

THE IMPERATIVE OF VALUING
LOYALTY

This is one of a series of occasional papers by The Dilenschneider Group to bring clients and friends a different perspective. We hope you find it of interest.

THE IMPERATIVE OF VALUING LOYALTY

*“Disloyalty,” said Chard suddenly,
“cuts at me like nothing else.”*
–“The Silkworm,” by Richard Galbraith
(J.K. Rowling)

If you ask Americans what virtues they are most worried we may be losing, one of the frequent answers is loyalty. And yet few know what loyalty means any longer. Is it even a desirable virtue, or is it a quaint concept of yesteryear that is too expensive, too demanding and too difficult to achieve?

In this Red Book, we examine the pros and cons of loyalty. And what its loss from our lives may be doing to us.

LOYALTY IN EVERYDAY LIFE

*“I used to advertise my loyalty and I
don’t believe there is a single person I
loved that I didn’t eventually betray.”*
– Albert Camus, “The Fall”

At first glance, disloyalty seems everywhere. Workers are not loyal to companies. Companies are not loyal to workers. Beloved sports teams steal out of their home cities for fancier stadiums and fatter revenues. In Hollywood, too often emblematic of our culture, a loyal marriage often lasts only a few years.

Perhaps the one place where we still see true loyalty is between humans and their pets. Americans spend more than \$60 billion a year on them.

Even brand loyalty in our day-to-day purchases has to be fought for and often doesn't last, replaced by the latest trend, the newest thing.

Some of this is good, of course. It is pointless to be loyal to a cause that disappoints us, a brand that is battered or which fails to live up to our expectations or a person who abuses our trust. None of us wants to be taken for a fool.

But not being able to trust and not expecting loyalty in any aspect of our lives is a frightening, unsustainable state of affairs. Being realistic is one thing; being incapable of loyalty – or feeling undeserving of loyalty – is dehumanizing.

LOYALTY IN THE WORKPLACE

*“Hold faithfulness and sincerity
as first principles.”*

– Confucius, “The Analects”

Sometimes it seems as though the term “loyalty in business” is an oxymoron. A company moves to Mexico and casts off its U.S. workers, some of whom have been working there for decades.

A business leader gives a bright, talented young person a tremendous opportunity to succeed, and she does. Soon after, she leaves for another company, barely giving notice, with little thought to the concept of loyalty.

These examples seem to be more typical than not. And, yes, they happen all the time. But the statistics paint a far more encouraging picture.

Only 11 percent of workers leave their jobs in any given year. And the highest turnover is where you would expect it – low-paying hospitality jobs, government work and light industry. People in manufacturing and financial services tend to be the most loyal. Almost eight of ten employees say they would remain longer with their employer if they saw a career path in the organization.

There is no doubt the workplace is changing. Globalization, technological change, lower tax rates abroad and the need for more skilled workers are playing havoc in the business world. But change is necessary. And after the roiling waters have settled, after the retraining of displaced workers and after legislative overhaul of tax codes, most experts think we will be in a calmer place. The Industrial Revolution was not easy; neither is the globalization-and-technology revolution we are in now. But things will settle down.

Businesses know that customer retention rates are 18 percent higher when employees are highly engaged in and satisfied with their jobs. Belief in senior leadership – its competence, fairness, engagement with workers and eagerness to see them succeed – is the strongest factor in employee loyalty. Twenty-eight percent of workers would rather have a better boss than a \$5,000-a-year raise.

And when employees are better educated, customer loyalty improves: One-fourth of employers report an increase in customer loyalty as a result of rising employee educational requirements.

It's hard to underestimate the damage done to loyalty in the workplace by the 2008 recession. In addition to the layoffs, the stalling of salary increases was enormously damaging to worker morale. Even now as the economy improves, 35 percent of employees report they'll look for a new job if they don't receive a raise in the next 12 months. The good news: Salaries are rising again – slowly, but still rising.

Good senior leadership knows that turnover is bad for morale and for the bottom line. Eighty-seven percent of companies say it costs \$15,000 to \$25,000 to replace a departed millennial employee.

LOYALTY TO EACH OTHER

“I have a loyalty that runs in my bloodstream, when I lock into someone or something, you can’t get me away from it because I commit that thoroughly. That’s in friendship, that’s a deal, that’s a commitment. Don’t give me paper – I can get the same lawyer who drew it up to break it. But if you shake my hand, that’s for life...”

– Jerry Lewis

It’s hard to think of a movie that doesn’t deal in one way or another with loyalty. Every one of the “Star Wars” films has some form of it as a theme. Most war movies do. Nearly all romantic comedies. The Harry Potter movies. “Casablanca.” In some respects Shakespeare’s plays are all about loyalty – or the lack of it – and so are countless books. And how many songs are about gaining or losing love, which is the highest form of loyalty?

It is painful, even incomprehensible to think of living without loyalty. And yet we keep trying to convince ourselves we don’t need it. We don’t need to have a lot of good friends because making friends is hard. We don’t need to have an expectation that marriage will last forever because being married is so difficult. We don’t want a job that takes us into retirement because it’s too boring (or we don’t think it even exists).

We have so many ways to entertain ourselves now – so many gadgets and devices and time-wasters – that we can get through the day without the need to show loyalty, or to expect it. But as all those movies and books and plays and songs keep telling us, we can’t live without it.

Any daycare or kindergarten teacher will confirm the amazing value of having a loyal friend even at the earliest ages. Two-year-olds make best friends and begin to learn to trust, to share and to be loyal.

There is no pain like the guilt of being disloyal to someone who does not deserve it. You may stop loving someone; you must not stop being loyal to them unless they have truly wronged you. As Marcus Aurelius wrote, “Never esteem anything as of advantage to you that will make you break your word or lose your self-respect.”

LOYALTY TO COUNTRY

“Loyalty to the country always. Loyalty to the government when it deserves it.”

– Mark Twain

Most of us are loyal to our country, paying our taxes, spilling our blood or that of dear ones on foreign battlegrounds, working to make our communities better places to live. And yet millions feel their government has not been loyal to them, that the system has gotten off track. There is a feeling that government is broken and doesn’t work for us anymore. Some politicians have fanned these flames, appealing to anger and frustration and a spreading sense of impotence.

In our anger, it is easy to forget that government works pretty well all around us every day. This can be affirmed by a trip abroad to any place where dishonest, inefficient or even inoperative bureaucracies can cause *real* frustration.

In general, American civil servants are not easily corrupted. Libraries, schools, toll booths, water delivery, disaster relief, traffic lights, police officers – we forget what a big role government plays in our lives each day. Of course there are disappointments and breakdowns. But we are so much better off than the citizens of many other countries.

We just have to resolve to work harder to make government better. The starting point is to realize that it is not some giant, faceless entity – it is our neighbors and friends, our local legislators, our cops, firefighters, school teachers, sanitation workers, court clerks, judges and so on for a long list of people who regularly deliver services we usually take for granted.

True, when we are a country split into two wildly differing political camps, loyalty is harder to find. But it is there. And we will find it again if we put aside our differences, stop yelling at each other and work together. The values of cooperation and compromise have been diminished. We need to restore them both.

We need a reaffirmation of patriotism. We need a break from the angry rhetoric and the charged debates and the vituperation of campaigns. We need a Fourth of July moment when we remember how fortunate we are to live in America and how blessed we are to be free. We need to remember that perhaps above all we must be loyal to this nation and its people and its natural beauty and its ideals of fairness, opportunity and giving back.

History goes in cycles. We endured the agony of the Civil War and freed millions from the evils of slavery. We endured two devastating world wars and went on to a new resolve to work for world peace. We endured the hatreds of the McCarthy era, and after they receded we worked to make the country better again. We endured 9/11 and grew closer together, understanding that we had a new enemy to fight.

It may seem that loyalty is dead; it is not, not in America. We may have lost sight of it for a time. It may be frayed and faded, like an old American flag that has flown in harsh weather for too long. But we *will* stop fighting among ourselves and work together again. We always have, and we can again.

And so, in this complicated, it's-all-about-me era, what constitutes loyalty?

A few ideas:

- Loyalty does not mean uncritical acceptance nor does it mean acquiescing to every idea or action. It means having the best interests of the other person at heart. A loyal friend may try to talk someone out of an action that seems ill-advised but then backs up and supports the person if the action taken is not illegal, immoral or harmful. In military parlance: “I have your back, and you have mine.”
- Loyalty means not joining in a round of merriment or ridicule or gossip at another's expense no matter how enticing the prospect is or the fact that everyone else is joining in. This is surprisingly difficult to do and is a principle often violated. In a nutshell: Don't backstab anyone who has earned your loyalty.
- Loyalty demands truthfulness and honesty, but not in a brutal way.
- Loyalty should be rewarded with trust, respect, friendship and thoughtfulness.
- Loyalty means keeping secrets and never talking out of school.

- If your loyalty has been seriously misplaced or abused, withdraw it and move on. Loyalty begets loyalty, but loss of trust is hard to mend. You may extend second chances but probably not more than that.
- In some respects, loyalty is akin to keeping one's word. It's a commitment. It means never letting down your friend, family member, co-worker, boss, institution or company. Loyalty is one of the best measurements we have of what good character means.

“The Imperative Of Valuing Loyalty” is the latest in a series of “Little Red Books” published periodically for our clients and friends. We hope our readers find them relevant and of value. Previous titles include:

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- “Have You Done Enough?”
- “The *Underappreciated* Art of Saying Thank You”
- “The Age of Apology”
- “Managing Uncertainty”
- “C.I.V.I.L.I.T.Y.”
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