

Rethinking Loyalty

A red banner with the text 'WEEKLY LEARNINGS 2023' in white. The word 'WEEKLY' is in a bold, sans-serif font, 'LEARNINGS' is in a larger, bold, sans-serif font, and '2023' is in a large, white, cursive script font. Above the text, there are several lightbulbs of varying sizes, some with lines radiating from them, suggesting ideas or learning.

WEEKLY LEARNINGS 2023

Weekly Learnings 11 / 2023

I had the pleasure of interacting with a few Indian entrepreneurs over the last few weeks and invariably all of them opined that their biggest weakness was seeking 'loyalty' from employees. This got me thinking and here are my learning's:

1. The work world lacks permanence, and everyone is moving on every 3 to 4 years. The average tenure of an Indian CEO is 4 years.
2. The pandemic brought the 'great resignation' concept to the table and lack of flexible policies after Covid-19 is making many quit. There is no loyalty both ways between employer and employee anymore, it is more a convenient contract, where either party calls it quits when needed.
3. I have always advocated that one must be loyal to the institution and not to an individual. If you are loyal to the institution, you will do the right things, if you are loyal to an owner, you could end up doing the wrong things by the institution.
4. Being loyal to the institution requires immense self-confidence, professional capability, and professional pride.
5. In most multinationals, competence is a near given, focus on results compulsory and what matters is alignment. However, in most Indian organizations loyalty seems to have higher priority than capability or results produced.
6. I think Indian companies are operating with an old mindset. A mindset where business cycles are long and not so spikey, which is a thing of the past. In long business cycles with low frequency change, one wanted loyal employees who would do what was told and report back. That's not true anymore, Cycles are shorter and spikier, so you need much more capable people to make sense of the change and to manage the spikes. The long cycle model promoted loyalty, that doesn't work anymore. Let me give you one data point.
7. In the last ten years, India added a dollar billionaire every month, a decade ago, India had 58-dollar billionaires, that number is 148 today the reason being that half the 59-dollar billionaires of ten years ago have dropped off the list. One reason is their inability to see ahead and an over-reliance on loyalty.
8. A recent survey highlighted why people leave companies: a. Pay b. Wanted more flexibility, c. better work life integration, d. wanted job growth or value addition at work, e. Poor boss, f, Poor competitive, political colleagues at work.

9. Equally the study looked at why employees stay loyal to a company. The top reasons were: Strong development focus and a good culture.
10. I have seen that loyalty is a chain, when one person is loyal to another, the chain keeps extending on the loyalty quotient. Loyalty builds when leaders stay in jobs for many years, I would say more than five years and loyalty then translates both ways between boss and subordinate into a 'dependency'. Many leaders are only comfortable working with people who are personally loyal to them.
11. Loyalty is bad because it degenerates into sycophancy very fast. For proof- see the likes and comments by people on social media of their company CEO posts and CHRO posts. There are some CEOs and HR departments that ask employees to like and re-post the posts of their leaders.
12. Loyalty when it degenerates into sycophancy has no definition or measure. Sycophancy is always dependent on the mood of the boss, and each sycophant tries to outdo the other. This creates politics and insecurities.
13. A sign of a sycophant led loyal organization is a place where the leaders are constantly praised and lauded in every meeting by subordinates. Leader's love listening to this praise and become delusional.
14. An organization that becomes loyalty focused and sycophantic has lower accountability. Few people are focused on results, most are focused on non-value adding puffery.
15. If you are a professional, you must be loyal to the institution you must have professional pride in your achievements and you must constantly raise your capability and that of the team. Succumbing to sycophancy is not a sign of professionalism!!

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