The Changing Nature of the Employment Relationship: Reclaiming Values in the Workplace

As the employment relationship changes from a paternalistic model of loyalty-for-job-security to an adult-to-adult model of creativity and skill application exchanged for increased knowledge and learning opportunities, the worker had gained power as a resource, if not the last strategic competitive advantage of value for today’s organizations. Understanding this, individuals are now rethinking their reasons for organizational engagement and reexamining work in regards to wholeness and personal value integration. Evidence suggests that individuals are seeking to align themselves with groups and workplaces committed to similar core values. Work, itself, is no longer viewed as an economic livelihood, but is emerging as a critical environment for the sharing and integration of like values and beliefs. Cognizant organizations are coming to realize the survival rationality for creating workplaces that are nurturing and healing by naming, claiming, and aligning core organizational values with business visions and objectives. © 2000 John Wiley & Sons, Inc.

by Sandra L. Williams and Gerald R. Ferris

Most organizational leaders readily talk about delivering value to attract and retain customers. Increasingly, however, many of them are also talking about setting values to attract and retain employees.

No longer reserved for discussions around the family dinner table or in a Sunday school classroom, values lie at the foundation of the mission and business strategy of some of the most competitive firms. Today, their leaders are finding that shared values are the essential glue that can hold an organization together.

At Corning Inc., for example, clearly articulating and standing beside certain fixed organizational values has resulted in increased individual flexibility and empowerment and enabled the company to improve product quality, reduce errors, attract and retain skilled workers, and foster an atmosphere steeped in concern for personal needs and life-long learning. Corning articulates seven core values, with all of them resting on valuing the individual, who is viewed as being critical to the company’s competitive advantage. According to chairman James R. Houghton, the only way to remain competitive and to attract the best talent is to “value the individual.”

Tom Chappel, president and co-founder of Tom’s of Maine, a personal care products company, suggests that identifying core organizational values is imperative for staying on track with the organization’s mission. Identifying employee-generated beliefs and values provides Tom’s of Maine with a distinctive organizational identity, which not only prevents inconsistent product or market developments, but forces honesty and the admission of mistakes, ultimately improving customer loyalty.

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Discerning core organizational values and communicating guiding values to employee members can have positive effects. For example:

- Frequent and overt discussion of guiding values allows for a more collective application of energy, thereby leading to greater organizational effectiveness.
- Activities that engage in developing or supporting the core shared values unite an organization.
- Communities of workers create sustainable results, and these communities can adapt to change because they are challenged and committed to what they care about.
- Conducting business around shared values results in improved teamwork and collaboration, thereby enhancing creativity among staff members, and promoting a strengthened sense of ethics.

Thus, the individual need to find personal fulfillment in balancing work as a journey toward personal wholeness expands viewpoints, enlarging possibilities and releasing capabilities. All these enhance the organization’s flexibility, productivity, and adaptability, ensuring its success in today’s global marketplace.

THE FALL OF AN ECONOMIC MODEL LEADS TO AN EMPHASIS ON VALUES

Twentieth-century science and its revised ideas on order and interconnectivity throughout the universe have dramatically altered viewpoints about human relations and organizational structure. Organizations are increasingly viewed as networks of individual relationships, and this notion is influencing old models about hierarchy and control in the corporate workplace. Externally, companies are changing their practices and relationships with clients, vendors, service providers, and the public, viewing them as interactive components of an entire system. Internally, corporations are revising relationships with individual employees, teams of employees, subcontractor groups, managers, and executives.

At the same time, individuals are also rethinking their employment relationship and their reasons why they work where they do. Continuous organizational change, coupled with the now-recognized resource value of the knowledge-rich worker, is leading individuals to reexamine the purpose of their work and the function of work within their lives. The reasons why individuals join specific organizations are being reassessed. A movement toward engagement based on ethics and values is emerging, and the implications for individuals and organizations that share values are extraordinarily powerful.

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Industrial era precepts about buying, selling, and producing emphasized conspicuous consumption, cut-throat competition, personal identity related to social position or material possessions, and individual autonomy. This industrial economic model no longer holds true in today’s interactive global markets, which emphasize shared usage, business partnering, identity related to knowledge and capabilities, and team responsibilities. The new economic model relies on a constant exchange of information, customized product and delivery mechanisms, shared knowledge, and creativity. The old management model that called for planning, organization, and control because resources were scarce no longer works.

Likewise, the historic loyalty-for-job-security model of the employment relationship and the perceived need for a management practice that controlled or ordered that relationship is changing. The growing sophistication and technological expertise of the information worker is shifting the employer-employee relationship because workers now own the strategic competitive advantage for most organizations—knowledge and adaptability. This power shift—away from the organization and toward the employee as a knowledge worker—forces a new perspective on human resources. The organization now must view its employees as investments to which to add value rather than as a corporate asset from which to extract value. Simi-
larly, the old employee perspective that one must do what one has to do to build a successful career in one organization is being replaced by a new belief in building personal, portable skills for a career of learning across several entities.

Sensing the power shift, the current workforce is demanding new relationships with employers, and looking for places to build skills, but also seeking to identify places where information is shared and communication is open. This results in a wholly different philosophy of work, one that recognizes the value of each individual for the contribution he or she makes and where the individual looks for personal worth beyond the economics of employment. It involves a fundamental change in perspectives where individuals, now responsible for their own learning and personal growth, are forcing a move away from the former paternalistic model of controlled employment toward an adult-to-adult model of employment by choice.

A TRUST AND COMMITMENT MELTDOWN

The prolonged period of reengineering, restructuring, and downsizing in which many organizations engaged during the 1980s and 1990s significantly destabilized the historic employer-employee relationship. Having been broadly implemented by employers, the downsizings had long-term negative effects on employee morale. Employment ties with huge numbers of workers were suddenly and unexpectedly severed, frequently resulting in increased workloads for those who were retained. Further, many organizations revamped their policies and structures without considering the underlying psychological contract embedded in the old employment model. The employer-employee relationship was traumatized to such an extent that such factors as honesty, trust, and good faith were undermined. Trust levels were not only negatively affected, but entirely eroded in many organizations.

Throughout today’s organizations, the long-held values of trust-assuredness in the employer’s integrity and behavior have become a debilitating casualty of the strategies and methods that leaders deployed for short-term financial resource reasons. A study conducted in 1996 and 1997 by Manchester Consulting of Bala Cynwyd, Pennsyl-

vania, indicated that trust levels had declined at 75 percent of the 215 workplaces surveyed.

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Although companies have been warned of the competitive disadvantage they face by losing trust and commitment among their workers, few have taken proactive steps to improve morale with any lasting result. Furthermore, recent evidence indicates that employee cynicism has increased directly as a result of the broad failure of managers to deliver on prior promises that had inflated employee hopes and expectations. The resulting low morale now affects the entire spectrum of the workforce. As mistrust grows, full capabilities are going underutilized at all levels within organizations, and leaders have lost the confidence of their subordinates. Additionally, distrustful workers are less committed and ultimately less productive than those who do trust their leaders.

Thus, the broken employment and social contract has made the traditional trust-based relationship both nonviable and nonrenewable for employers and employees alike. Concurrently, having less confidence in leaders and organizations, people are less secure in their workplaces.

Because of the lack of trust and the nearly constant pace of change, today’s organizations are highly unpredictable. With many systems and organizations lacking stability, individuals have begun to look inwardly for reasons of employment engagement. Tired of living compartmentalized, disconnected lives, individuals are beginning to bring together the personal, social, and spiritual sides of themselves in one endeavor. Individuals are moving further away from the dependency that was characteristic of employees in the paternalistic employment model and toward a view of work as a part, but not the primary focus, of each person’s own journey toward wholeness. They are recognizing that the human being is composed of more than economic aspirations, and is more than just a worker or an economic unit.
Unencumbered by the loyalties of past industrial-era practices, individuals are now able to re-examine the meaning of work and the value of the workplace. A sociological study of thousands of public opinion surveys revealed that 10 percent of all adults—some 20 million people—are seeking new ways of living, consistent with new ways of thinking about their lives and roles. A new movement, underscoring the importance of self-management and the pursuit of higher ideals in relation to one's work, is emerging. Individuals have started to practice bringing one's whole self to work, and consultants such as Steven Covey and Peter Block encourage the reacknowledgement of personal values throughout one's home, community, and worklife. This intersection of work with the individual seemingly is tied to one's core values, an innate sense of wisdom, and a commitment to be of service.

TAKING ADVANTAGE OF THE VALUE OPPORTUNITY

Advances in science, technology, psychology, and sociology are becoming increasingly interrelated and overlapping in impact. The ability of an enterprise to operate independently, separated from the community in which it resides or the aspirations of its members, is diminishing rapidly. Those organizations that persist in this approach are following a roadmap to failure.

To be successful, organizations must recognize the trend toward value discernment and employee engagement that is emerging in both academic research and in the work environment itself. Although formal research on value alignment is limited, it teaches profound lessons. If the benchmarks of the new global economy now include increased underemployment, individuals pursuing multiple jobs in search of learning, personal growth, and service, it is certain that the innate desire to align who one is with the values of the workplace will only grow. What matters at work is what the employing organization values, in both its words and its actions.

While organizations have been slow to discern or reveal underlying values and beliefs, those that have focused on values, naming and clearly upholding those that they hold dear, are experiencing a new sense of vibrancy and enhanced morale. Following the distrust and diminished loyalty that resulted from the breaking of the old employment contract, organizational leaders must examine values to effectively utilize their only remaining competitive resource in their changing environments: a truly motivated and engaged workforce.

Business organizations are finding various ways of motivating and bonding their workforce through the power of values. A few organizations are beginning to define and communicate their core values, sometimes by allowing employees to develop a set of belief statements, so that everyone understands the standards to which they are aligning themselves. Others connect organizational vision and organizational values, or encourage open, honest discussions of values at the most senior executive levels as a critical means to reconnect an organization's purpose and performance. The objective of these organizational reviews is not to curtail strategic plans and business goals, but to infuse them with an ethical conscience and a values orientation.

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It is becoming incumbent upon organizations to spend time developing a value base for the organization so that when caught in a dilemma or needing direction, a foundation for individual reference will already exist. Values constitute a philosophical position about what the organization thinks is important; they are the bedrock truths to which the organization holds. Different values also serve to identify and define organizational culture and personality and, thus, differentiate institutions. Honesty, respect, and integrity are values that business entities are trying to incorporate in their systems.

Determining organizational values is not only an opportunity for competitive advantage;
it is becoming a necessity. For individual employees to progress, the guiding values of the organization must be known and communicated clearly to the workforce. Although many organizations do work on their vision, mission, and values, those that do so in a very deliberate, regular, and explicit way are creating an advantage over their competition. They are perceived as being much more capable of gaining the commitment and creativity of their employees and loyalty from their customers.

WHICH VALUES AND WHY

Values can be defined as the underlying precepts or principles that lead to an esteemed standard of character. However, determining specific values to uphold is a very individualistic process, and each person likely has his or her own methods for identifying and incorporating them. Individuals are beginning to discern core values critical to their personal sense of wholeness and to integrate these with work. But which ones are core values?

Clearly, integrity (based on trust), honesty (based in truth), and service (without control) are important values for individuals.

In 1996, the High-Tor Alliance, a New York research and consulting firm, studied the practice of spiritual and contemplative disciplines by individuals in several organizations. The study identified service as among the most often mentioned values of respondents, whether for the individual or a group. A central premise to the theme of organizational stewardship centers on the growing concept of service without control or compliance.

Other key values practiced by individuals at work were found to include integrity, congruence, and honesty. Positive relations among co-workers was also viewed as a value. According to research conducted by the University of Chicago’s social psychology department, which surveyed 17 million employees in 40 countries about their values, people value eight behaviors. The top two are treat others with uncompromising truth, and lavish trust on associates.

A lack of integrity was identified by Manchester Consulting as the greatest depleter of trust within an organization. Clearly, integrity (based on trust), honesty (based in truth), and service (without control) are important values for individuals.

PERSONAL VALUES AND ORGANIZATIONAL CHOICE

In many organizations, employees have begun to identify a value gap—the chasm between the values companies espouse and what they practice. The High-Tor Alliance study participants clearly emphasized the importance for individuals to operate at work in a manner that is guided by their deepest values. Nearly 80 percent of the respondents identified their day-to-day work as “completely” or “mostly” a path of personal development. They view work and the workplace as an opportunity to practice their personal values. Additionally, nine out of ten respondents indicated that they chose to work in organizations whose values were congruent with their personal values.

Perhaps because of the resurgence of wholeness as a social and scientific concept, and possibly fueled by continued signals of insecurity and misdirection from organizations, there appears to be a personal examination taking place on the part of individuals who, having recognized the value gap in prior organizational associations, may be searching to align themselves with groups committed to similar personal values in current and future work associations.

With the decline of such traditional societal bonds as the extended family, the neighborhood, the small town, and the church or synagogue, employees are bringing their social and spiritual needs to the workplace in a new way. Since the time spent at the workplace is increasingly the only time individuals group together willingly, the workplace is becoming the setting for greater personal exchange of values and behavioral validation. Many individuals are learning that one can hold onto one’s personal core values and still participate in a successful, profit-making venture. They are now seeking opportunities to share those core values within their groups. Some individuals are looking for work that touches the soul, stirs the imagination, and corresponds with
a bedrock of personal identity. These same individuals want to bring their best to work only if they can involve their entire selves. This involvement includes feeling free to talk about issues of passion, and to explore shared views and values. Opportunities for shared discussion increasingly occur during work hours, when people group for extended periods of time.

Thus, rather than being the locus of an economic livelihood, the workplace is emerging as one of the critical environments for the integration of values that people want to incorporate in their personal, nonwork lives. Within our organizations and institutions, a deep longing for personal development, a new sense of community, and meaning is being expressed.

These same organizations, however, have acted haphazardly in determining collective values except for the heavily weighted profit values of the past. Yet, top talent is in short supply in today’s labor market, which increases the competition for intellectual capital and puts pressure on an organization’s retention capabilities. Not only attracting, but retaining, top talent significantly affects an organization’s ability to maximize creativity, innovation, and flexibility. Companies today have to be concerned about employee needs, interests, and values, or these talented individuals will simply go to work elsewhere. Some organizations are beginning to discuss value-centered corporate purposes, perhaps having recognized that in dealing with constant economic change, neither the latest tactics nor the old methods work. Companies are learning that they need to reclaim core values just to survive in a wave of increased employee turnover and environmental change. This necessitates a clarification about which values and principles really matter to the organization and why.

Corporate business is beginning to realize that to ensure its own survival it must create workplaces that are nurturing and healing. Mark A. Lies, II, senior partner with the international corporate law firm of Seyfarth, Shaw, Fairweather and Geraldson, notes of his client companies, “Business firms around the world are recognizing a need to provide a sense of community for their employees, as much as they need to provide a paycheck, in order for employees to remain motivated and productively engaged.” Additionally, organizations that engage in covenantal employment relationships, characterized by mutual trust, open-ended communication, and shared values, are more likely to have employees who display citizenship behavior and remain engaged. Change-focused and adaptive organizations need to determine their hard core group values now, and communicate and exemplify those values constantly to tap this innate desire of the 21st century workforce for personal fulfillment across life’s spectrums. The power of an energetic, united, and value-sustained workforce, a membership of self-aligned whole selves, is probably unlimited in its productive potential and creative beyond imagination. Time will determine the strength of this power, but no organization can afford to ignore it and hope to survive.

ADDITIONAL RESOURCES
