

## Employee loyalty and Gen Y

Every now and then there's a headline telling us that *employee loyalty* is on the decline. Often it is noted that Gen Y is at the forefront of this trend [See Note 1]. Does Gen Y really have an attitude about employee loyalty that is so different to that of Baby Boomers or Gen X – or is this just another 'beat up' on Gen Y?

I note that when comparisons are drawn about the *employee loyalty* qualities of Gen Y against those of earlier generations, what is often overlooked is the impact of the economic and societal changes that occurred across this time period (circa 1945-1996). I will come back to that later – first I want to take a bit of a look at loyalty in a more general sense.



Supposedly Gen Y is at the forefront of the declining trend in employee loyalty. Which door do you think the two Gen Y employees should take at YourWorkplace.INC?

## What exactly is loyalty?

Loyalty is something that we all know at least a little bit about. Many of us participate in loyalty programs that offer discounts and rewards when we are shopping or travelling. Some of us are examples of brand loyalty – e.g. Apple products (one or two of my Apple-loving colleagues have taken their loyalty

to the next level – apparently that is called “brand affinity”). And then there is loyalty to sports teams, political parties, and so on that we chose to align with. The bottom line here is we usually receive something in return for our loyalty – e.g. a bargain, a feeling of status, or a sense of ‘belonging’.

There are a number definitions and explanations of loyalty – e.g. “*a strong feeling of support or allegiance*”. This tells me that loyalty is something that begins in our mind - but unless that state of mind (or *attitude*) leads to some form of action, it is all really of little point. Here is a definition of **loyal** that helps: “*giving or showing firm and constant support or allegiance to a person or institution.*” While I like this explanation, *imho*, a precondition for “*firm and constant support*” is a combination of trust and respect. It is unlikely that you or I will give our “*firm and constant support*” (i.e. be loyal) to someone or something that we neither trust nor respect.

As a leader or manager, before you or I can even expect to receive someone's loyalty, we must show that we are trustworthy and give reason for them to “*think highly of*” (i.e. respect) us. This has to do with how we treat people, how true we are to our principles and values, and whether we come across as being authentic. And for us to earn their loyalty, they must know that we care for them, that we are prepared to support them, and that we will stand up for them. These actions will build a strong bond of genuine loyalty

## Loyalty in the military

I spent a part of my early adulthood in the military. As a recruit I made an *oath of allegiance* which included an obligation to “*loyally observe and obey all orders ... of the officers set over me ...*”. I recall during a leadership discussion with a colleague, the point being made that ‘*loyalty is a two-way street* –

*don't expect it from those you lead unless you are also loyal to them*'. Since then, I have applied this as a key principle in my personal leadership style.

Everyone in the military belongs to a ‘team’ – a squad, a section, a crew, etc. In fact the military is like a team of teams on a number of levels – e.g. the Infantry have sections, platoons, companies, battalions, and so on. The ‘real’ loyalty of most people in a military unit will not be to their senior commanders, or to the flag, or even to their head of state. Rather, it will be to their team mates – i.e. their ‘*buddies*’ – the ones whom they rely on every day as they go about their duties. This is what causes people to go ‘*above and beyond*’ the scope of their normal work – and at times to perform acts of bravery, even if they pay the ultimate price in doing so – they do it for their *buddies*.



I learned many years ago that loyalty is “a two-way street” – if I expect your loyalty, I must show that I have your loyalty. Genuine loyalty is given voluntarily; it cannot be purchased or coerced.

## Generational factors – Boomers, Gens X, Y

Now, to give some context to what has shaped the different generations. Baby Boomers were born in the post WW2 era (circa 1945-62), when advances in technology were beginning to bring major changes

to transport, communication, computing, resource extraction, manufacturing, and trade. Many Baby Boomers started out by 'joining' a firm, as their parents had done before them. However, the economic reforms of the 1980s brought down-sizing, right-sizing, reorganising, rebalancing, redundancies and retrenchments as their firms 'let them go'.

Gen X (circa 1963-79) arrived into a world that was learning to adjust to the steady arrival of new technologies. They grew up in a period that saw the rise of the discount chain stores, and also the expansion of the multinational corporations, with a focus on 'shareholder value'. As Gen X was reaching the workforce, many jobs and workplaces were being centralised and relocated to improve efficiencies.

Gen Y (circa 1980-96) entered the world at a time when personal computing was beginning to disrupt workplaces, company mergers and takeovers were on the increase, and something called the Internet was starting to draw attention. As Gen Y came to working age, the internet had given rise to the World Wide Web, and the strategies of 'outsourcing' and 'off-shoring' had begun to ripple through many organisations – especially the multinationals.

### New study says Gen Y is OK

While growing up, Gen Y had witnessed the careers (and lives) of their parents and even their older siblings being massively disrupted by a number of economic and societal changes. The GFC (2008-09) brought further disruption, particularly for those just entering, or about to enter, the workforce. In the context of this background, is it any wonder that Gen Y's attitude to employee loyalty may be different to that of Baby Boomers or Gen X?

But wait! There is new evidence to suggest that Gen Y is not that much different to Gen X and/or Baby Boomers when it comes to their approach to work.

A recent global multigenerational study by IBM has shown that *"for things like career goals, employee engagement, preferred leadership styles and recognition, ..... Millennials (Gen Y) share many of the same attitudes as Gen X and Baby Boomer employees"* [See Notes 2, 3]. Although the study did not specifically address *employee loyalty*, it is apparent there are few real differences across the three generations

I for one am pleased for the IBM study. It's not that I necessarily have a 'special soft spot' for Gen Y (although I do think that they have entered the workforce at a particularly challenging time). It's just that my observation from working with a good number of Gen Ys over recent years is that they seem, well, kind of 'normal' – I mean, just like me, but a bit younger (obviously!). So, having settled that, let's address the topic question: "what drives *employee loyalty*?"

### Want loyalty? Create engagement

'Real' loyalty is given voluntarily; it cannot be purchased or coerced. Real loyalty is, always was, and always will be *"a two-way street"* – each party giving the other *"firm and constant support"*. Genuine *employee loyalty* in the workplace requires no less – and it begins with employers establishing trust and respect with their workforces (if either is lost, so is any loyalty!). However, even without this, there will still be forms of loyalty in the workplace. For example, within teams, as people develop relationships, trust and respect, there will be loyalty amongst team members, including the team leader or manager – this is called *'buddy loyalty'*.

Many companies run loyalty programs, in the form of incentive/benefit schemes that recognise performance and encourage retention. However, there is some debate over the actual worth of financial rewards, and retention may result in nothing more than attendance. By far the most

effective means of generating 'real' loyalty is through workplace initiatives that foster engagement. For example: *"Train people well enough so they can leave, treat them well enough so they don't want to [Richard Branson, 27 March 2014]."* In return, employers can expect their employees' support and commitment – even above and beyond the scope of their normal duties and responsibilities.

Well, that's the theory - but workplace engagement is a whole new subject in its own right. The 2013 Gallup Study into global workplace engagement showed that only 13% of workers were 'engaged' in their jobs. A 2014 update for the US showed that less than one-third (31.5%) of US workers were engaged (this was up from 29.6% in 2013). The US data indicated that Gen Y employees were 3-4% less engaged than Gen Xs or Baby Boomers. Clearly, there are some engagement challenges to be resolved.

### Notes:

1. The New Daily: [How Gen Y is redefining workplace loyalty](#), Nov 5, 2014
2. [IBM Study: The Real Story Behind Millennials in the Workplace](#), Feb 19, 2015
3. [IBM to Employers: You Need a 'Millennial Mindset'](#), Feb 19, 2015

### Worth a look

Our free nugget for this Post is a July 2013 Huffington Post article about [companies that employ America's least loyal employees](#), based on length of service, had some surprising results. The video (3min:13sec) looks at the 'top four'.

### Coming next:

Keys to teamwork success – focus and strategy

<http://freezapnuggets.com/wordpress/?p=1190>