

PEOPLE POINTS

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EMPLOYEE LOYALTY If You Build It, They Will Come (and Stay)

Loyalty is not extinct. In our changing work environment it exists in a different form. We suggest a new definition— "Loyalty is not Longevity; Loyalty is Commitment to the Leadership and the Cause".

Surveys indicate CEO's feel employee turnover is a critical determinate of an organization's ability to succeed. Turnover lowers productivity, weakens decision, negatively impacts morale, and reduces shareholder value. Yet with the demand for quality employees high, companies are luring competitor's employees in ways never considered before. Business is 'not like it used to be' people say. That's right! Unless employers react to the changing of the guard they may be doomed to a long, slow, agonizing demise.

After years of working with companies challenged by the changing nature of work we have identified a

Loyalty Quotient Model comprised of ten diverse yet linked pieces which when properly understood and utilized helps build loyalty and retain people. Three caveats must exist before undertaking any loyalty initiative!

- **Process Not Project** - Creating loyalty is not simply a project conjured up by the HR Department, it is a process that requires the initiative & commitment of the entire company.
- **With Not Through People** - Building loyalty must be driven by a passionate leader who understands success comes with people, not through people.
- **Attention** - It requires regular & constant attention by everyone in the organization.

Loyalty Quotient Model

1. Purpose. To begin any endeavor there must be a clear understanding.

Without a vision, a set of core values, and an understandable mission, confusion and misdirection exist. This purpose is usually expressed in a mission statement and must be conveyed throughout the organization. It should stimulate and challenge thought; be practical and pragmatic; be simple and inspirational. The mission statement stands for 'why one exists'.

2. Understand Jobs & Skills Required. With the 'purpose' in place next follows a solid understanding of both the organization's jobs and its current employees knowledge, skills, abilities. Once defined and identified, gaps can then be determined; strategic plans can then be determined; actions can be initiated. Additionally, employee climate, culture and attitude surveys should be undertaken to help iden-



"Trust men and they will be true to you; treat them greatly, and they will show themselves great."

Ralph Waldo Emerson,
Essays, First Series:
"Prudence," 1841



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tify levels of morale and commitment along with compensation and benefit issues. Only with full understanding of these issues can a sense of fairness be achieved resulting in greater commitment to the organization.

3. Reputation of organization.

What makes someone interested in joining the organization? It is important to assess the external environment attraction (the desire to join) and the internal environment attraction (the desire to stay). Once understood, marketing plans and programs can be developed and coordinated for maximum benefit.

4. Employee Selection. The work of sourcing, recruiting, selecting, assessing and convincing the right person to join the organization is critical. Those responsible must have a very clear understanding of the first three elements of 'purpose', 'job understanding', and 'company reputation' and be able to blend these elements through a pragmatic consultative approach of working with management in order to obtain the right people in a timely manner.

5. Employee assimilation. Assimilation is the orientation process raised to a higher level. It goes beyond a welcome, it weaves the em-

ployee into the fabric of the organization. It incorporates the ideas of teamwork, mentorship, coaching, and celebration and is designed to tighten the loyalty fabric.

6. Employee growth. A commitment to employee growth begins during the selection activity where the prospective candidate's current skill level is compared to the desired level of performance. The hiring manager along with the organizations' training specialist should work together creating a customized development program. Such an integrated process helps develop commitment and longevity while optimizing both financial and human resources of the organization. Also it sends an early message, "We want you to succeed".

7. Management/Employee Relations. The fastest way to give an employee a sense of belonging occurs when management takes a personal interest in the employee's well being. Supervisor involvement in an employee's interests i.e., hobbies and family activities, keeps the employee connected to the organization.

8. Work Balance. Employees expect quick feedback from their employer and prefer explanations in positive ways. Adjusting to generation and

cultural diversity differences requires sensitivity and individual attention. Supervisors must take time to properly develop coaching and mentoring skills to effectively enhance productivity.

9. Defined Performance Standards.

Expectations must be met, accountabilities must exist. Once understood and agreed upon, proper feedback about performance helps keep employees motivated and encouraged. The process of performance management should also serve as an opportunity for discussion about interests, career aspirations for future development needs.

10. Commitment to Excellence.

Changes in the work environment such as: technology innovations, increased global competition, policy changes can impact the 'Loyalty Quotient'. This final element incorporates the assessment and evaluation of all other elements and it examines how each works in concert with each other. An organization must continually monitor all these elements and undertake action to keep loyalty and commitment at their highest levels.

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