



Leadership #18 Inspiring Loyalty

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Introduction

Many leaders highly desire the loyalty of those who work in their organization. With such an attitude, people “go the extra mile”, are more willing to overlook mistakes, and seem to be less hindered by obstacles. However, reliably generating loyalty often seems to be an artifact of a charismatic leader rather than something that we all could learn how to do. The purpose of this article is to make that capability accessible to us all.

What Is Loyalty?

Without having a clear understanding of what something is, it is very hard to reliably generate it.

The dictionary definition of loyal is:

Unswerving in allegiance, faithful to a private person to whom fidelity is due, faithful to a cause, ideal, custom, institution, or product.

The definition of allegiance is;

The obligation of a feudal vassal to his liege lord, the fidelity owed by a subject or citizen to a sovereign or government, devotion of loyalty to a person, group, or cause

The definition of faithful is:

Steadfast in affection or allegiance, firm in adherence to promises or in observance of duty, given with strong assurance, true to the facts, to a standard, or to an original.

The definition that focuses on duty or obligation does not fit what we want in an organization. “Faithful to an institution” seems to come closest, yet still does not give us access to how to *generate* loyalty.

We suggest a more operational definition:

Someone is demonstrating loyalty when the needs and interests of another entity play a favorable and primary role in their decision making (and thus their consequent actions).

Loyalty is present when someone makes a sacrifice, e.g., working late or on a weekend, for the good of the company, or when one goes to another’s preferred movie even though they would really like to see something else. You are being loyal when you willingly put your opinion or reactions aside to forgive or really



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listen to the perspective of another when they have done something you don't like.

The Value of Loyalty

Loyalty to an organization by its members means that the workforce puts a high weight on the interests of that organization. As a result, there is less need for close oversight, more commonality and fewer conflicts concerning major goals, and more creativity and commitment in overcoming obstacles. Such an organization is likely to be much more efficient and effective in accomplishing its goals.

How then to generate loyalty?

Generating Loyalty

Some leaders take the point of view that they will demonstrate loyalty to workers after the workers demonstrate loyalty to them. Others say that giving workers pay and benefits is adequate compensation for workers to be loyal. Others argue that success of the organization is sufficient cause for its workers to demonstrate loyalty. However, in practice these approaches rarely result in loyalty. Why?

First, note that things have both a quantitative and a qualitative aspect (although we often focus primarily or exclusively on the quantitative aspect). For example, time has both a quantitative aspect (we will meet for 1 hour) and a qualitative aspect (our meeting was enjoyable and a good use of our time). There are some things that are purely qualitative, such as respect, love, appreciation, and loyalty. With quantitative aspects, the more you give away the less you have. However, with qualitative aspects, the more you give away the more you get back. When you give authentic appreciation, generally you get more appreciation back. With qualitative entities, the reverse is true as well – the less you give away the less you get back.

Thus, to generate loyalty, one must first give loyalty. When employees feel their interests are important to those who represent the organization, then the interests of the organization are likely to be important to employees. Such loyalty must be and be seen as authentic, not just going through the motions.

Implementing this approach can often turn around even highly contentious relationships. For example, one of our clients had a highly adversarial relationship with its unions. Management's view had long been that workers were out to squeeze the company for anything they could get, and management's job was to protect the organization. Frontier Associates was hired by the new CEO to help alter the culture to a more collegial and team-oriented environment, one that would result in higher product quality and lower costs. Clearly this new culture required that workers feel that their interests and



concerns were being addressed. Before any public activity, we met privately with the union representatives and assured them that the engagement was not directed in any way at the unions. In fact, we had secured the agreement of management that the unions could publicly take the majority of the credit for any workplace improvements. Within 6 months of these meetings a number of visible employee concerns were resolved. Almost all the employee concerns were consistent with making the organization run better, and most changes were very inexpensive, although important to workers. For example, procedures were implemented for workers to know in advance whether weekend work would be required, and for exchanging weekend assignments if a person had a high priority family event. This new approach was so successful that one of the unions quietly told senior management that they would not object if the company fired a union steward who had been loudly and visibly resisting the new culture (and whose performance had also suffered).

Putting This Article into Action

Give Loyalty First

Giving loyalty first may require a mindset change on the part of management. The leader must visibly and authentically walk the talk, and the approach must be implemented throughout the organization. Resisters must be completely weeded out. Jack Welch, in his book *Jack: Straight from the Gut*, pointed out the importance of removing even good performers who do not subscribe to the organization's values.¹

Have the Organization Serve the Workforce

Much attention is often put on how the workforce can better serve the organization. How the organization can better serve the workforce (other than by providing pay and benefits) is rarely considered. An optimal condition is when both workforce and organization experienced being served by the other. This happens when individuals see the organization as an opportunity to forward something that is important to them.

There are many things that are of importance to an individual. At the highest level, a fundamental motivator of every human being is to make a difference with his or her life.² We have also suggested that the one and only purpose of an organization is to provide people with the opportunity to experience making a bigger difference than they could as individuals. When a person sees the organization being a vehicle for them to make the kind of difference they want, then the organization is truly serving the individual (and the organization is being served as well). Thus, it is very important for the leadership to explicitly identify the difference this organization was created to make, and make sure through hiring procedures, new employee orientation programs, job descriptions, and



strategic and tactical planning that every employee both values making this particular difference and sees the importance of their role.

Employees have other concerns: for their career, for their family, and for a quality of life. Without knowing what these are, the organization cannot know how it could help. During hiring, prospective employees may be asked what their personal goals are and how their being at the organization supports their accomplishment. In addition to considering the organization's goals during annual reviews, developing action plans for a worker to fulfill some of their personal goals might be included. Performance reviews of managers might include the extent to which their workers see the organization as being helpful in fulfilling such personal goals.

In organizational strategic and tactical planning, along with goals that serve customers and the owners, include goals that serve the workforce. As with all goals, track them and put in necessary corrections, and make progress public.

Speak in Relation to Listeners' Concerns

All of us only care about our own concerns; we do not care what someone else, e.g., a CEO, wants, except to the extent it impacts our interests. Powerful leaders speak with the listener's concerns as a context, not their own, and thus are experienced to be speaking personally to each listener. Even when speaking of a desirable future, they speak of the value of that future to the listener, and invite (not instruct) them to participate, e.g., "I have a dream." Unless workers have stock options and understand the value of such stock options, they probably don't care about threats to or improvements in the stock price. Similarly with ROI, increased sales, lowered costs, and almost all the other topics of direct concern to a CEO.

To speak powerfully, you first have to know the listeners' concerns. To find out, have many and diverse channels of open communication, e.g., management by walking around, and develop "active listening" skills. Put your own analysis and opinions aside for a while, and really listen to others. You know you understand their perspective when you can articulate to them their point of view as accurately and passionately as they do. Check out your opinions, find out the root causes of complaints and concerns, and don't just deal with symptoms.

Respond in a timely manner to all communications expressing concerns or requests. The worst thing a leader can communicate is that worker concerns are not important enough to warrant a considered reply. Ideally a reply has the other understand that their request was regarded as important and was fully heard and understood, and results in them understanding and appreciating the reasons for the response. People know that they won't get agreement all the time – but they do demand that they be heard and that the process for determining a response is seen as fair.



Focus on Accomplishment

Authentic appreciation and acknowledgment is one of the most powerful tools available to management, for these are external validations that a person is making a difference. Look for opportunities to praise. Never make anyone wrong or negatively embarrass anyone, either in public or privately. Never assume that they don't care (and if they really don't, either alter their perspective or get rid of them). Put in corrections for the future; don't spend a lot of time on blame for the past.

Be an Example

A leader's behavior is mimicked throughout an organization. Therefore it is critical that a leader demonstrate desired behavior.

Managers often project an air of infallibility, and criticize those who work for them for mistakes (as if the manager played no role in such results). If you want people to be responsible for the results they produce, then as leader demonstrate being willing to be responsible for the results you and the organization produce. Even with something so "trivial" as being late to a meeting, we suggest you apologize, note what you could have done differently to be on time, and promise that the appropriate correction will be put in so you are not late in the future. Isn't that the behavior you want from others, instead of a bunch of excuses?

Observe the Golden Rule

The ancient Golden Rule – treat others as you would want to be treated – is a good guideline for all behavior where generation of loyalty is important.

Summary

Loyalty to an organization is seen as a highly desirable characteristic. If loyalty is defined as someone considering the needs and interests of another being important, then loyalty must be a two-way street. If an organization wants the workforce to consider the organization's interests as important, the organization must consider the workforce's interests to be important. Often, the organization must go first, and demonstrate loyalty before the workforce returns it in kind. If some of the techniques suggested above are practiced authentically, then return it they will, and everyone truly wins.

¹ Welch, Jack, *Jack: Straight from the Gut*, Warner Business Books, New York, 2001, pp. 188-189. In particular, see the discussion of the Type 4 manager

² See *Strategic Planning #2: The Purpose of Organizations*, and *Inspiring the Workforce: Strategic Planning that Links Individuals to the Organization's Vision*. Both articles are available on the Frontier Associates' web site www.frontier-assoc.com. Click on the Resources tab.