

Workplace loyalty a two-way street

Tough times have forced layoffs, salary freezes and cuts in pay, and many workers today just don't feel valued by their employers

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Throughout his 14-year career at Hudson's Bay Co., John Kolliopoulos was the quintessential loyal employee: hard-working, tightly connected with other people in his department, and proud to be part of the oldest company in the country.

Then one day last fall, Mr. Kolliopoulos and his co-workers in the IT department were called into a meeting and told their jobs were being outsourced.

"Up until that time, I could say that I was a loyal employee," Mr. Kolliopoulos says. "But all those feelings of loyalty went away when we were shown the door ... and now I no longer have any sense of faith or trust in any employer."

It's a harsh feeling, but if it's any consolation to Mr. Kolliopoulos, human resources and loyalty experts say that many other Canadian workers today are suffering from a similar crisis of faith in their employers.

Nearly a quarter - 22 per cent - of 1,128 Canadian employees recently surveyed by Ipsos Reid said they felt less loyal to their employer.

And it wasn't just rank and file workers who acknowledged fading fidelity. About 25 per cent of executives and managers interviewed for the poll expressed similar feelings.

And in a Globe and Mail online poll last week, 21 per cent of 8,697 respondents said they were feeling less loyal to their employer compared to before the recession hit. When those identifying themselves as unemployed or self-employed are factored out, that figure rises to about 27 per cent.

"Loyalty in the workplace is tied to happiness and job satisfaction," says Jean-Baptiste Aloy, who led the Ipsos Reid study. "So what this survey is telling us is that a significant group of Canadians employees are unhappy and dissatisfied."

Such survey results do not surprise Wendy Phaneuf, managing director of The Training Source, a Winnipeg consulting firm that helps companies improve employee loyalty, morale and productivity.

Ms. Phaneuf says what bosses perceive as employee loyalty is often really nothing more than services rendered in exchange for a paycheque and some job perks.

True loyalty means going the extra mile when it's needed, Ms. Phaneuf says, and many employees today are unwilling to do so unless they're compensated for their extra effort.

"In the past, you worked for a company for life, and you'd do anything for the company, including sacrificing your family life," Ms. Phaneuf says. "Now a lot of employees see their relationship with their employer as a business transaction - the company gives them compensation and in return they provide services."

This quid pro quo mentality makes it easier for employees to decide to move to another employer when a better opportunity comes along, Ms. Phaneuf adds.

"There's a new world of work out there with new types of workers, and their attitude is, 'if I'm going to work for you, what are you going to do for me?'" she says.

What's behind this growing disloyalty? Mr. Aloy points to the elephant in the room: tough economic times that have forced many companies to lay off staff, freeze salaries and, in some cases, ask workers to take a cut in pay.

Indeed, how employers responded to the recession was one factor that affected employees responding to the Ipsos Reid survey. Among employees at organizations where there had been layoffs, 36 per cent expressed decreased loyalty, and where there had been salary freezes, it was 31 per cent.

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With their employers suddenly struggling to stay afloat, it's understandable for even the most dedicated of employees to start looking for another job, Mr. Aloy says. In a 2007 survey by Spherion Corp., 64 per cent of workers said their commitment to their employer is tied to the promise of long-term job security.

The erosion of personal relationships in the workplace is also to blame for the erosion of loyalty, Ms. Phaneuf says.

Modern technology, such as e-mail and teleconferencing, have largely replaced face-to-face interaction in the workplace, she says, causing workers to become disconnected.

At the same time, stricter enforcement of human rights, sexual harassment and other personal interaction policies have taught managers and employees to maintain a safe distance from their colleagues, Ms. Phaneuf notes.

"We got away from all that personal stuff, like having your employees and their spouses over for dinner or just chatting on Monday morning about what everyone did over the weekend," she says. "It's unfortunate."

There are many other reasons why employees are feeling less loyal to their employers, says Timothy Keiningham, global chief strategy officer at Ipsos Loyalty in Parsippany, N.J., and the co-author of *Why Loyalty Matters*. But they all boil down to one root cause: many workers today just don't feel valued by their employers.

"They feel that they're expendable," Mr. Keiningham says. "And when we, as workers, feel expendable, we decide that our company doesn't deserve our loyalty."

So what can employers do to earn back their workers' loyalty? Mr. Keiningham says employers need to prove that they can be loyal, too. Just as they often ask their workers to make sacrifices - such as putting in long hours or leaving their family to go on a business trip - they must in turn be willing to make some sacrifices for the sake of their employees. And showing you're a loyal employer is especially important during difficult times, Mr. Keiningham says.

In practice, that could mean senior executives giving up their bonuses, for instance, to try to save jobs, he says.

One-on-one career discussions are also critical to building loyalty, Mr. Keiningham says. "Very few managers really know the golden dream of their colleagues," he says. "So how are they going to find work that fills them up if they don't know what they dream about?"

Employers also have to work on strengthening personal connections, Ms. Phaneuf says. Managers need to make an effort to get to know their employees better and to acknowledge important personal events.

"When it's an employee's birthday, send a card, or when a family member passes away, convey your condolences and offer some help," she says. "This is how you build true loyalty - on personal relationships, not on business transactions."

Valued employees tend to be loyal employees, both Ms. Phaneuf and Mr. Keiningham say. To make employees feel valued, managers need to constantly and immediately acknowledge their contributions. Many employers save their praises for a performance review or a milestone anniversary - such as an employee celebrating a decade with the company. Mr. Keiningham's advice: Don't wait.

"Recognition is everything, so you need to recognize excellent performance immediately and be specific about what it is the employee has done," he says. "And make sure everyone knows about it. Even if you're busy, take 20 seconds to send an e-mail to everyone in the company."

Loyalty takes time to build, Mr. Keiningham says, so employers need to be patient and consistent with their efforts, especially if they're dealing with workers with lapsed loyalties.

Mr. Koliopoulos, for one, would like to regain that feeling of loyalty. He now works as operations manager for a Toronto company that provides Internet, network and software development services - the third employer he's worked for since he lost his job at HBC last October. While he's committed to his current job, he says it will take time for him to regain the sense of loyalty he once felt as an employee.

"Maybe some day I'll feel like I fit in again and that I'm contributing to the success of my employer," he says. "But for now, I've lost that feeling and I know it's going to take a while for me to start feeling loyal to any one company again."

The pros weigh in

What can companies do to preserve employee loyalty through tough times? Here are some suggestions from the pros:

Put employees first

Good employers will do as much as they can to protect their staff. So, if you have to cut back, maybe you postpone non-essential projects and cancel the golf tournaments you usually host for your top customers for the sake of preserving jobs, employee paycheques and development programs. Your employees will remember where you placed your priorities.

Share in the pain

You don't win kudos with employees if you ask them, say, to take a pay cut while watching management continue to receive an annual bonus. Employees appreciate bosses who make sacrifices, too.

Keep up career progress talk

Sit down with employees individually to discuss their future with the company. Learn about their aspirations. Find ways to help them achieve them. Make them feel they can stay on career track and have a long-term future with the firm.

Strengthen personal connections

Get to know your employees. Learn about their families and outside interests. Take note of and acknowledge important events in their lives.

Show appreciation

Don't wait for a performance review to tell an employee how he or she is doing. Acknowledge achievements and contributions as they occur. And spread the word throughout the company. Employees will feel like important contributors to and stakeholders in the company.

Talk more, not less

Many workplaces become hush-hush during tough times when they should be communicating more. In the absence of information, employees will start to feel anxious and some might even decide to pre-empt bad news by searching for another job.

Involve them

Employers should seek more employee input in finding solutions to challenges. The more employees feel involved, the more they are likely to care and stick around. Don't impose solutions; ask them to think of the company as their own and to come up with their own ideas.