

How to Inspire a Loyalty-Driven Workforce

Growing your business requires loyal employees who are willing to pull together for the good of the company, who find solutions and who do more than just occupy space, says Timothy Keiningham, executive vice president at Ipsos Loyalty, a survey research organization based in New York City. This is true in good times and even more so when times are difficult. Loyal employees are happier, easier to manage, more productive and engaged. Rather than looking out for No. 1, loyal employees feel connected to something larger than themselves, they're more invested in the company and consequently more invested in the company's performance. As a result, **businesses that have high employee loyalty realize reduced turnover, less absenteeism, greater customer satisfaction and, subsequently, improved customer retention and a stronger bottom line**, says Keiningham, also co-author of *Why Loyalty Matters*.

And yet, in spite of all the obvious advantages, employee loyalty (or lack thereof) is a huge issue. A recent survey conducted by Ipsos found that 22% of those employees responding reported decreased loyalty to their companies. This jumped to one out of three respondents where layoffs and/or salary cuts had taken place. Even more unsettling, just 6.5% of the responding managers indicated that they believed their staff had an attitude of "we're in this together to make the company more successful." Additionally, only 17% of the managers strongly agreed that they experienced a high degree of pleasure and satisfaction in their work.

A loyalty-driven workforce just doesn't happen on its own -- you have to actively create that kind of environment, says Keiningham. The first step? Start with an honest self-assessment. Ask key people how they view your contribution and the company's overall investment in its employees. Consider: Are there programs in place that really do serve your customers and support your employees? Are your policies and procedures aligned with the stated goals of the organization? Keiningham also suggests that you:

- **Develop an understanding of the short- and long-term goals of your staff.** Talk with them one-on-one (in larger companies you'll have to assign this task to managers). Explore how you can assist them in meeting their goals.
- **Support (intelligent) risk-taking and stand behind your employees** if the risks don't pan out. Although you don't want people to be reckless, a company that takes no risks won't succeed.
- **Create a culture of no blame.** However, says Keiningham, it's irresponsible for senior leaders not to step up and take the blame for project failures and mishaps. He recalls one instance where his team warned him they couldn't deliver on a project and advised him to pass on it. He didn't and it turned out as the team predicted. He took full blame, earning their respect and loyalty.
- **Encourage employees to pitch in for one another.** Foster a culture that encourages this via teamwork awards, providing opportunities for cooperation, etc.

The most important ingredient? Recognizing and **rewarding excellent performance**. What gets rewarded gets repeated. Make this specific (Example: "You did a great job on that presentation today"). Acknowledging good performance and expressing appreciation is the leading driver of loyalty in employee/employer relationships, Keiningham says.