

**Anglo-German Foundation for the  
Study of Industrial Society/  
*Deutsch-Britische Stiftung für das  
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# **The Future of Professionalised Work. UK and Germany Compared**

**Christel Lane, Frank Wilkinson, Wolfgang Littek, Ulrich Heisig, Jude Browne, Brendan Burchell,  
Roy Mankelow, Margaret Potton and Roland Tutschner**

**2003**



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**Anglo-German Foundation  
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## THE FUTURE OF PROFESSIONALISED WORK IN BRITAIN AND GERMANY

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## **Acknowledgements**

We are very grateful for the help given to us by the representatives of the many professional and trade organisations we interviewed. They were very generous with their time and information. We also appreciate very much the unstinting help given to us by the staff of the Centre of Business Research, especially Anna Bullock and Diana Day, who were invaluable in designing the questionnaires and entering and analysing the data. Our special thanks go to the hundreds of professional workers in Britain and Germany who participated in the survey.

## Executive summary

Over the past two decades or so the established professions have come under challenge from a number of new developments which simultaneously have given rise to new occupations, the members of which aspire to professional status.

The acceleration of knowledge creation, increased specialisation and more rapid diffusion of information and knowledge are threatening professional exclusivity and have engendered increasing intra- and inter-professional competition. Technological change, EU regulation and internationalisation of business have further intensified competition and have created more demanding clients and new forms of service provision. Concurrently government cost cutting and deregulation of markets for professional services are undermining the security of many professions.

These developments have had different effects in Britain and in Germany because the two countries are mediated by different institutional environments and processes of professional regulation.

The comparative study of these developments in professionalised work reported here was carried out in 2000 and 2001. It covered four professions: well-established legal and pharmacy professions and emerging professions in psychological and business services. The research involved in-depth interviews with relevant British and German professional associations and other interested parties, followed by a postal survey of 9,242 professional workers, with an average response rate of 20 per cent.

The research focused on how the developments identified above have affected professionalised work and have brought about changes in the market, work and status of professional workers, as well as in their well-being and the nature of service provision. Attention has been centred both on cross-national differences in these aspects of professionalised work and on divergences between professions within each society.

The research revealed extensive change, the pace and scope of which has been greater in Britain than in Germany. The main drivers of change in both countries were, in order of importance, increased demands from consumers, technological change, government policy, regulation, and competition within and between professions. The effect of European policy has been small.

These changes have required improved skill, knowledge and service provision, but they also have intensified work, undermined the financial viability especially of smaller businesses, and reduced the morale, satisfaction and motivation of professional workers.

Overall the level of disaffection was higher in Britain than in Germany, and significantly higher in the established than in the emerging professions. But there are exceptions. The English/Welsh solicitors and German psychological psychotherapists are the most disaffected: the former because of deregulation, increased government monitoring and cost cutting and the latter because their newly achieved professional status has not gained them equality with related healing professions.

There were many differences between the two societies:

- German professionals were more often self-employed and worked in much smaller organisations than the British, and they had less discretion in their work.
- German professional proprietors found it more difficult to increase prices to compensate for cost increases and were less optimistic about the future viability of their business.
- The loyalties of German professionals were directed more exclusively towards their customers while British professionals, working in larger organisations, had more divided loyalties.
- The external drivers of change have not increased work demands for German professionals to the same degree as for British professionals.
- German professionals had significantly higher levels of work satisfaction and morale than their British counterparts.

The report concludes that, in both societies, extensive pressures from clients, technology, markets and the state have left the socially privileged professional workers feeling besieged on many fronts. The increased importance of knowledge and skills in contemporary society has in no way strengthened the position of the occupations providing them. Moreover, the increased demands placed on them have lowered their sense of socio-psychological well-being.

Reduction of public expenditure and increasing market competition have added to the pressures on professional workers. But the nature and extent of these effects depend on the regulatory framework within which they operate:

- The British system of granting professional status to private interest groups can be described as a regulated monopoly.
- The more legally based occupational jurisdiction, education and training requirements and conditions for practising in Germany are better defined as regulated competition.

The rationale for each is grounded in a different political economy, and each results in a divergent clustering of interests and social and economic outcomes:

- In Britain deregulation and cost cutting have been to the relative advantage of larger firms while the smaller firms have borne much of the cost.
- In Germany the structure of service provision has remained relatively unchanged, and the cost of policy change has been more evenly distributed between providers.

The research therefore raises important questions for the future of professional work. In both countries, but particularly in Britain, more account needs to be taken of the extent to which recent economic, technological and political changes have negatively affected the well-being of this key social group in modern society. The costs of change need to be more equally distributed between different organisational forms of professional practice. The strong concern, in both societies, with improved service delivery has to be more informed by how different organisational forms affect professionals' relations with clients, and a better balance has to be achieved between considerations of cost, quality of service on the one hand and the well-being and economic security of professional service providers on the other.



# **PART I: THE CONTEXT**

## **1 Introduction**

Professionalised work is highly skilled and knowledge-intensive. The educational and training process, the nature of the skill and knowledge acquired and developed, and the legal and organisational framework within which it is carried out define to an important extent the jurisdictions different professional groups are able to establish and protect from competition. The purpose of this 'market sheltering' is variously explained. It is justified as a guarantor of quality and as providing the necessary reward to encourage excellence of service, but it is also criticised as creating opportunities for monopolisation and raising the cost of provision.

In recent decades a number of developments with pervasive effects have significantly affected professionalised work. Technological change, organisational development, internationalisation of business and new forms of service provision are undermining existing professions, and at the same time are creating new occupational specialisations, the practitioners of which aspire to professional status. The process of knowledge creation, specialisation and more rapid diffusion is threatening professional exclusivity and has engendered increasing intra- and inter-professional competition. Concurrently government cost cutting and deregulation of markets for professional services are undermining the security of many professions. At the same time the single European market and other pressures for internationalisation are leading to greater cross-border co-operation between professional groups and to increased international competition. These progressive trends threaten the market shelters of the professions, which have been increasingly interpreted as constituting obstacles to free trade in services.

These developments have engulfed British and German societies at different times and to varying degrees. The professionalised occupations experienced a very different historical evolution in each society, and – despite some convergent developments during recent decades – these differences endure. They are due to the fact that similar pressures on professionals from markets, technology and clients are mediated by the different institutional environments and the differing processes of professional regulation.

The cross-national study, carried out in 2000 and 2001, on which this report is based, has been concerned with examining the impact of the above developments on the work, employment and the socio-psychological well-being of professionalised occupations, paying attention particularly to changes during the 1990s. The research has focused on the following aspects:

1. How different modes of controlling professional occupations in the two countries have mediated the impact on professional work of changes in technology,

regulatory policy, the organisation of public services, competition and the system of education and training

2. The effects of such changes on the market, work and status of professional workers
3. The implications of these changes for performance in the knowledge-intensive sectors of the service economy
4. The policy implications of these developments and the effects of different processes of professionalisation in the two countries.

The study surveyed four professionalised occupations in each society, situated in the legal, pharmacy, psychology and management services fields. The relatively large and internally diverse sample has yielded rich and comprehensive results which may be considered unique in the contemporary literature on professions in both scale and scope of findings. These provide an unprecedented insight into the development of professionalised occupations during the 1990s, far exceeding what has been provided by the established literature on professionalised work in either country, let alone in a comparison of the situation in Britain and Germany.

The report is organised into two main parts and 10 chapters. Part I provides the context for the discussion of our empirical findings:

- Chapter 2 offers a brief theoretical discussion of the concept of profession.
- Chapter 3 outlines the historical evolution of professionalised occupations in Britain and Germany.
- The different systems of professional regulation in Britain and Germany are discussed in Chapter 4.
- Chapter 5 provides short profiles of the professions selected for this study.

In Part II, Chapters 6 to 9 present and discuss our empirical findings against the background of the contextual information provided in Part I:

- Chapter 6 examines where the loyalties of professional workers lie, as a guide to their interest orientations.
- Findings on the extent of change in professional work and on the drivers of this change are presented in Chapter 7.
- In Chapter 8 we explore how these forces impact on professional work and service provision.
- Chapter 9 examines the impact of change on various aspects of professional well-being, discussing prestige, motivation, satisfaction, morale and certainty about the future of professional workers.

Section 10 concludes and draws out the policy implications of the findings.

Appendix 1 offers a detailed discussion of our research methods, while Appendix 2 provides additional data on demographic details, hours worked and earnings of professionals we surveyed.

## 2 The concept of profession

### 2.1 Knowledge and skill

Professions are specialised occupations, requiring high levels of theoretical and practical knowledge and expert problem-solving skills. The knowledge and skills required are technological and scientific rather than narrowly vocational and are acquired during extended periods of education, training and experience. There is general agreement in the literature that professionalism is grounded in 'knowledge', and that it is of increasing importance in an era in which there has been a rapid growth in the quantity and quality of information and knowledge and in their centrality to the creation of market value (Macdonald, 1995). The professional epitomises 'the knowledge-worker' in a 'knowledge-intensive economy' (Block, 1990; Jameson, 1991).

The work of professionalised workers is variable and complex and is continuously evolving as knowledge develops and techniques change. These constantly change the knowledge base of existing occupations, blurring distinctions between them. This process erodes some specialisms and creates new ones, providing the opportunities for new occupations to emerge.

Moreover, with the rapid rate of innovation in information technology information has become much more freely available. This threatens the exclusivity of many professionalised occupations and has changed the relationship between professional workers and their better-informed clients. However, more information is not necessarily synonymous with greater knowledge: information can be regarded as a closed set of data, whereas knowledge is essentially open-ended (Fransmann, 1994). What distinguishes the professional from the layperson is her or his ability to convert information into knowledge by connecting it with known concepts and skills in the process of problem-solving. This knowledge can be to varying degrees 'codifiable' and transferable, or 'tacit' and non-transferrable. The more tacit the knowledge, the greater is the dependency on the interpretative capabilities of the professionalised worker.

Moreover, according to Jamous and Peloille 'the production process particular to the "professional" activity always contains an important margin of indetermination which rationalised and transferable rules do not take into account' (1970: 114–15). Thus professionals can be regarded as knowledgeable and interpretative mediators between information and the client, and professional 'problem-solving' as a highly diffuse procedure which allows wide scope for discretion (Fox, 1974). However, the degree of exclusivity of professions' knowledge and the extent of indeterminacy and discretion in professional practice are neither fixed nor universally accepted. They are subject to debate and dispute within professions, between related professional and non-professional occupations, with clients and policy-makers and within the wider society.

## 2.2 Market power and status

The high degree of skill and knowledge possessed by professional workers has traditionally legitimated their autonomy, privileged status and high income. Famously, Adam Smith argued in 1776:

'We trust our health to the physician; our fortune and sometimes our life and reputation to the lawyer and attorney. Such confidence could not safely be reposed in people of a very mean or low condition. Their reward must be such, therefore, as may give them that rank in the society which so important a trust requires. The long time and the great expense laid out in their education, when combined with this circumstance, necessarily enhance still further the price of their labour.'

(Smith, 1776, I: 118–19)

Until the 1960s this model of the professions was popular among sociological writers. It was centred around the notion of professionals as 'public service' providers who were bound by a 'gentlemanly' adherence to codes of ethics (cf. Carr-Saunders and Wilson, 1933; Goode, 1957; Parsons, 1954).

Since then a more sceptical view of the professions has evolved. One of the most influential of these studies is that of Larson (1977), whose focus was the 'professional project' oriented to market exclusivity and status elevation:

'[Professionalisation is] the process by which producers of special services sought to constitute and control a market for their expertise. Because marketable expertise is a crucial element in the structure of modern inequality, professionalisation appears also as a collective assertion of special social status and as a collective assertion of upward social mobility.'

(Larson, 1977: xvi)

Similarly theoretical positions, associating professions with exclusionary strategies, have been adopted by Parkin (1979), Freidson (1994) and by Derber *et al.* (1990) who suggest that 'professions have essentially turned modern knowledge into private property' (Derber *et al.*, 1990). Such views also lie behind changing political attitudes, as expressed in a recent report by the Organisation for Economic Co-operation and Development (OECD):

'Concerns have been raised that ... structural and behavioural regulations restrict competition more than is appropriate or necessary, raising the price and limiting innovation in the provision of professional services. In addition, where a professional association is delegated certain regulatory powers, such as the power to discipline its members, concerns have arisen that professional associations may use these powers as a tool to restrict entry, fix prices and enforce anti-competitive co-operation between its members. In some cases, studies found that restricting entry to the most highly qualified providers may lower service quality overall as consumers forego professional services or seek to provide the services for themselves.'

(OECD, 2000: 7)



These views echo those of free-market economists who have traditionally suspected professionals and their associations of operating in *restraint of trade* and of using their control over skill and knowledge to extract a monopoly *rent*. Yet other economists have challenged this blanket condemnation by justifying professionalisation on the grounds of the quality and efficiency of training (Leyland, 1979) and the existence of positive externalities (for example, doctors provide both a private *and* public service in controlling infection – Matthews, 1991).

New institutionalists have also emphasised the role of professional ethics in reducing transaction costs arising from the fact that those supplied with professional services lack the knowledge to effectively monitor the quality of service provision (Dietrich and Roberts, 1997; Broadbent and Laughlin, 1997). From this perspective professionalisation involves an implicit contract by which professional workers agree not to take advantage of the difficulties in vetting the services they provide in exchange for societal recognition of their high social and economic status.

The tension between the claims that, on the one side, professional exclusivity is a necessary guarantee of high-quality services and public protection and, on the other, that it is in restraint of trade and therefore against the public interest has been handled in different ways in different societies and at different times. The following two chapters therefore offer outlines of the historical evolution of professionalised occupations in Britain and Germany and of their divergent modes of regulation.

### 3 The historical evolution of professionalised occupations

The following overview provides a brief historical perspective on the divergent evolution of knowledge occupations in Britain and Germany. It also points to more recent changes in national trajectories, which have created some convergence. The latter, it is argued, make the broad concept of 'profession' applicable to both societies and render plausible a comparison of professional work between them.

Britain and Germany have had radically different historical trajectories of the evolution of professionalised occupations (Siegrist, 1988), particularly in their interaction with the state and in their own organisation as professional societies and chambers respectively, as discussed below.

While in Britain professionalisation of knowledge occupations began several centuries ago, in Germany the professionalised occupations gained their independence from the state only at the end of the 19th century, when they were declared free occupations (*freie Berufe*). Although the German professionalised occupations acquired a significant degree of self-regulation, legal regulation by the state (particularly of professional education) remained much more important than in Britain. This is in accordance with the fact that the large majority of German occupations are legally regulated. In Britain professionalised occupations achieved a high degree of self-regulation and developed a pronounced consciousness of their status as professions.

Historically, therefore, a marked difference exists between what has been termed 'professionalisation from below' in Britain and 'professionalisation from above' in Germany. This difference in the organisation and regulation of comparable knowledge occupations had consequences for social stratification and subjective awareness of social status and group membership, as well as for the development of knowledge and education. Whereas German professionalised occupations were integrated into, and perceived themselves to be members of, the broader stratum of the *Bildungsbürgertum* (educated middle classes), the absence of the latter in Britain increased the social distinctiveness and separateness of professionalised occupations.

The peculiarity of the historical evolution of professionalised occupations in the Anglo-American social context has led some authors (e.g. Larson, 1977; Freidson, 1994) to claim that the concept of profession is only applicable in these societies. But most social scientists now view this stance as too restrictive (Johnson, 1982; Abbott, 1988; Siegrist, 1990; Burrage and Torstendahl, 1990; Light, 1995). In their view relations between state and professions, and the consequent mode of regulation, have changed over time.

Contrasts between societies in the manner of regulation, although significant, are better viewed as dynamically evolving differences of degree, rather than as static and absolute divergences of kind (Johnson, 1993). This is particularly evident in the contrast between British and German knowledge occupations over the past two decades, which show considerable convergence, due mainly to changes in the British model of professions.

Additionally, the broader acceptance in Britain of a university education as a necessary foundation for performance in a modern economy, and the creation of a much broader stratum of university-educated citizens from the 1960s onwards, paved the way for changes to the model of professions in the later period.

Despite some remaining differences between the organisation and regulation of professions in the two societies and the continuing low subjective identification with aspects of the concept of *profession* in Germany, there now exist sufficient similarities to justify the use of the concept of *profession* in both Britain and Germany. Hence this will be the practice adopted in this report.

Attitudes towards market regulation and what is deemed a legitimate suspension of competition have differed greatly between the British and German political economies, and this difference is apparent also in the organisation of markets for professional services (Lane *et al.*, 2002). In Britain the market-organising activities of professional societies have been increasingly in conflict with the highly individualistic 'free-market' orientation of recent governments and of clients. In Germany, by contrast, the guild-like status claims of professionals (*Standesdenken*) have been challenged to a much lesser degree by either governments or clients (Blankenburg and Schultz, 1995), and state regulation remains considerable. Restriction of competition has therefore remained more prevalent, effectively enforced and legitimate in Germany than in Britain, where movements towards 'free markets' started earlier. However, in fact if not in law professions in both countries now have to compete with other professions or are confronted with new, technologically mediated forms of service provision from non-professional occupations.

## 4 The regulation of professional work

Most definitions of the term 'professions' see regulation of professional expertise and hence of professional jurisdiction, as well as of technical and ethical standards of performance, as integral to professionalism (Abbott, 1988). But the form regulation takes and its degree and scope differ significantly between Britain and Germany and, to a somewhat lesser degree, between the four professions studied in each country.

Professions are regulated by the state – usually by laws, statutes and court decisions – and by the binding rules of professional societies in Britain and chambers in Germany. Such regulation covers a variety of professional activities, but the most basic forms are those that recognise and protect a profession's claims to expertise in a given area of knowledge and skills and lay down basic rules for practice. Imposition of technical and ethical standards mainly occurs through professional self-regulation. However, only state regulation – by giving legal protection to a professional title or an area of expertise in exchange for professional self-control over standards of practice – can establish a professional jurisdiction and hence secure full professional status (Abbott, 1988).

Additionally, regulated access to the necessary body of knowledge may enhance exclusivity by limiting new entries to the profession. Even without state licensing British professional societies, through the prescription of entry qualifications, may secure a limited monopoly by bestowing chartered status on their members. However, without a state mandate and authorisation for compulsory registration with professional societies they cannot establish exclusive jurisdiction for their members by excluding the lesser or differently qualified who claim the right to practise.

It is therefore possible to distinguish between *established professions*, with legally protected titles or areas of expertise, and *emerging professions*, where a degree of exclusivity of expertise short of full market closure has been achieved or is being aspired to.

In Britain human resource management (HRM) practitioners and counselling psychologists fall into the latter category. Both have recently – in 1999 and 1994 respectively – gained chartered status and have deemed their professional status enhanced. Chartered status may have increased their reputation and market power, but it cannot fully ensure exclusivity. Thus, for example, the Division of Counselling Psychologists of the British Psychological Society (BPS) cannot exercise full control either over the definition of necessary professional knowledge or over the way it is used because membership of the division is not obligatory for all those engaged in psychological counselling. Moreover, there is no agreement among psychologists over what constitutes legitimate techniques in their work with patients, and there is still an active debate about 'status-seeking professionalisation' (Postle, 1998: 2, 4).

In Germany, by contrast, only business/HRM consultancy cannot yet be regarded as an established profession, as its practitioners neither have a common education and training, nor an obligatory organisation to control quality standards, ethical conduct or defence of their field of expertise. Nevertheless, aspiration for professionalisation is evident. The

main association of consultants, the Bund Deutscher Unternehmensberater (BDU), is attempting to establish a common body of knowledge and ethical standards to raise the occupation's status. But it organises only the small and independent firms, and claims to exclusivity have yet to be accepted by the German state. Moreover, large US firms, whose employees do not claim professional status, are increasingly dominating business/HRM consultancy. Hence so far professional status has eluded this occupational grouping.

German psychological psychotherapists have recently achieved full state recognition as a subgroup of psychologists, with exclusive jurisdiction. But the very recent nature of their professional recognition leaves unresolved or problematic some dimensions of professional activity. Professional chambers, independent of medical doctors, are still being established. Only two existed at the time of our survey in early 2001, although since then their numbers have grown continuously. More importantly, psychological psychotherapists have yet to achieve access equal to that of medical doctors to the public health insurance funds, which is vital for getting payment for work in the public sector. Widespread dissatisfaction with this state of affairs is evident from the responses to our survey.

The lack of full control by emerging British professions means that non-members of professional societies do not have to comply with the standards of technical competence and ethical probity laid down, so that the reputation of the occupations cannot be fully safeguarded. Hence the codes of practice of the emerging professions are much less detailed than in the established professions, and collective enforcement of standards is rudimentary. By contrast, the established British professions we surveyed are subject to an extensive range of performance standards, as well as stringent monitoring and enforcement mechanisms. In the case of British pharmacists, for example, the surveillance and control exercised by the inspectors of the Royal Pharmaceutical Society of Great Britain (RPSGB) are seen by many members as the Society's central activity (Holloway 1991: 427).

In Germany state regulation is almost exclusively legal regulation, whereas in Britain statutory regulation is most common. In Germany the legislative as well as ministerial bureaucracies and courts, mostly at the level of the federal states (*Länder*), are involved in different ways. While legislative bodies define both professional tasks and their distribution between different professions, ministries monitor the application of the law. But it is important to note that chambers have administrative independence and that professions are monitored only in relation to their adherence to due legal process and not to the substance of their activities. Professional freedom is cherished and recognised by both sides. Furthermore legislative bodies engage in extensive consultation with chambers and other organised professional interest groups before formulating and passing laws. It is therefore more appropriate to think of the relationship between the chambers and the state as one in which mutual influence is exerted, rather than state dominance over professional affairs.

Inevitably there are often considerable delays between the articulation of professional interests and their incorporation into a new law. A good example is the long-standing dissatisfaction of advocates with the way legal education and training – long oriented towards service to the state – have neglected their needs. But dissatisfaction may also centre on the substance of law, as was evident from psychological psychotherapists' complaints in responses to our survey of an overly narrow definition of their tasks, which limits their professional scope and autonomy.

In both countries the courts may intervene to change the rules introduced by professional societies or chambers, and both have recently seen such interventions. In Germany the most notable and far-reaching of these has been a reconceptualisation of advocates' professional code of law (*Berufsrecht*), which was seen as being in conflict with the constitutional freedom of occupation (*Berufsfreiheit*).<sup>1</sup> It abolished highly restrictive rules which confined advocates' activity to a local court and their practice to a single locality. Pharmacists are also subject to highly restrictive rules of professional organisation, but no comparable developments have taken place in this area.

In Britain court decisions on regulatory affairs have become more frequent than in the past and may be seen as part of an earlier and more consistent move towards a deregulation of markets. As they have occurred in the context of a previously more highly self-regulating professional culture, they constitute a more radical change than in Germany. They have affected solicitors and pharmacists alike.

In summary, there are still fundamental differences between the two societies both in the way in which regulation is distributed between state and professional associations and in the manner of state regulation. Despite recent changes Britain retains a higher degree of self-regulation.

The most notable difference is that in Germany professional education remains fully under the aegis of the state, whereas in Britain professional societies influence the content of relevant degree courses and retain full control over specialised education and training. However, even the British state increasingly monitors whether specific educational and training requirements serve anti-competitive purposes, as has occurred, for example, in the case of solicitors. In Germany negotiations have started to bring training of advocates under the control of professional organisations, although this would require law practices to take over the financing of training. However, professional control over training would constitute a radical departure from established practice, requiring a contractual partnership between state and profession.

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<sup>1</sup> The concept of *Berufsfreiheit* concerns occupations which independently and autonomously deliver higher-level services requiring specific higher occupational qualifications or personal talents. The services are provided for the benefits of clients but are also in the public interest.

## 5 Profiles of the professions

We surveyed four professions in each country – two established and two emerging – and, as detailed in Appendix 1, we tried to but did not achieve a precise match between them. This chapter offers a brief profile of each of the eight professions, highlighting only factors which contribute to a better understanding of divergent survey responses analysed and discussed in Part II. Some more general findings on demographic aspects of the eight professions, as well as data on education, earnings and working hours, are presented in Appendix 2.

### 5.1 British counselling psychologists

Counselling psychology can be defined as the application of psychological knowledge to the practice of counselling (Wolfe 1996). Counselling psychologists are employed in a wide range of situations: the National Health Service, occupational, educational and health settings as well as in independent practice.

It is possible to perceive the impetus behind the rise in counselling psychology in Britain as deriving from six major sources, which prompted the description of counselling psychology as “an idea whose time had come” (Wolfe 1990). These are elaborated in a key article by Wolfe in 1996 as:

- An awareness among many psychologists of the importance of the *helping relationship* as a significant variable in working with people.
- A growing acceptance of the *humanistic value system* underlying counselling psychology reflected in the reactions against the medical model of professional-client relationships.
- A move towards focusing on the work of helpers on *facilitating well-being* rather than on responding to sickness and pathology.
- A developing awareness of the need for a more articulated “scientific” basis for counselling.
- A recognition of the value of counselling psychology a framework for human resource development within organisations.
- An appreciation that at a time of high unemployment, counselling offers an appropriate form of employment for psychology graduates.

In 1992, the British Psychological Society established a Diploma in Counselling Psychology in order to provide a route to chartered status for those psychologists whose professional development and expertise lay in the area of counselling psychology. Full professional status was achieved in 1994 when a Division of Counselling Psychology was established and psychologists who possessed the diploma or *Statement of Equivalence* to it became entitled to use the title “Chartered Counselling Psychologist”. The numbers of Chartered



Counselling Psychologists has risen from 200 in 1996 to 412 in 2002. (Annual General Report, 2002).

The route taken to chartership in the UK for counselling psychologists and clinical psychologists is similar in terms of length and breadth of training. Both also have "top-up" routes to doctoral level training.

Whilst clinical psychologists have largely trained and worked within the NHS, counselling psychologists have increasingly taken up employment within this setting. However "Clinical and counselling psychologists are best regarded not as competitors but as applied psychologists, coming from different traditions, and yet with a great deal in common. If, in the end, there emerges a new category of general Health and Human services Psychologists it will contain elements of both these traditions" (Wolfe 1996, p12). The principal difference between clinical psychologists and counselling psychologists is that clinical psychologists are trained in a medical model of assessment, diagnosis and treatment. In contrast Wolfe (1996) argues that counselling psychologists are more concerned with enabling individuals to fulfil their potential rather than to cure them of sickness.

The gap between counselling psychologists and other counsellors is also complex, but clearly different in terms of regulation. Counselling in the UK is currently largely unregulated, practiced by a wide range of individuals from non-graduates with minimal training to those with post-graduate qualifications. Some counsellors have argued against moves to regulate and professionalise counselling services (Totton, 1999). In contrast, all chartered counselling psychologists, are members of and regulated by the *British Psychological Society* and are qualified to at least the Masters level.

Counselling psychology has from its inception adopted the *scientist-practitioner* model, which has also been widely espoused by clinical psychology as well as counselling psychology in the USA. Thus there is an expectation that counselling psychologists will engage in a structured examination of their work with the aim of generating knowledge for debate through publication.

More recently counselling psychologists are debating ways that they can make the drive for evidenced-based practice relevant to their core values and clients. As Hart and Hogan (2003, p27) state "We would wish to see counselling psychology and other disciplines involved in the delivery of psychological therapies confront the task of developing an evidence base which privileges the voice of clients".

Chartered counselling psychologists whose work involves client work need practising certificates in the UK. It is likely that all practitioners will come under government statutory regulation after appropriate legislation is passed in 2004/5. This would make it a criminal offence for anyone not on the register to practice as a counselling psychologist in the UK. This also applies to other applied psychologists such as clinical and educational psychologists.

As an emerging profession counselling psychologists present themselves as an interesting case study for an investigation of the future of professional work.



## 5.2 German psychological psychotherapists

Despite attempts by the Association of German Psychologists to create the specialism of counselling psychologist, partially prompted by EU efforts to achieve harmonisation, there is as yet no such grouping in Germany. Hence we have considered psychological psychotherapists who, in several respects, are comparable to counselling psychologists. Psychological psychotherapists diagnose and treat psychological and psychosomatic illnesses and are one of a diverse group of psychologists. They have been legally recognised as a healing profession (*Heilberuf*) since 1999, enjoying parity with medical doctors. They work in independent practices, hospitals and specialist clinics. They have been rewarded for 20 years or so of lobbying by becoming the only group of psychologists to be legally recognised (and regulated), and the only new fully-fledged profession in Germany in recent times. But to many this came as a mixed blessing.

Qualifying as a psychological psychotherapist requires, first, a degree in psychology, which takes an average of five years and leads to a diploma (akin to a British Master's level). Alternatively a medical degree can be a first-stage entry qualification. This is followed by three years of full-time training at a psychotherapy institute, including more than a year of practical clinical experience. Successful completion leads to state-recognised admission to the profession (*Approbation*) and confers the title 'psychological psychotherapist'. However, in order to enable patients to reclaim the fees for treatment from the health funds (*Krankenkassen*), the psychological psychotherapist additionally has to be admitted to the Association of Health Fund Doctors (*Kassenärztliche Vereinigung*). At the end of 1999 just under 28,000 psychological psychotherapists had received recognition, but only 10,000 had been admitted to the Association.

Psychological psychotherapy has traditionally used a very broad range of therapeutic methods and procedures, but admittance to the German profession is dependent on reducing methods to only three: psychoanalysis, psychotherapy and behavioural therapy. These were deemed to be scientifically recognised and to lend respectability and enhance professional status. There was a strong feeling among some of our interviewees that such limitation jeopardises effective treatment.

## 5.3 British human resources managers

The human resource management (HRM) function has evolved over the past 100 years or so, beginning with the appointment of welfare officers by more enlightened employers concerned for the well-being of their employees. It developed as the theory and practice of labour management evolved. The emphasis on the management of human resources (HR) came with the growing recognition of the importance of the skills, involvement and commitment of an organisation's workforce for its operational success. This realisation led to a closer integration of personnel policies and procedures with strategic management and corporate planning and raised the profile of human resources managers (Armstrong, 1992).

The HRM knowledge base is wide and variable. It draws on industrial psychology, theories of motivation, behavioural theories of job enlargement and enrichment, organisational behaviour theories of better communication, management systems theory and learning theory. It requires knowledge of laws regulating the activity of trade unions, collective bargaining, the employment contract, health and safety at work and various forms of discrimination. Additionally the HR manager needs to deal with grievance and dispute procedures, training systems and in-work welfare. The creation of the single European market and, more recently, the adoption of the Social Chapter, have greatly increased the amount and complexity of employment law an HR manager needs to be familiar with.

The growing strategic importance of HR management has required its best practice to include knowledge of the legal, political, commercial and market environment in which organisations operate. However, the extent to which this knowledge base is needed and/or exploited will depend on the role of the HRM specialists in a particular organisational context and the scope of its HR management. HR managers are usually employed by larger organisations.

The HR managers' professional association, the Chartered Institute of Personnel and Development (CIPD), grew out of earlier organisations and achieved charter status in 1999. The CIPD is not governed by statute and has no power to restrict entry to HRM specialisation. Professional grade of membership is achieved by successfully completing CIPD-accredited courses, by CIPD assessment of HRM-related qualification or HRM-related work experience, or by a range of National Vocational Qualifications (NVQs) which are comparable with the CIPD's professional standards. The CIPD has a code of professional conduct, which its members are expected to follow, and operates infrequently used complaints and disciplinary procedures. In 2000 the CIPD had more than 100,000 members.

## **5.4 German business and human resources consultants**

The role and activities of German business and HR consultants differ in several ways from those of British HR managers: they exclusively offer external advice, and their area of competence is much wider than that of HR managers in Britain. Only 25 per cent of our sample specialised in HRM. Other areas of expertise of German consultants include strategy development, organisational design and change, and information technology (BDU, 2000: 10). Consultants therefore differ significantly from each other in the content of their work, and new specialisations are constantly being developed. They are either self-employed, own consultancy firms or are employed by others. Their occupational title is not legally protected.

The consultancy sector has grown vigorously over recent years. In 2000 there were 68,000 consultants working in 17,740 firms (BDU, 2000: 9). The sector is divided between 40 large firms, many under US ownership, a number of medium-sized ones and a large number of very small and sole practitioner firms, constituting 69.7 per cent of all firms (*Handelsblatt*, 27 December 2001). However, the sector is becoming increasingly concentrated. Small firms have the lowest turnover per consultant and have achieved the lowest growth in turnover in recent years (*ibid.*). Our respondents came mainly from this sector of self-employed practitioners or small firms.

As yet there are no university courses leading to a degree in business and HRM consultancy, although some polytechnics (*Fachhochschulen*) do offer courses. But according to the Federal Association of German Consultants (BDU) over 90 per cent of consultants have a degree in a related field, including business economics, economics, engineering, psychology and information science. Neither the level of education and training required for access to the field of consultancy nor quality/ethical standards are regulated by law or by a professional body.

There are no chambers, only interest associations (*Verbände*). The largest of these, the BDU, is primarily concerned with improving the economic and legal framework in which consultants work. However, the BDU does not admit individual members, only companies. The association has long sought to gain the legal protection available to academic free occupations (*freie Berufe*) such as advocates and accountants (*Wirtschaftsprüfer*), but so far without any positive response from government. However, some progress has been made in establishing criteria for membership designed to raise the level of professionalism. The BDU has developed occupational and ethical guidelines designed to raise quality and establish standards. It also offers further training leading to the attainment of the internationally recognised standard of Certified Management Consultant. 300 of its 450 member companies have now been certified in this manner, a coverage of around 25 per cent of all those employed in this sector.

## 5.5 British solicitors

Solicitors give legal advice, prepare documents and contracts and conduct litigation. In the late 1990s, 80 per cent worked in private partnerships as either partners or employees (Law Society, 1998a), and the remaining proportion work in large public and private organisations and in state agencies.

Solicitors are a very old profession and have gradually adapted their work and organisation to modern requirements. The Law Society, their professional association and governing body, was founded in the 1820s and received a Royal Charter in 1831. It is an independent and mainly self-regulating body, which both represents and regulates solicitors. Although membership is voluntary, the Law Society's jurisdiction extends to non-members. It has custody of the Roll of Solicitors, where every solicitor has to be registered. The Law Society, with the concurrence of the Lord Chancellor, Lord Chief Justice and Master of the Rolls, may make regulations about the education and training of solicitors, thus controlling entry to the profession. It regulates all aspects of solicitors' practice, conduct and discipline and shapes policy for the profession as a whole, as well as representing the profession vis-à-vis the state.

Solicitors have legal protection of their title but do not have a monopoly on the provision of legal services, so that people without this title may give legal advice. Since the 1980s solicitors have had to share various functions with other professional providers, such as conveyancers, and with semi-professionals, such as legal executives, who can now conduct litigation. On the other hand solicitors, once they have acquired the necessary training, can now appear as advocates in any court – a role previously reserved for barristers.

Solicitors must undertake three stages of training:

- A first degree in law (or a degree in another subject, followed by the Common Professional Examination, taken after a one-year conversion course)
- A vocational one-year legal practice course
- A two-year salaried training contract with a firm of solicitors.

The number of solicitors in Great Britain increased steadily over the past decade, reaching 100,957 in 2000. The size structure of law firms has been changing, with both large firms and sole practitioners increasing in relative importance at the expense of medium-sized firms. (Law Society, 1998b and c). Although small firms still form the overwhelming majority, large firms with more than 25 partners dominate in terms of market share and fee earning, and in the late 1990s they employed 44 per cent of assistant solicitors (Law Society, 1998a; Smith, 1999: 3). The top ten law firms have a combined 46.8 per cent of total turnover (Law and Economics Consulting Group (LECG), 2000: 47). The large firms, mainly engaged in corporate work, began to internationalise from the late 1980s onwards and, together with American firms, now have the greatest international presence in terms of number and geographical spread of foreign offices (Beaverstock *et al.*, 1999).

## 5.6 German advocates

German advocates combine the activities of English/Welsh solicitors and barristers. They are part of the larger group of lawyers (*Juristen*) but work in private practice alone, with one or more partners, or – much more rarely – as employees in a legal practice. Advocates in private practice used to be a relatively small section of the legal profession, outnumbered by those in public office and in legal departments of private corporations. But more recently they have increased in relative importance, and currently 80 per cent of qualified lawyers work in private practice. In 1985 West Germany had around 48,000 advocates; by 2001 a total of 110,367 had registered with the chambers in the united Germany. With the dramatic increase in the number of qualified lawyers and reduced employment opportunities in public- and private-sector organisations, many young lawyers have been forced to open their own practices.

Advocates must complete a law degree of four to five years' duration, culminating in the 'first state examination' (*erstes Staatsexamen*). This is followed by two years of training (*Referendariat*) in either the public or the private sector, leading to the 'second state examination' (*zweites Staatsexamen*). Successful completion of both entitles to admission to the legal profession. Despite the shift away from public-sector legal work, the content of both the law degree and the training course continues to be dominated by the requirements of public office. As only one of the four obligatory components of the *Referendariat* is spent in a private practice, new advocates receive insufficient theoretical and practical preparation for work outside the public sector. (The inadequacy of this arrangement has recently been recognised, and the training period spent in an advocate's practice has been extended.)

As there are no restrictions on the numbers of students admitted to study for law degrees, the number of law students in Germany has been rising steadily throughout the 1980s and most of the 1990s, outstripping the available jobs and creating fears of a 'lawyer flood'. This development has had an impact on earnings. Average fee income of advocates declined during the late 1990s for both sole practitioners and partnerships. However, the decline has been much less notable in practices that are growing and extending their market (Statistische Analyse Rechtsanwälte, 1999).

At the same time a process of specialisation has begun, designed to counteract market crowding. This also reflects greater differentiation within law and demands for higher quality service. The introduction of the title *Fachanwalt* (advocate with specific expertise, such as family, labour or tax law) serves to divide up the market and to attract clients with specific requirements. Advocates gain the title through further study and certification, handled by the association and chambers of advocates. Despite considerable support for such specialisation from advocates, the federal chamber's rule-making assembly has decided not to extend this development beyond the existing seven specialisations because of the detrimental effect of excessive specialisation on small practices.

Advocates enjoy a legally enshrined monopoly on the provision of legal services although in practice encroachment from other service providers is now prevalent. Until the late 1980s they were also subject to highly restrictive rules, which confined advocates' activity to a local court and their practice to a single locality. A constitutional court verdict of the 1980s declared unlawful the profession's own status order on the grounds that it obstructed the freedom of occupational activity. As a result the confinement of legal practices to only one locality was outlawed in 1989, and in 2000 the restriction to appear in only one designated court was lifted.

These changes have initiated a process of internal restructuring of the profession, leading to the formation of supra-local practices. This facilitated mergers and firm growth and increased concentration. Nevertheless, small firms still predominate. Only around 10 per cent of advocates work in practices with more than ten partners, and the largest of these are much smaller than the largest law firms in Britain (Lace, 1999: 165). The number of employed advocates is still low, while the model of the independent advocate working alone or with partners, in direct contact with and with responsibility only to the client, remains popular.

Another significant change has been the opening of law practices to related professions with similar constitutions, such as accountants, leading to the creation of multi-disciplinary practices. This has permitted law firms to expand their range of activities and has encouraged growth. In recent years the first mergers with US and English law firms have taken place, focused mainly on the lucrative market for corporate and international law.

### **5.7 British pharmacists**

British pharmacists work predominantly in community pharmacies. They are health care professionals whose dispensing fees are paid by the National Health Service and whose contracts are with local health authorities. They are principally engaged in supplying,

advising on and managing medicines, whether prescribed, pharmacy-only or over-the-counter. As in Germany, compounding of medicines has become a rarity, and computerised drug information, coupled with patient medication records, have routinised the dispensing process. Pharmacists have a legal monopoly on the supply of prescribed drugs, although in certain exceptional situations drugs may be dispensed in doctors' surgeries. Dispensing of prescribed drugs is restricted to pharmacists, although assistants without pharmacy training handle other drugs under the supervision of pharmacists.

In recent decades pharmacists' roles have expanded to include health screening, provision of advice on minor ailments, management of chronic conditions, promoting healthier lifestyles and providing advice to residential and nursing homes (RPSGB, 1992; 1996). In contrast to German pharmacies there is no strict regulation of what other goods may be offered, and in this respect British pharmacies are more like a German *Drogerie* (drugstore) than a German *Apotheke* (pharmacy).

Apart from restrictions on who supplies drugs, British community pharmacists have traditionally been subject to light regulation only, and recent legislation has almost completed the process of deregulation. Without restriction on how many pharmacy outlets an individual may own or on the setting in which dispensing occurs, pharmacy multiples have become highly developed, single proprietorships have greatly declined, and dispensing of prescription drugs and sales of over-the counter-drugs in supermarkets have become commonplace. The abolition of resale price maintenance in 2000 will further hasten the demise of sole-proprietor pharmacies and the concentration of provision in large chains and in supermarkets. Between 1990/91 and 1999/2000 the number of independent pharmacies declined by 20 per cent, and in the latter year the proportion of pharmacies in chains of five or more was 46 per cent (Department of Health (DoH), 2001: 1, 6, Chart 1). Polarisation is visible in turnover figures from 1996, with the combined turnover of 6,139 single proprietors being only slightly higher than that of the five largest chains (Office for National Statistics (ONS), 1996).

The only remaining restrictive regulation is the operation of geographically based quotas for the opening of new pharmacies, designed to counter undue competition. In 2000 there was one pharmacy per 5,025 inhabitants (DoH, 2001: 1) – a significantly lower density of pharmacies than in Germany. This is coupled with a very uneven geographical provision, with wide differentials between different geographical regions (DoH, 2001: Table 1a). Pharmacists' dispensing fees are fixed by the state, and in recent years various new clauses have reduced pharmacists' income from prescribing.

The education and training of pharmacists consists of a four-year university degree, followed by one year of pre-registration training. The content of the degree syllabus is approved by the professional society, the Royal Pharmaceutical Society of Great Britain (RPSGB), and that of the pre-registration training is both laid down and examined by the RPSGB. On completion of this examination pharmacists become members of the Society. Furthermore all pharmacies have to be registered with the Society, which carries out inspections on a regular basis and has the power to fine and even to close those with unsatisfactory performance.



## 5.8 German pharmacists

German pharmacists work in various settings, but the vast majority (around 86 per cent) are community pharmacies (*öffentliche Apotheken*) – hence the main focus of this profile is on this group.<sup>2</sup> Pharmacy is part of the German health service, which is financed through contributory funds and administered by insurance companies (*Krankenkassen*) rather than by the state. Nevertheless, the state is very concerned about and actively involved in containing the escalating cost of health in general, and of dispensing medicines in particular.

The core of pharmacists' activity is the dispensing of medicines – both prescribed and over-the-counter – and giving advice on the risks and effects of individual medicines and their interaction. Additionally, they provide minor medical services, such as blood testing, as well as giving advice on minor ailments. Only pharmacists and doctors are entitled to issue prescription and non-prescription medicines, other than those labelled 'freely to be sold medicines'. The dispensing of medicines yields the overwhelming part of pharmacists' turnover and income. Medicines are bought ready-made from wholesalers, and their compounding in pharmacies is now negligible. Pharmacists make use of computerised drug information and labelling, but German law prohibits the capturing of patient medication information. Since February 2002 legislation designed to reduce expenditure on drugs authorises pharmacists to substitute cheaper generic drugs, if they have comparable effects, for those prescribed by doctors, thus enhancing their role in relation to that of doctors.

The German pharmacist profession is highly regulated. Most notably owning more than one pharmacy or dispensing in a non-pharmacy setting is prohibited (*Fremd- und Mehrbesitzverbot*), preventing the formation of chains and the dispensing in supermarkets or department stores. Confining the dispensing of prescription drugs to suitably qualified pharmacists whose attention is entirely concentrated on dispensing is intended as a safeguard. Mail-order selling of drugs and internet pharmacies are still outlawed at the time of writing, and retail price maintenance remains in operation.

State regulation of prices extends to the imposition of regressive profit margins. These are lowest on the most expensive drugs as an inducement for pharmacists to dispense cheaper generic drugs in order to control the drugs budget. In contrast to Britain there are no quotas for new pharmacies, but entry is restricted by the regulated admission to the study of pharmacy. This regulatory framework has shaped the structure of community pharmacy in Germany, making it very different from its British equivalent. Small pharmacies with less than ten employees are dominant, and 44 per cent of all pharmacists are self-employed. Due to the absence of quotas the density of pharmacy provision is very high, particularly in urban areas. There are 21,600 pharmacies for 82 million inhabitants, i.e. 3,796 inhabitants per pharmacy.

German pharmacists are required to complete a university degree of at least four years' duration, followed by a year of practical experience in a pharmacy. Access to university is

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<sup>2</sup> Unless otherwise stated all facts and figures quoted in this section are taken from ABDA (1999) *Die Apotheke: Zahlen, Daten, Fakten*. Eschborn: ABDA, and from Uni-Magazin (2002) 'Arbeitsmarkt Apotheker' 1: 11–12.

regulated by the imposition of a *numerus clausus* and is highly selective, with only one in four applicants accepted. The content of the degree, which is widely criticised by pharmacists for its overly natural scientific bias (interview results), is laid down by the state-run universities, with a common final examination (*Staatsexamen*). Following successful completion of the practice year, the title of pharmacist is bestowed (*Approbation*), and the newly qualified pharmacist is admitted to membership of a pharmacists' chamber.



## PART II: EMPIRICAL FINDINGS

### 6 Professional interests and loyalties

The debate amongst sociologists and economists focuses on whose interest professionals and their associations serve. One extreme view claims that they serve the general interest, which they should be allowed to protect by excluding the unqualified (e.g. Carr-Saunders and Wilson, 1933). A contrasting but also one-sided view contends that they serve their own special interests by exploiting any protection from competition they have been granted (e.g. Larson, 1977).

The compromise position recognises that the professions have the power to serve both their own and the public interest. Any conflicts of interest arising from this dual orientation are resolved by the adoption and enforcement of professional guarantees of quality and codes of practice to reassure society that the privileged economic and social status afforded to professionals will not be abused. This idea of a compact between highly qualified occupations and those they serve, mediated in varying degrees by licensed private associations and the state in Britain and Germany, rests on a model of direct service. However, many professional services are no longer provided by independent professional practices, but by organisations which mediate between professional workers and those they serve. These organisations may be either in the private or the public sector, but in each case they introduce sets of interests additional to those of the professional workers and their clients. In quoted companies, for example, the interests of shareholders come into play while in the public sector account has to be taken of the interests of the political paymasters. Moreover, as organisations grow and become more hierarchical, additional interest groupings develop, including those of managers, employees and colleagues.

To explore the relative importance to our professional respondents of these different interest groupings we asked them where their loyalties lie. We first asked about the degree of loyalty the respondents feel for individuals and organisations they might be associated with, and then followed this up by asking to which of these they extended the greatest loyalty. The results are given in Tables 6.1a/b and 6.2a/b.

Table 6.1a shows that among British professional workers the highest proportion had a great deal of loyalty to themselves, followed closely by clients, subordinates and colleagues. Three quarters had a large amount of loyalty for their profession, but this proportion falls to 59 and 60 per cent for employers and their supervisors. There are variations in the pattern of loyalties between the different professions. The most notable of these is the low degree of loyalty lawyers feel for their profession and the high degree of loyalty they have for their employers and the organisations using their services.

**Table 6.1a**  
**Professional loyalties: Britain (%)**

<b>Large amount of loyalty to:</b>	<b>Pharmacists</b>	<b>HR managers</b>	<b>Lawyers</b>	<b>Counselling psychologists</b>	<b>Total</b>
Myself	89.6	92.2	78.5	95.5	88.9
My clients	82.9	84.1	90.4	97.5	88.7
The people who work for me	84.3	90.6	90.2	81.8	87.4
My colleagues	79.9	87.2	82.9	82.2	82.9
My profession	75.9	76.8	48.9	87.6	72.3
The organisation which uses my services	61.6	70.8	79.8	64.2	68.2
My supervisor	43.8	55.6	65.9	71.8	59.1
My employer	56.0	60.9	82.5	54.1	60.1

**Table 6.1b**  
**Professional loyalties: Germany (%)**

<b>Large amount of loyalty to:</b>	<b>Pharmacists</b>	<b>Business and HRM consultants</b>	<b>Lawyers</b>	<b>Psychological psychotherapists</b>	<b>Total</b>
Myself	85.9	92.6	85.3	93.2	89.2
My clients	91.1	97.6	95.1	97.3	95.4
The people who work for me	62.3	71.4	66.4	23.6	61.0
My colleagues	66.2	44.9	40.9	31.7	46.4
My profession	45.2	25.2	31.9	38.2	35.4
The organisation which uses my services	62.0	61.4	50.0	22.9	49.4
My supervisor	63.5	28.3	12.5	8.9	31.5
My employer	77.9	52.2	18.8	14.9	46.7

A comparison of Tables 6.1a and 6.1b shows that more German than British professionals – 95 per cent – expressed a large amount of loyalty for their clients, and a similar proportion – 89 per cent – feel a large amount of loyalty for themselves. However, far fewer Germans expressed a large amount of loyalty for their colleagues, their profession, people who work for them, organisations which use their services, their supervisor and their employers, reflecting the higher proportion of single proprietors/sole practitioners among them. These inter-country differences were greatest for lawyers and, even more so, for psychologists.

When asked to whom they owed most loyalty, 38 per cent of all British professional workers surveyed elected their clients and 25 per cent themselves (Table 6.2a). This pattern varied widely between the different professionals. The HR managers put themselves first and gave a relatively high degree of loyalty to their subordinates and

**Table 6.2a**  
**Greatest loyalties: Britain (%)**

<b>Most loyalty to:</b>	<b>Pharmacists</b>	<b>HR managers</b>	<b>Lawyers</b>	<b>Counselling psychologists</b>	<b>Total</b>
My clients	30.2	22.1	41.5	56.4	37.6
Myself	24.8	31.0	18.0	26.9	24.6
My colleagues	12.6	8.3	16.4	2.6	10.0
The people who work for me	9.4	12.4	9.3	1.0	8.0
My profession	11.9	7.2	3.8	7.2	7.2
My employer	6.8	13.1	7.1	1.3	7.7
My supervisor	1.4	4.5	0.5	3.0	2.3
The organisation which uses my services	2.5	1.4	2.7	0.3	1.3
Others	0.4	0.0	0.5	1.3	1.7

**Table 6.2b**  
**Greatest loyalties: Germany (%)**

<b>Most loyalty to:</b>	<b>Pharmacists</b>	<b>Business and HRM consultants</b>	<b>Lawyers</b>	<b>Psychological psychotherapists</b>	<b>Total</b>
My clients	47.3	69.6	80.0	75.4	66.7
Myself	16.8	12.5	9.4	19.2	17.6
My colleagues	1.8	0.0	3.5	0.4	1.4
My profession	1.8	1.8	1.2	1.2	1.4
The people who work for me	3.0	8.9	1.2	0.0	2.7
My employer	23.4	3.6	1.2	0.4	8.3
My supervisor	1.2	0.0	0.0	0.0	0.3
The organisation which uses my services	1.8	0.0	0.0	0.8	0.8
Others	2.0	3.6	3.5	2.7	0.8

their employers. Below average numbers of pharmacists were most loyal to their clients and relatively more were loyal to their colleagues and to their profession. Lawyers were relatively loyal to their clients and, compared with the other professions, to their colleagues, while 56 per cent of counselling psychologists put their clients first. However, although there was variation between the professions, relatively few ranked first their loyalty to their colleagues, the people who worked for them, employers, supervisors and organisations using their services.

A very different pattern of first loyalties emerges for German professionals, as a comparison of Tables 6.2a and 6.2b shows. Overall, 67 per cent of the German professionals gave their first loyalty to their clients (compared with 38 per cent of the British), ranging from 80 per cent for lawyers to 47 per cent for the pharmacists. Fewer Germans than British gave their first loyalty to themselves, and scarcely any were most

**Table 6.3**  
**Size of employing organisation (%)**

Numbers in employment	Pharma- cists		Management services		Lawyers		Psychologists		All	
	B	G	B	G	B	G	B	G	B	G
Less than 10	21.4	65.3	14.1	76.9	37.2	88.4	37.0	93.5	27.3	81.0
10–99	12.7	19.2	5.0	17.5	47.3	8.9	9.4	0.8	18.8	11.6
100–499	7.7	3.2	13.1	1.6	12.2	2.8	3.7	1.5	9.3	2.4
More than 500	58.1	12.3	68.0	4.0	3.2	0.0	49.8	4.3	44.5	5.1

loyal to any of the other categories, except for the German pharmacists, 23 per cent of whom were most loyal to their employers. This again expresses the pattern of self-employment/employment among the German professionals.

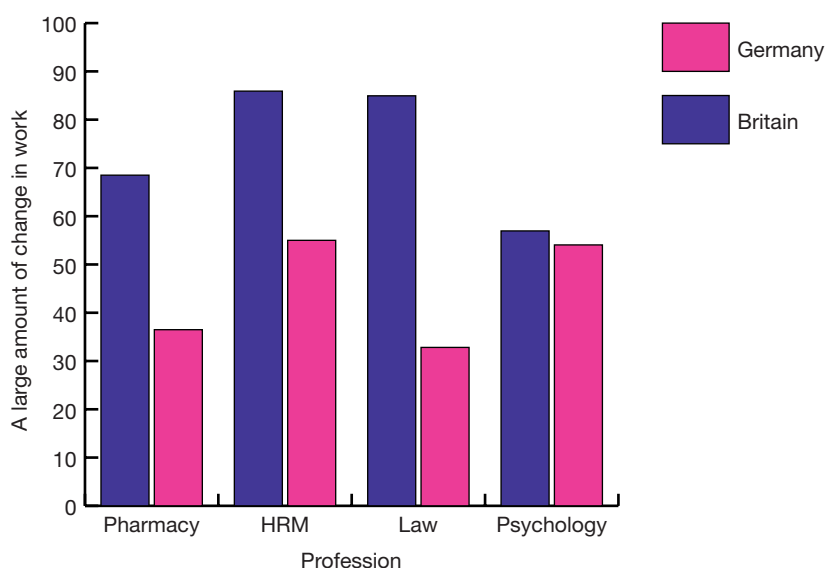
Inter-professional differences in the nature of the services provided go some way to explain differences in loyalties. Both lawyers and psychologists are closely and directly involved with their clients, often over an extended period of time, and in both countries these two groups of professionals had most loyalty to their clients.

Inter-country differences in the pattern of loyalties can be related to the differences in the size of organisations employing them and to differing employment status. In Britain 17 per cent worked in sole proprietorships, 17 per cent in partnerships, 12 per cent in private companies, 18 per cent in publicly quoted companies and 33 per cent in public-sector organisations; in Germany these proportions were 59 per cent, 17 per cent, 12 per cent, 1 per cent and 5 per cent respectively. These organisational differences are reflected in differences in the employment size of the organisations (see Table 6.3). In Germany 81 per cent worked in organisations with 10 or fewer employees, compared with 27 per cent in Britain. At the other end of the scale, 44.5 per cent of British professionals worked in organisations with 500 or more in employment, compared with 5 per cent in Germany. One reason why a relatively high proportion of German pharmacists have most loyalty to their employers is that, relative to their counterparts in other German professions, more are employees. A full exploration of loyalties and interests requires a more detailed analysis than is possible here. Suffice it to say that in Britain – where organisations employing our professional respondents are larger, more complex and consequently have a wider range of possible interest groupings – the pattern of loyalties is more diverse.

## 7 Changes in professional work

### 7.1 The degree of change

The degree of change perceived to have taken place in professional work differed significantly between the two societies. Of the British professionals, 75 per cent judged the preceding 10 years (the 1990s) to have been a time when they had experienced a large amount of change in their work, whereas among their German counterparts a more moderate 45 per cent reported this degree of change. This difference in perception may reflect the fact that change in Britain started earlier and has been on a wider front. There were, however, significant differences between the four professions in each country, although in each the perception of change was greater in Britain (see Figure 7.1). Solicitors and HR managers among the British professions, and consultants and psychological psychotherapists among the German professions, were most conscious of a large amount of change in their work.



**Figure 7.1**  
Changes in professional work

### 7.2 The drivers of change

To identify the sources for the perceived levels of change, we asked questions about the impact on their work of the possible factors that could drive change (see Tables 7.1a and 7.1b). The British professions saw the following four, in descending order, to have had a large impact on work: increased demands from consumers, technological change,

**Table 7.1a**  
**Impact on professional work of drivers of change: Britain (%)**

	All	Pharmacists	HR managers	Lawyers	Counselling psychologists
<b>Large impact<sup>a</sup> from:</b>					
Increased demands from consumers	63.7	71.2	76.2	71.3	35.4
Technological change	57.2	57.4	73.8	70.3	26.1
<b>Changes targeted at profession in:</b>					
Government policy	48.7	50.0	59.2	60.3	21.7
Regulation	32.3	26.6	35.4	48.2	18.1
European policy	30.7	32.8	58.2	15.4	8.7
<b>Increasing competition from:</b>					
Within your profession	42.3	46.2	28.5	66.0	28.0
Other professions	27.4	36.5	14.5	23.6	35.3
Non-professionals	19.6	25.7	11.0	23.4	18.1

Note: <sup>a</sup> Measured on a scale of 1 (no impact) to 5 (huge impact). Percentages given are responses of 4 and 5.

**Table 7.1b**  
**Impact on professional work of drivers of change: Germany (%)**

	All	Pharmacists	HRM and business consultants	Lawyers	Psychological psychotherapists
<b>Large impact<sup>a</sup> from:</b>					
Increased demands from consumers	44.0	48.4	67.4	43.8	16.1
Technological change	36.3	40.1	54.7	39.5	7.2
<b>Changes targeted at profession by:</b>					
Government policy	36.0	55.7	13.1	16.2	58.0
Regulation	42.1	39.0	25.6	30.1	73.3
European policy	17.1	38.7	7.2	14.6	5.3
<b>Increasing competition from:</b>					
Within your profession	33.5	40.3	35.5	46.2	14.4
Other professions	26.1	17.5	27.1	28.8	31.0
Non-professionals	19.9	32.8	15.4	17.5	4.1

Note:<sup>a</sup> Measured on a scale of 1 (no impact) to 5 (huge impact). Percentages given are responses of 4 and 5.

government policy (including possibly both cost cutting in the public-sector payments and increased monitoring) and intra-professional competition. For the German professions the ordering was different: increased demands from consumers, regulation, technological change and government policy, with intra-professional competition following closely behind. European policy was not seen to have had much impact on change at work by

either British or German professionals. The only exception in this respect were British HR managers, where the reference was more to the changed content of work, i.e. the many changes in employment law stemming from directives by the European Commission.

However, members of the various professions did not perceive these forces as having had the same impact, and disaggregation is necessary to understand the above responses. Responses also become more clearly crystallised when the results are considered in relation to the answers given by each profession when asked to single out the most important factor impacting on their work, presented in Tables 7.2a and 7.2b. Additionally, qualitative data in response to open questions about contentious relationships within and between professions, as well as with non-professionals, have been useful for understanding the precise nature of the impact of competition.

An analysis of patterns for individual British professions shows that counselling psychologists stand out for not perceiving much impact on work from many of the factors identified by the other three professions (Table 7.1a). There were, however, two factors that they ranked higher than the other British professions as the most important driver of change: inter-professional competition and intra-professional competition, identified by 17 per cent and 13 per cent respectively as the most important factor driving change. The inter-professional competition is mainly with clinical psychologists, whose greater chances for employment and income, particularly in the health service, was a grievance resurfacing in many of their responses to our open questions. Counselling psychologists additionally were troubled by intra-professional competition which, our qualitative data revealed, was mainly between chartered psychologists and those less highly qualified.

British solicitors' responses are notable for reporting a high impact across a wide range of external factors and especially so for government policy, regulation and internal competition (Table 7.1a). Such competition is evident in the strong polarisation within the profession in terms of size and income (Law Society, 1998a, b and c). Although inter-professional competition figured less prominently in the survey responses of solicitors to the question about the most important factors driving change, qualitative responses nevertheless indicate that competition with conveyancers is a troubling issue for at least a significant minority. But government policy and regulation take precedence as the most important drivers of change for British solicitors (Table 7.2a). This no doubt refers to the much-increased government intervention in the internal affairs of solicitors in recent decades.

Intra-professional competition is also an issue for a large minority of British pharmacists, especially for community pharmacists. For hospital pharmacists inter-professional competition with doctors and nurses seems to be of more importance, judging from our qualitative data. Finally, competition in any form did not have an impact on the work of HRM practitioners in corporate employment. Instead, our qualitative data reveal, the most contentious relationship for them was with other managers over determining company strategy (mentioned by 51 per cent of those who had contentious relations).

Among the German professions, one profession – psychological psychotherapists – accounts for the relatively high ranking of the 'regulation' factor (Table 7.2b). This indicates a largely negative evaluation of the manner in which some important aspects of their profession are now legally regulated. Although recognition as a profession in 1999 has been welcomed, the 'psychotherapists' law has settled important issues to their disadvantage. This also explains their response to the factor 'government policy'. This

**Table 7.2a**  
**The most important drivers of change impacting on professional work: Britain (%)**

	All	Pharmacists	HR managers	Lawyers	Counselling psychologists
<b>Most important driver of change:</b>					
Increased demands from consumers	31.1	33.5	34.2	29.3	27.0
Technological change	22.1	28.5	24.5	21.5	13.5
<b>Changes targeted at profession by:</b>					
Government policy	18.0	14.8	18.1	26.5	12.5
European policy	5.5	2.1	18.5	0.0	1.0
Regulation	7.1	4.9	2.7	9.4	11.5
<b>Increased competition from:</b>					
Within your profession	7.7	8.5	1.0	8.8	12.5
Other professions	6.2	6.3	0.0	1.1	17.2
Non-professionals	2.6	1.4	1.0	3.3	4.7

**Table 7.2b**  
**The most important drivers of change impacting on professional work: Germany (%)**

<b>Large impact<sup>a</sup> from:</b>	All	Pharmacists	HRM and business consultants	Lawyers	Psychological psychotherapists
<b>Most important driver of change:</b>					
Increased demands from consumers	27.3	23.3	42.7	39.2	3.8
Technological change	21.2	21.2	32.3	29.4	2.1
<b>Changes targeted at profession by:</b>					
Government policy	12.7	25.4	2.4	3.5	19.2
European policy	2.5	5.2	0.8	3.5	0.3
Regulation	25.6	14.5	9.7	3.3	65.6
<b>Increased competition from:</b>					
Within your profession	6.1	5.7	8.1	8.4	2.4
Other professions	2.6	2.1	0.8	1.2	5.5
Non-professionals	1.9	2.6	3.2	0.7	1.0

response receives confirmation from our qualitative data: 40 per cent of psychological psychotherapists complained about the external assessment of their professional judgements and their unequal admission to the Association of Doctors' Health Funds, which determines differential rates of pay for the services provided by the various health professions.



The only other German profession ranking government policy highly as a driver of change are pharmacists. They are reacting to government policy on lowering the drugs budget and hence their dispensing fees. The low resonance of this factor among German advocates is in marked contrast to the high importance it had among British solicitors. Increased pressures from consumers and impact of technology figured highly in the responses of German consultants – mentioned by 67 and 55 per cent respectively – the only group fully exposed to market forces. This emerging profession is also troubled by intra- and inter-professional competition which, due to the lack of any regulation and common criteria of evaluation, manifests itself in conflicts over qualifications, quality of service and prices charged.

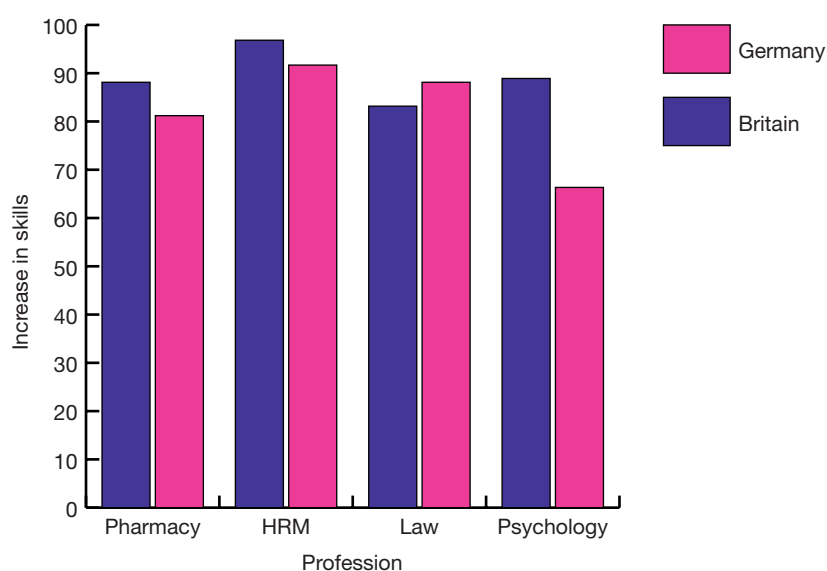
The relatively high significance attributed to intra-professional competition by the German professions is due to the responses of pharmacists and advocates (40 and 46 per cent respectively) – both professions grappling with the problem of market crowding. Pharmacists, in their qualitative responses, confirmed such competition over market share and complained about unfair or even illegal methods of competition, such as giving rebates and engaging in price dumping. For advocates, according to their qualitative comments, competition came both from market crowding and from the recent emergence of larger legal practices.

## 8 Impact of change on professional work

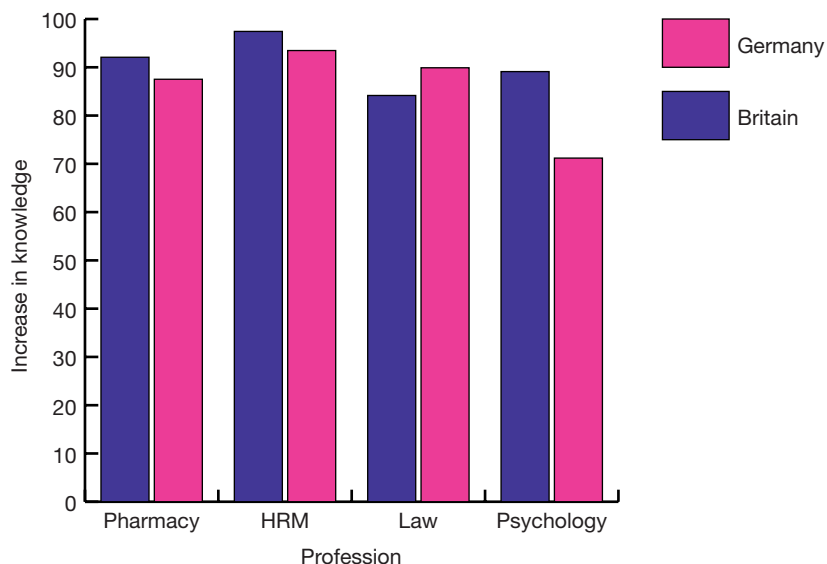
The professionals were further asked to identify the impact of the three most important drivers of change on important features of their work. We enquired about the impact of change on the skills and knowledge required, quality and efficiency of the services provided, discretion exercised, costs and prices and viability of services, and how they related to the demands made of respondents in their work.

### 8.1 Skills and knowledge

There is an overwhelming perception among the British and the German professions that external drivers of change have led to increases in skills and knowledge required (Figures 8.1 and 8.2), with the proportion noting a decrease tiny in each profession. Overall, the proportion of British professionals reporting increases in skills and knowledge is a little higher than that of their German counterparts. This difference is not significant and is mainly due to the relatively small number of German psychological psychotherapists who reported increases in skills and knowledge required: 66.1 per cent and 71.2 per cent respectively. This response must be seen in the context of the 1999 'psychotherapists' law, which has limited their previously wide range of methods and approaches in dealing with patients to only three that are deemed to be scientifically respectable.



**Figure 8.1**  
Increase in skills

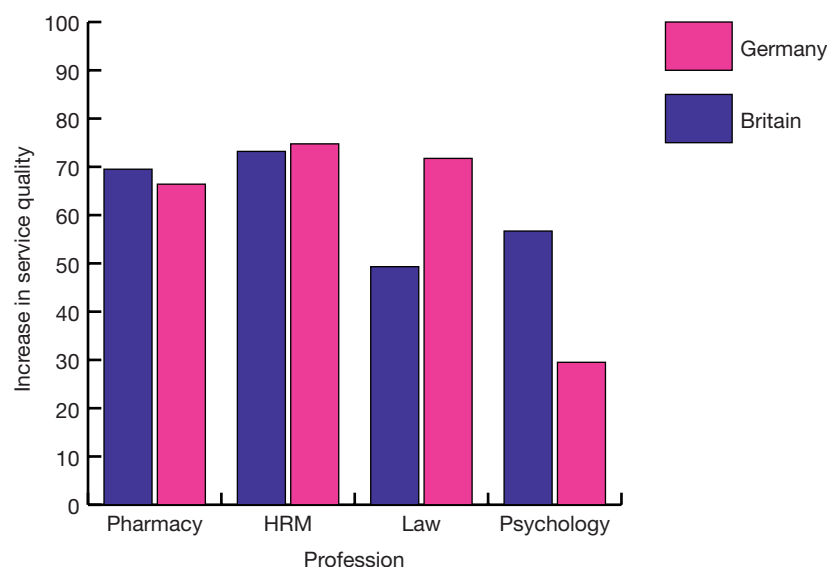


**Figure 8.2**  
**Increase in knowledge**

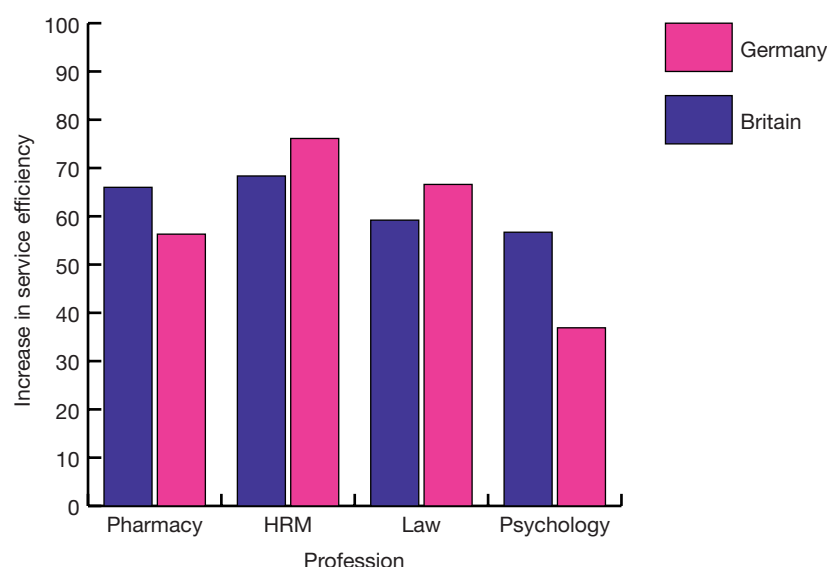
It is notable that such a wide perception, in both countries, of increases in knowledge and skills required stands side by side with recognition that new technology has been an important driver for change at work. Thus, in the views of professional workers, technology is not associated with the routinisation and deskilling effect with which it is still widely coupled in the sociology of work. Such deskilling has been emphasised particularly in relation to pharmacists (Harding and Taylor, 1997), but our results lend no support to such a trend even for this profession. The professions view the importance of technology more in the way it transforms markets, changes the boundaries between professions and widens the area of competition (qualitative interview data).

## 8.2 Quality and efficiency of services

Figures 8.3 and 8.4 reveal that the general perception of respondents in both countries was that quality and efficiency of their services had also increased. German psychotherapists were exceptional in that only a minority reported an increase in both. One explanation for this may be that the legal limitation of the range of treatments they can offer is perceived as having a negative impact on the quality of their services. In addition, the frequent criticisms of their work by medically qualified professionals may have sapped their confidence in the services they provide (qualitative data on strained relations with other professions). In the other professions, in both countries, a majority said that the efficiency and quality of their service had increased. In both countries particularly large proportions of those providing HRM/consultancy services to firms report such increases. Among the British professions lawyers were the least inclined to report increases in the quality and efficiency of their services, probably reflecting the fact that their services still attract a very high volume of client complaints.



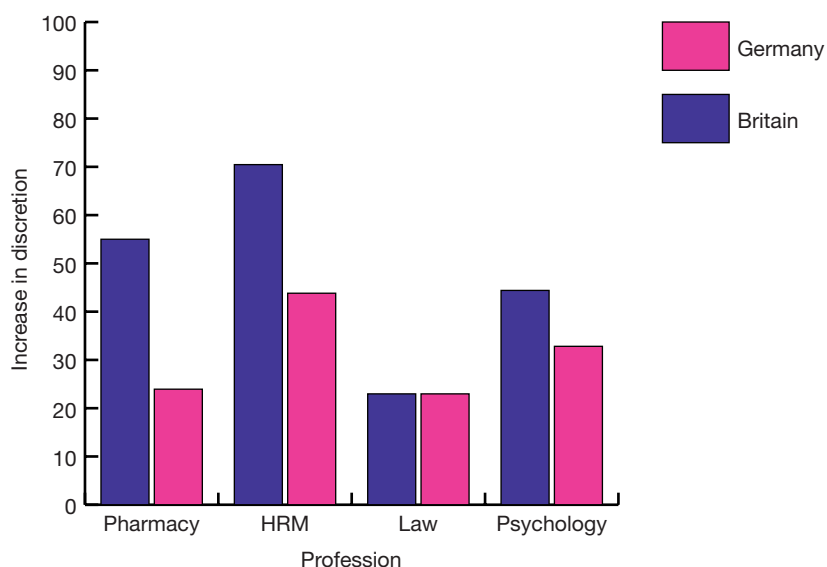
**Figure 8.3**  
**Increase in service quality**



**Figure 8.4**  
**Increase in service efficiency**

### 8.3 Discretion

It might have been expected that the increase in skills and knowledge required would have been accompanied by a comparable increase in the discretion exercised. But this is not the case. Lower proportions of respondents, 52 per cent of British professionals and 33 per cent of German professionals, noted an increase in discretion at work, and 11 per cent and 23 per cent respectively reported decreases. This national difference may seem surprising in view of the fact that a larger proportion of German than British professionals



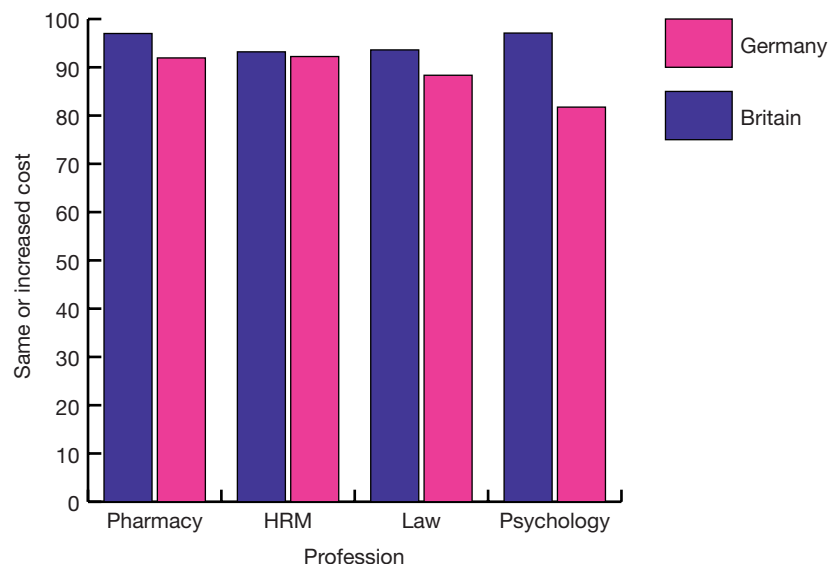
**Figure 8.5**  
**Increase in discretion**

(80 per cent and 26 per cent respectively) are employed in small practices. It might also have been expected that, given the increased skill and knowledge content of their work and the absence of hierarchy and a bureaucracy, more discretion would have been left in the hands of German professional workers.

However, these national differences hide considerable variation both among the British and the German professions. Figure 8.5 shows the increase in discretion reported by the separate professions in the two countries. The most positive among the British professionals are the HR managers, 70 per cent of whom reported an increase in discretion. This may seem surprising, given the proportion working in large bureaucracies with responsibility to higher managers with whom, according to their responses to our open questions, they often differ about strategy. On the other hand, the HRM function has acquired growing importance within firms. Also, in contrast to the established professions, HRM specialists are not constrained by regulation or any other type of government intervention. Among both German psychotherapists and pharmacists the proportion noting an increase in discretion is relatively small. The pattern of responses from the psychotherapists probably reflects the imposition of a narrow range of methods in the 'psychotherapists' law, as well as the necessity of having courses of treatment approved by external assessors from their own or cognate professions. But the low relative score on discretion increase among German pharmacists and British solicitors is more difficult to explain.

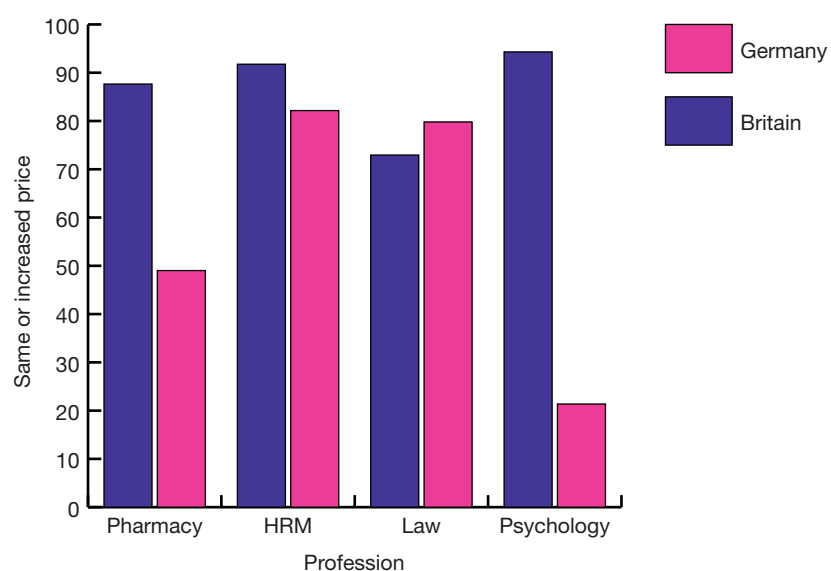
#### **8.4 Costs, prices and financial viability**

The respondents were also asked about the impact of change on costs, prices and the financial viability of the organisations in which they were employed. Figure 8.6 shows that the cost of providing services has either remained the same or increased for the vast

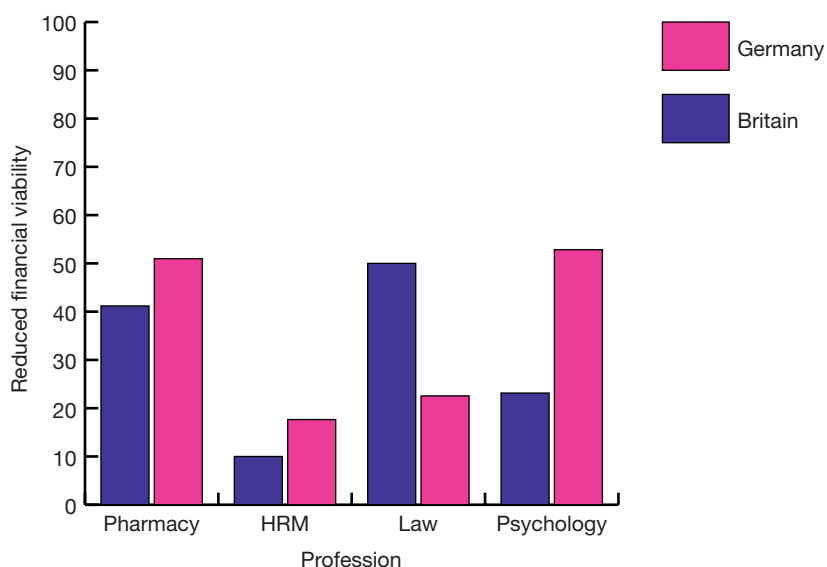


**Figure 8.6**  
**Changes in cost of services**

majority interviewed in each profession, although the proportion is slightly lower in Germany. However, prices of services have remained stable or have increased for a smaller proportion than those noting an increase in costs (Figure 8.7). This discrepancy in the movement of costs and prices is particularly pronounced for the German professions, whereas in Britain only the pharmacists and, more strongly, the solicitors are affected. Among the latter, 26 per cent suffered reductions in the price of their services. One factor explaining the falling earnings of British solicitors is the revision of the Legal Aid Scheme (Law Society, 1998a and b). Additionally, opening up the market for conveyancing and increased competition from large practices has no doubt squeezed the fees earned by small legal practices. In Germany the disparity in cost and price movements was greatest



**Figure 8.7**  
**Changes in price of services**



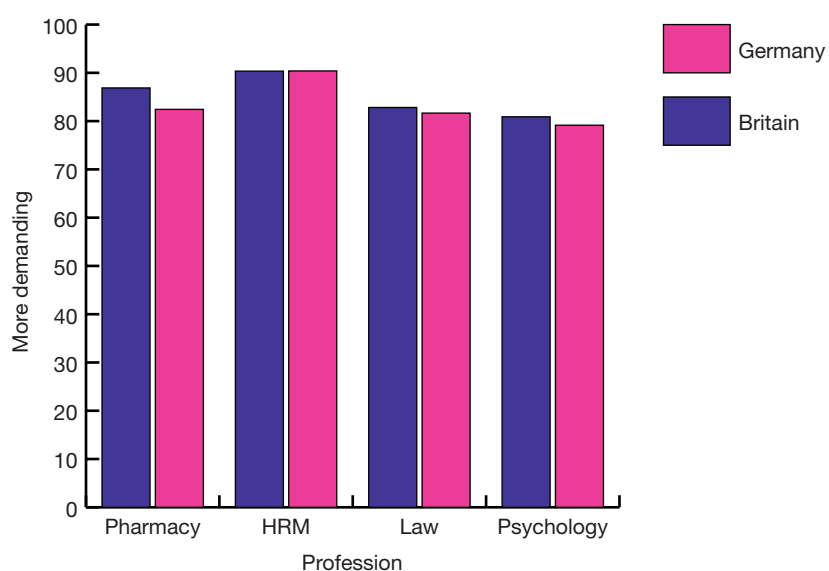
**Figure 8.8**  
**Reduced financial viability of employing organisations**

for pharmacists and psychotherapists: 51 per cent and 69 per cent respectively reported a fall in the prices of their services, despite the fact that for all but a tiny minority costs had remained stable or had increased. Cuts in the drugs budget and ensuing reductions in dispensing fees explain the fall in the price of services provided by German pharmacists. The perception of reduced earning power by a large proportion of psychological psychotherapists is attributable to their insufficient influence in the Association of Doctors' Health Funds (*kassenärztliche Vereinigungen*). Here doctors and psychiatrists are said to influence the rates to be paid for different types of treatment, and they tend to put a lower value on the services of psychological psychotherapists (qualitative interview data).

These divergent cost and price movements contributed, in varying proportions, to the reduction in the financial viability of organisations employing the professionals we surveyed (Figure 8.8). Overall, a higher proportion of German organisations suffered reductions in their financial viability, particularly those in which pharmacists and psychological psychotherapists were working: in both cases financial viability had declined for more than 50 per cent of respondents. A large minority, 42 per cent, of British pharmacists – probably mainly community pharmacists – also lost financial viability. This proportion can be expected to grow, especially among single-proprietor pharmacies, now that resale price maintenance has been abolished. In the case of lawyers, more than twice as many British as German lawyers (51 per cent compared to 23 per cent) reported a reduction in financial viability of legal practices. The relatively poor financial showing of a significant proportion of British solicitors is explained above. In view of the alleged overcrowding of the market for advocates as business stagnates (Walentowski, 1999) the better performance of German advocates is surprising. In both countries human resource practitioners/consultants stand out as a group for which the prices of services have kept up with costs, so that only a small number work in organisations whose financial viability has declined.

## 8.5 Work demands

The decline in financial viability of a significant proportion of professional organisations in both countries has not been due to a reduction in work effort. To the contrary, in both countries a very large proportion of professionals found their work to have become more or much more demanding (Figure 8.9). This was reported by all the professions. Among the British professions, the heavily self-employed solicitors found themselves particularly strongly affected by growing work demands, with 93 per cent reporting that work had become more or much more demanding. Among the German professions, the proportion was highest among business consultants, a mainly self-employed emerging profession working in a highly competitive market place.



**Figure 8.9**  
Changes in level of work demands



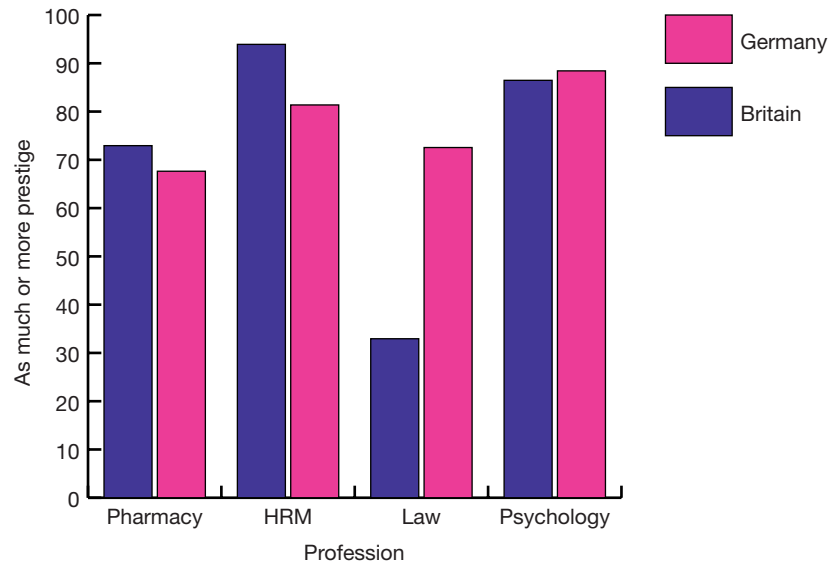
## 9 The impact of change on socio-psychological well-being of professionals

Generally the overwhelming perception of the professional workers we interviewed in both countries was that the impact of the most important drivers of change was to increase the skills and knowledge they needed and to raise the quality and efficiency of their service. The large majority, 88 per cent in Britain and 84 per cent in Germany, also told us that their work had become more demanding, and for half of these it had become much more demanding. Nevertheless, the impact on cost and prices of the changes they had been experiencing was such that for a substantial proportion of our respondents the financial viability of the organisations that employed them had been undermined. This was especially true for pharmacists in both countries, solicitors in Britain and psychological psychotherapists in Germany. Therefore, although the skill content of the work of professionals has increased and its demands had grown, the perception for many was that improvement in their economic status has been less than commensurate. In the light of these findings, this chapter considers the impact of change on socio-psychological indicators of well-being.

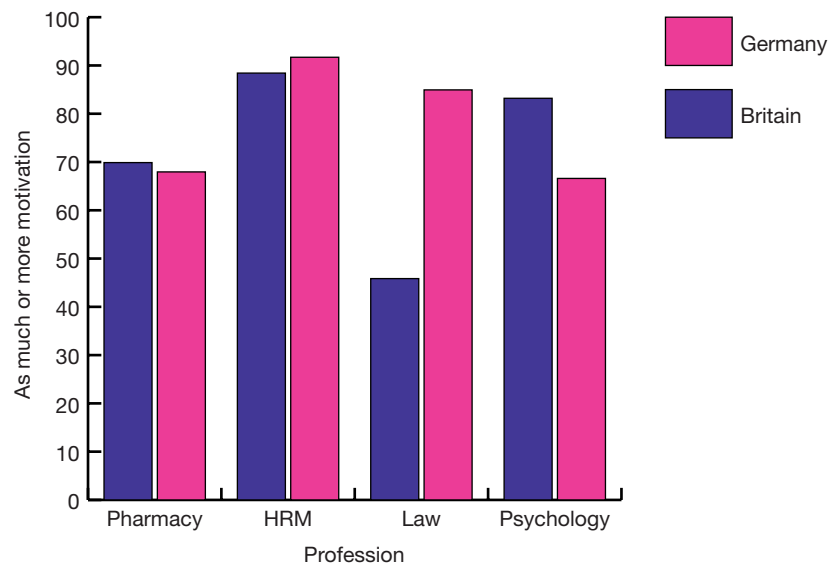
### 9.1 Prestige and motivation

High prestige is recognised as an important social attribute of professionalised work. Perceptions of movement in levels of professional prestige were fairly similar among the British and German professionals surveyed, and almost 80 per cent in both countries perceived it as having been maintained or increased. Figure 9.1 shows that many more of the emerging professionals – HRM/consultants and psychologists – perceived their prestige as unchanged or increased than those in the established professions of pharmacy and law. In particular, the British solicitors suffered prestige downgrading, as two thirds of them perceived it as having declined. This no doubt reflects not only the impact of drivers of change, but also the extensive adverse publicity in the media and elsewhere over the high level of client complaints and the apparent inability of the Law Society to do much about it (Law Society, 1998c). Loss of prestige among solicitors may also be connected with the high level of dissension in the Law Society prior to and during our survey.

Questions were asked also about trends in motivation to explore the effects of the drivers of change and their impact on work and financial viability. In both Britain and Germany motivation had at least been maintained for three-quarters of the respondents, but this aggregation hides strong differences between professions within each country (Figure 9.2). For the management services professions in both countries, and for German lawyers and British psychologists, motivation had been maintained or had increased for more than 80 per cent of the sample. For pharmacists in both countries and psychologists in Germany this proportion had fallen to around 70 per cent, and for British solicitors it was less than 50 per cent. This means that more than 50 per cent of British solicitors were demotivated by the changes that had impacted on them over the previous decade.



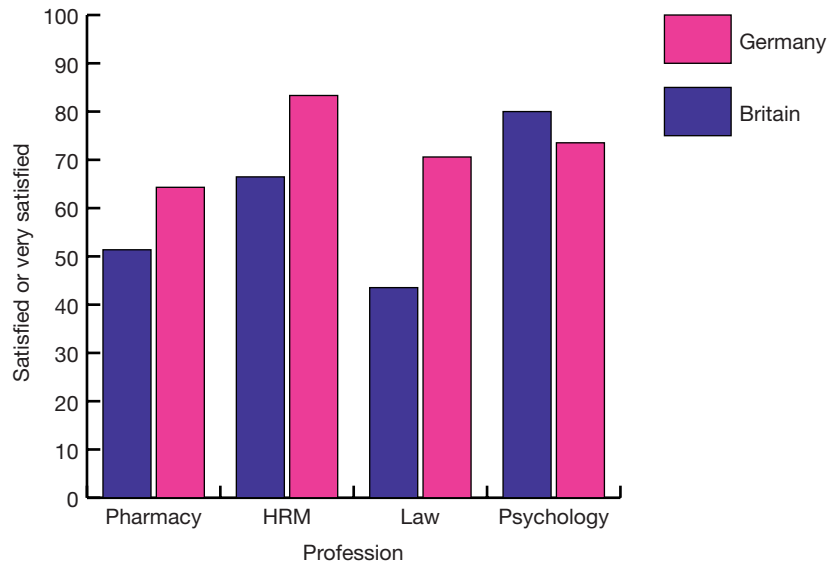
**Figure 9.1**  
**Change in prestige**



**Figure 9.2**  
**Change in motivation**

## 9.2 Work satisfaction

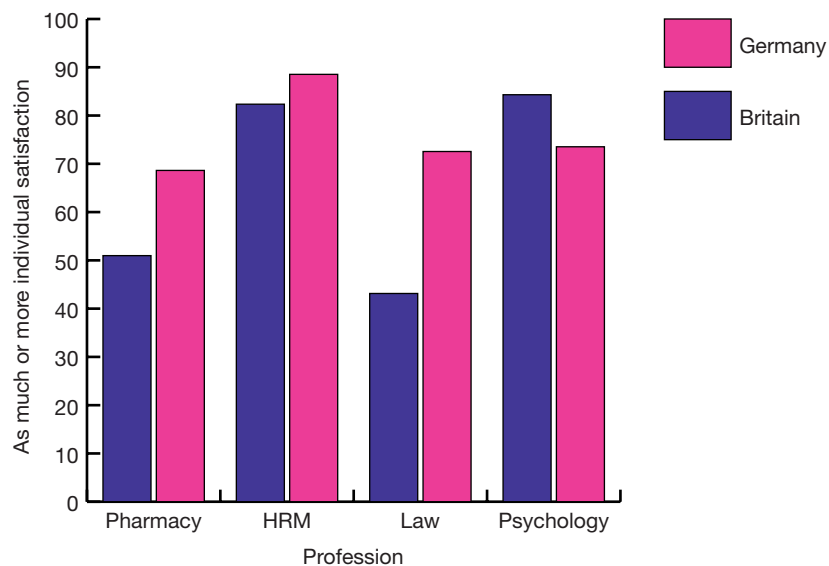
Levels of satisfaction are also important gauges of well-being in work, and we asked questions both about levels of satisfaction in work and about recent changes in levels of satisfaction in the professions. These data show a greater level of job satisfaction among German than British professions, with 72 per cent and 61 per cent respectively stating that they were satisfied or very satisfied with their work. This generalisation holds for the



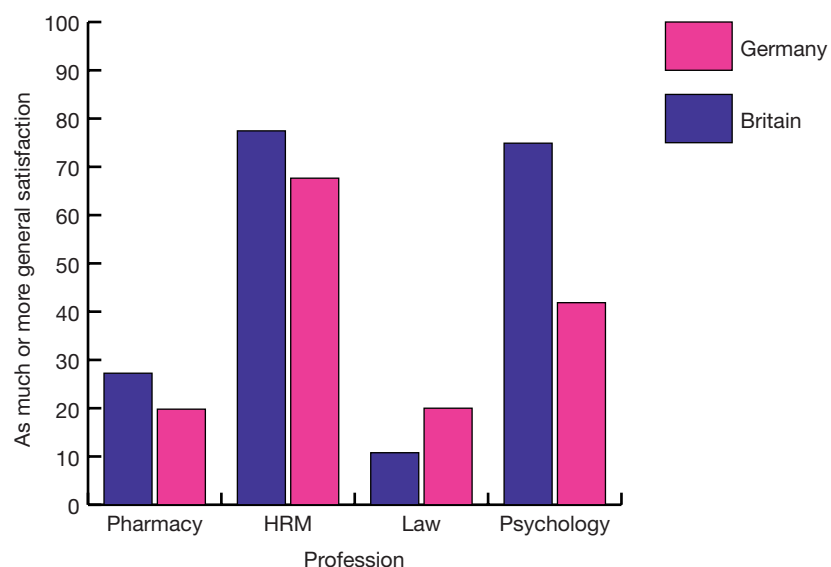
**Figure 9.3**  
**Levels of job satisfaction**

various professions within in each country, except for the psychologists (Figure 9.3). The emerging professions in both countries were more satisfied than the established professions.

The question of changes in satisfaction within professions was addressed in two ways. The respondents were first asked how their own satisfaction as a professional had changed over the past ten years, and then about how the satisfaction of people in their profession in general had changed. The responses to these questions are summarised in Figures 9.4 and 9.5. Figure 9.4 mirrors Figure 9.3, with satisfaction being maintained or increased to a greater extent in Germany, but with levels of satisfaction higher in the emerging professions, except for German psychotherapists. When respondents were asked to reflect



**Figure 9.4**  
**Change in individual satisfaction**



**Figure 9.5**  
**Change in general satisfaction within profession**

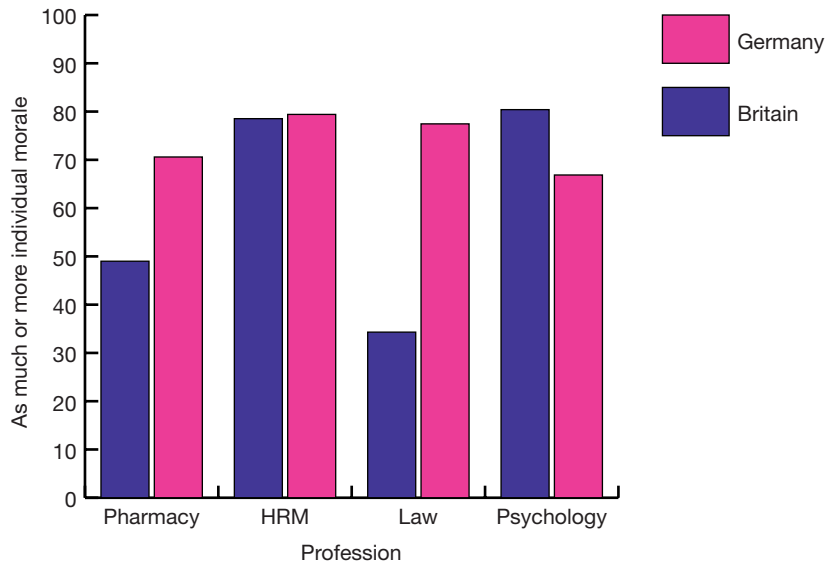
on the general satisfaction in their profession, this difference between the emerging and established professions becomes much more pronounced. Moreover, satisfaction was seen as keeping up much less for the profession as a whole than for the individual making the evaluation, especially in the established pharmacy and legal professions.

### 9.3 Morale

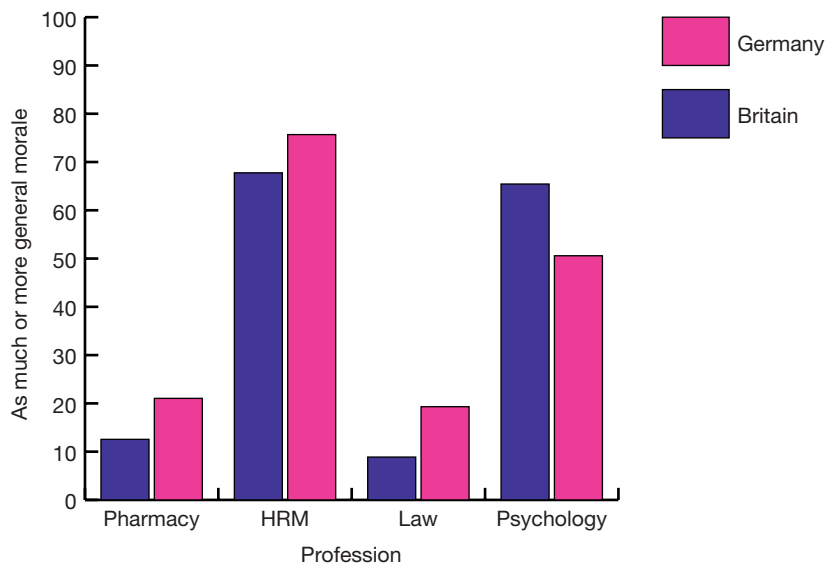
The questions about changes in morale were also asked in relation to both the individual and the profession as a whole, and the pattern of responses was very similar to that for satisfaction. Figures 9.6 and 9.7 show that morale at the individual level had been maintained to a significantly greater extent in Germany than in Britain, especially among the established profession. However, in relative terms individual German psychotherapists had maintained or improved their morale much less than might be expected from members of an occupational grouping that had recently gained professional status. The responses to the question on general changes in morale in the professions show lower overall levels of morale, a large difference between emerging and established professions, as well as a much more similar pattern in the two countries.

### 9.4 Employment security and future prospects

Employment insecurity during the 1990s was judged to have increased by a slightly larger proportion of our British than our German professional respondents. Security was deemed not to have changed or have increased by 60 per cent of German, but only 50 per cent of British professionals. This inter-country difference is largely explained by the

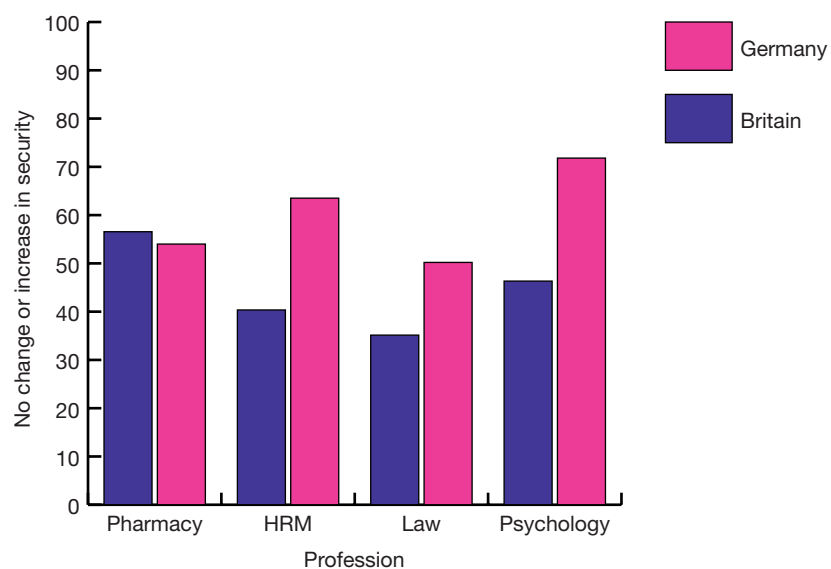


**Figure 9.6**  
Change in individual morale

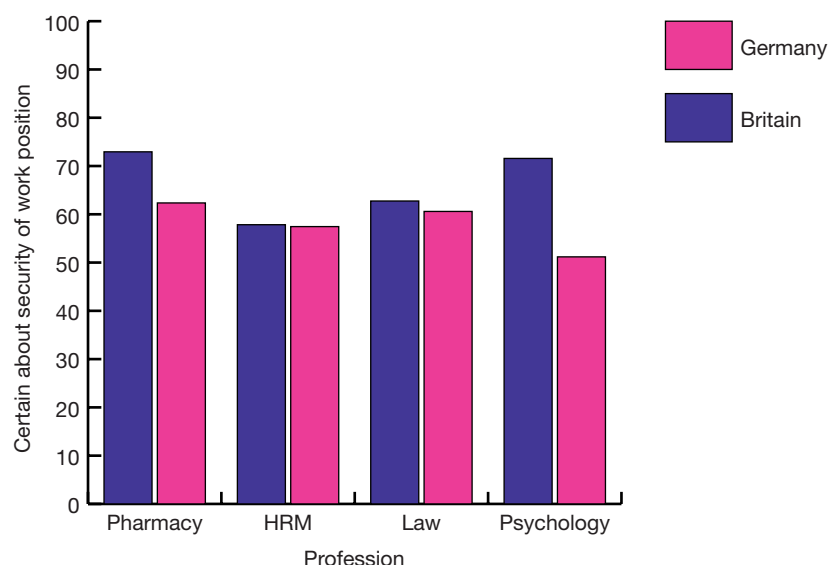


**Figure 9.7**  
Change in general morale within profession

perceptions of relatively high increases in employment insecurity among British HR managers and solicitors (Figure 9.8). However, as Figure 9.9 shows, German professionals are slightly more pessimistic about the future: only 58 per cent, compared with 68 per cent in Britain, were certain that their current work positions were secure, a difference explained by relatively low expectations of future employment security among German pharmacists and psychological psychotherapists. In both countries and in each profession, a very sizeable minority, and in some professions a majority, have experienced a reduction in job security and were less than certain about the future than ten years ago.

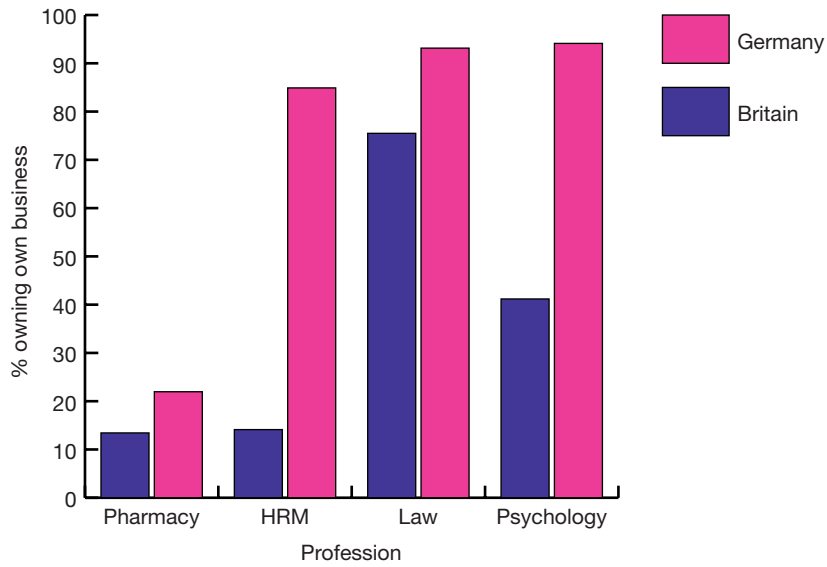


**Figure 9.8**  
**Change in employment security**

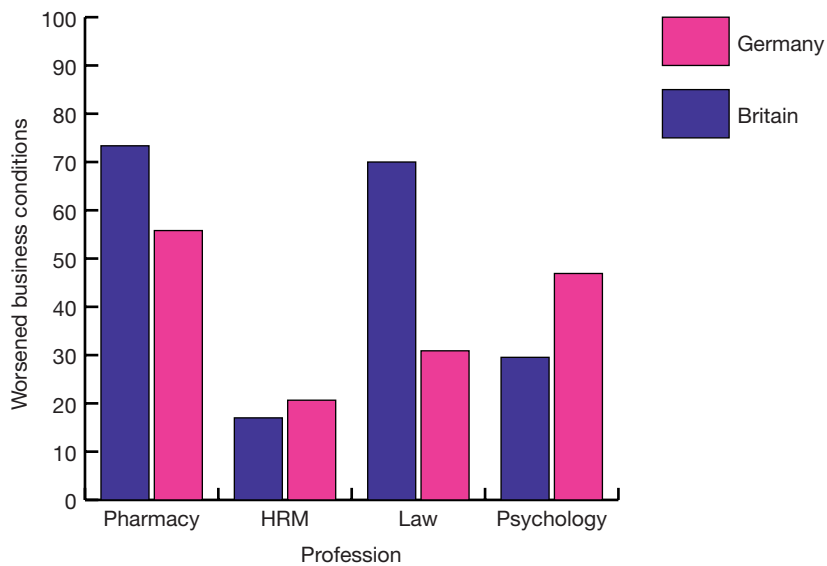


**Figure 9.9**  
**Certainty of security of current work position**

These feelings of insecurity were marked also among those who owned their own business (Figures 9.10 and 9.11). Among the established professions a high proportion of British pharmacy owners and partners/sole practitioners in legal practices, and German self-employed pharmacists, believed that business conditions had worsened during the 1990s. These proportions were much higher in Britain than in Germany. Thus, among British pharmacists and solicitors, 74 and 71 per cent of owners respectively were pessimistic about changes in business conditions, and only 4 and less than 1 per cent respectively reported a significant improvement. Among German self-employed advocates, by contrast, only 31 per cent believed that business conditions had worsened,



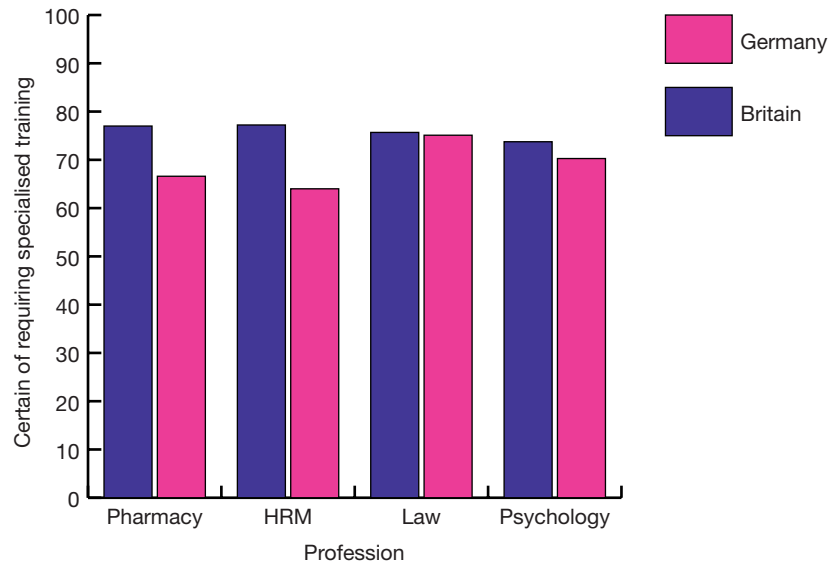
**Figure 9.10**  
**Business ownership**



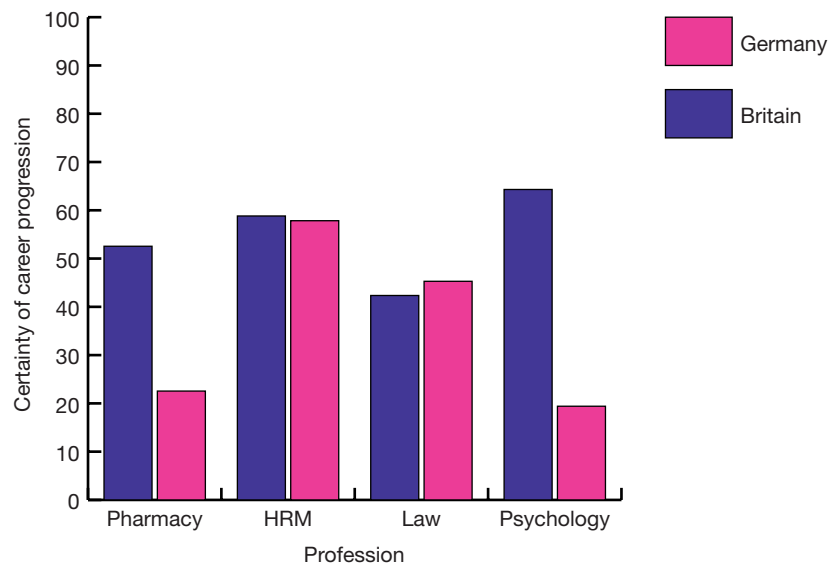
**Figure 9.11**  
**Worsened business conditions**

while 58 per cent thought that they had improved. This is a counter-intuitive finding, given the expansion of international markets for legal services for British but not German lawyers. This question must have tapped the pessimism among British lawyers in smaller firms, where state reduction in legal aid income has had a negative impact.

Among the emerging/newly emerged professions, by contrast, the German professions were more pessimistic about changes in business conditions, but their level of pessimism was very much lower than that of the above-mentioned established professions, especially for the business consultants.



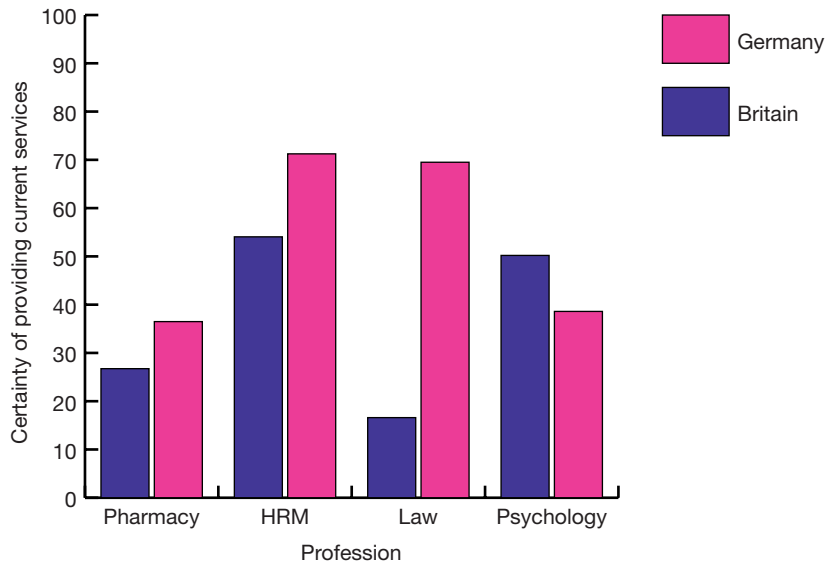
**Figure 9.12**  
**Certainty of needing continued specialised training**



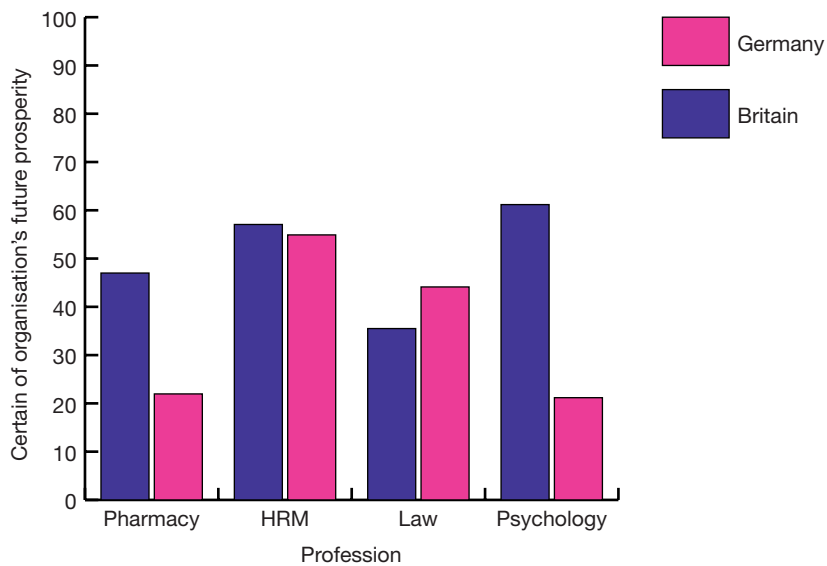
**Figure 9.13**  
**Certainty of career progression**

However optimistic or otherwise professionals were about their future employment security, there was a large consensus in both countries and in each profession that continued specialised training would be needed. More than 65 per cent in each professional group was certain of this (Figure 9.12). However, certainty about the need to upgrade skills and knowledge was not matched by certainty about future career progression (Figure 9.13). Here only around 40 per cent of lawyers in both countries and around 20 per cent of German pharmacists had any degree of certainty about career prospects. There are also low levels of certainty about the ability to continue providing the current range of services. Except for the management services professions in both





**Figure 9.14**  
**Certainty of providing all current services**



**Figure 9.15**  
**Certainty of future prosperity of employing organisation**

countries, and German advocates and British psychologists, more than 50 per cent of respondents were uncertain about providing the current range of services in the future (Figure 9.14). A phenomenal 84 per cent of British lawyers reported uncertainty. Finally, uncertainty about the future is further reflected in the low degree of certainty about the future prosperity of the organisations in which our respondents worked (Figure 9.15). The proportion with any degree of certainty about the future prosperity of the organisation rose above 50 per cent for the management services professions in both societies and for British counselling psychologists. By contrast, the proportion certain about future prosperity was only 20 per cent or less for German psychologists and pharmacists who work mainly in small organisations or are self-employed.

## 10 Conclusions and policy implications

### 10.1 Conclusions

The preceding overview of changes in the professions and professional work during the 1990s in Britain and Germany has shown a picture of extensive change, and both the pace and scope of change have been felt to be much greater in Britain than in Germany. Our report has revealed a complex pattern both of convergence between the two countries and of lasting diversity; it has also shown marked differences between professions within each country. One striking commonality is that, despite greater demand for professional skills and knowledge and general increases in work effort and improvement in service provision, the socio-psychological well-being of professionals in both countries is relatively low. This was revealed not only by direct responses on morale, motivation and job satisfaction, but also by many other indirect responses from significant proportions of respondents, showing a decrease in work discretion, economic security and, in a few cases, in perceptions of professional prestige enjoyed.

Generally the level of disaffection was significantly higher in the established than in the emerging professions. Statutory and legal recognition has not only brought advantages but has also made these professions targets for state intervention, bringing deregulation and intensified competition, cost cutting and more state monitoring of services. The most sanguine profession was that of British HRM practitioners, who enjoy the recently acquired privilege of chartered status without carrying the burden of extensive regulation and whose earnings have not been adversely affected by cost cutting. The most disaffected professions were those of English/Welsh solicitors and German psychological psychotherapists, although the reasons for their disaffection differed greatly.

The low level of morale among high-earning solicitors predominantly reflects their changed relation to the state and the resulting greater exposure to deregulation and cost cutting and loss in income among partners in smaller firms, as well as their generally reduced prestige in society at large. The German psychological psychotherapists, by contrast, reacted to the fact that, despite recent state recognition as an independent profession, they still found themselves in a position of dependence and subordination to related healing professions, with adverse consequences both for their autonomy and their economic opportunities. In sum, state recognition historically has brought the professions huge advantages, but at the current time it is perceived to have brought extensive disadvantages, which have undermined the position of the professions significantly.

There were also many differences in the pattern of change between the two societies although, in many cases, the more pessimistic German aggregate response was due to the disproportionately high negative response of psychotherapists. In general German professionals felt less sanguine about the changes in the degree of discretion they enjoyed. They also viewed with less optimism than their British counterparts both the future prosperity of the organisations in which they worked and the future security of

their employment. On the whole they had reacted less frequently to increasing costs by increasing prices, and this, in a significant proportion of cases, had adversely affected the viability of the organisation they worked in.

As the German professionals surveyed worked predominantly in small firms and in close relation with clients, they were more constrained in raising prices and consequently felt less certain about the future prosperity of the organisations they worked in. But working in smaller professional practices and being closer to clients also had advantages. It had provided German professionals with a significantly higher level of individual work satisfaction and morale than was found among their British counterparts, with the exception only of the highly specific case of the psychotherapists. Additionally, external drivers of change had not increased work demands for German professionals to the same high levels as for British professions.

In conclusion, despite much variation within and between societies, this survey of changes in conditions of professional work and well-being in Britain and Germany permits some general conclusions. Extensive pressures from states, markets, clients and technology have made members of this once very privileged social stratum feel besieged on all fronts, leading in a significant proportion of cases to economic anxieties and lowered satisfaction and morale, particularly among the established professions. The much-increased salience of knowledge and skills in contemporary society has in no way strengthened the position of the occupations providing it.

## 10.2 Policy implications

The responses of professions to the consequences of increased consumer demand and technical change, their jurisdictional conflicts and the emergence of new highly skilled and knowledge-intensive occupations aspiring for professional status have been mediated by governments' own policy agendas. In particular, preoccupation with reducing public expenditure and a greater reliance on market forces have had important implications for professional workers.

The form and extent of this policy effect have varied between the professions and countries. The role of pharmacists in dispensing medicine and as a safety check on drug prescribing has not been challenged in either country, although in both determined efforts have been made to reduce the cost of dispensing. In Britain this has taken the form of reductions in the fee income provided directly by the National Health Service.

In Germany pharmacists have been given the authority to substitute cheaper generic drugs for the branded varieties prescribed by doctors and have been given the incentive to put this policy into effect because cheaper drugs attract higher profit margins. This added responsibility has enhanced the professional status of German pharmacists. At the same time the continued prohibition of the ownership of pharmacies by non-pharmacists (*Fremd- und Mehrbesitzverbot*), together with the confinement of drug dispensing to pharmacy shops, have maintained the independence and competitiveness of German pharmacists. However, there is no legal restriction on German pharmacists setting up in business, whereas in Britain pharmacy quotas still exist. In Britain the quota system is the only legal restriction of competition, and pharmacy has become increasingly concentrated

in large chains or has moved into supermarkets or other non-specialist outlets. The abandonment of retail price maintenance can only add to this trend towards large-scale provision and the relocation of pharmacies to town centres and into large stores.

In both countries the legal professions have been recently deregulated, although to a much more significant degree in Britain than Germany. In Britain there is no centralised control of legal fees, and deregulation has taken the form of opening up the market for conveyancing and other legal services. At the same time legal aid, designed to make legal services affordable to those in need, has been scaled down and 'no-win, no-fee' legal provision has been legitimised. These measures have had a seriously adverse impact on small legal practices and have encouraged increasing specialisation and concentration in large firms.

In Germany, where legal charges are fixed, deregulation has taken the form of lifting limitations on practising to a single geographical location and one court. In addition, greater specialisation has been allowed, but strictly subject to additional certified qualifications, although restrictions have been placed on this division of legal labour. Deregulation in Germany has led to moderate growth in the size of firms, although average firm size remains far below that of English law firms, and sole proprietorships and small partnerships remain the norm.

A comparison of the emerging professionals also casts significant light on the effects of the different government approaches to regulation. In Britain both HR managers and counselling psychologists have been granted chartered status and have established control over education and training courses and other routes to professional status. Both professional associations lay down codes of conduct and operate dispute and disciplinary procedures to enforce quality control. But neither can restrict entry into their occupation's territory, and any quality control effect they have is limited to their membership. The main benefit to their members is an enhancement of their reputation in the market.

In Germany conditions for establishing professional status are more stringent. Aspiring professionals have to go to great lengths to gain acceptance for their claims that a high level of specialised skill and knowledge is required, that specialist educational/training provision needs to be provided to safeguard standards and that both are protected by some measure of exclusivity. In this respect German business/HRM consultants have made little or no progress to full professional status. Moreover, the establishment of the need for professionalisation and the setting up of chambers is a protracted process and, as our study of the psychological psychotherapists suggests, can place unwanted restrictions on those making the case, as well as on cognate occupations. But once achieved, the occupational boundaries are legally established and protected, and the route into the profession is legally prescribed. Guarantees of quality of service are built into the legal processes for securing professional status, which also establishes the framework within which the professionals compete.

It may be suggested that the British system of granting professional status by chartering private interest groups can best be described as regulated monopoly, while the more legally based verification of occupational jurisdiction, educational and training requirements and conditions for practising in Germany is better defined as regulated competition. The rationale for each is grounded in a different political economy, and each results in a divergent clustering of interests and social and economic outcomes.

As a result, although both the British and German systems have been subject to similar policy pressures, the outcomes have differed significantly. In Britain deregulation and cost cutting have been to the relative advantage of larger firms, while the smaller firms have borne much of the cost. In Germany the structure of service provision has remained relatively unchanged, and the cost of policy has been more evenly distributed between providers.

It is not possible to judge with any degree of certainty from our data what the effects of these changes have been on the quality and efficiency of service. There is a large measure of agreement among the professionals in both countries that both aspects have improved. There is evidence that the German firms show a stronger client orientation and, because of their smaller size, have managed to stay closer to them. It is also clear that, in the case of lawyers, the level of client complaints has not become the contentious issue it is in Britain. However, there is a difference between the two countries in the perception of the socio-psychological costs of change. In both countries socio-psychological well-being of professionals has suffered, but significantly less so in Germany. This may suggest that greater organisational continuity and continuing proximity to clients go some way to compensate for material loss. Moreover, to the extent that socio-psychological well-being is linked to motivation, the economic cost of change in Germany might have been less.

It is not possible to make a precise evaluation of the comparative effectiveness of policies in the two systems or of the prospects for one system to learn policy lessons from the other. What is clear, however, is that similar policies (i.e. cutting costs and increasing competition) can have quite different effects, depending on the way privileged occupational groups are regulated and how provision is consequently organised.

Our research suggests that structural differences of service provision are reflected in the interests and loyalties of professionals. In Germany these are directed more exclusively towards clients, whereas in Britain loyalties to employers, managers and work groups play a more important part and thus are bound to dilute loyalty to clients. Whether or not this means that the services professionals deliver to their clients is in any way affected by the intermediation of large organisations cannot be answered by our research, although it is a serious question to ask in any consideration of the future of professional work.

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# Appendix 1: Research methodology

## A1.1 Research design

The empirical work project was conducted at two levels:

- Interviews were carried out with representatives of the professional associations: two to four interviews in each of the four professions in each country, lasting two to three hours. In some cases follow-up visits were made. This was supported by documentary analysis relating to the practices, history and regulation of the professions and a critical review of the relevant socio-economic literature
- A postal survey of individual professionals was carried out, with 1,000 questionnaires sent out in each profession in each country.

With the advantage of national research teams in each country, including bilingual members on each side, comparable questionnaires for the postal survey of the professionals in each country were constructed. Similar aide-memoirs were also used in each country for the extensive interviewing of professional associations, and a member of each national team participated in some interviews in the other country.

## A1.2 Cross-national comparison: advantages and difficulties

This research project is an *international comparative* study, designed to explore the conditions for and developments of professional work in Britain and Germany. These countries differ widely in their social, economic and political structure, and in their historical development with regard to professionalism. Cross-national comparison is a very fruitful strategy for learning new lessons about taken-for-granted concepts and for gaining insights into the cultural embeddedness of social phenomena. The primary aim of this research is to *explore* and also to *explain* similarities and differences as a guide to theoretical and policy developments.

Inevitably, cross-national comparisons face difficulties. Different societies have different ways of organising common functions. In particular, the organisation of work and the character of occupations differ significantly. In addition, *cultural embeddedness* of phenomena means that different terms are used to describe similar functions. In the present context, the term 'professional' is not found in German everyday language to describe highly skilled knowledge workers, although it is a well-established and widely-used term in Britain.

It also proved impossible to exactly match professional occupations from the two countries. The pharmacists are the most similar, although ownership and control of community pharmacies are very different in Britain and Germany. The British distinction

between *solicitors* and *barristers* in the legal profession is not found in Germany, where *advocates* do both the background legal work and represent their client in court. British *counselling psychology* has no exact counterpart in Germany, the closest comparison being with *psychological psychotherapy*, which cannot be precisely matched in Britain. Both groups, however, draw from the same pool of knowledge and have recently received formal recognition as professions. Similarly, *human resources managers*, who form a large and well-organised group in Britain, cannot be precisely matched in Germany, where the traditions of training, industrial relations and work organisation are different. Nevertheless, human resource management and other Anglo-American business practices are becoming increasingly important in Germany, and advice on their use is provided by a growing band of business or human resource management specialists who serve as consultants. These occupy an occupational niche in Germany similar to human resources managers in Britain and provide an example of an emerging and rapidly expanding occupation with professional aspirations.

### A1.3 The postal survey

A survey of individual professional workers formed the central part of the empirical research. The main research questions covering the various aspects of professionals' working lives had been developed with the research proposal, but results from our interviewing of professional associations were also used in the questionnaire design. Great care was taken to ensure that the German translation of the English questionnaire was as close as possible, but because of inter-country differences it was necessary to adapt some questions and include others. For example, self-regulation in Germany has a double structure of representation in a *chamber* (compulsory for all) and in an *association*, where membership is optional. It was therefore necessary to include sections in the German questionnaire to cover both.

Extensive piloting and pre-testing of the questionnaire was carried out in each profession in both countries before the questionnaire was finalised. It consisted of ten main sections:

- A. Job satisfaction and loyalty (including effort, work demands)
- B. Basic information on employment
- C. Qualifications (and continuing development)
- D. Levels of discretion (regulation in one's work)
- E. Impact of change (including work satisfaction, morale)
- F. Occupational relationships (including competition)
- G. Employment security
- H. Professional associations
- I. General (demographic) information
- J. Further comments.

Most of the questions were formulated to be relevant to all of the professions, but *each profession* had a customised version of the questionnaire which included a few questions relevant only to that occupation. The research design is *comparative* not only between

countries, but also between professions in order to capture the wide variety of developments.

Most of the questions were 'closed', except for a few questions where more complex and less channelled responses were required. The final section consisted of open questions inviting more general comments on all aspects of the questionnaire. It was estimated that the questionnaire would take 30 minutes to complete.

## A1.4 Sample selection

1,000 questionnaires or more were sent out to members of each profession in both countries. In Britain professionals were selected from the databases of each of the professional associations.<sup>3</sup> The achieved samples are shown in Table A1.1. In Germany, due to data protection restrictions, databases of members in the professional associations were not made available (except for some of the pharmacists). Instead, the German team used the nationwide Yellow Pages to randomly select addresses. Consequently, the German populations sampled for two of the occupations had a bias towards self-employed professionals who list themselves in the Yellow Pages. However, the picture of professional work is nevertheless well represented. *Law firms*, regardless of size, would all be in the sample. The overwhelming majority consists of small practices of proprietors and partners. *Psychotherapists* tend to work in their own practices. Those who are employed in hospitals and other organisations could not be included in the survey because they are not listed in the Yellow Pages. Only *business/HRM consultants* in small and medium-sized practices were reached, leaving out employees in the very large (often international) consulting companies. For *pharmacists* a twofold selection was administered to reach more employed pharmacists: 500 community pharmacies were selected from the national Yellow Pages, 200 from the Chamber of Pharmacists of Lower Saxony, and 300 from the Federal Association of Employees in Pharmacies (Bundesverband der Angestellten in Apotheken, BVA). The figures for the German sample are given in Table A1.2.

These response rates are relatively high for postal questionnaires (response rates for unsolicited postal questionnaires are often closer to 5 per cent). The often extensive responses to the final open-ended questions also suggested that the professionals had found the questionnaires to be interesting and relevant to their working lives.

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<sup>3</sup> In the case of the UK lawyers, we asked for a set of address labels of lawyers under the age of 60 (to avoid retired members). Unfortunately, due to an error in the Law Society office, we received a set of labels of lawyers over the age of 60. When these were sent out, 262 replies were eventually received (after sending out a second questionnaire to the whole sample), with 194 of respondents over the age of 60; in the other cases the questionnaire was, presumably, completed by a retired lawyer's replacement. A further 1,000 questionnaires were distributed to the new list of lawyers, under 60 years of age, of which 121 were completed. After exploratory analyses of the data it was decided to add in the 68 under-60s from the first batch of lawyer respondents who were very similar in most respects (except being slightly more likely to work in larger organisations) to give a total sample of lawyers of 189.

**Table A1.1**  
**The British sample**

<b>UK professions</b>	<b>Population sampled</b>	<b>Sample size</b>	<b>Response</b>
Counselling psychologists	Members of the Counselling Psychology Section of the British Psychological Society	1,242	317
Lawyers	Members of the Law Society under 60 years	2,000	121 <sup>4</sup>
Human resources managers	Members of the Chartered Institute of Personnel and Development	1,000	299
Pharmacists	Members of the Royal Pharmaceutical Society of Great Britain	1,000	294

**Table A1.2**  
**The German sample**

<b>German professions</b>	<b>Population sampled</b>	<b>Sample</b>	<b>Responses</b>
Psychological psychotherapists ( <i>psychologische Psychotherapeuten</i> )	Self-employed practitioners, from Yellow Pages Germany	1,000	302
Lawyers ( <i>Rechtsanwälte</i> )	Law offices ( <i>Anwaltskanzleien</i> – proprietors and employees), from Yellow Pages Germany	1,000	147
Business and human resources consultants ( <i>Unternehmensberater</i> )	Mostly self-employed, proprietors of small companies, from Yellow Pages Germany	1,000	128
Pharmacists	500 pharmacies (proprietors, also employees), from Yellow Pages Germany, 300 members of <i>Apothekerkammer Niedersachsen</i> , 200 pharmacists (employees, members of BVA)	1,000	194

## A1.5 Data analysis

The numerical data from the returned questionnaires were entered into Statistical Package for Social Sciences (SPSS). The research teams in the UK and Germany coded the open-ended questions separately. Thereafter, comparative statistical analysis and qualitative interpretations were undertaken.

<sup>4</sup> See footnote 3 above.

## Appendix 2: Demographic details, education, earnings and working hours

### A2.1 Education, gender and age

The respondents were highly educated. Almost all had first degrees, and many had doctorates. British HR managers were exceptional in that only 50 per cent had a first degree, indicating the importance of vocational and other relevant experience as routes into this profession. British counselling psychologists, by contrast, stood out for the high proportion among them with doctorates.

Slightly more of the British respondents were women: 51 per cent compared to 47 per cent of German respondents. However, the gender distribution varied between professions. In both countries more than 50 per cent of pharmacists and psychologists and 25 per cent of lawyers were women. The gender balance only differed significantly between the two countries in the management services professions: in Britain women comprised 56 per cent of the sample, whereas in Germany the proportion was only 21 per cent, reflecting perhaps the high level of self-employment.

The age structure of the overall sample was similar in the two countries. In Britain 11 per cent were aged below 30, 61 per cent between 30 and 50, and 29 per cent were over 50. In Germany these proportions were 5 per cent, 66 per cent and 30 per cent respectively. The age structure in each profession broadly conformed to these patterns. However, many more German than British psychologists were aged between 30 and 50 (73 per cent compared to 50 per cent), and fewer were over 50 (27 per cent compared to 43 per cent). The German pharmacists, on balance, were older than the British: 27 per cent were older than 50, and 12 per cent were younger than 30. In Britain these proportions were 11 per cent and 28 per cent respectively.

### A2.2 Earnings and hours of work

A third of both the British and the German professionals earned more than £40,000, although 27 per cent of Germans earned less than £20,000, compared with only 15 per cent of British. In both countries the management services professions and lawyers were the most highly paid professions. In Germany 63 per cent of business/HRM consultants and 37 per cent of lawyers earned more than £40,000, while in Britain 37 per cent of HR managers and 57 per cent of lawyers had these relatively high levels of earnings. The lowest-paid professions were the German pharmacists and British psychologists, more than 30 per cent of whom earned less than £20,000.

The inter-professional differences in earnings partly reflect differences in hours worked. 67 per cent of British and 62 per cent of German lawyers and 45 per cent of British and

77 per cent of German management services professionals worked more than 45 hours a week, while fewer than 10 per cent of these professional groups worked 30 hours or less. By contrast, 35 per cent of British and 28 per cent of German pharmacists, and 43 per cent of British and 17 per cent of German psychologists, worked 45 hours or more; the percentages working 30 hours or less were 14 per cent, 30 per cent, 43 per cent and 27 per cent respectively. It also should be remembered that a relatively high proportion of pharmacists and psychologists in both countries were women, which helps explain both their relatively short working weeks and low levels of pay.