


Where does loyalty lie?



“The very nature of the relationship between employers and employees has undergone a fundamental shift. Today, workers not only don’t expect to work for decades on end for the same company, but they don’t want to. They are largely disillusioned with the very idea of loyalty to organisations. But, at the same time, they don’t really want to shift employers every two to three years for their entire careers.”

Lauren Keller Johnson, Harvard Business School

Motor retailers have long debated high staff turnover rates in their sector (23 per cent a year, according to the 2005 Employee Retention Survey, compared with a retail average of 18 per cent) and looked for ‘solutions’.

But it’s time for this issue to be redefined. Put simply, staff turnover is merely a symptom. The root cause, whether high or low, is employee loyalty.

So, let’s look at possible answers to the following:

- ❑ How loyal are your employees?
- ❑ To what or whom do they pledge their ongoing loyalty?
- ❑ Where exactly does their loyalty lie? ▶

“Managers need to help people identify links between their own professional goals and the company’s goals. When people understand the larger business context in which the company is operating, they can more easily define ways to advance their own careers.”

Gayle Lantz, Harvard Business School

► **Loyalty to a profession?**

To be loyal to your profession, it helps greatly if that profession has its own distinct identity. Within accountancy, architecture or dentistry, for example, you will find ‘professionals’ who are proud to represent their profession within competing organisations. They will have acquired individual recognition by confirming their professional competence following the completion of a qualification or charter status.

As a result, their professionalism is respected, valued and, most importantly, trusted by the public at large.

How many of your employees are loyal to the ‘profession’ of automotive retailing? Indeed, how many would be able to define what automotive retailing actually is, and their role as a ‘professional’ within it?

Set against this backdrop, the importance of promoting ATA (Automotive Technician Accreditation) from the IMI, and the newly revised ARMS (Automotive Retail Management Standards) becomes even clearer.

Industry recognised schemes such as these actively encourage individuals to aspire to become the ‘recognised professionals’ today’s customers are demanding. And in the long term they will enable and encourage employees to remain loyal to the automotive sector, rather than to look elsewhere for recognition as a professional.

Loyalty to a career?

How many employees consider their role as part of their ongoing career, and how many consider it to be ‘just a job’?

From previous experience as a trainer within the automotive sector, it frequently disappointed me to hear how many individuals did not consider that they had a recognisable ‘career path’ within their respective organisations.

Why should an individual remain loyal to motor retailing in the absence of a career route? Is it any wonder that they choose to look elsewhere?

Loyalty to the company?

A much misunderstood aspect of loyalty is its two-way nature.

For an employee to remain loyal to their company, the company needs to demonstrate loyalty to the employee. Whilst this sounds obvious, it’s rarely practised.

Put simply: “Why should I show loyalty to you? What have you shown me?”

Within this context, the importance of an induction programme becomes even more critical to capturing the immediate loyalty of new staff members. All too frequently, though, it’s a case of ‘John leaves on Friday, Jack starts on Monday’. This in itself speaks volumes about the lack of value placed on employees – their mere ‘replaceability’ – and does nothing to instil a sense of pride in representing your brand.

Loyalty to colleagues?

A common reason why people would hesitate to leave their job is simply “I would miss the people that I work with”.

Despite the odd personality clash and inter-departmental tussle, most employees form strong and lasting working (and non-working) relationships with their colleagues.

Do today’s organisations really recognise this as part of the loyalty issue? Encouraging teamwork and developing trusting relationships throughout the organisation not only benefits the business in terms of information sharing and efficiency but is also hugely appreciated by customers who can actively ‘feel’ the trust emanating from each team player.

What happens next?

When all is said and done, if an organisation does not consider loyalty to be a two-way process, it won’t be long before the employee begins to feel unvalued and unappreciated and will understandably say to themselves “Why do I bother?”

When that happens, enthusiasm, motivation and – critically – morale goes out the door and the loser in this dispiriting chain of events is the customer who is now perceived as “getting in my way all the time”.

Not until these ‘loyalty’ issues are addressed will staff retention rates improve.

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