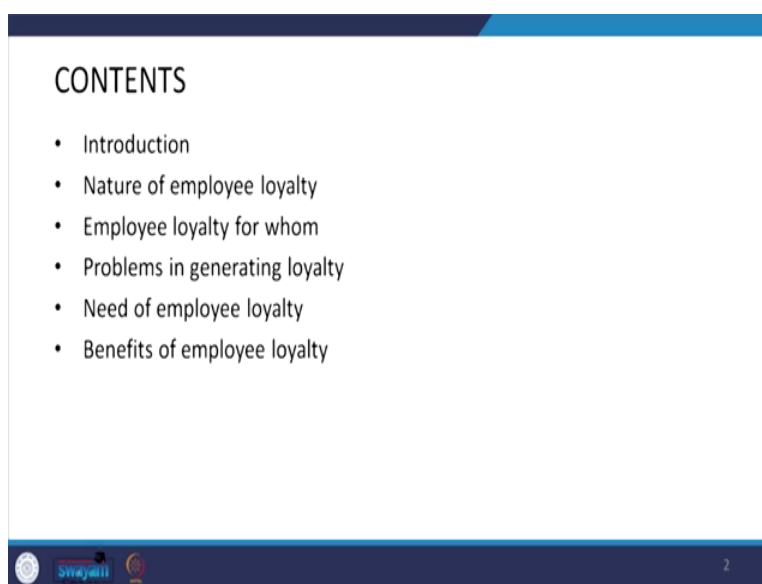


Managerial Skills for Interpersonal Dynamics
Prof. Santosh Rangnekar
Department of Management Studies,
Indian Institute of Technology, Roorkee
Lecture 58
Employee Loyalty 1

In this session, I will talk about the Employee Loyalty and when we talk about the employee loyalty, it is very-very interesting. Because whenever we talk about the loyalty, I remember the one example and that is about the dog that is how the dog becomes the loyal. And the dog is a loyal till the bread and butter is given and then he is having one tolerance level that is without bread and butter also it will be loyal. But the question arises that if we do not give the bread and butter for seven days, then also will the dog will be loyal?

So, we have to understand the loyalty and also we have to understand the commitment. That what is the difference between the loyalty and the commitment? Can an employee be loyal without commitment and can an employee be committed without loyalty? So, therefore, in that case we will discuss all these issues and see, this loyalty play a very-very important role in naturally you will you also agree that is in the relationship between the two persons.

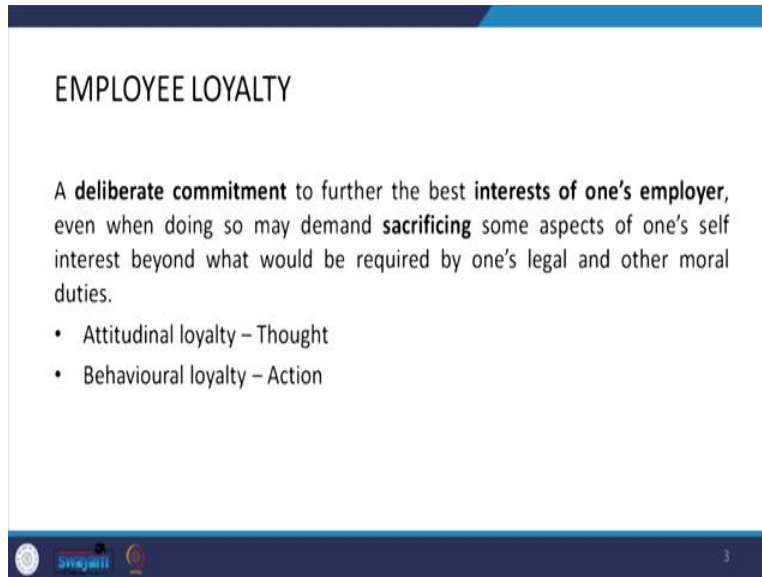
(Refer Slide Time: 1:42)



CONTENTS	
•	Introduction
•	Nature of employee loyalty
•	Employee loyalty for whom
•	Problems in generating loyalty
•	Need of employee loyalty
•	Benefits of employee loyalty

So, in this session we will talk about the loyalty, the definitions, then nature of employee loyalty, employee loyalty for whom, problems in generating loyalty, need of employee loyalty and benefits of the employee loyalty these parameters we will discuss.

(Refer Slide Time: 2:05)



Now, when we talk about the employee loyalty, employee loyalty, a deliberate commitment to further the best interest of the ones employer, when we are talking about the workplace employee loyalty, so when we say the employee, it means that, that is the worker is there, employee is there. So, it is a deliberate commitment. What is deliberate commitment? That I will discuss further. Even when doing so many demands sacrificing, some aspects of one's self-interests beyond what would be required by once legal and other moral duties.

Now, it is very interesting, that is the, what employee does? An employee does a number of sacrificing at the workplace because he is an employee, so that he cannot really have that freedom that is whatever he wants to do, he will do. So, he is restricted. And therefore, in that case, even in that case, he is having his self-interest. Now, question arises you are weighing, weighing between the sacrificing by oneself and the interest of oneself.

Now, which is dominating to what? So, therefore, is your sacrificing is dominating to your self-interest or your self-interest is more dominating to your sacrificing and that will require the by the ones legal and other moral duties will be care. So, this is a complex situation. Loyalty is not that easy, loyalty comes where passing through the complex situation.

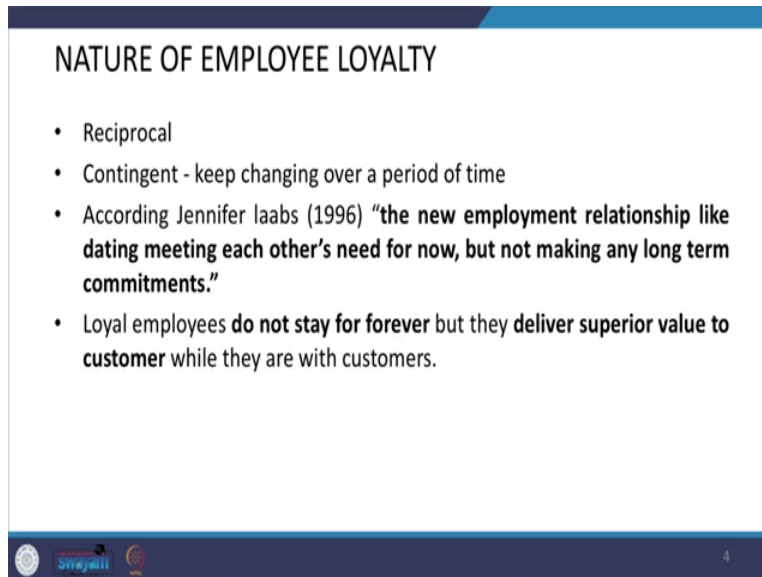
So, attitudinal loyalty is there, that is a thought and we already discussed that how our brain works. Why the particular thought comes in our mind? And why that particular thought? In emotional intelligence I have talked about the different emotions, why this particular emotion comes in our brain and how our brain works? Two sessions before I discussed with you the nutrition in brain, that is what you eat and then how your brain functions.

So, therefore, if you want to make your brain fertile, so then your nutrition intake is to be required to strengthen your brain, and to strengthen the brain again your emotions are playing an important role, that session already I have taken, so therefore, in that case, the attitude actually. What is the attitude? Attitude is state of mind and state of mind is that is the thought is there.

And there is another, there is a behavioral loyalty that is a action, action is the behavior. So, therefore, thought and action. It is interesting to note, do you have to synchronization in your thought and action? Sometimes, we have very high respect for others, but we are not showing in our action and behavior. Sometimes we do respect our supervisor very high, but in action we show the respect to him and it is the cognitive dissonance theory.

Your attitude and behavior, the balancing and synchronizing in the attitude and behavior but dear friends what is important is, first is that is what thought you are having and then the question will arise, you are converting your thought into action or you are not converting into thought your action, that we will discuss in detail further.

(Refer Slide Time: 5:23)



The slide is titled "NATURE OF EMPLOYEE LOYALTY" and contains a bulleted list of four points. The first point is "Reciprocal". The second point is "Contingent - keep changing over a period of time". The third point is "According Jennifer laabs (1996) 'the new employment relationship like dating meeting each other's need for now, but not making any long term commitments.'" The fourth point is "Loyal employees do not stay for forever but they deliver superior value to customer while they are with customers." The slide has a blue header and footer. The footer contains a logo on the left and the number "4" on the right.

- Reciprocal
- Contingent - keep changing over a period of time
- According Jennifer laabs (1996) "the new employment relationship like dating meeting each other's need for now, but not making any long term commitments."
- Loyal employees **do not stay for forever** but they **deliver superior value to customer** while they are with customers.

Now, you see, who has to initiate this loyalty because loyalty is reciprocal. It means employer should initiate and then employee will show the loyalty or employee should prove himself and then it will be rewarded, loyalty will be recognized and rewarded by the employer. So, therefore, in that case, though it is a reciprocal, but many times the loyalty does not exist in the organization, at workplace because there is no initiation.

And that initiation, whenever, an initiation means behavior, behavior means based on thought. So, therefore, when you say, "Yes, boss," so 'Yes boss, that behavior may not be the natural because you are naturally is not to say, "No, boss," but your self-interest are so much dominating as I mentioned, self-interest and the sacrificing, that you please do not forget about that definition.

So, therefore, in that case, in reciprocity, in principle of reciprocity, the initiation is very important. And here, the tradition and convention is this, that is when I am obliged you, then in reciprocity the person who has got obliged he has to show the loyalty. It depends on the value system dear friends. The reciprocity of loyalty is not a common because human being, many times is selfish.

And therefore, as soon as he gets the promotion, after that the loyalty stops, or many times a temporary worker converts into the permanent worker, then his loyalties stops.

So, therefore, it is the point is, that it is the principle of reciprocity, reciprocity it is the loyalty is the reward to the person who has obliged and therefore it is the employee loyalty and not employer loyalty.

You may ask me the question that is the, what is the employee loyalty? Is the loyalty is the bottom up or it is a top down, it is both, but initiation is to be from the bottom up. So, there, because as I mentioned the equation goes like this, one will oblige to other and who has been get obliged he has to show the loyalty.

Now the contingent - keep changing over a period of time. So, therefore, when the Bhishma Pitamah was asked that when you were in that particular Raj Darbar and in that case also why you have not opposed to Duryodhana and then the Bhishma Pitamah say, "Main sinhasan se bandha hua hu." So, whoever will occupy the chair of the king and committed to king.

My loyalty is to king because the king is my boss, king is my employer and my commitment is to the king, whoever sits at the seat of the king, I will be having my loyalty to that king. Now, the king keeps on changing. It might be in rotation and if it is in rotation, and the king keeps on changing, then in that case, the loyalty also is naturally has to keep on changing.

This is to be understood by the old king, new king, and the future king. That is the loyalty, loyalty by nature, it keeps on changing. So, person, the day he stops obliging, loyalty will stops and the another person who will start obliging, loyalty will start and this is the nature, this is the human nature, that the once the obligation is over, stops and now the loyalty will start with the new person, then this new person will become old person, then again new person and this circle will keep on doing.

So, according to Jennifer Laabs, 1996 the new employment relationship, beautiful condition please see, that is the as soon as you change your job, you are going to the new employer, the new employment relationship, like dating, meeting each other's need for now. And therefore, many times loyalty is high on weekends and the low on the beginning of the week, because that is the dating meeting time.

So, in that case, when there will be the resignation, there is on weekends, then in that case the loyalty will be low, but it is starting with the new employer from Monday, so therefore, loyalty will be high, but not making any long term commitments. So, do not feel shock, because it is the process at workplace, and therefore, or however, it is not necessarily applicable to all, so do not worry.

I will be keep on talking about the dimensions of employer loyalty. So, it will make you more clear, but for understanding on this slide. So therefore, not making any long term commitments, so it is till I am with the employment under you, I am 100 percent loyal to you, but as soon as I will go to the new employment, I will be committed to the new employer.”

So, therefore, in that case, another very important point, very-very interesting loyal employees do not stay forever, but they deliver superior value to customer. Now, I think that your doubt will be clear, that is to trust the loyalty and not to trust the loyalty. So, to trust the loyalty, loyal employees do not stay forever, but by they behavior deliver superior value to the customer.

And therefore, in that case, during that period, during that tenure, while they are with the customers, they are 100 percent loyal to the customers. So, therefore, however, it is not part of this loyalty, but I would just like to mention, that is the CRM - customer relationship management. And in the customer relationship also there is a loyalty to the customer; you are loyal to the customer or your employer.

And when you are interacting with your customer, you are supposed to be loyal to your customer and therefore, they deliver the superior value to the customer. So, if I am in this particular employment, so I will deliver the 100 percent to my customers, I will be loyal to them. As soon as I will change my employer, immediately I will change my customer and my loyalty will shift to those customers.

So, in this world, how to identify the loyal employees in the organization? Because then if it is temporary, it depends on thought, it depends on action, so with whom we are

working, so now I am confused, that is how to identify the employees who are loyal at the workplace? And these are the dimensions are there.

(Refer Slide Time: 14:16)

HOW TO IDENTIFY THE LOYAL EMPLOYEE IN ORGANIZATION

- Feeling of belonging
- Staying late at work
- Length of service
- Commitment
- Degree of participation
- Trust

love attraction & belongingness

HOW TO IDENTIFY THE LOYAL EMPLOYEE IN ORGANIZATION

- Feeling of belonging
- Staying late at work
- Length of service
- Commitment
- Degree of participation
- Trust

when needed

You see, it is a very emotional point. That is the feeling of belongingness. It is the social need basically, when we are talking about the social need under the Maslow's, then in that case it becomes important, that is the we are having that love, physiological needs, safety need and this is this social need I am talking about. And that social need is the love, affection and belongingness.

This is related to the employees, so therefore, this belongingness will describe about the OCB - Organizational Citizenship Behavior. So therefore, in that case it becomes important that is the how we are going to have that particular, this particular citizenship behavior, citizenship behavior means these belongingness to the organization. So, I have to show the citizenship to this organization and this organization is having certain constitution.

What is a Constitution? Fundamental rights and fundamental duties, duties of this organization that I have to understand and simple example is, there is a showing the loyalty with the help of delivering the task, how much committed you are when you deliver a task, the organization will recognize who is my citizen, who is my best citizen, who is my knowledge champion, who are the champions in this organization.

So, who are these champions? Champions are not only the talented, only talented people. The champions are talented and loyal to the organization. So, therefore, in that case, this love, affection and belongingness, this particular feeling that is becoming very-very important, and when we want to have this type of the feeling of belongingness, then definitely the employees will be loyal to that particular organization.

So, but how to create that belongingness? Again, dear friends, it is the superior's responsibility to generate that belongingness from the subordinate and how to generate? Some employees, they will have a speedy belongingness, some employees will be slow and some employees will be no show, there will be no show of belongingness because there is no need of the social love, affection and belongingness at the workplace.

So, there is no need of the belongingness is there. So, dear friends, in that case the loyalty when belongingness is low, if you want to know the correlation between the belongingness and the loyalty, a belongingness is low, then in that case the loyalty it will be also low, the belongingness is low, it will be also low. So, therefore, if the belongingness is low, loyalty will be low, how much it will be low? How big or small this will be?

That will depend on the regression analysis, data collection and that I will talk later about my research also on this particular, one Ph.D scholar has done the work on this particular feeling of loyalty, so that I will talk later. So, therefore, in that case the first and foremost is, there should be social need to be loyal belongingness.

Now, you may agree or you may not agree, this staying late at work is not a regular feature, dear friends. I am not talking about the regular feature. This staying late at work when needed. And when the employee says, “Mera to time hogaya sahab, mujhe to jana hai.” That is my lunch time I will go. Aapka kaam jitna ho raha ho raha hai, nahi ho raha nahi ho raha hai, but my lunch is more important for me otherwise I will not get lunch.

And when he express this particular feeling, it is a reflection of the loyalty, the other employee says, “Sir, this work is important, not my lunch. I will manage something, I am not going to die, but this work is important. We have to deliver this particular tasks before 2 o'clock, before 3 o'clock and for that I have to take lunch late.”

So, therefore, in that case that is the staying late at work in emergency situation, it is not like this not doing, I understand, I am having the almost 10 years of industry experience. So, I know that many people are also like this, they will not work for the whole day and they will work in the late night only. That is the boss understands oh they are working for the late night.

So, therefore, in that case, please be away from the negative feelings. Here I am talking about staying late at work when needed. I will write here, when needed and when needed, ready to give 100 percent, no thirst, no hunger, night and that commitment is there however, the employer is supposed to take care of that because he is taking too much time off his subordinates and then they are skipping the lunch and all then he should actually take care of them.

But that is he is staying late at work that will be the very-very important aspect and it will show that “When you are in need, I am always available.” Whether you are available or not in need that is the test, so it is a old saying is there, “A friend in need is a friend

indeed.” So when suddenly there is some requirement and there is a demand of time and demand of work beyond the working hours and the employee is ready to work with you.

‘Apke saath kandhe se kandha judake kaam karne ko tayyar hai’ and then in that case that will show who are with me. Length of service now, you see so, but we have to see it in the comprehensive way. Now, again you please do not say that, “Sir, unko dusri jaga job nahi mila, isilye unka length of service jyada hai,” because nobody will take other than you. So, therefore they are for the long time they are with you.

So, that is not the point, point is they have the potential to go to. Now, you see, please understand this point. That whenever we are talking about the length of service, then in that case he has a choice, so therefore, one definition of the loyalty is, when you have choice to change your loyalty and you do not change. Please note this point, that there was a choice to shift but not shifted.

And that is why that is called the length of service and in the length of service, by the potential and talented employees in one organization that shows that that is a loyalty in the organization is there. As I mentioned, that is we have to understand the difference between the loyalty and commitment. So, employee commitment will be to deliver job, here I would like to mention two aspects, job identity and job centrality.

So commitment will bring the job centrality. Job centrality means concentration on the job. So, therefore, in that case, it is the responsibility of that particular employee that is the it is not only the job centrality, but job identity also, but he may not because of the work culture. So, he is doing hundred percent, delivering 100 percent. So, it is the Gita that is ‘Attachment with detachment’.

The day he will get that particular opportunity to fly away he will get another employer, but here the commitment is that is the even if he is having the choice, he is not shifting and that is the commitment is there that will show the loyalty to the organization. Degree of participation – A normal tendency of human being is when there is no loyalty and commitment, then he will withdraw.

He will have less interaction, he will stop communication and because it is not the complete loyalty with the boss. So, if the loyalty with the boss is there, automatically there will be the communication. So, there will be the participation in the meeting. The person will not come late in the meeting, will not go early, he will not sit silent in the meeting, rather than he will participate in the meeting, that motivation, why he participates?

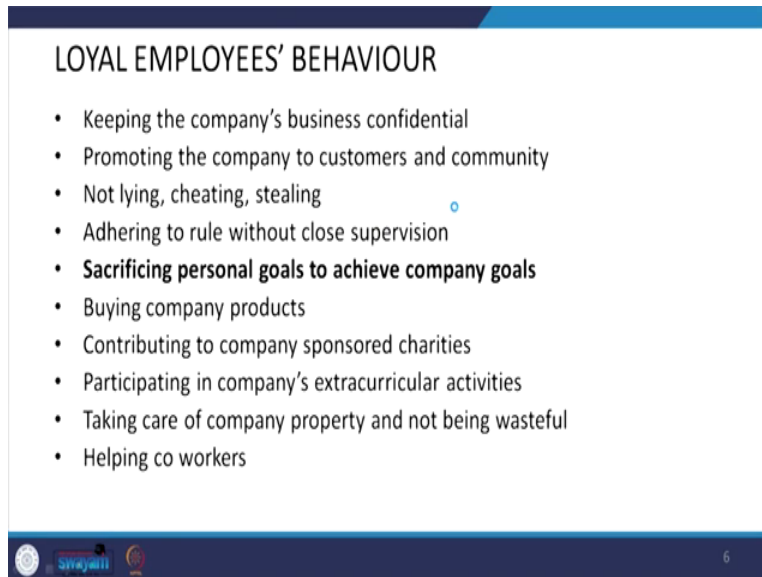
If the boss ask certain issues, they discuss certain issues, ask certain solutions and the employee is talking about those problems, employee is talking about those solutions, employee is want to know what are the issues and he wants to solve those issues, that commitment and loyalty already bring the communication, you please also notice this.

However, there might be certain employees, those who may have hundred percent loyalty and commitment and may not be communicate, but those are exceptions. But in general, whenever we are talking about the degree of participation, you will find people are visible at different places, people are not hiding themselves, because they say 'Boss ke saamne jayenge to kaam miljaenga'.

So, therefore, it is better not to go before the boss, it is better not to communicate, not to interact. So, therefore, this degree of participation will reflect what loyalty the person has. The very-very important last but not the least point is that is the trust and I have already discussed that trust as a variable. It is how to create that trust, trust builders. You see, the person that your boss is not in the office, but he has the trust my employees are doing my job.

Otherwise boss and sub superior and subordinate both are in the office and superior keep on checking whether the employee is doing the job or not. Because there is no trust, so therefore, in that case, it is not that what is the physical presence, it is a question of mental presence, it is not out of sight, is out of mind, it is the within the mind and that is why within the sight, so, therefore, these are the loyal employees in the organization.

(Refer Slide Time: 26:42)



So, keeping the company's business confidential, promoting the company to customers and community, not lying, cheating and stealing, adhering to rule will without close supervision, sacrificing personal goals to achieve company goals, buying company products, contributing to company sponsored charities, participating in the company's extracurricular activities, taking care of company property and not being wasteful and helping co workers.

Now, here I will give example, ESOP. ESOP is Employees Share on Profit. Now, whenever we are talking about, that is the contributing to company sponsored charities or taking care of the company property and not being wasteful, here his contribution that is increasing the ROI because he is taking care of property. Simple example is there, while leaving the room, whether you switch off the lights or not.

You shut off your air conditioners or not, your monitor is properly shut down or not because the electricity is not paid by you, it will paid by the employer, the bill for these electricity but whenever you are taking care of that nothing is to be wasted. Nowadays, we are talking about the water as a resource and then how you are using the water at your workplace.

So at home you are taking care of that is as much water is required please have that much of water only, do not waste the water, but at the workplace, you are throwing the water like anything, taking a half glass water and then throwing half glass water. So, therefore, the way you behave at the workplace that will decide that is the how the employees behavior is showing the loyalty or not.

Now, there will be certain confidential job. Now, here one more thing I would like to mention that is the when you shift the organization from one organization to another organization, it is not that is you are physically shifting, you are shifting with your knowledge and that information which is confidential in that particular workplace.

And when you are joining the competitor and you know, that information was confidential because you can lock the physical assets into lock and key, but you cannot keep the physical knowledge assets into the lock and key, it will go with the employee himself and therefore, in that case, now at the new workplace, whether I should share that information or not.

Because you have it the new employer, you are paid by the new employer and now, what your ethics and values say and that will decide and now, it is very interesting to have the loyalty with the new employer or loyalty with the past employer. That decision, that decision will ensure that is the how much loyal you are and that will depend on the ethics and value system of the employee.

If our oath, not necessarily the legal oath, I am talking about the self-conscious and if our self-conscious says, "No, this information which I am having now with me, it was with me in that particular position in with that particular employer and here I cannot share that information it will be cheating," not lying, not cheating and not stealing that will show, that is how much loyal you are.

Because knowledge is also is stealing, that will be knowledge stealing. You will see that one bold point is there, sacrificing personal goals to achieve company goals and then, you know, it is a very-very challenging task. That is which goals are dominating what? My

personal goals are dominating to the organizational goal, company goals or the company goals are dominating to my individual goals.

And dear friends, when we are talking about the loyalty, then the individual goals are supposed to be get dominated by the organizational goals, that is very important. When we say and when we see that is a person is working into the X automobile industry, but he is buying the car of the Y automobile industry. So, there can be certain reasons also but other than that, it is expected that is the organization which you belong you will represent that organization in the society also and at workplace also.

And therefore, buying that company products that is becoming very-very important. As I said the visibility of the employee will show the reflect the loyalty, you see you need not to ask and test the loyalty just see whether your employee is visible in the extracurricular activities, in the social activities and social gathering and in the events, in the sports, maybe as a spectator not necessarily as a player.

But as a spectator whether the your employee is present or not, whether he is having the smiling face or not, whether he is having that association, belongingness and association with the mental association, mental association with the organization or not that you can see and if given a choice, the person says, "No, no, I will not come." So, it means that he is, then what to do? Make it compulsory.

So, therefore, in that case, if the employee is not showing the loyalty, ensure that you generate the loyalty but from joke apart not forcefully by the different the efforts have to be made by the organization that is how the loyalty is to be generated, because the question is, it is understanding the loyalty and employees behavior, but the point will be how to generate the loyalty amongst the employees.

And in this session the last point which will I would like to take, that is the helping coworkers. Simple example is whenever the employee is asking for some information and the person knows that information, but he says, "Pata nahi, mujhe nahi pata," and then it means that that is he does not want to help and the if he takes initiate, you must

have experience that is you are into the new colony, you ask somebody, “Where is this address?”

The culture of the city you can understand and then you ask that person that where is this particular address and the person takes you to that particular place, talks to that person and says your guest has come, that is one extent and second is that particular address is next to your door and you say, “Pata Nahi,” in the same building they are two flats, the person is asking where is this, your neighbor is and he says “Pata nahi” I do not know.

So, therefore, you can judge the relationship is there. So, therefore, we will talk about the how to generate the loyalty and commitment in the next session, but so far what is important is this that is the to understand, we have understood that what is loyalty is there. How to identify the loyalty? How to understand the nature of the employees loyalty and whether the employees are loyal or not and understand their behavior.

Now, the question will arise, how to generate the loyalty and that we will discuss in my next session. Thank you.