost of housing and limited public transport infrastructure in the area limited the pool of applicants to semi-skilled and unskilled positions (McLaren, Maidment & Spoonley, 2004). Higher skilled workers are more likely to commute longer distances because their higher income offsets the costs of travel. In short:

> "…skills and spatial mismatches interact and can be expected to reinforce one another. The lower someone's skills level, the more spatially restricted their catchment of potential jobs is likely to be" (Houston, 2005: 225).

The supply-side focus in measures to address unemployment assume that if individuals' skills and motivations are improved, that local labour markets can be entrusted to avail job opportunities for individuals to slot themselves into. However, as Houston (2005) and others (Peck & Theodore, 2000; Devins & Hogarth, 2005; Gore, 2005; McQuaid & Lindsay, 2005; Lunt, 2006) have argued, the level of an individual's employability will reflect spatial and temporal variations in labour markets and the variable economic performances therein. Indeed, under depressed local conditions, it is entirely possible for supply-side initiatives to increase the employability of the local population without raising the level of employment (Peck & Theodore, 2000).

4.4   Employer Definitions of Employability

A number of writers have critiqued the predominant focus on employer definitions in employability frameworks (Taylor, 1998; Harvey, 2001; Brown et al., 2003; Sanguinetti, 2004). Arguably, one of the key questions concerns whether the various employability profiles and frameworks accurately reflect the skills and competencies that *all* employers value. Hartshorn and Sear (2005) argue that the principal focus in many employability studies in the UK is on determining the skills and competencies an individual requires in order to achieve employment within a private organisation or business.   They suggest that other types of organisations, such as those in the voluntary sector, might regard the constitution of employability in a different way (unpaid, voluntary employment is often viewed as a valuable aspect of personal development for groups that are marginalised in relation to the labour market). Likewise, Taylor (1998) casts doubt on the Canadian *Employability Skills Profile* (Conference Board of Canada, 1996), noting that a disproportionate number of large, private-sector, technology-oriented firms were members of the corporate body responsible for developing the profile.

Although "employers' views are embraced by disciples" (Harvey, 2001: 97), several writers critique the notion that employers constitute the most suitable stakeholders to determine the nature of employability skills. Payne (2000, cited in Sanguinetti, 2004) for instance, argues that the skills employers' value necessarily overlap with attitudinal, behaviour and character traits that are embedded in the cultural capital of employers, who are more likely to represent certain social groups. Other writers have criticised the presentation of generic skills and attributes as "universal [elements] of the human condition, not dependent on any society or culture" (Williams, 2005: 45). Instead, the importance attached to certain attributes, such as autonomy, might be regarded as reflecting the values of Western society (Williams, 2005), while behaviours that demonstrate a recruit possesses suitable self-esteem might be highly culturally specific and thus vulnerable to misinterpretation by potential employers (Taylor, 2005). These issues are significant given that, as Harvey (2001: 102) puts it, "in the end it is the employers who convert the 'employability' of the graduate into employment".   We cannot assume that recruitment involves a rational appraisal of individuals and the skills they hold when research has shown that there are a wide range of factors that mediate the recruitment process and impact on employers' decisions about which graduates to hire.[12]

Some writers perceive somewhat sinister motives behind the role of employer bodies in the definition of employability, for example, Payne (2000, cited in Sanguinetti, 2004: 5) argues that "we have reached a point…where 'skill' means whatever employers and policy-makers want it to mean".   Taylor's (1998) paper on the development of the Canadian *Employability Skills Profile* (ESP) (Conference Board of Canada, 1996) goes further, using an ideological framework to critique the "state's endorsement of corporate-led initiatives in education and the formalization of its

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[12] Typical factors include employers' perceptions of the education institution graduates have attended (which depends on reputation and ranking) and of the discipline they have majored in, the extent and type of work experience graduates have gained while studying, as well as the range of what are commonly known as 'structural' factors relating to age, gender, ethnicity and social class (Harvey, 2001).

alliances with business" (Taylor, 1998: 146). As Taylor explains, the ESP appears innocuous at first, seeming to merely identify the range of skills Canadian employers are seeking in employees. Furthermore, she argues that the implementation of the ESP into educational policy in Alberta represents:

> "…an attempt to draw educators into the hegemonic vision of corporate affiliates – a vision that is consistent with the interests of these organizations" (Taylor, 1998: 148).

Williams (2005) noted that the three employability frameworks[13] that have had a major impact on debates in Australia did not involve community input, being based solely on industry and employer definitions. It is not unreasonable to suggest that the frameworks primarily serve the interests of those groups. By way of illustration, Williams' (2005) critique of the personal attributes employers allegedly look for in employees, demonstrates that the desired attributes in any given framework are sometimes contradictory (an observation also made by Taylor, 2005). In the ACCI/BCA (2002) framework, for example, workers are expected to be loyal and committed employees all the while remaining adaptable and flexible in their orientation towards work. Drawing on the work of Buchanan et al., (2001), Williams (2005: 41) explains that this configuration suggests:

> "…workers are being expected to invest more of themselves in a workplace in which they may only be peripherally and tenuously attached to an employer, while at the same time employers are seemingly disinvesting in their 'flexible' workforce through reducing their expenditure on training".

It must be said that even though there is just cause to remain cautious of the privileging of employer views in debates about employability, it would be erroneous to neglect their perspective. Many researchers stress the need to see employability as a complex, multifaceted concept (McQuaid & Lindsay, 2005; McQuaid et al., 2005; Gore, 2005), and any holistic view of employability must include consideration of what employers see as relevant skills and attributes. However, Gore (2005) goes further, seeing a specific role for employers in being more directly involved in the design of skills training and work experience programmes for both existing and potential employees. According to his analysis, demand-led approaches to labour market intervention have been shown to be effective for addressing problems of unemployment and skills shortages in the US and the UK. The Private Industry Partnership (PIP) programme at New York's Wildcat Corporation, for instance, involves a successful mix of ongoing engagement with employers around their labour needs, client training, and post-placement employment support. Gore (2005) argues that in being more explicitly linked to employers' current skills requirements, demand-led (in the US, 'employer-oriented') approaches have greater potential for leading to sustainable employment and career development and progression than strictly supply-side interventions. Overall, Gore (2005: 352) argues that it may be more fruitful to regard employability in relational, rather than individual, terms, given that:

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[13] The three frameworks are listed in Section 3.3.

> "…the processes of enrolment, training, work placement, recruitment, post-employment support and job retention all involve overlapping sets of social and organisational relations that vary not only between regions and sectors, but within them as well…all parties in the equation have a contribution to make in providing the conditions where [employability] can flourish".

4.5   Teaching and Measuring Employability

Given that, as Taylor (1998) notes, much of the finger pointing in terms of skills shortages has been directed at schools, it is important to note the presence of a number of unresolved issues in relation to the implications of employability frameworks for pedagogical practice.   Williams' (2005) critique of discourses around generic employability skills in Australia demonstrates the presence of major tensions around viewing personal attributes such as honesty and integrity as innate behaviours and attitudes, and therefore unteachable (even though workers are still expected to acquire them), or as skills, and therefore teachable. This problem is most apparent when the reports attempt to operationalise personal attributes in relation to vocational education and training, and it is not surprising that discussions of curriculum, pedagogy and assessment are decidedly sketchy in the Australian employability frameworks (Williams, 2005).   A further case in point is the DeSeCo project Strategy Paper (2002), which acknowledges that the development of appropriate assessment instruments is a complex and difficult issue that will require long-term coordinated research and development activity (Williams, 2005).

Harvey (2001) similarly notes a range of issues with the definition and measurement of employability, in particular, criticising the problematic tendency to use measures based on outcomes only. In the UK (where as of 2001 a number of moves were in place to link employability performance indicators with the funding of educational institutions), the proportion of graduates that have gained employment within six months of graduation is commonly used as an employability performance indicator for educational institutions.   However, as Harvey (2001) argues, this outcome measurement presupposes a causal link between the employability-development opportunities an individual engages with and their subsequent employability when in fact, a host of other factors ranging from a students' previous work and life experience, their extra-curricula activities, and the quality of employability training provided by the institution will impact on employability outcomes. Subsequently, given the real consequences of measurements of employability for funding, learning and teaching for institutions, Harvey (2001) proposes a more complex approach to determining the effectiveness of employability development.

Opinions differ also around the best way to teach employability skills. According to Green, Ashton and Felstead (2001) most academic and policy discourse on skills development emphasises the role of education and other formal training in the growth of workforce skills, with educational achievements and qualifications used as the main indicators of skills in the workforce. The UK government has responded to industry concerns by attempting to ensure schools and universities will develop employability skills in students, but Green et al. (2001) question whether these conventional education and training institutions are the best way to transmit the new

skill set. A German study (Dybowski, 1998, cited in Green et al., 2001: 411) showed that work based 'learning islands' that are integrated in the production process but still take place within a sheltered environment were more effective at developing problem solving, teamworking and communication skills than classroom based learning that simulated workplace settings. The results of Green et al.'s (2001) study concur with this finding, and they conclude that the contribution of work-based learning to skills development is more important than normally allowed for in the skills policy discourse.

The OECD has long argued that upgrading workers skills and competencies through Continuing Vocational Training (CVT) is critical to higher wage growth and protection against redundancy (OECD, 1994; OECD, 2006). This argument is taken up by some writers such as Bagshaw (1997: 187), who argues that employability can function as a new form of job security if it involves a "mutual psychological contract" whereby employers provide opportunities for self-development and employees avail themselves of those opportunities. However, a recent report suggests that OECD investment in adult education and training is currently too low (OECD, 2006). In OECD countries, firms pay for more than 70 percent of vocational training of employees despite the fact that most of this training is around general (transferable) skills rather than firm specific skills. This may be necessary because workers are often unwilling or unable to fund their own training, but employers concerns that newly trained employees will be 'poached' or tempted to leave their current job in search of a better one may reduce employers' incentive to train employees. In this regard it is interesting to note a study by Green, Felstead, Mayhew and Pack (2000) which assesses the impact of training on labour mobility. Contrary to popular belief, the study showed that, on average, training had no impact on labour mobility. If anything, training that is funded entirely by employers is more likely to cause a downward impact on labour mobility as it tends to create a greater commitment amongst employees. The authors conclude that "there appears to be a pervasive role for employers in the training market" (Green et al., 2000: 272).

Finally, some researchers critique the official discourse of employability for its reliance on problematic assumptions associated with traditional human capital theory (Worth, 2002; Brown et al., 2003; Handel, 2003). The key idea here is that there is a trade-off between personal investment (time and money) in skills and qualifications and the perceived rewards in terms of earning power and job status and that individuals will make rational decisions concerning such investments based on estimations of their labour market value (Groot & Van den Brink, 2000; Worth, 2002). An example of the importance of this view is provided by Van der Heijde and Van der Heijden (2006) who advocate that workers use a diagnostic employability framework to keep track of their skills and competencies, using this tool to determine what actions are needed to improve their employability throughout their career. However, young people's career decision-making is highly influenced by parents, peers and teachers (Worth, 2002), and is often opportunistic rather than rational (Miller, 1983, cited in Worth, 2002; Dupuis, Inkson & McLaren, 2005). Moreover, the relationship between investments in education and employability is considerably more complicated than human capital theory suggests, with one recent study showing that workers are rewarded for their willingness to follow managers' directions and observe other workplace norms as much as for the cognitive skills they hold (Bowles & Gintis, 2002, cited in Handel, 2003).

4.6   The Sustainability of Work

As described in Section 1, the official discourse of the knowledge economy is that investment in employability will lead to the creation of high-skilled, high-paid jobs and put an end to poverty and social exclusion, thereby securing national competitive advantage and prosperity. However, it is problematic to assume that there is a direct connection between employment (highly skilled or otherwise) and its inherent sustainability for the individual. As Brown et al. (2003) writes, the emphasis on employability in the knowledge economy is regarded as a key driver in the democratisation of capitalism, since the ownership of valuable intellectual capital is increasingly in the hands of knowledge workers. Moreover, because employers must find new ways of attracting and retaining talented workers, knowledge work is increasingly portrayed as a source of personal development and fulfilment in addition to ever more lucrative financial rewards (Brown et al., 2003).

However, some writers express concern about the impact of labour market churning, where people move between low-paid, contingent work and government welfare (Peck & Theodore, 2000; Worth, 2003; Lunt, 2006). Lunt (2006) sees cause to critique employability policies in New Zealand, arguing that strong 'work first' messages risk achieving greater employment participation of unemployed and jobless people at the expense of achieving sustainable employment matches. Under the British New Deal for Young People, for example, nearly half a million young people moved into employment. However, this total includes around 95,000 youth who lasted less than three months in their job. Similarly, Peck and Theodore (2000) argue that because supply-side measures to increasing the employability of unemployed people will not, in isolation, increase the level of labour demand, supply-side measures are more likely to redistribute labour market instability and poverty amongst the same groups that are already disadvantaged in relation to the labour market.

Furthermore, there is by no means consensus concerning the notion that we are now in an era of the knowledge driven economy, with both Brown et al. (2003) and Devins and Hogarth (2005) citing empirical evidence that the majority of workers do not require highly developed skills sets in order to perform their occupational roles. What is clearly obvious to some researchers is that there has been a polarisation in advanced industrialised economies between high-skill, high-income jobs and low-skill, low-paid jobs (Brown et al., 2003; Singley & Callister, 2003, cited in Lunt, 2006). Many low-paid jobs are simply 'dead end' jobs that provide little opportunity for advancement, and studies have shown that workers with lower earnings and employment security receive less occupational training than more privileged workers which further compounds their disadvantage (Forrier & Sels, 2003; OECD, 2006). It is really only a small occupational elite with high levels of general and specialist knowledge combined with initiative, energy and entrepreneurial flair that can be said to truly epitomise the notion of the 'knowledge worker', moving freely between organisations carrying their ever widening skill sets with them, achieving both autonomy and fulfilment in their work (Brown et al., 2003). It is unrealistic, therefore, for employability frameworks to assume that all workers are equally able to commit to the ideal of the lifelong learner-worker, remaining competitive in the labour market and protected from economic downturn.

SECTION 5: CONCLUSION

This literature review has sought to provide an overview of the contemporary concern with employability, and against this broad backdrop, to determine the predominant ways in which employers understand and articulate employability. As the mapping exercise in Section 1 showed, employability is a concept with a high degree of conceptual slippage that is currently deployed in a variety of interconnected policy contexts concerning skills shortages, local and global labour market dynamics, changing employment relationships, education and training policy, welfare restructuring, and social inclusion.

In general, the justification for the contemporary concern with employability is made with reference to a range of shifts that have occurred in contemporary labour markets, including globalisation, technological innovation, and changes in work practices and working relationships. Much of the concern with employability has come from the corporate world, which is increasingly demanding "knowledge" workers with competence in the "new" skill set (problem solving, teamwork, and so on), who can adapt to businesses increasing need for flexibility. Supranational organisations such as the OECD and the governments of developed nations are also key players in policy debates on employability, arguing for the importance of increasing national productivity and competitive advantage by achieving maximum labour force participation. It seems that employability is, as Brown et al. (2003: 107) puts it, "a notion that captures the economic and political times in which we live", when achieving economic and social prosperity – in short, health, wealth and happiness for all – depends on the ability of people to acquire the knowledge, skills and attributes that employers require in a knowledge economy.

However, this report has also sought to demonstrate that there is ample justification for remaining cautious about much of the rhetoric that surrounds the notion of employability. Brown et al. (2003), for example, argues that a major problem confronting labour market researchers is the lack of theoretically informed studies on employability. Policy debates are dominated by employer and government concerns about the supply of suitable graduates, and rigorous conceptual or empirical analysis is limited. Indeed, the concerns raised by many of the writers cited in Section 4 indicate that a range of tensions continue to plague the literature in this area. It is clearly problematic, for example, to accept employers' views of employability uncritically, and it is important to note that research into how best to operationalise, measure, and teach employability skills remains underdeveloped.

However, the prevailing emphasis on supply-side considerations is probably one of the key problems. Policy debates on employability typically demonstrate a tacit reliance on neo-liberal rhetoric which centralises the role of the individual in determining labour market outcomes. Such discourse remains problematic in the face of continuing evidence that a complex range of individual factors, personal circumstances and external, demand-side factors such as employer recruitment processes, local labour market considerations, and vacancy characteristics will shape employability. Following writers such as Gore (2005) and McQuaid and Lindsay

(2005), it seems necessary to stress the importance of developing more holistic frameworks and labour market interventions that pay due respect to the demand-side of employability.

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