

Management In Real Life

by Kevin Herring

Employer-employee commitment appears to be a thing of the past. I hear employees complain of a lack of employment security and employer commitment to the workforce, and employers griping about the shortage of productive, dedicated, and loyal employees.

Admittedly, today more than ever before, our global, customer-driven marketplace exerts pressure on businesses to react to customer and shareholder demands for cost, quick response, and profitability. Many businesses have responded to these demands by expanding and contracting workforces alienating employees from the very company that recruited and hired them. At the same time, seemingly unaffected by the highs and lows of the stock market, unemployment has remained at an all-time low resulting in employees who find themselves with considerable employment options and a willingness to exercise them frequently.

Historically, an implied social contract existed between employer and employee which stated that a steady and loyal employee could expect long-term, maybe even lifetime, employment from a single employer even through difficult economic times. So ingrained is this contract that I've heard many children of post-world war era employees report that their parents constantly ask why they don't stay with a single employer and "move up the ladder." My own father asks why I would ever turn to consulting when I could get a "good job with a big company" and be taken care of.

While yesterday's social employment contract sounded like, "If you do a good job and keep your nose clean, we'll take good care of you," businesses today are officially saying, "We can't guarantee long-term employment, but we will offer short term earnings motivators, and employability through training and education programs." Unofficially this means that employees will be used by the business until they are considered no longer essential for the short term at which time they will be disposed of. Employees, on the other hand, appear to be saying, "We'll take advantage of the experience and development resources provided by the business and use it for better financial and/or career opportunities elsewhere since the company has no real commitment to us."

Kim Cameron, Dean of the Weatherhead School of Management at Case Western Reserve University, once wrote an article regarding this issue in which he postulated that perhaps it was time for a new social contract. I agree. As a start, I suggest businesses redefine marketplace challenges as short term, but human resources as essential for the longer term. Seeing people as short term solutions to problems is akin to purchasing a new computer every time I have a specialized output need. A more efficient use of resources would be one that provided for upgrades and enhancements for flexibility with a broad range of applications and demands.

Such a social contract as it relates to employees may look like the following: "We may not be able to offer the guarantees of the past, but we can offer the opportunity to create a relationship for jointly addressing marketplace challenges and meeting your needs for long-term business success." Such an understanding will preserve and develop the resources necessary for tackling the problems of not only today, but also for those of tomorrow. This means that rather than trying to find job candidates with specialized, but elusive, skills, and paying for expanding recruiting and turnover costs, employers will have to create more multi-talented employees who have a sound understanding of the business and who

will act in the interest of the business.

Within the new social contract, employees may be more willing to reciprocate with a commitment to business success rather than taking care of “number one” at the expense of the business. With greater mutual commitment translating to efficient use of people, we should see improvements in productivity, fewer layoffs, and maybe even the return of employment security and employee loyalty.

Is it possible? I don't know, but it looks good on paper.

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