BY JOEL SCHETTLER

A New Social Contract

THERE IS SOMETHING ABOUT THE ENRON STORY THAT WON'T LET ME GO. IT IS NOT THAT A BUSINESS FAILED; MANY DO. ALTHOUGH NEVER HAS ONE THIS BIG GONE BUST THIS FAST—THAT'S A SEPARATE COLUMN FOR THE FINANCIAL PRESS.

Nor is it the intrigue surrounding the fuzzy accounting methods or the missing documents—two more columns. It is Ken Lay's assurance to all employees that "our business model has never been more robust; our growth has never been more certain," when it was actually in peril—a point made even more poignant when legal technicalities and poor timing kept innocent retirees and employees from their lifelong 401(k) savings, while corporate management bailed out with millions. Never has a story better articulated the vulnerability of the individual and the changing nature of the social contract between the worker and the organization.

Certainly, we left behind the notion of the "Organization Man" and the corporation's promise of a lifelong career some time ago. This unspoken contract hasn't disappeared; we just changed its terms. Yet, as the Enron story shows, when employees put their trust, not to mention their best efforts and savings, into the hands of the corporation something in that agreement was broken.

During the go-go 1990s it seems as if both sides withdrew from the contract a bit. Individuals with expertise, motivation, and openness to learning and new ideas began questioning their corporate loyalty. The dot-com New Economy changed the rules of entry. If such individuals didn't start their own businesses, they quickly joined companies that would allow them greater control over their own destinies. Everyone had the fever. Books, such as Tom Peters' *Brand You 5.0*, described the emerging landscape that championed the individual and called for self-allegiance. Quietly, a different social contract materialized with individual responsibility and self-determination as its principle clauses. But recent events have opened our eyes to the symbiotic nature of corporation and individual. What can we depend on to strengthen that faith again? The answer lies hidden in the details of our very interdependence; one side doesn't win at the expense of the other.

Take job satisfaction. A recent Harvard study asked employees to list their most important job components. Number one on the list: "Having a work schedule that allows me to spend time with my family." But perhaps the most telling factor of the survey was that earning a higher salary placed sixth. The order stayed the same for both men and women across all age groups. It is natural to assume that we would place maximizing personal profits at the top spot. Yet, in this frenzied working world, it seems that all we desire from corporations in return for our best years is a little breathing room to see our kids now and then. Is that too much to ask?

Enriching the personal lives of employees isn't just a one-way street, either; a satisfied workforce can bolster the bottom line.

The percentage of workers who are now able to alter the hours they work has increased from 12 percent in 1985 to 28 percent in 1997, according to the Bureau of Labor Statistics. And Watson Wyatt's Human Capital Index released last November revealed that a "collegial and flexible workplace" was associated with a 9 percent increase in the overall market value of a firm. And if you figured that creating such a culture only makes an impact at a smaller company, you thought wrong. The survey measured employee value at more than 750 publicly traded corporations with at least $100 million in revenue and more than 1,000 employees.

Unhappiness, after all, does have a price tag.

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