

## Employee Loyalty: A Casualty of the New Normal?

According to Knowledge@Wharton, MetLife's recent 10th annual survey of employee benefits, trends and attitudes released a few months back shows employee loyalty at a seven year low. "One in three employees, the survey says, plans to leave his or her job by the end of the year." What's more, "According to a 2011 Careerbuilder.com report, 76% of full-time workers, while not actively looking for a new job, would leave their current workplace if the right opportunity came along. Other studies show that each year, the average company loses anywhere from 20% to 50% of its employee base."

Wow. Wasn't it just a few months ago that we were all just happy to have a job?

This is very consistent with a Gallup poll published last year that claimed 71 percent of the workforce is "not engaged" or "actively disengaged" in their work. In other words, they are emotionally disconnected from their work.

Last fall, in an article published on the Grapevine, Owen Morgan asked, "So why are so many employees currently thinking about changing employers—and at a time of such economic uncertainty?"

The last few years have been hard on everyone, the companies we work for, our bosses, their bosses and our team members. Listening to the radio the other day, I heard that U.S. companies are dealing with the last several years of hard economic times much better than our counterparts in Europe. They suggested this is largely to do with U.S. corporations' ability to do more with less. In reality, I guess it should be really defined as the U.S. workforce that was able to keep their jobs, were willing to work longer and harder to keep the companies they work for afloat.

This is a good thing, right?

Wharton management professor Adam Cobb sees another reason for this loyalty problem, "When you are talking about loyalty in the workplace, you have to think about it as a reciprocal exchange," says Cobb. "My loyalty to the firm is contingent on my firm's loyalty to me. But there is one party in that exchange which has tremendously more power, and that is the firm."

According to Cobb, when employers complain that employees have no loyalty anymore, it's kind of a chicken-and-egg conundrum. "Imagine a different world where firms took care of their employees, and loyalty was reciprocal," he suggests. "Would employees be job hopping to the extent they are now."

Most companies (and their employers) have thus far survived the worst economic crisis since the Great Depression. And those same employees have watched loyal colleagues suffer the consequences of layoffs, and the termination of many loyal and hard-working people with little, if any, regard for their loyalty or length of service. This doesn't create an atmosphere of loyalty within an organization or on a project team.

According to Cobb, we're suffering from behaviors that started about 30 years ago. "Firms have always laid off workers, but in the 1980s, you started to see healthy firms laying off workers, mainly for shareholder value." In their announcements of pending staff cutbacks, "firms would say, 'We are doing this in the long-term interest of our shareholders,'" Cobb notes. "You would also see cuts in employee benefits — 401(k)s instead of defined benefit pensions, and health care costs being pushed on to employees. The trend was toward having the risks be borne by workers instead of firms. If I'm an employee, that's a signal to me that I'm not going to let firms control my career."

I guess the short answer is yes, employee loyalty is a casualty of the new normal. The question then becomes, what can I do about it?

I was looking back over some old resource material the other day and found (or re-found) an article from Entrepreneur.com that offers seven suggestions for how to keep good team members, as the economy improves. I think these suggestions apply very well to team members:

- Revisit Old Promises: It's important to address any benefit cuts or salary freezes which were agreed upon by team members due to economic conditions, but it's also important to review any other promises made to the team that may have been forgotten. For example: the extra day off for working the weekend, the bonus that was promised but wasn't realized, etc. The team will remember, so you had better remember too.
- Take Action: If employees have concerns or complaints, don't ignore them. If team members are asking for additional responsibilities, give them an opportunity to participate in an expanded role on the team. When team members feel that their voice matters, they are more inclined to feel satisfied at work.
- Have Fun: A lot of teams plan activities outside of the office. If that works for your team, that's great. However, it is possible to make the work environment a fun and enjoyable place to be. Focusing on "all work all the time" can make the job a drag. Sometimes all it takes is a 5-10 minute break during the day or bringing in a pizza once in a while

to ease the tension and make the workplace fun. Be creative.

- Keep Talking: Keep the team up to date regarding the status of the company and its prospects. This can go a long way to ease fears about the future. Our company meets together every quarter to talk about our successes (and failures) during the quarter. We also get an update on our company's health. I find this hour very valuable and appreciate that our CEO makes it happen every quarter. It may not be a company-wide meeting in your organization, but you can certainly keep your team up to date.

- Be Transparent: Make sure to communicate both the company's good and bad news without "sugar-coating" the bad news. It's important to speak to every member of the team individually from time to time to let them know how they are doing and how they fit into the company's (and the team's) plans for growth.

- Address Inequities: Rewarding employees based upon performance can be a good idea, but if there are significant pay inequities on the team, they aren't a secret. Now is a good time to address pay inequities with raises where appropriate. As a project leader, you might not have the authority to implement a pay raise for a key employee, but you sure have some influence with who does.

- Be Realistic: As the economy improves, you may very well lose some team members to the "bigger or better" opportunity. However, if you can show the team that they are important to the organization's success, and are open and honest with them regarding what's happening at your company and their future, they will more than likely stick with the team.

I don't believe there's a silver bullet for this, but before you whine about the lack of employee (or team member) loyalty or their motivation, maybe it's time to stop giving lip service to creating a great place to work and focus on actually doing something about it.

I'm convinced that it's the individual members of a project team that are the key to project success, just as it is the employees of an organization that create success. What are you doing to build loyalty among the members of your project team?

— Ty Kiisel, AtTask