Forge New Relations With Employees as Concepts of Loyalty Shift

it's got to affect adversely all of the employees."

Most every approach applies to some degree the management consultant's general-purpose tonic, better communication and understanding. There must be smooth, honest exchange of views upward and downward in the corporate structure, it is said again and again. All employees should be made aware of how their own labor fits into the company's end product, be it financial advice or aircraft engines.

"Every employee has to feel . . . that they're valued and that they're contributing," said Bob Hunter, formerly a communications executive at financially troubled Eastern Airlines. "In order to do that, they have to understand the company's goals, its vision, its policies."

William Hitt, director of manager development at Battelle Memorial Institute of Columbus, Ohio, offered a related view: "I'm finding that some people can thrive on change . . . if you communicate with them and involve them in the change process." He added that "it sounds like common sense, but it's amazing how many companies simply don't seem to be aware of that."

Should a restructuring and layoffs become necessary, many consultants say, the key to motivating the employees who remain is to make sure they believe that the organization's financial health has improved in a major way and that enough fat has been cut and enough bureaucracy cleared so that their own jobs will be more personally fulfilling. With that knowledge, they will go on with the job in good stead.

Safeway Stores Inc. is trying to apply a similar philosophy.

In a move to fend off a hostile takeover, the grocery chain went private in 1986 and has executed a painful slimming that took employment from 167,000 to 120,000. Today, through such things as internal newsletters, seminars and personal visits from chairman Peter Magowan, Safeway is trying to heal the

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must recognize and act on their emotional wounds, he said.

Noer said a few U.S. companies are being more open about future uncertainty when they hire people, and he lauds it. "It's a much more healthy relationship than trying to buy someone's commitment and loyalty with a promise you can't keep," he said. " . . . It's like a football team. They gather together for a season and then they renegotiate again for a whole new season. If they make the cut, they have a commitment for a year. But not forever."

Apple Computer Inc., which pioneered the personal computer industry, is among those rated as heading in new directions. "We view our employees as adults," declared Kevin Sullivan, vice president of human resources. The California firm attempts to encourage innovation, risk-taking and personal fulfillment in its people, said Sullivan, but does not feel threatened or offended if some eventually want to leave.

"It's kind of like a no-fault divorce, that at some point, relationships change, individuals change, organizations change," said Sullivan. "So the thing that made the relationship click 10 years ago may no longer be valid." In fact, he said, Apple has a relatively low turnover.

Other signs of the times: steady growth in the country's "contingent" labor force, now 30 million strong. These people are part-time or contract workers, ranging from secretaries to broom-pushers, corporate lawyers to accountants.

They can be taken on as needed and let go without fuss, giving companies more flexibility to grow or contract as the market dictates. Here and there, companies are asking new full-time hires to sign waivers that give the right to unconditional termination.

Changes in pension programs also are making it easier for employees to leave, and some employers like the changes for that reason. Recent legislation will require that all pensions "vest" after five years, meaning an employee must only stay that long to qualify to collect at retirement age. (Ten years was formerly the legal standard.) In addition, pensions are widely being supplemented by tax deferred accounts into which employee and company both contribute. These can be moved at any time.

"The kind of chains that organizations used to have is less binding because people have more options," said Richard Balzer, a labor-management consultant.

Meanwhile, ways in which people are rewarded are changing too to reflect the times. "As profit margins get tighter, you can't constantly increase salaries," said New York consultant Bright. "Managers are going to need to learn different ways to share glory." This might include simple things such as giving employees business cards or hard-to-get tickets to sporting events, she said.

When money *is* used as the reward, however, many companies tie it to productivity.

Ford, for instance, has been paying out since 1984 from a profit-sharing plan that it implemented as part of a program to energize its work force. "Everybody has a different name for it," said author Lacey. "But what it amounts to is you get paid for your accomplishments, not for how much time you spend at a desk."

What many people find ironic is that the United States appears to be moving away from long-term ties at a time when its most serious foreign competitor, Japan, counts employee loyalty and a no-layoff policy as key to why its big corporations have succeeded in world markets. Japanese executives are astonished that American workers who have served well for 20 years can find themselves on the street because of a mild recession.

But the contrast is not entirely what it seems: here and there are signs that Japan may be rethinking that approach as new economic challenges arise. Belt-tightening aimed at neutralizing the impact of the newly strong yen has led some major Japanese companies into de facto layoffs, shunting employees across the country or to lower-paying jobs at affiliated companies. While no one expects Japan ever to adopt the U.S. model in full, it is moving in a similar direction.