In the era of high growth and low change, most businesses had an employee model where they hired people at the start of their careers and invested in their development. Over time, workers returned increasing value to the organization until their contribution peaked and they were pensioned out or outplaced. In the Net Present Value (NPV) model, companies provided wages, training, opportunities for career progression and retirement benefits. NPV provided a “job for life”. Individuals were loyal to employers, and organizations had the luxury of time to develop employees and reap a long-term return on their investment.

As economic growth began to stagnate, many organizations abandoned the “job for life” model in favor of the cost or “job for now” model, which focused on improving return by reducing people costs. This shifted the balance of what employers offered and what employees gave. As pensions, pay and perks declined, employees’ loyalty decreased, and their cynicism and distrust of corporations increased. Companies drove better bottom-line results, but did not necessarily generate better top-line growth.

In today’s environment of unpredictable growth and declining margins, organizations need the discretionary effort of people to spur innovation and productivity. In the next evolution of the employment model, organizations will need to assess and segment their workforce according to value they provide. This total value asset model or “career for me” model is based on a reciprocal relationship that includes mutual learning and skill enhancement. As the value of a company’s labor force increases, so does the employment value of the individuals it employs and connects with.