

Employers of Choice Have to Give before they Get



by Leigh Branham

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When an employee takes a new job, he or she forges an invisible psychological contract with the new employer. Though not a formal contract, it is a powerful one, consisting of two sets of mutual expectation —what the employee and employer each expect to give to and get from each other.

When these expectations are not met, as when a manager expects the employee to work longer hours than the employee is willing to work, or when the employee expect to be promoted quickly and that does not happen, this give-get contract can break apart.

The employment contract can be affected by larger economic or social changes. Thirty years ago, most workers still expected to spend their entire careers with the same company. Then came the downsizings that started in the 1980s and 1990s and continue to this day, radically changing the give-get contract to the point that many of today's employees expect little loyalty from their employers and give little in return. So, unlike their parents, many Millennials and Generation Xers are not willing to give up the satisfaction of having a life outside work as the price for advancing their careers in an organization.

A tipping point occurred in 1995, when the number of available jobs began to exceed the number of workers available to fill them. For the next five years, employers began fighting the "war for talent" by offering more attractive benefits, pay and perks than the next company. The most famous example was SAS Institute, the North Carolina software company featured on "60 Minutes" that became the employer of choice in its industry by providing its employees with workplace amenities such as:

- An on-campus gym
- An on-site child care and health clinic
- No limit on sick days
- Free M&Ms
- Company gates that don't open until 7 a.m. and close promptly at 6 p.m. daily

Interestingly enough, while other companies started cutting back on employee perks and benefits when the economy turned sour in 2001, SAS stuck with its philosophy of generous giving. It continues to do so today despite having to operate in the toughest economy since the Great Depression.

