

CHAPTER 1

Career Planning



Objectives

After reading this chapter you will understand the following:

1. The difference between a job and a career.
2. The different types of interviews.
3. The techniques used to develop a professional network.
4. The skills needed for effective salary negotiation.

1.1 A Job Versus a Career

Job or Career

Career planning is the process of studying and identifying careers, assessing your strengths and weaknesses and making decisions about a future career. Career planning involves six distinct steps. The six steps in career planning are as follows:

Step 1 Involves conducting a personal assessment. During this step you determine interests and values and identify talents and abilities. **Step 2** Involves conducting an employment market analysis by looking at geographic influences and business and economic trends. **Step 3** is the Application Process. This step looks at the application form and the presentation of the resume and cover letter. **Step 4:** is the interview Process which involves interview preparation and follow-up activities. **Step 5** is the Employment Acceptance phase which involves salary and financial factors negotiations and navigation of the organizational environment. **Step 6** involves conducting career Development and advancement activities. This final step involves practicing career success behaviors and developing strong work relationships. A **job** is something you do to earn money right now without factoring in future occupational goals. Career advancement is not something you're interested in there and the work often doesn't interest you at all. In five years, you'll likely not be doing anything like your current job. As a result, A job offers very few networking opportunities, because the people at a job are not people you'll likely know at a future job. This means that you shouldn't be investing significant emotional energy into the job. Just do what you're supposed to do with the minimum amount of expended mental and physical and emotional energy, and save that energy for other endeavors.

An occupation is a task or series of task that is performed to provide a good or service. A **career** is a series of connected employment opportunities (occupations), where you build up skills at earlier employment opportunities (occupations) to move you into higher paying and higher prestige employment opportunities (occupations) later on. In five years, you're planning to be doing something very similar to what you're doing now, but hopefully with more income and more interesting problems to tackle. A career is loaded with networking opportunities, as most of the people around you are involved in similar careers to yours and they'll keep popping up time and time again. In other words, you should be investing at least some emotional energy into a career. You should be looking for ways that you can get promotions and raises and bonuses and useful resume-building skills and experience. This means always going the extra mile and doing tasks that are beyond your minimum job description, building positive relationships with people around you, and so on.

career

a series of connected employment opportunities, where you build up skills at earlier employment opportunities to move you into higher paying and higher prestige employment opportunities later on

structural unemployment

one of the three types of unemployment, is associated with the mismatch of jobs and workers due to the lack of skills or simply the wrong area desired for work

frictional unemployment

is always present in the economy, resulting from temporary transitions made by workers and employers or from workers and employers having inconsistent or incomplete information

cyclical unemployment

Unemployment that is attributed to economic contraction

The form of your career strategy will depend on the kind of person you are. It may be very structured, or you may just need a few notes in each area - such as knowledge, skills and qualities, what you like doing and the type of jobs that interest you.

Step 1: Self-assessment helps you understand your personal and career goals, your interests, preferences, strengths and weaknesses.

Step 2: Consider your career options and identify which available roles fit your interests and abilities.

Step 3: Decide on your career goals: A popular acronym can help you write effective goals. Try the SMART system for your career goal.

Specific – Aim for a specific, concrete area for your goal or steps. For example, “make ten job search calls following up on my LinkedIn connections” vs. “make some networking connections.”

Measurable – To determine if your goal is measurable, ask questions such as: how much? How many? How will I know when it is accomplished?

Attainable – Goals are most attainable when steps are thought out clearly and allow enough time. How do you intend to accomplish your goal? Which actions follow on other actions? Is the goal realistic given where you’re starting from? It should be a challenge, but also achievable.

Relevant – A relevant goal is one that really matters to you and to the end result. Is it worthwhile? Is this the right time? Does your goal relate to other efforts or timelines? Does it require resources that are currently available?

Timely - A goal should be grounded within a defined time period, both for clarity and to give your action urgency. When do you want to begin? When do you want to complete each step?

Step 4: Develop and implement a career strategy

Step 5: Review and adjust your career strategy

Types of Unemployment

It is important to understand the meaning of unemployment while conducting job search activities. Unemployment is defined by the Bureau of Labor Statistics (BLS) as people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work. Also, people who were temporarily laid off and were waiting to be called back to that job are included in the unemployment statistics. There are three primary categories of unemployment that are typically discussed. The three primary categories of unemployment are **structural, frictional, and cyclical unemployment**.

Structural Unemployment, one of the three types of unemployment, is associated with the mismatch of jobs and workers due to the lack of skills or simply the wrong area desired for work. Structural unemployment depends on the social needs of the economy and dynamic changes in the economy.

Frictional Unemployment is always present in the economy, resulting from temporary transitions made by workers and employers or from workers and employers having inconsistent or incomplete information. This type of unemployment is closely related to structural unemployment due to its dependence on the dynamics of the economy. It is caused because unemployed workers may not always take the first job offer they receive because of the wages and necessary skills. This type of unemployment is also caused by failing firms,

poor job performance, or obsolete skills. This may also be caused by workers who will quit their jobs in order to move to different parts of the country. Frictional unemployment can be seen as a transaction cost of trying to find a new job; it is the result of imperfect information on available jobs. For instance, a case of frictional unemployment would be a college student quitting their fast-food restaurant job to get ready to find a job in their field after graduation. Unlike structural unemployment this process would not be long due to skills the college graduate has to offer a potential firm.

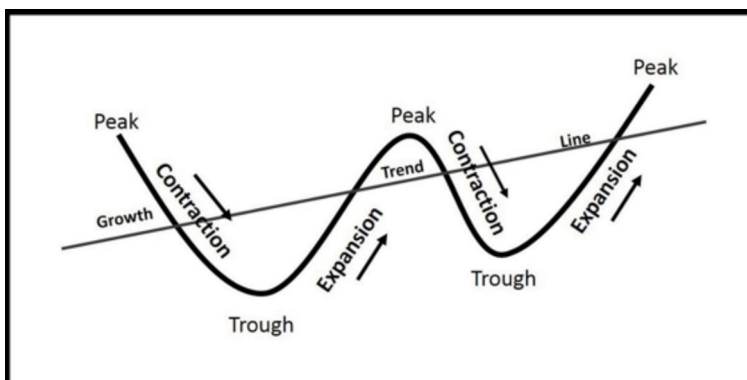
Unemployment that is attributed to economic contraction is called **cyclical unemployment**. The economy has the capacity to create jobs which increases economic growth. Therefore, an expanding economy typically has lower levels of unemployment. On the other hand, according to cyclical unemployment an economy that is in a recession faces higher levels of unemployment. When this happens there are more unemployed workers than job openings due to the breakdown of the economy. This type of unemployment is heavily concentrated on the activity in the economy. To understand this better take a look at our Business Cycles below.

Business cycles consist of swings in total national output, income, and employment marked by widespread expansion or contraction in many sectors of the economy. Business cycles generally occur as a result of shifts in aggregate demand.

The business cycle consist of two phases –**expansion** and **contraction** –and two points which are **peak** and **trough**.

- The **expansion phase** comes to an end and goes into the contraction phase at the upper turning point, or peak. Similarly, the contraction phase gives way to expansion at the lower turning point, or trough. The emphasis here is not so much on high or low business activity as on the dynamic aspects of rising or falling business activity. The expansion phase leads to a peak. Business sales rise, GDP grows and unemployment declines. The expansion phase is also called the recovery phase.
- The **peak point** is at the end of the expansion phase which is when most business are operating at full capacity and GDP is increasing rapidly. The peak point is the point at which GDP is at its highest point.
- **Contraction phase** leads to a trough. Business sales fall, unemployment increases and GDP growth falls. Two consecutive quarters of decline real GDP describes a **recession**. Six consecutive quarters of decline in real GDP describes a **depression**.
- The **trough point** is the point at the end of the contraction phase where businesses are operating at their lowest capacity level. Unemployment is rapidly increasing and peaks because sales fall rapidly. GDP growth is at its lowest or negative point.

Business Cycle Diagram



Helpful Job Search Information

The Bureau of Labor Statistics (BLS) publishes a large amount of information on the wages, earnings, and benefits of workers. The information can be found on the internet at bls.gov. Generally, this information is categorized in one or more of the following ways:

- Geographic area (national, regional, state, metropolitan area, or county data)
- Occupation (such as teacher or carpenter)
- Industry (such as manufacturing or retail trade)

One main feature of bls.gov is the Occupation Outlook Handbook (OOH). The OOH can help you find career information on duties, education and training, pay, and outlook for hundreds of occupations. The **Secretary's Commission on Achieving Necessary Skills** (SCANS) was appointed by the **Secretary** of Labor to determine the skills our young people need to succeed in the world of work. The **Commission's** fundamental purpose is to encourage a high-performance economy characterized by high-**skill**, high-wage employment. Once you have found a career and you begin to prepare for your interview you must ensure that you have a complete career portfolio. The common items included in a career portfolio are below:

- **Career Summary and Goals**
- **Professional Philosophy/Mission Statement:** A short description of the guiding principles that drive you and give you purpose.
- **Traditional Resume and cover letter.** A summary of your education, achievements, and work experience, using a chronological or functional format. Your cover letter should be updated, current and tailored to the job you are applying for.
- **Skills, Abilities and Marketable Qualities:** A detailed examination of your skills and experience.
- **Transcripts, Degrees, Licenses, and Certifications:** A description of relevant courses, degrees, licenses, and certifications.
- **List of Accomplishments and samples of your work:** A detailed listing that highlights the major accomplishments in your career to date. Accomplishments are one of the most important elements of any good job-search. A sampling of your best work, including reports, papers, studies, brochures, projects, presentations, etc. Besides print samples, you can also include CD-ROMs, videos, and other multi-media formats.
- **Awards and Honors:** A collection of any certificates of awards, honors, and scholarships. **Volunteering/Community Service:** A description of any community service activities, volunteer or pro bono work you have completed, especially as it relates to your career
- **Professional Development Activities:** A listing of professional associations and conferences attended — and any other professional development activities.
- **Military records, awards, and badges:** A listing of your military service, if applicable.
- **References List and letters of recommendations:** A list of three to five people (including full names, titles, addresses, and phone/email) who are willing to speak about your strengths, abilities, and experience. At least one reference should be a former manager.

1.2 Landing an Interview

Getting an interview is an achievement in itself. Only about 10 of applicant get and interview. **The purpose of the interview is for the interviewer to see if you match the requirements of the job.** These will naturally vary with different jobs but are likely to include:

- Your personal qualities
- How well you express yourself
- Your motivation and enthusiasm

Preparation for the Interview

Preparation is the key ingredient for interview success. Careful planning and preparation will make sure that your interview goes smoothly and will also help to calm your nerves! **Research very carefully the career area** for which you are applying. Assess **why you are interested in this career, and this employer:** enthusiasm is important. **Re-read your application form** as if you were the interviewer. **Prepare some questions to ask** the interviewer. **Plan how you will get to the interview** and leave plenty of time in case of traffic issues. **Dress appropriately and professionally.** Take a small, neat **notepad** and pen to write down important information the interviewer may tell you, and after the interview, the questions you were asked, so you can work out better answers to any you fluffed. **Research the employer** - here are some things you may be able to find out from the employers web site or via Google.

- What is the size of the organization?
- How long has it been in business?
- What are its products and/or services?
- What sort of reputation or public image does it have?
- Who are its main competitors?
- Where is it based? Single or multiple locations? UK or multinational?
- What is the organizational structure like?
- What are its future plans and prospects?
- What is the organizational culture?
- What types of training, development and appraisal are offered?

Arriving for the Interview

Try to arrive ten or fifteen minutes early. This doesn't just give you the opportunity to visit the loo – time spent waiting in the reception area can be very useful if there are publications about the employer or their field of work to read. Be polite to everyone you meet, including receptionists, porters and security staff. **First impressions** These are very important - they set the tone for the rest of the interview.

During the Interview

Shake hands firmly and warmly, but wait to be invited to sit down. Handshakes are also commonly given at the end of the interview. Handshakes originated as a way for knights to show that they didn't have concealed weapons. A firm handshake is perceived to communicate sociability, friendliness and dominance: normally desirable qualities in candidates whereas weak handshakes may communicate, introversion, shyness and neuroticism. Also as the handshake is at the start of the interview, it can set a positive tone for the rest of the encounter. Smile and keep up good eye contact with the interviewer. Try to relax, speak clearly and do not fidget. You are expected to be nervous! If you are not, it suggests that you may not want the job very much. Having said this the interviewer will expect your nerves to diminish after a few minutes. Try to think that it's not that important: there will be other interviews in future and it's not the end of the world if you don't get this job. Preparation is key - the more preparation you have done, such as working out answers to common interview questions, and doing careful research on the organization and job, the more relaxed you will feel.

1.3 Types of Interviews

Interviewing methods differ greatly depending on the industry to which you're applying, the company and even the position within the company. The interviewers may focus on one style or engage you in a combination of several interview types. The best thing you can do to prepare is to understand each kind and its intention from the interviewer's perspective.

Standard

The most common interview questions are:

- Where do you see yourself in five years?
- Why are you here today?

The interviewer may also ask you to tell him or her about yourself. Come up with well-thought-out, specific and truthful answers to each of these classic questions before interview day. That way, you will have a concise response ready to go.

Behavioral

Behavioral interviews focus on the past so employers can attempt to predict future behavior. For example, they may say:

- Describe a time when you didn't get along with a colleague.
- Tell me about your biggest professional failure.

Choose one example, and briefly describe the situation, how you handled it and what you learned from it. People often confuse behavioral and situational interviews, which are described next. Questions may seem similar, because an employer is assessing your behavior in a particular situation.

Situational

Typically, situational questions concentrate on future performance rather than past performance, which is the focus of behavioral interviews. The interviewer will give you a problem and ask how you would deal with it. For example:

- Your boss is on a whirlwind business trip. He assigned you a report to write for a client while he is gone, and he expects a first draft in two days. You thought everything was clear, but when you look back through your meeting notes and emails, there are outstanding questions that will make it difficult to complete the report. What do you do?

Employers want to know how you would likely solve a problem, and in some cases, they want to measure your expertise. Always be honest and specific. Address the problem, and describe your solution and the action you would take. If it's a question that probes at your expertise in an area, include something applicable in your answer to show you know your stuff.

Case

Case interviews are used mainly in the consulting industry and focus on how you would solve specific business issues. These can include quantitative questions that show the interviewer how you think. For example:

- Personal financial planning is growing well, but students are not passing the Certified Financial Planner Exam. What could be wrong?
- How many gallons of milk do Dallas Texas Schools each month for lactose intolerant children?

You'll want to talk aloud as you consider your answer, because the interviewer is looking for insight into your thought process and an interactive conversation rather than an exact answer. Explain your suppositions and issues that may have a substantial effect on your estimate. As you talk through it, you will come to an estimate. This is a skill you are wise to practice in advance if you will be interviewing with a company that uses this technique. Google "case interview questions," and you'll come up with good samples and resources.

Presentation

Some interviewers will challenge you with a business issue and ask you to present solutions to one or more employees. You may be given 15 minutes to prepare and 15 minutes or less to present. The key here is to put pen to paper immediately to get thinking fast. In the first five minutes or less, outline the problem and as many solutions that come to mind in words. Drawing diagrams or pictures may help, too. Next, circle the solutions you think are the best or the ones for which you have the most ideas on how to implement. After that, brainstorm what resources you need to apply to each solution in under five minutes. Use the remaining time to prepare. If you were asked to use a whiteboard or computer for the presentation, transfer your ideas to the board or screen. Don't worry about being fancy, because you don't have time for that. The logic and contents of your thought process are most important.

Perhaps you'll be interviewed by five people at once. Each person may have a list of questions to ask you – perhaps in varying interview styles. Or maybe each interviewer came up with his or her own questions in advance based on your background. Use the techniques above under behavioral, situational and case interviews. In all types of interviews, eye contact, smiling when you can and leaning forward to show you're engaged in the conversation are all fundamental to scoring likeability points. Chemistry is something all interviewers are looking for. If they don't like you, it's unlikely you'll be hired – no matter how smart or experienced you are.

There are many other types of interview situations. One or more interviewers may use all the different types of questions. You may be in a speed interviewing session where you meet with a new interviewer every five minutes. You may be given writing or behavioral assessments. In every case, while you're trying to sell yourself to the employer, you want to always be yourself. The last thing you want is to give a false impression or erroneous information and end up in a job that's not a good fit for you or the company.

1.4 Networking

Networking is the process of creating a group of acquaintances and associates and keeping it active through regular communication for mutual benefit. There are some simple steps or methods that can be utilized to create a professional network. When building up your network it is important to take a close look at the network and resources that you already have in place. Ensure you do not overlook the hidden potential that is all around you. Creating new opportunities from pre-existing ones is the most elemental of networking skills. You can network anywhere, with anyone. When looking for organizations to join to help you build your relationships and connections, choose groups where you can make a contribution and will be interested in what is going on. Listening and asking questions helps you build rapport and trust. Practice your communications until you feel confident that your message will come across as genuine and unscripted.

Most people can't just show up at an event, stand around, and expect people to come up and talk to us. Be proactive and start conversations with others. This does not mean you have to be the center of attention and the life of the party. Simply be yourself and the rest will fall into place. Keep the conversation fresh and interesting. Balance the amount that you talk with the amount the other person is talking and ask open-ended questions. Exit quickly from conversations that aren't good matches. When you find good conversations with people who could be the right fit, don't be too quick to leave. A few rich conversations and good new connections can make for a very successful event.

When it comes to networking, knowing what not to do is as important as knowing what to do. No matter which method you choose, follow up is crucial to your networking effort. Follow up turns a casual contact made at a meeting, party, or event into a potential long-term relationship. In the end, networking is all about building relationships that are honest, sincere, and of value to both parties. As you work to stay in touch, try to develop relationships that benefit the other party as much as they do you. Build relationships for the long term. The best part about building relationships is that whatever you

networking

the process of creating a group of acquaintances and associates and keeping it active through regular communication for mutual benefit

put in comes back to you. More and better relationships mean a greater likelihood of generating leads that you can convert into great opportunities for your business. Make a commitment to improve your networking skills and you'll see that "givers gain" is more than just a nice saying.

1.5 Negotiation

Salary negotiation is a process where one party negotiates the amount of their pay, income, earnings, commission, salary, wages, wage remuneration, annual review, or salary raise with another party. Successful negotiation is based on preparation and patience. Always anticipate what you may need to know when you next speak with any potential employer. The following are steps that should be prepared when preparing to negotiate your salary:

salary negotiation

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- Step 1: Research your value.** Research the value of your talent in the employment marketplace. Find sources that tell you what companies pay for the job you're considering. The sources should take into account the size of the company you work for and its industry and region. It is even more helpful if you can use a source that helps you calculate the potential value of your personal skills and background such as education, length of experience, certifications, and management responsibility.
- Step 2: Don't be the first to disclose a number.** If possible, try to get the employer to disclose the pay for the job before you tell your requirements. If you find this too difficult or awkward, consider providing a broad range (based on the research you did above) and say you expect "a fair total pay package for the job and my unique set of skills, including" It is also fair to ask the employer what the market data says the job is worth.
- Step 3: Prepare a counteroffer.** About half of all jobseekers accept the first offer that's put on the table, but most employers make offers expecting candidates to counteroffer – so go ahead, ask for what you want. Remember that your counteroffer can include more than just base pay; it can include bonuses, stock options, vacation time, and a flexible working schedule. Every time you speak with a potential employer, you should be prepared with a complete, prioritized summary of your ideal offer, and you should know in your mind how negotiable you are on each item.

Chapter 1 Summary

A **job** is something you do to earn money right now without factoring in future occupational goals. A **career** is a series of connected employment opportunities, where you build up skills at earlier employment opportunities to move you into higher paying and higher prestige employment opportunities later on. There are three primary categories of unemployment that are typically discussed. They are **structural, frictional, and cyclical unemployment**. Interviewing methods differ greatly depending on the industry to which you're applying, the company and even the position within the company. The interviewers may focus on one style or engage you in a combination of several interview types. The best thing you can do to prepare is to understand each kind and its intention from the interviewer's perspective. **Networking** is the process of creating a group of acquaintances and associates and keeping it active through regular communication for mutual benefit. There are some simple steps or methods that can be utilized to create a professional network. **Salary negotiation** is a process where one party negotiates the amount of their pay, income, earnings, commission, salary, wages, wage remuneration, annual review, or *salary* raise with another party

Chapter 1 Key Words

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frictional unemployment	2
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structural unemployment	2

Chapter 1 Questions

Q1.1.

Job search techniques include the following and are on the increase EXCEPT:

- A. Networking
- B. Online job searches
- C. Newspaper Help Wanted sections
- D. Employment agencies

Q1.2.

All of the following are networking tools EXCEPT:

- A. Business card
- B. Professional handshake
- C. Portfolio
- D. Comfort zone

Q1.3.

All of the following are methods of online networking EXCEPT:

- A. LinkedIn
- B. Facebook
- C. Cold contacts
- D. Twitter

Q1.4.

When working a room in a networking situation, you should always do the following EXCEPT:

- A. Hand out business cards
- B. Use a professional handshake
- C. Ask for five referrals
- D. Ask for their business card

Q1.5.

Voice quality, preparation, and attention to detail are especially important in this type of interview:

- A. Mock interview
- B. Phone interview
- C. Group interview
- D. Behavioral-based interview

Q1.6.

Probationary periods normally last:

- A. One week
- B. 30-90 days
- C. 6 months-1 year
- D. 2 years

Q1.7.

The Occupational Outlook Handbook (OOH) is revised every _____ years.

- A. two
- B. three
- C. five
- D. seven

Q1.8.

Professional organizations are helpful in exploring one's career because:

- A. students can get a discounted membership Fee.
- B. they offer field specific magazines and journals to members.
- C. they can provide on the job experience.
- D. they can assist in building one's career portfolio and resume.

Q1.9.

In the "Inventory of Skills and Competencies" and "Inventory of Personal Qualities" sections of the Career Development Portfolio the best resource guide to use would be:

- A. the U.S. Bureau of Labor Statistics: www.bls.gov/oco.
- B. the Career Development Portfolio Planning Guide at www.mhhe.com/ferrett8e
- C. The Secretary's Commission on Achieving Necessary Skills (SCANS)
- D. John L. Holland's six occupational types

Q1.10.

Frictional unemployment is

- A. The unemployment that exists even at the full-employment level of output
- B. Unemployment that results from an increase in the GDP gap
- C. Unemployment that occurs as a result of a supply shock
- D. The result of discouraged workers leaving the work force
- E. Mostly the result of a high minimum wage rate

Q1.11.

A headline reads: “Steel industry suffers slump as import competition increases; unemployment rises.” This type of unemployment can best be characterized in economic terms as:

- A. Frictional
- B. Structural
- C. Cyclical
- D. Natural

Q1.12.

A worker who loses a job at a call center because business firms switch the call center to another country is an example of:

- A. Frictional unemployment
- B. Structural unemployment
- C. Cyclical unemployment
- D. Disguised unemployment

Q1.13.

A headline states: “Real GDP falls again as the economy slumps.” This condition is most likely to produce what type of unemployment?

- A. Structural
- B. Cyclical
- C. Frictional
- D. Natural

Q1.14.

Unemployment that occurs when there is deficient demand for the goods and services of an economy is called:

- A. Frictional unemployment
- B. Cyclical unemployment
- C. Structural unemployment
- D. Natural unemployment

Q1.15.

A mismatch between the geographic location of workers and the location of job openings would result in what type of unemployment?

- A. Wait
- B. Cyclical
- C. Frictional
- D. Structural

Q1.16.

Search and wait unemployment is another way to describe:

- A. Noncyclical unemployment
- B. Cyclical unemployment
- C. Frictional unemployment
- D. Structural unemployment

Q1.17.

The best example of a “frictionally unemployed” worker is one who:

- A. Reduces productivity by causing frictions in a business
- B. Is laid off during a recessionary period in the economy
- C. Is in the process of voluntarily switching jobs
- D. Is discouraged and not actively seeking work

