

# PHL|HP Consulting Group

Building & Sustaining High Performing Organizations



A Message From Dr. Philip Levy, Founder & President

## “A New Perspective on the Employer- Employee Contract”

”Long-term loyalty is a thing of the past, replaced by mutually beneficial alliances that often survive the employment relationship and are predicated on shared successes, both present and future.”

### What Employers Can Do:

- Orientations
- Trainings
- Clarity of Corporate Culture
- Coaching and Mentoring of Leaders

For most of the 20th century, stability and staff retention were the norms and objectives in organizations, but this is no longer the case. Today, the imperative is focused on perpetual innovation in order to constantly create and increase value and return of investment. How does this impact the employer-employee contract?

Job predictability and stability were directly correlated to company loyalty and low job turnover. This relationship has shifted away from extended careers at one company to a culture of ‘free agency’ in which employers and employees form a mutually beneficial ‘alliance’ that remains intact only as long as it is valuable to both sides. The conceptualization of a work ‘family’ has been replaced by a ‘team’ culture in which players remain as long as they produce and are well-compensated. A company is a reflection of its human capital and low performers cannot be tolerated in an environment that is dedicated to maximum performance and maintaining relevance in a highly competitive environment. The question is: What are the characteristics of today’s employer-employee contract? It’s based on trust, a good fit of skills and company needs, reciprocity and mutual rewards, but the contract only lasts as long as the needs of both the employer and the employee are being met. Long-term loyalty is a thing of the past, replaced by mutually beneficial alliances that often survive the employment relationship and are predicated on shared successes, both present and future.

How will this new employer-employee contract ultimately impact organizational performance? Can companies continue to perform at a high level over an extended period of time without ‘lifers’ who are real stakeholders in the success of the company? Time will tell, but my belief is that the value of loyalty and long-term employment is vastly underestimated and misunderstood. Nevertheless, in a fluid environment of ‘free agency’, organizations must adapt and ensure company stability by providing vehicles that assimilate the employee to the culture, expectations, values and norms of the organization from the beginning of their employment. Only then can companies ensure that employees are ‘on board’ and committed to the goals and mission of the organization. How can companies achieve these goals in an environment that does not ensure continuity of employment?

- Comprehensive Orientations for New Hires Immediately upon Employment.
- Ongoing Trainings for All Staff to Ensure Requisite Skills Acquisition.
- Clarification of the Corporate Culture with a focus on the values, standards of practice, and principles of the company.
- Ongoing coaching and mentoring of key leaders at all levels to ensure that they are transmitting the correct messages, maintaining an eye on the changing environment and providing meaningful leadership to their staff.

In this new and fast-paced world, only the most successful companies will survive and they will do so by maintaining their principles, but continually modifying their techniques to form a strong, mutually rewarding employer-employee contract.

**DID YOU KNOW WE HAVE ADDED EXECUTIVE COACHING TO OUR MENU OF SERVICES?**

**FOR ADDITIONAL INFORMATION, PLEASE CONTACT PHL HP Consulting Group at:**



[Philip@PHLConsultingGroup.com](mailto:Philip@PHLConsultingGroup.com)

**Know someone in need of consulting?  
Forward this email to them!**

**Suggestions? We want to hear from you!**

**VISIT OUR NEW WEBSITE AT  
[www.PHLConsultingGroup.com](http://www.PHLConsultingGroup.com)**