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Keywords
HRM, professional, information, employment, relationship, environment, business, employer

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Advancing the World of Work

The Nature of the New Employment Relationship(s): A Content Analysis of the Practitioner and Academic Literatures

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This paper has not undergone formal review or approval of the faculty of the ILR School. It is intended to make results of Center research available to others interested in preliminary form to encourage discussion and suggestions.

Abstract

This article seeks to provide HRM professionals information and guidance that will assist them in understanding, evaluating, and applying current thinking regarding the new employment relationship. The focus of the article is a study that investigates the extent to which there is a consensus in the literature regarding the nature of the new employment relationship by systematically analyzing the content of relevant articles. The discussion incorporates empirical findings from other studies, notes differences between the articles found in scholarly publications versus those found in trade magazines, provides recommendations for HRM professionals, and suggests areas of future research.

Introduction

There appears to be almost universal agreement that as a result of changes in the economic and social environments in which organizations operate, the nature of the employment relationship is undergoing fundamental changes that have important implications for employers' human resource policies and practices (academic literature, e.g., Hendry & Jenkins, 1997; Shalk & Freese, 1997; Sparrow, 1996; practitioner literature, e.g., Laabs, 1996; Pickard, 1995; Thornburg, 1997; popular press, e.g., O'Reilly, 1994; Stewart, 1998). There is, however, far less agreement regarding the nature of the changes. Employers continue to struggle with the question of what is the "new deal" with their employees (Littlefield, 1997). A report summarizing the Inter-Council Meeting on Employer Contracts, a meeting of HRM professionals and executives that was held to try to answer this important question, concluded: "One of the greatest challenges in business today is articulating the changing contract between workers and employers" (Csoka, 1996, p.5).

Articles proclaiming that the employment relationship is changing and purporting to describe the nature of the changes have proliferated. These articles are potentially helpful sources of information. However, their usefulness to HRM professionals is limited for several reasons. The shear number of the articles, and the relative inaccessibility of some journals, precludes many HRM professionals from personally reviewing the articles. A greater limitation is the difficulty of critically evaluating the varying descriptions of the new employment relationship that can be found across articles. Some of these differences have been highlighted in Table 1. HRM professionals often are not in a position to assess the extent to which the claims made in articles that they read reflect a consensus opinion, or are supported by scientific empirical evidence. Those who conduct only a limited review may, depending on the sample of articles included, receive a very biased view of current thinking about the changes in the employment relationship that are underway.

Table 1

Examples of Conflicting Descriptions of the New Employment Relationship

Loyalty	
"There is an untapped reserve of employee commitment and loyalty...Employees want to be loyal." (Hackett, 1996)	"Bring out the casket. Organizational loyalty… has finally been laid to rest." (Cole, 1997)
Employability	
"The employability notion is a 'passing intellectual fad' that will change in due course." (Lee, 1997)	"Employability is a key component." (Roehling, Cavanaugh, Boswell, Boudreau, & Ash, 1997)
Job security	
Examples given of things employers are doing as part of the new employment relationship include "giving guarantees of job security." (Schalk & Freese, 1997)	"Security is a thing of the past." (Herriot & Pemberton, 1995)
Trust	
Trust is an "essential component" of the new workplace compact. (Csoka, 1995)	"The new contract is expressed in terms of what many see as a degradation of the employment relationship and levels of trust." (Sparrow, 1996)
Help With Career Development	
"Many employers are interpreting the new contract to mean the employee should be completely responsible for his or her career, that the employer bears no responsibility at all." (Hall & Moss, 1998)	"Other employers, however, still see a responsibility for providing resources and opportunities for core employees to grow and develop in their careers." (Hall & Moss, 1998)
Shared Commitment to Business Objectives	
There is no "commitment or mutual goals." (Laabs, 1996)	Employees provide "commitment to business objectives." (Csoka, 1995)

This article seeks to provide HRM professionals information and guidance that will assist them in understanding, evaluating, and applying current thinking regarding the new employment relationship. The focus of the article is a study that investigates the extent to which there is a consensus in the literature regarding the nature of the changes that are occurring in the employment relationship. The investigation involves the content coding and analysis of articles from both scholarly publications and trade magazines that describe the new employment relationship. To our knowledge, it is the first attempt to systematically investigate this question. The results of the content coding are discussed in light of relevant empirical evidence from other studies, and differences between the descriptions of the new employment relationship provided in scholarly publications versus the descriptions provided in trade magazines are noted. The discussion also includes recommendations for HRM professionals, identifies unanswered

questions regarding the changing employment relationship, and suggests areas of future research.

Claims Regarding the Nature of the New Employment Relationship: Content Analysis of Articles Describing the New Employment Relationship

Sample

The articles that were included in the study were identified through a search of ABI Inform, an online service that contains abstracts of approximately 800 business related publications, including professional publications, academic journals, and trade magazines. The search was limited to articles published since January 1, 1995, and was conducted using various combinations of the following terms: employment, relationship, contract, deal, compact, psychological contract, new, and changing. Of the many articles that mentioned some combination of the above terms, only articles that had the employment relationship as their focus were included in the study. The final sample included 51 articles, 18 from publications that were judged to adhere to scholarly standards, and 33 articles from trade magazines (e.g., HRFocus, HRMagazine). The former category of publications includes both those with a primary academic focus (e.g., Academy of Management Journal), and those publications that adhere to scholarly standards but also view HRM practitioners as an important component of their target audience (e.g., Human Resource Management, Academy of Management Executive).

Content Coding and Analysis

To investigate the claimed nature of the new employment relationship, the articles were content coded and analyzed. Content analysis is a research method that allows one to classify information contained in textual material, reducing it to more relevant, manageable bits of data (Weber, 1990). In the present study, the classification or coding scheme focused on employment relationship traits that, based on a qualitative review, were discussed in articles regarding the changing employment relationship (e.g., employer providing training and skill development opportunities, no long term security). The primary coding categories are identified in Table 2; other relevant categories will be identified in the text.

Each article was read by a coder who recorded whether or not the article mentioned each of the identified employment traits (reflected in the coding categories) as characteristic of the new employment relationship. With two exceptions, only traits that were identified as characteristic of the new employment relationship in at least 20% of either the scholarly publication articles or the trade magazine articles were included in the final coding scheme. The two exceptions, “traditional job security” and “traditional loyalty,” were included because more than 20% of the articles explicitly mentioned that they were not part of the new employment relationship. To assess the reliability of the coding, 12 articles (23%) were independently coded

by a second coder. There was 87% agreement between the two coders' coding of the articles, indicating that the articles were coded with an acceptable degree of reliability. The analysis of the coding data included the calculation of the frequency with which the identified employment relationship characteristics were mentioned in the articles. Also, differences between the frequencies found in the articles from scholarly publications and those from trade publications were tested for statistical significance using a chi-square test.

Results of the Content Coding

Scholarly publication articles versus trade magazine articles: Overall patterns. A comparison of the frequencies yielded by the content analysis indicated that the overall pattern was very similar across article type. That is, those traits of the new employment relationship that tended to be mentioned most frequently in scholarly publication articles also tended to be mentioned most frequently in trade magazine articles. However, there appears to be a systematic difference across article type in the magnitude of the frequencies. The twenty-six employment relationship traits included in the primary analysis are consistently mentioned more frequently in scholarly publication articles (for 21 of 26 traits, see Table 2); the exceptions tend to be traits that are mentioned relatively infrequently in both types of articles. Statistically significant differences in the frequency with which the two types of articles mentioned specific traits are identified in Table 2[1]. These findings suggest a greater level of consistency in identifying the characteristic traits of the new employment relationship among scholarly publication articles than among trade magazine articles, and therefore, results for each type of publications will be reported separately.

A single new employment relationship versus multiple new relationships. A qualitative review of the articles revealed that while many articles describe and discuss a single new employment relationship that purportedly characterizes all employment relationships (at least at a general level), some articles explicitly express a need to recognize diverse or multiple new kinds of employment relationships. This observation was quantified through the content coding process. Seventy percent of the trade magazine articles and 56 % of the scholarly publication articles refer to a single new employment relationship, without explicitly recognizing a need to consider diverse or multiple new relationships. Of the 18 articles that explicitly recognize the need to consider multiple relationships, only five provide specific descriptions of the multiple relationships (Gherson, 1996; Herriot & Pemberton, 1997; Schalk & Freese, 1997; Sparrow, 1996; Tsui, Pearce, Porter, & Hite, 1995). The remaining articles provide a general description of a single new employment relationship, and either briefly refer to potentially different relationships (e.g., for core versus peripheral employees, young versus senior employees), or simply note the need to consider variations.

While the coding scheme was readily applied to the vast majority of the articles (94%), a coding challenge was presented by three articles that described multiple employment relationships without also providing a general description of the new employment relationship. In coding those three articles, only those traits that the described relationships held in common were coded as characteristic traits of "the new employment relationship." The issue of a single new employment relationship versus multiple new relationships will be addressed further, in a later section.

Primary results: Characteristic traits of the new employment relationship. The primary results of the coding and analysis are reported in Table 2. The first section of Table 2 reports those things that the employer is said to do or provide as its part of the new employment relationship. There is a strong consensus, both within and between article types, that the new employment relationship is characterized by the employer providing employees training, education, and skill development opportunities, and the involvement or empowerment of employees in the decision making process. Among scholarly publication articles, there is also a strong consensus that the new employment relationship is characterized by open, honest, two-way communication (83% mentioning this trait). However, only 46% of the trade magazine articles mentioned the latter trait.

Other frequently mentioned characteristics include the employer providing employees assistance with career management, performance-based compensation (incentives, bonuses based on performance, etc.), challenging or meaningful work, and work/non-work life balance. "Assistance with career management" refers to actions taken beyond providing training, education and skill development opportunities, and includes such things as providing employees mentoring, coaching, and career management workshops or materials. "Assistance with career management" does not refer to providing employees advancement or promotion opportunities; that is a separate coding category. Only six percent of the scholarly articles and nine percent of the trade magazine articles identified traditional job security as a characteristic of the new employment relationship. In contrast, 44% of the scholarly articles and 45 % of the trade magazine articles explicitly mentioned that job security is not part of the new employment relationship.

Table 2

Primary Results of Content Analysis of Articles: Percent of Articles Mentioning Identified Traits As Characteristic of New Employment Relationship

Trait	Article Type: Scholarly (n=18)	Article Type: Trade Magazine (n=33)
Employer to provide:		
Training, education, & skill development opportunities	89%	79%
Employee involvement in decision making/empowerment	89%	67%
Open, honest, two-way communication	83%	46%*
Assistance with career management (e.g., mentoring, coaching)	67%	45%
Performance-based compensation	61%	58%
Challenging, meaningful, and/or interesting work	50%	42%
Work/non-work life balance	44%	27%
Performance feedback	39%	24%
Advancement opportunities within the organization	28%	33%
Praise, acknowledgment, recognition (non-monetary)	22%	24%
Friendly, cooperative, or fun work environment	17%	20%
Traditional job security	6%	9%
Employee to:		
Assume responsibility for developing and maintaining skills	94%	79%
Produce positive results/add demonstrable value	72%	56%
Understand the nature of employers' business	50%	49%
Have a customer focus	39%	30%
Take initiative/come up with ideas	33%	39%
Ability to work in teams	28%	24%
Traditional loyalty	11%	9%
Other characteristics of the new relationship		
Flexibility	78%	51%*
Commitment	61%	48%
"Job security" based on contribution	50%	33%
New type of loyalty	44%	29%
Partnership qualities (e.g., sharing of responsibility, risk, benefits)	44%	36%
Trust	44%	33%
Fairness	39%	27%
Respect	28%	9%**

- $p < .05$; **$p < .10$

Characteristics of the "Employee Side" of the new employment relationship are listed in the second section of Table 2. The most frequently mentioned trait is that employees assume responsibility for developing and maintaining their work related skills. Very few articles describe the new employment relationship as involving traditional loyalty; many more articles explicitly

mention that loyalty is not part of new relationship (28% of the scholarly articles and 29% of the trade magazine articles).

The third section of Table 2 includes traits that are typically discussed as characterizing the employment relationship more generally, applying to both employer and employee sides of the relationship. Of these traits, employer and employee flexibility in dealing with each other is the trait mentioned most frequently in both types of articles. However, although 78% of the scholarly publication articles identified flexibility as a characteristic of the new employment relationship, just 51 % of trade magazine articles mentioned flexibility.

Several of the remaining coding categories in the third section of Table 2 warrant explanation. Half of the scholarly articles and 35% of the trade magazine articles describe the new employment relationship as involving a new type of "job security": employees obtain job security through developing and maintaining skills that allow them to make valuable contributions to the organization. This trait is reflected in the category "'job security' based on contribution."

The "new type of loyalty" and "commitment" traits involve the least precise coding categories. This is due to the lack of precision and consistency in what is being said about these traits in the articles that were coded. Some articles seem to equate loyalty and commitment, while others clearly distinguish between the two (see Table 3). Moreover, those articles characterizing the new employment relationship as involving employee commitment have identified different objects of commitment (i.e., commitment to the self, one's profession, the team, or the organization). Table 3 illustrates the range of views expressed regarding a new loyalty or commitment in the new employment relationship. The common theme among the descriptions of the new types of loyalty and commitment is that, in contrast to traditional loyalty, they involve a contingent commitment to stay in the relationship for an extended duration.

Table 3

Descriptions of Loyalty and Commitment In the New Employment Relationship
"The old employment contract - lifetime employment in exchange for loyalty - is gone. Unfortunately for many companies, commitment fled with it." (Laabs, 1996)
"Loyalty to company as a cultural artifact is replaced by commitment to business success." (Hammer, 1996)
In the uncertain conditions of the new economy, successful companies will have to depend on a core of loyal employees..." (Wilms, 1997)
"More than ever, the organizations needs the employees commitment to succeed." (Hiltrop, 1995)
Employers should state its commitment as follows: "We are committed to you during your time here; we expect you to be committed to us." (Smith, 1995)
The changing employment relationship includes "commitment to the self and the team;" loyalty is not valued. (Sommers, 1995)
Middle managers offer "loyalty to individuals and to the team." (Herriot & Pemberton, 1997)
Employees "repay the company for opportunities such as career training with a new form of corporate loyalty based on trust." (Pollock, 1995)

Finally, the category "partnership qualities" includes both specific descriptions of the new employment relationship as involving "a partnership" between employer and employees, and descriptions that, although they do not use the term partnership, characterize the relationship as involving a sharing by the employer and employee(s) of the responsibility, risk, and benefits associated with the relationship.

Discussion, Recommendations, and Future Research

"One Size Fits All" Prescriptions Are Common, But Overly Simplistic for Most Employers

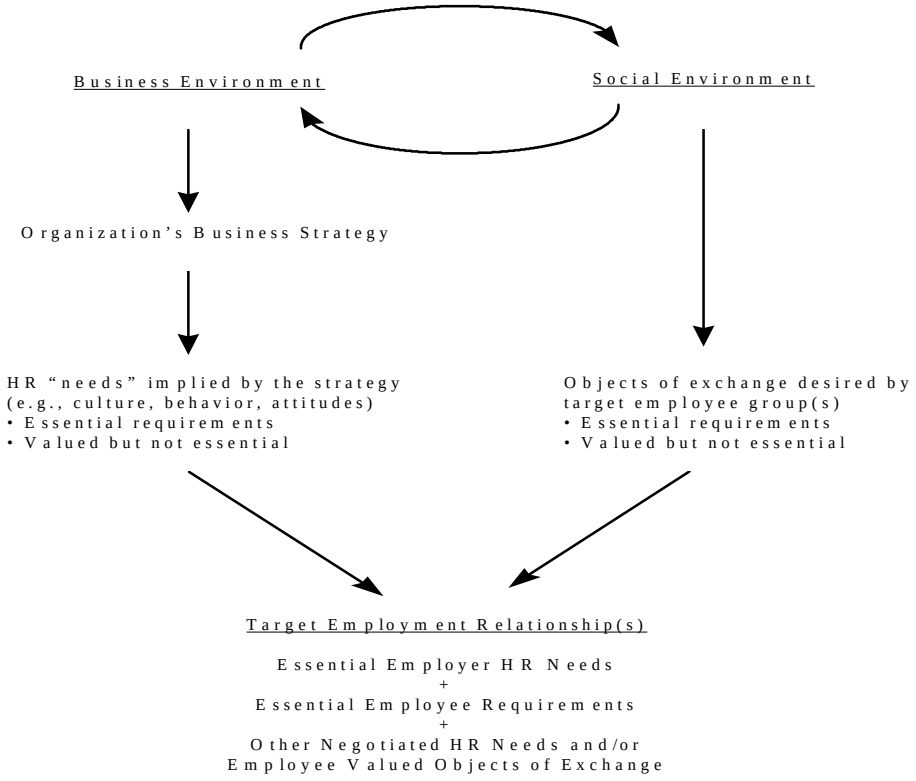
Over 60 % of the articles describe a single new employment relationship, without indicating that there is any need to consider diverse or multiple new employment relationships. At a general level of discussion, it is not misleading to talk about "a" new employment relationship. After all, the factors in the business environment (e.g., increased competition, corporate downsizing, rapid technological advances) and social environment (e.g., changing values regarding work/non-work life balance, changing workforce demographics) that are thought to be driving many of the changes are viewed as societal or global level phenomena. However, it is overly simplistic to assume that the forces that are driving changes in the employment relationship have equal influence across organizations. Moreover, it is overly simplistic to assume that even among organizations where the influences of the business and social

environments are essentially equal, one and only one strategic response in managing employment relationships is necessarily implied (Milligan, 1996).

Organizations, and HRM professionals in particular, can and should be more discriminating in assessing the nature of the employment relationship or relationships they seek to promote. Figure 1 provides an overview of the primary factors that influence effective employment relationships. The figure highlights a number of important considerations. First, effective employment relationships should not be viewed as driven solely by an organization's strategy. They are more accurately and usefully viewed as being driven by the human resource needs (e.g., culture, behavior, attitudes) implied by the organization's strategic goals, subject to human resource constraints (e.g., what needed or "target" employees are willing to accept in an employment relationship).

Second, in attempting to develop effective employment relationships, it is important to distinguish between essential requirements and valued characteristics. Essential requirements refer to those things that must be part of an employment relationship in order for it to meet one of the parties' minimum levels of acceptability. The difference between essential requirements and valued characteristics can be thought of as the difference between what the respective parties feel they "must have" versus what they simply "want."

Figure 1. Primary factors influencing



Effective employment relationships involve a combination of characteristics that: a) meet the requirements implied by the employer's strategy, b) meet the essential requirements of target employee group, and c) although not essential to either party, are either valued by the employer or the target employee group. To the extent that labor attraction and retention is an issue, the wants of target employees (beyond their requirements) take on increased importance, and will be reflected in employment relationships that include characteristics that are of value to the employee but not of corresponding value to the employer (except in attracting and retaining desired employees).

Third, contrary to the implicit assumption of a majority of the coded articles, there are likely to be systematic differences across target employee groups in what they require and value in an employment relationship. With only a couple of exceptions, the coded articles ignore potential societal level cultural differences in what employees require and want in an employment relationship - despite reasons to expect such differences (Sparrow, 1998). To what extent will the increased emphasis on individual responsibility, individual reward for performance, and less job security that the articles indicate is characteristic of the new employment relationship be acceptable in collectivist cultures found in many Asian countries? These and other cross-cultural issues have yet to be adequately addressed.

Differences in what employees require and want in an employment relationship are also likely to exist across employees who are at different career and life stages. For example, empirical studies have found that recent graduates report different needs than employees in advance career stages (e.g., recent graduates are much more likely to identify job opportunities as a need; Ruth, Bruner, & Chamernik, 1995). It has also been suggested that important differences also exist in the desired employment relationships of core versus peripheral employees (Milligan, 1996), and clerical versus managerial employees (Herriot & Pemberton, 1997). The point to be emphasized is that when it comes to managing the new employment relationship(s), it should not be assumed that one size fits all employee groups.

Although the coded articles do not qualify themselves in this manner, we suggest that the profile of the new employment relationship presented in Table 2 is best viewed as referring to core employees in western, developed countries. Further, the characteristic traits identified in Table 2 are more likely to be deemed acceptable and desirable by white collar employees than blue collar employees. Empirical research investigating the requirements and wants of various employee groups, within and across cultures, is lacking and should be the subject of future research by both academics and HRM practitioners who are concerned with making informed decisions in the management of their employment relationships.

Finally, as indicated by the reciprocal arrows at the top of Figure 1, over time, an organization's business environment and social environment may influence each other in ways that affect the nature of employment relationships. For example, the increased value U.S. workers place on work/non-work life balance has influenced legislation, such as the Family and Medical Leave Act of 1991, which is now part of the business environment of U.S. corporations. Also, the extensive lay-offs experienced as a result of the change in the business environment appears to have broadly influenced workers' normative expectations regarding the kind of job security that employers are obligated to offer (Bencivenga, 1997). These examples illustrate the continuing dynamic nature of the changes that are occurring in the employment relationship.

Employability Is a Key Component, But What Kind of Employability?

There is a strong consensus that employee acquisition of knowledge, skills, and abilities plays a focal role in the employment contract. The two most frequently mentioned characteristics of the new employment relationship are employers' responsibility to provide training, education, and skill development opportunities, and employees' responsibility to take advantage of those opportunities to develop and maintain their skills. An important question that is not clearly addressed in most articles is whether the training, education, and skill development opportunities referred to are limited to providing firm specific knowledge, skills, and abilities, or whether they include the development of knowledge, skills, and abilities needed by employees to be marketable outside the organization. The former may be viewed as providing "internal employability," and the latter as providing "external employability."

To date, employers have been most willing to offer internal employability (Hendry & Jenkins, 1997). Conversations that we have had with HRM executives, albeit anecdotal evidence, indicate that HRM executives whose organizations offer only internal employability do so because of their concern that providing external employability will produce highly marketable employees who will be more likely to turnover, and because of the additional expense involved. However, those executives who advocate external employability argue that the failure to do so will adversely affect the organization's ability to attract quality employees, and eventually, will promote turnover. There are also employers who remain skeptical of the whole notion of employability, as reflected in the comments of an employee relations executive for a large Midwestern U.S. company who stated: "We think employability is a great idea - for our competitors!" The company in question felt that providing some assurance of job security instead of emphasizing employability gave them an advantage in attracting employees.

What are the attraction and retention effects of offering external versus internal employability, or employability versus some assurances of job security? There are many conflicting claims regarding the answer to these questions, but to our knowledge, no direct

empirical evidence. We expect that the answer to these questions will depend, at least in part, on characteristics of the employees in question (e.g., career stage) and characteristics of the organizations seeking employees (e.g., advancement opportunities available within the organization).

Reciprocal Flexibility

Among the scholarly publication articles, there is also a strong consensus that the new employment relationship is characterized by flexibility in employees and employers dealings with each other. A desire for flexibility can be found on both sides of the employment relationship. Organizations facing increasing competition and rapid technological change favor, if not require, greater flexibility (Burack & Singh, 1995; Tsui et al., 1995). On the other hand, as a result of changing workforce demographics and work values, employees increasingly desire flexibility in addressing work and their non-work needs and interests (Holmes & Friedman, 1995; Ruth et al., 1995). The norm of reciprocity, thought to be a universal norm (Gouldner, 1960), suggests that if organizations expect employees to be willing to be flexible in order to address the employer's needs, organizations ought to offer employees flexibility to meet their needs and interests. In other words, flexibility in the new employment relationship should be viewed as a two-way street, and it would be a mistake for employers to treat it otherwise.

The Role of Commitment

The role of commitment in the new employment relationship is a critical issue for HRM professionals. Unfortunately, as reflected in Table 3, the literature provides relatively little consensus regarding this question. Although we cannot fully address the complex issues regarding commitment in the scope of the present article, the content analysis results touch on some of the important considerations.

Importance of commitment. Employee commitment has long been a concern of organizations because of its link to valued employee behaviors such as service, citizenship, learning, and attendance (Schalk & Freese, 1997). As previously reported, the content analysis results indicate that there is a consensus that flexible, empowered employees are characteristics of the new employment relationship. These characteristics make employee commitment even more of a central concern because employers need to be assured that their empowered employees exercise their discretion in the organization's interests (Tsui et al., 1995). Committed employees with autonomy of action will be more likely to align their actions with the organization's interests than employees with autonomy who feel little commitment to the organization or its goals. Without commitment, even the most skilled employees will be of little value to employers (Ulrich, 1998a).

The need for new approaches. The problem for most employers is that the approaches to promoting employee commitment that have been relied upon most heavily in the past, identified in Table 4, are either no longer available or are less available. Different approaches to promoting commitment need to be explored and further developed. Fortunately for employers, while the traditional approaches to generating commitment are not as available, many of the characteristics of the new employment relationship have been linked to increased employee commitment: two-way communication, participative management, employee involvement in decision making (Dunham, Grube, & Castaneda, 1994; Rhodes & Steers, 1981); sharing of rewards and risk (Lawler & Mohrman, 1989); accommodating employees' desires for work/non-work life balance (Grover & Crooker, 1995; Work in America, 1998), and providing employees meaningful, challenging work (Allen & Meyer, 1990; Dunham et al., 1994). It can be expected that, all other things equal, the incorporation of these traits into an organization's employment relationships will tend to promote employee commitment.

Table 4

Approaches to Developing and Maintaining Employee Commitment

Traditional and Characteristic of Old Employment Relationship	Available and Increasingly Important in New Employment Relationship
Job security	Participative decision making
Career advancement (within organization)	Sharing of rewards and risk (a stake in the outcome)
Promise of pay raises	Accommodating employees personal/non-work needs
	Intrinsically rewarding work
	Social networks in the work place
	External employability
	Respectful and fair treatment

It has been reported that the use of teams, which tend to involve interpersonal interactions and social exchange among employees, promotes employee commitment (Zuidema & Kleiner, 1994). It should be noted, however, that whether such team related social interaction leads to functional commitment to the organization is likely to be influenced by a number of factors that vary from setting to setting (e.g., productivity norms of the work group, quality of interaction from employee perspective). The effective use of teams as an "alternative" approach to promoting employee commitment should be the subject of employer experimentation and future empirical research.

Finally, it has been argued that commitment can be promoted by providing employees employability, in place of job security and career advancement (Cole, 1997; Rodgers, 1995). The

merit of this claim is likely to depend on whether the employer is providing internal employability or external employability. Providing employees only firm specific knowledge, skills, and abilities is likely to be viewed as an act of patent employer self interest, and as a result, is not likely to generate any significant degree of employee commitment. However, commitment should be promoted if the employer promises to provide its employees the knowledge, skills, and abilities needed to remain marketable inside and outside the organization, and then delivers on that promise. Such an act may signal a commitment to employees on the part of the organization, which would tend to promote a reciprocal commitment (Gouldner, 1960).

There is reason to expect that alternative approaches to developing employee commitment may be able to replace traditional approaches, and perhaps be even more likely produce the kind of employee commitment organizations now desire. However, the alternative approaches will require greater, sustained effort on the part of employers. The specific nature of commitment required in the new employment relationship and how it can be developed are practically important and complex issues that should be the subject of future theory development and empirical research.

Don't Overlook the Old in the "New"

Articles regarding the new employment relationship focus on those aspects of the evolving employment relationship that differ from the "old employment contract." However, there are aspects of the employment relationship that are of central importance to employees but which have received relatively little attention, at least in part, because their importance is generally not viewed as having changed in recent years. For example, a fundamental concern of employees is to be treated with respect by their employer. Support for this statement, if needed, is provided by two recent studies investigating employee psychological contracts which found that according to college students who were on the job market and campus recruiters (Roehling, Cavanaugh, Boswell, Boudreau, & Ash, 1998), and a diverse group of blue and white collar employees solicited from over twenty organizations (Roehling, 1997), employers' number one obligation (i.e., the thing that employers were rated as being most highly obligated to do or provide) was to treat employees with respect. Despite the central importance of respect in the employment relationship, only 6 % of the trade magazine articles mentioned it as characterizing the new employment relationship. Respect was mentioned significantly more often in scholarly publication articles (28%), but it was still overlooked in the vast majority of the articles.

The successful management of the new employment relationship will require employers to give greater attention to issues of respect and fairness for at least two reasons. First, respectful and fair treatment promotes employee affective commitment (Meyer & Allen, 1997), an empirical finding that takes on increased significance given the importance of employee

commitment in the new employment relationship and the relative unavailability of traditional approaches to generating commitment (discussed above). Second, as a result of the explicit lack of security and other changes in the employment relationship, employees are likely to become increasingly sensitive to issues of respect and fairness in the work place. Empirical evidence supporting this observation is provided by a study that surveyed over 3,000 employees from large companies to assess changes in employee views of their employment relationship (Towers and Perrin, 1997). A comparison of employee responses in 1995 to those provided in 1997 revealed that employees were becoming more doubtful about the extent to which management considers their interests in decisions affecting them, and more skeptical that their employers are living up to their obligations. This kind of doubt and skepticism is likely to lead to increased sensitivity to respect and fairness issues, which will require managers' increased attention to prevent the skepticism from becoming self-fulfilling.

Communication

Based on the review and content analysis, communication plays an important role in the management of the new employment contract in two regards. First, communication with employees aimed at clarifying the nature of the new employment relationship is the most frequently made recommendation regarding the management of the changing employment relationship. Over half the articles making this recommendation failed to address the importance of communicating with their employees regarding their requirements and wants before communicating the terms of the new deal to their employees, a step that is critically important given the importance of meeting employee requirements in forging effective employment relationships and the possibility of significant differences across employee groups.

Second, according to the content analysis results, open, honest, two-way communication is an important characteristic of the new employment relationship. This characteristic would appear to be one of the least controversial, one that most employers and employees desire. Employee surveys suggest that open, honest, two-way communication is something that most employees want in an employment relationship (e.g., Towers Perrin, 1997), and the employer's need to share information to empower employees to contribute as partners in the organization's business is widely recognized (e.g., Kim, W.C., 1998; Lengnick-Hall, & Wolff, 1998). In practice, however, many managers are leery about open, two-way communication with employees (Milligan, 1996). They are concerned about making mistakes if they communicate before having all the information, saying something that inadvertently creates a binding contract, or asking employees what they want when the manager may not be able to address those wants. As a result, one of the least controversial characteristics of the new employment relationship promises to be one of the most difficult for employers to effectively implement.

The Reliability and Practical Usefulness of Information About the New Employment Relationship

The results of the content analysis revealed much greater variation in the descriptions of the new employment relationship found in trade magazines than those found in scholarly publications. This finding suggests that while specific trade publications may be providing quality information, as a group, the information provided by trade magazines is less reliable (i.e., less consistent). Unfortunately, scholarly journals that have an academic focus are often appropriately criticized for being highly technical, difficult for practitioners to read, and for failing to provide HRM professionals practically useful information. This criticism and the present findings suggest that, generally, journals that both adhere to scholarly standards and view practitioners as an important component of their target audience (e.g., Academy of Management Executive, Human Resource Management) are likely to be HRM practitioners' best source for reliable, practical information about the changing employment relationship.

Conclusion: The Roles of Human Resource Management Professionals

The reported study systematically assessed current thinking regarding the nature of the changing employment relationship. The information yielded reinforces the recent observation that Human Resources has never been more necessary (Ulrich, 1998b). The successful management of the new employment relationship will require the human resource professionals to effectively execute their roles as strategic partner, administrative expert, change agent, and employee champion. In particular, as a result of the challenges associated with developing and maintaining employee commitment, the increased need to attend to respect and fairness issues, and the recognized importance of open, two-way communication between employer and employees, the role of employee champion is taking on increased importance. Getting organizations to recognize and support the importance of the employee champion role, and developing the necessary technical and interpersonal skills needed to effectively carry it out, are challenges HRM executives must be prepared to meet.

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Endnotes

1. Because of relatively low statistical power associated with the sample size, many of what appear to be practically significant differences between the frequencies reported for the two types of articles cannot be described as statistically significant. Nonetheless, chi square analysis reveals that in each comparison where there is a statistically significant difference, the scholarly publication articles frequency is the significantly greater one (see Table 2).