

Decoding workforce loyalty

*The traditional definition of loyalty has changed—from being perceived as staying in an organization for as long as a lifetime, to providing dedicated service for as long as one is with that company. **Renuka Vembu** tries to clarify a few queries pertaining to the loyalty factor*

Loyalty—just like every other word, even this is a relative term. While it may evoke sentiments and emotional connect with the older generation, the current lot are certainly less intimidated by it. The generation which started off their careers and ended their working life with the same organization is not found anymore; if found, it may be termed as an eventuality. So in today's day and age, in the business market, does loyalty hold any significance? And even if it does, is it always for the mutual good of the parties involved? Well, not exactly and not necessarily. In the living times of 'Change is the only thing that is constant' philosophy, as everyone changes to the changing change, sensibilities like loyalty may just be a distant possibility. From the organizational viewpoint, loyalty is identifying the fine line of difference between stability and stagnancy, and taking the corrective measures thereafter.

Defining loyalty

While debating about the altering meaning of loyalty, let us bear in mind that both the school of thoughts are still prevalent. While there are still groups of people who go by the traditional definition, there are some others who do not even believe in the concept of loyalty anymore, given the vast pool of options and varied opportunities. The basic definition of loyalty has undergone a transformation, so have the parameters by which it is judged. S J Raj, Senior Vice-president, HR, Newgen Software felt, "IT industry is knowledge-intensive and comprises of a highly educated workforce which engages in extensive intellectual work. In such an industry—which can also be currently described as a marketplace of layoffs, mergers and talent wars—the traditional notion of employee loyalty as lifetime relationship with a particular employer has undergone a tremendous change. In today's scenario, expression and experience of loyalty between employer and employee is based on a mutual and reciprocal relationship." Raj added that one way in which we identify a loyal employee is when an employee after leaving the organization recommends services, products or employees of the previous company to his customers. An employee stays with an organization for a long-term if the environment and work enhances the sense of belonging and the confidence of the individual and he or she feels appreciated and accepted by others.



Shrikant Lonikar, Global Director-OD and HR, Honeywell Technology Solutions Lab said that loyalty was what an employee offered to the organization while satisfaction is what an individual experienced as a response to the loyalty. Harish Govind, Vice-president, Human Resources, Blue Star Infotech felt that according to their data and experience, loyal workforce are generally senior level employees beyond 40 years of age and employees who have served more than five years at any level. He added, "A time perhaps has now come to examine the concept of loyalty and move beyond viewing it through the prism of length of service, given the changing circumstances in the world. Loyalty should be looked as an attribute which is linked to firmly acting in the interests of the company and keeping all other factors like personal interests and extraneous factors secondary."

 <p>" Educational assistance, ESOP, compensation revision, CSR initiatives and well structured training academy are the key ideas enforced to retain loyal employees"</p> <p>- Kishore Velankar Sr VP, Human Capital Management, Global, Integreon</p>	 <p>"Company efforts into career planning, skills upgradation, onsite opportunities, work-life balance, and facilities like transport, crèche, gym, help in motivating a workforce"</p> <p>- Sivaramakrishnan Kalyanaraman VP, Global HR, Intelligroup</p>
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Identifying loyal workers

Can we pin down a section of people and cluster them as a particular profile showing their loyalty quotient towards the company? And if yes, it is more important to analyze the reason behind it and the impact of it on the larger organizational picture. Arun Rao, VP, HR, Applabs was of the opinion that in the changing decade, there were no particular groups of people who stayed loyal with the company; they were loyal only when looked at in certain context, i.e. 'conditional loyalty'. Srinivas Rao, Head-HR, CFO and Chief of Shared Services, Perot Systems, opined, "Employees who have been with the company since the start-up, or joined when there were fewer employees happen to be some of the most loyal workforce. These are the people that were involved in building the company. They know the ethos of the organization, put in the blood and sweat to make progress, work as a close fraternity, in essence a large family."

R Anish, Business Group HR Manager, Intel India mentioned, "After conducting several surveys at Intel, we have concluded with a fair degree of certainty that it is the employees who are emotionally connected to their workplace who actually maintain their loyalty. On a simplistic level, every employee expects their basic needs to be fulfilled and basic directions to be provided, all of which form the fundamentals of rational engagement. But emotional engagement is when employees are connected beyond these basic needs—when they feel recognized, valued and needed; when they understand how their contributions impact the bottom line and when they see their development taking place in the organization."

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Determining the combination of factors

Employee loyalty to an organization often depends upon a set of factors which are difficult to single out as they ply out in combinations. Prashant, CEO, Blueshift shared his experience, "There have been very few validated suites done on ascertaining employee loyalty, but universally, loyalty is a factor of individual orientation as well as organizational initiatives. Individual orientation is based on factors such as ambition, value system, personal and family monetary needs, geographical constraints or drivers. Organizational initiatives are based on compensation structures, job content, work atmosphere, etc."

P Vaidyanathan, Head HR, California Software Company shared a similar line of thought, "The ones who have a thirst for learning, where the company gives enough of opportunities, who are career oriented and where the company has been able to take care of employee's interests are usually loyal. Similarly, properly defined career path, work challenges, scope for acquiring more knowledge, good mentors and attractive compensation levels are the initiatives that need to be addressed from the company's end."



Organizational initiatives

The increasing needs and demands of people are on the rise. Every company has to keep inventing and investing in new means to retain its best and most efficient workforce. Times have moved from just giving a handsome salary and a yearly bonus. Sivaramakrishnan Kalyanaraman, VP, Global HR, Intelligroup spelt down his company efforts for employee motivation into areas like career planning, skills upgradation, onsite opportunities, pay and perks, work-life balance and facilities like transportation, crèche, gym, etc. Debjani Roy, Head HR, Bentley Systems India reflected, "Organizations have realized that the cost of replacement hiring is more than anything else and have therefore decided to go innovative with what has become the buzz-word within the IT industry—retention. Loyalty bonuses, promotional tie-ups with retailers on apparels and accessories, aggressive incentive schemes, life-style progression events, outbound activities, training and developmental opportunities are some of the things being experimented with, by different organizations in various shapes and colors."

Companies like Thinksoft are functioning along similar lines too. Indu Padmanabhan, HR Head, Thinksoft, echoed, "Employees who have been kept motivated to perform continuously better in a challenging work environment and who perceive themselves adding value to the organization are loyal. We retain and motivate the workforce by recognizing and rewarding employees suitably for their contributions, focus on

having individual visions work hand-in-hand with the company vision, provide avenues to learn and acquire new skills, chart out a well-defined career plan, offer perceptible enhancements in roles and responsibilities and help them maintain a proper work-life balance.”

Manuel D’Souza, Executive VP, HR, Intelenet Global Service added a few more aspects that come in crucial like infusing a sense of ownership amongst employees, assigning special projects for role enhancement, role changes and job rotation, horizontal progression, emphasis on employee listening and communication and furnishing an accelerated career path for key critical resources through fast-track programmes.

Intel India believes that the underlying principle to sustain loyal employees is to curb attrition. They do this by implementing a manager development program ‘Anubhava,’ India Leadership Assessment Program (ILAP), Work Life Effectiveness (WLE) and yoga, fitness walks and theatre workshops, among the other usual facilities to employees.

Sunil Manglore, CEO, Datacraft India, gave a view of the programmes implemented by his company:

- The human touch means giving employees the sense that they are known and cared for is integral to keeping those you value
- Opportunities to learn and grow are important ingredients to the recipe for retention and loyalty because of the nature of the high-tech industry and the people who work in it n People-centric culture, entrepreneurial environments, community-centered CSR programmes and involvement of employees in these activities are on the increase
- The company also appraises performance and measures the satisfaction levels to leverage their best people.

Kishore Velankar, Sr VP, Human Capital Management, Global, Integreon, felt that loyalty was all about attitude. educational assistance plan, ESOP, compensation revision, reward on the spot—SPARC (Superior Performance Award for Responsibility and Commitment), SMILE—Spread Magic through Initiatives, Love and Enthusiasm, a CSR initiative, well structured training academy, onsite assignments, MDP (Management Development Program) and PIP (Performance Improvement Plan) were the key ideas enforced in the company to retain back the loyal employees as also to motivate them.

Raj summed it up, “If the environment and culture is made conducive by the organization, employees are more willing to participate in business growth, idea development, customer service and organizational transformation with a sense of high accountability. Freedom in the form of the right to question the authority to criticize the company and to do their jobs “their own way” gives employees a sense of belonging and in turn breeds loyalty. It is gained over mutual intention of growth, success and well-being.”

How to retain and motivate the workforce

- Appropriate pay package and perks
- Training and development
- Scope for learning and acquiring new skills
- Flexibility in job operations
- Job rotation and role change
- Defined career path and growth prospects
- Onsite opportunities
- Value, recognize and reward
- Work-life balance
- A transparent and healthy work atmosphere
- Facilities like transportation, crèche, gym and concierge services

Gauging the difference

A loyal workforce does not mean a satisfied one; and even if satisfied, certainly does not imply a productive one. Just like people may visualize a long-term career path with the company, they may also hang around due to lack of prospects in the outside job market. While there a certain group who feel that justice is done to their skill-sets and their talent is recognized within the company, there are others who stay happy and contented within the given means due to reasons that may be personal. Kalyanaraman asserted, "Sometimes, the loyal employees stay back due to inertia and the facilities that are available in an organization. The organization needs to channelize the long-term association with the right role and opportunities to keep the workforce engaged. It should also ensure that its policies are fair and consistent."

Protima Achaya, Sr Management, Staffing, Sasken Communication Technologies agreed that satisfied and motivated employees fed into the 'loyalty' factor. Hence, she felt it was important to quantify and analyze employee attitudes and opinions which will help identify problem areas and create solutions for creating a supportive work environment, thus fostering a place for a motivated and loyal workforce, ultimately leading to customer satisfaction.

Roy believed, "Longevity of an employee need not be considered synonymous with belongingness. Employees get motivated by what is happening to the rest in the work-place and pick up in terms of productivity—that is when few schemes need to be targeted towards them who show a positive inclination, which would bind them to the organization even more. It requires a careful and discerning eye on the part of the HR managers of today to gauge the above and keep moving low performers up the scale of both performance and longevity."