TITLE: "REBUILDING LOYALTY"

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"When you find someone you believe in, do not hesitate to stand by him through thick and thin."
- Bryce's Law

INTRODUCTION

There is a general consensus today that there is a complete breakdown in corporate loyalty, that employees no longer maintain allegiances to their companies or their bosses. Years ago people joined companies usually for life. Workers figured if they worked hard enough and kept their noses clean, the company would take care of them. This is no longer the case. Due to the corporate changes implemented over the last twenty five years to remain competitive in a world economy, workers now typically live in a state of paranoia and think short-term employment as opposed to long-term, thus affecting their perspective on loyalty.

As some very visible examples of this, consider the dismantling of the studio system in Hollywood and the farm system in Major League Baseball. Instead of being groomed and nurtured from within the system, employees have been forced to become free-agents. Obviously, this encourages individualism as opposed to teamwork. I chuckle when I hear an executive become exasperated that there isn't any loyalty in his company anymore. Why should there be if he promotes a corporate culture that doesn't encourage loyalty?

Let's understand this from the outset, loyalty represents trust. It means a person is confident that something will behave predictably, positively, and to their benefit. As a result, they will willingly pledge their allegiance to it. If it doesn't behave in this manner, loyalty will be shattered.

There are three types of loyalty we commonly come in contact with: Product, Institutional, and Person:

PRODUCT LOYALTY

I'm sure we all know someone who has allegiances to products. For example, I have a friend whose family has been buying Buick automobiles literally for generations. Even though the body styles have changed over the years, they have found it to be a trustworthy product and have remained loyal customers for decades. I also have a business contact who refuses to fly on anything but Boeing aircraft. Back in 1985 there was a consumer uproar when Coca-Cola changed their formula and introduced "New Coke." Loyal customers finally forced the company to reintroduce the original formula under the name, "Coca-Cola Classic" (as we know it today).

People form attachments to products because they like it, have become familiar with it, and are confident it will perform routinely and to their benefit. They will even go so far as to adapt their lifestyle to the product and become dependent on it, just like a drug, even tolerating modest changes in price and attributes. But if the product changes radically, becomes unreliable, or skyrockets in price, then loyalty is shattered and the consumer looks for other alternatives. To illustrate, consider the American automotive industry; for years, people loyally purchased American automobiles because they believed them to be well built and tailored to the needs of the American public. Foreign automobiles were originally considered as nothing more than a curiosity that was out of step with the public. But because of some serious missteps by Detroit, consumer loyalty was shattered and transferred to foreign car manufacturers, particularly the Japanese and Germans who worked overtime to cultivate consumer loyalty.

Loyalty in this regards does not require a product to be best in its class. In fact, a lot of mediocre products command consumer loyalty simply because consumers perceive them as quality goods. For example, I do not consider Microsoft products to be the best of their kind, yet they command incredible consumer loyalty as people perceive them as "state of the art." Even though there are many other excellent products out there with superior features, Microsoft commands the PC simply because they have been able to cultivate consumer confidence. But if they ever lose this confidence, there will undoubtedly be others to take their place.

INSTITUTIONAL LOYALTY

We see instances of institutional loyalty in such things as political parties (Democrats, Republicans), branches of the military (Air Force, Army, Coast Guard, Marines,

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Navy), countries and communities, charities, sports teams, fraternal organizations, and companies. Here, people fervently believe in the institution they belong to and proudly display their loyalty through such things as lapel pins, bumper stickers, tattoos, web sites or whatever. Most people realize such institutions are not perfect. Nevertheless, they support it through thick and thin simply because they believe it to be a good and noble institution. The only time they will break with it is if the institution radically changes course and is no longer in line with their personal interests and values. For example, we have seen examples of people switching from one political party to another due to a change in policies and interests.

Quite often, the loyalty for an institution or office within it supersedes the loyalty to the person holding the office. We see numerous examples of this in the military and government alone. True, soldiers are more apt to follow certain leaders into battle they believe in, but they will also perform their duty out of a greater sense of loyalty to the institution.

Corporations tend to be a bit different though since the integrity of such institutions are being questioned today. This is probably due to corporate cultures that are failing to maintain the interests of the workers. Whereas I still have friends employed by big businesses who have long tenure with their companies, younger workers tend to lack faith in the institutions and find the company's interests are not compatible with their own. Their only motivation is to pick up a paycheck, nothing more, nothing less. This is somewhat sad as it means their work is not aligned with their interests which does not promote a sense of craftsmanship.

PERSONAL LOYALTY

Loyalty to a particular individual is perhaps more common than the other two. This is because people are social animals and tend to identify with the interests of others (the "birds of a feather" phenomenon). In terms of superior/subordinate relationships, with rare exception, we want to believe in our leaders. We want them to worry about charting the right course of action while we worry about tending to our own particular work effort. People are more inclined to follow a leader, even through the most difficult of times, whom they are loyal to than someone they do not trust. But understand this, loyalty at this level is a two-way street; not only does a manager require the loyalty of his workers, the workers require the loyalty of the manager. This requires effective social and communications skills (people skills). The manager must demonstrate he knows what he is doing, knows the right path to take, and maintains the interests of his subordinates. Conversely, the workers must demonstrate to the manager they are willing to put forth the necessary effort to see a job through to completion. In other words, both parties depend on each other, which brings us back to trust. And if the trust is ever broken, harmony is disrupted, and the manager and workers begin to work at odds against each other, which, of course, is counterproductive and a very unhealthy working environment.

REBUILDING LOYALTY

If our trust in someone or something is broken, it is difficult to repair, but not impossible. If Product Loyalty is broken, consumer confidence has to be rebuilt; If Institutional Loyalty is broken, the corporate culture has to be overhauled, and; If Personal Loyalty is broken, it will be the most difficult to correct due to the human dynamics involved. In any event, rebuilding loyalty will be a long and costly process. The best thing to do is not to lose it in the first place.

Loyalty is broken when expectations radically diverge from what happens in practice. People are willing to forgive errors or indiscretions to a point, primarily because as creatures of habit we are comfortable with the status quo and do not necessarily want to change. But if problems become significant without any sign of being remedied, people will lose patience and faith in the object of attention. Let's take the 1985 Coca-Cola incident as an example; had the company made a minor change in the Coke formula, it probably would have been accepted. They didn't. The "New Coke" formula was a radical departure from the old formula. Regardless of the considerable marketing hype of the new product, customers lost confidence in it and started a rebellion to reintroduce the old formula.

Worker loyalty is lost when they become convinced their interests are not being maintained by management, and lack confidence in the direction of the company. This typically occurs when:

- Promises are not kept by management.
- Worker jobs are in peril of being outsourced.
- The company is losing market share.
- The workers do not understand the deployment or withdrawal of certain products or services.

Whether such scenarios are real or not, worker loyalty will be lost if management's judgment is perceived as questionable. A lot of this can be corrected simply by

effective communications to clear up misunderstandings and to explain the rationale for a course of action. Even if the chips are down, workers are more likely to remain loyal if they understand and believe in the course management has plotted.

Worker loyalty in management is also based on ethics and quality. If the actions of management are perceived as unscrupulous or unsavory, workers will quickly lose faith in them. Further, if workers do not have confidence in the quality of the products or services they are producing and selling (that they know them to be based on inferior workmanship), this too will be a bad reflection of management's integrity.

Look, its really quite simple, workers want to be treated fairly, lead a worthy and meaningful life, and have confidence in the direction of their company. This requires management to improve their people skills, refine the corporate culture, and enact effective communications. In return, management should rightfully expect loyalty from the work force.

Deeds speak louder than words. In order for management to be credible with workers, they must demonstrate they have the best interests of their employees in mind. Let me give you an example, every once and awhile in Major League Baseball you see a manager charge out to an umpire during a game to challenge a call and becomes quite vocal and animated (Earl Weaver and Billy Martin were legendary in this regard). Quite often, such challenges are done more for demonstrative purposes as opposed to actually refuting a call by the umpire. Basically, the histrionics are used by the managers to tell their own team that he believes in his players and is willing to fight to protect their interests. Now I'm not suggesting that a corporate officer or manager needs to pick a fight with someone, but some public demonstration of his sincerity is needed to express his commitment to his workers, be it a reward, a testimony, a recognition or whatever; something to demonstrate he has the best interests of his employees in mind. This includes affecting the corporate culture and establishing the proper work environment. Some managers have little sensitivity for the type of work their people have to perform. In fact, they prefer a master/slave relationship thereby elevating their ego. But if they create an environment that empowers employees and treats them like professionals, thereby giving them a sense of purpose, they tend to become more dedicated and loyal to the company.

Some people contend you can buy loyalty. I do not subscribe to this notion. In this situation, people will only be loyal as long as the cash continues to roll in. When it stops (or if someone outbids another), people move on. Do not confuse loyalty with bribery. Loyalty means you believe in something and are willing to stand by it through good times as well as bad.

CONCLUSION

Years ago, Les Matthies, the legendary "Dean of Systems" admonished me, *"As long as someone provides you with a job, be loyal to that person; don't gossip and ridicule him; do your job, and do it right. If you don't like the person, then get out and do something else."* What worries me is that Les' sentiments are lost in today's world. Loyalty is rapidly becoming a lost virtue. Interestingly, I have met a lot of people in recent years complaining how loyalty is lost in corporate America, as well as other institutions such as nonprofit organizations. These same people all want to see loyalty become part of our core values again, but they are all waiting for someone else to take the first step in making this happen. If you believe in the necessity of loyalty, that it adds value to our lives, then it behooves all of us to take the first step.

Always remember: Loyalty = Trust

END

About the Author

Tim Bryce is the Managing Director of M. Bryce & Associates (MBA) of Palm Harbor, Florida and has 30 years of experience in the field of Information Resource Management (IRM). He is available for lecturing, training and consulting on an international basis.

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Also, be sure to read Tim's Blog at:

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