



TenStep Supplemental Paper

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Corporate Fidelity

For most employers and employees alike, loyalty means “forever”. The importance of loyalty in the business world is undeniable. Be it customer loyalty, employee loyalty or employer loyalty, every business unit ultimately strives to achieve it. However, of all these forms, employee loyalty is gaining the maximum importance. With the changing corporate landscape, employees have a platter of jobs to choose from. Hence, retaining talented employees and enhancing employee stickiness is a daunting task.

Traditionally, loyalty symbolized “for life” relationships. Employers naturally get perturbed when they find employees shifting base. Experts say this is precisely what companies need to change. At a time when opportunities are increasing manifold, employers ought not to expect an employee to stay on and forego other attractive options. All that an employer can do to ensure employee performance is to provide employees the best possible opportunities and a congenial work environment. Employee loyalty is thus slated for a redefinition where employers expect employees to be more loyal to their careers than to their employers. This, however, does not imply sabotage of employer interest for personal gains. The new definition of employee loyalty emphasizes the need to appreciate the commitment and loyalty that an employee exhibits while he is engaged with a particular employer. Employer-employee relationship is consequently undergoing an overhaul. Workers are no longer willing to commit themselves for life and are rather clear about their career plans. Well aware about their needs they are ready to give their best as long as the organizations help them in fulfilling their aspirations.

It is time for the employer-employee relationship to hit a renewed state of balance, where the employee gets enough career development opportunities and the employer gets to hire the expertise for a stretched period of time. The balance can best be achieved by redefining loyalty to suit both parties.

The loyalty proposition

Loyalty is grey in color. It is neither white nor black. This means loyalty cannot be defined in an either or proposition. It is relative and circumstantial. Hence, a fixed frame of mind only yields disappointment and conflict. Employee performance definitely demands employee loyalty; however it does not pit one against the other. Employees can thus pursue their professional growth without compromising on the organizational growth. Let us see how.

Once companies realize that there is no “forever yours” clause in the employee-employer relationship, they can strategize their employee retention formula such that both parties get their justice. The strategies include:

Align the growth prospects of both parties

Having a mutually benefiting and agreeable set of goals and objectives ensures a win-win situation. Organizations should encourage managers to set achievable, meaningful and



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aligned set of goals. In addition, they should conduct frequent meetings with their subordinates to discuss their career goals. It is important for managers to make their direct reports see the connection between their personal aspirations and organizational objectives. The downside to such open discussions is that employees might choose to part ways if the goals are misaligned. In the long run, though one would realize that such cases of professional divorce are mutually benefiting. Also companies can appoint career coaches to identify employee strengths that that could benefit the company.

Make work interesting

At times simple boredom can propel employees to the exit door. Thus employers should add variety to the job profiles of competent employees spicing up their interest and motivation. Introducing employees to challenging assignments that test different skills is critical in enhancing employee loyalty.

In addition to variety, employees also seek freedom and autonomy in decision making. Managers should therefore give direct reports the autonomy by stressing on the results and not the process. Micromanaging is an absolute no-no for employers who want to enhance employee loyalty.

Personal bonding

Relationships dictate a person's behavior both in the personal and professional front. Most people base their career decisions on their personal relations with their bosses and subordinates. Leaders should therefore strive to build a positive bond between employees before seeking enhanced levels of employee loyalty. Leaders should also work towards effective conflict resolution where the interest of both parties in conflict is taken care of and the differences are settled amicably.

Values and mission

An employment bond hardly serves employee loyalty. Establishing a sense of purpose where employees relate to the corporate values and objectives can effectively breed employee loyalty. For instance, one medical-device development company publishes stories that narrate successful patient treatments based on their products. Such success stories make employees feel proud of what they are doing and enhance their loyalty towards their employer. The medical-device maker has successfully managed to cap its turnover rate and enhance employee retention.

Putting a human face to an objective makes the task that much easier to accomplish. Hence, companies seeking to enhance employee loyalty must focus on translating their goals into objectives. These objectives must convey a sense of purpose and motivate employees to become a part of it.

The concept of employee loyalty is undergoing a sea change. Companies that wish to sail through the turbulence should accept the fact that there is no "forever yours" in business.