

# BUSINESS★FORUM

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## Employers of choice have to give before they get

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Guest Columnist

### COMMENTARY

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 expectations — 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 expects 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



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social changes.

Thirty years ago, most workers still expected to spend their entire careers with the same company. Then came the downsizings of the 1980s and 1990s, which radically changed the give-get contract to the point that many of today's employees expect little loyalty from their employers and give little in return.

Unlike their parents, many 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.

SAS Institute CEO Jim Goodnight's belief is that workers will always give back to the organization in direct proportion to what they see themselves receiving from it. The company's continuing business success and stability rest largely on its ability to maintain a turnover rate 16 percent less than its competitors.

By contrast, many employers in

2003 have a very different mindset. Instead of "give and get back," they ascribe to the philosophy "you give first, then we'll think about giving back," an attitude that is somewhat understandable in a time when many employees do indeed have an overblown sense of entitlement.

Still, if you withhold giving what employees need to be happy and engaged, they will withhold their best efforts in return. And the reverse is true — if you give the right stuff, they will give back.

This does not always mean you have to raise pay levels or offer an array of expensive benefits. You only need to discover what's most important to your work force, one employee at a time, then manage the give-get contract so you're giving them what they need to feel good about giving back.

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