



Gene Siciliano



How to Build Employee Loyalty

A lot has been written about companies no longer earning, and certainly not getting, the loyalty of their employees. This is further accentuated by the work/life attitudes of today's multi-generational workforce, most of whom already believe they're not going to work for you for more than a few years.

Most managers acknowledge that a lack of loyalty lowers productivity and worker satisfaction, raises turnover and hiring costs, and generally alienates everyone in the workplace to some degree. But assuming today's workforce has a sense of employer alienation, or at least a lack of loyalty, how do you build that feeling of team and teamwork that is typical of the really great companies?



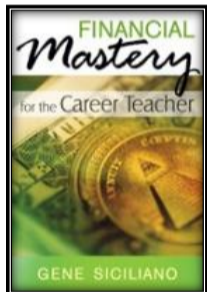
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A discussion on continuous improvement ("Kaizen") and lean manufacturing in the aerospace industry led to the conclusion that these concepts work best when the focus is on the people rather than the process. Not an easy way to go, as all acknowledged, but a convincing argument was made for its long-term effectiveness, using Toyota as a classic example of an entire company that works on that basis. And of course no one doubts that the world's largest car company is a successful, efficient and profitable organization.

Finance for Non-financial Managers, 2nd Edition, McGraw-Hill 2014, covers 14 key topics in the increasingly demanding world of business finance. This new and significantly expanded revision includes a wealth of new material, following on the heels of the best selling original. Because managers can no longer afford to be non-financial.



Gene brings his extensive financial management acumen and plain language writing style to the world of personal finance with **Financial Mastery for the Career Teacher**,



Corwin Press 2010. Written at the urging of an educational publisher, the guidance and strategies in this book will work for

professional people well beyond the education industry.

Gene Siciliano is the founder and president of Western Management Associates, source of *Your CFO for Rent*® services for over 25 years. The firm provides interim and part-time CFO/Controller services, executive coaching and guidance in operational finance and exit strategy. Gene and his team of seasoned CFOs and controllers have a clear mission in their work with CEOs and owner/operators of privately owned companies. Our value proposition:

- Increase the company's net worth and profitability by improving the management team's financial proficiency and bottom line results, and
- Develop and execute strategies that will make your company more appealing to a buyer or investor, if and when the time comes for an ownership transition.

To chunk that idea down a bit, I saw this list of "Seven Secrets to Building Employee Loyalty," based on interviews with some of America's top companies, and I think it's quite insightful. While not labeled with a management science buzzword, the similarities are evident. Here it is for your consideration:

1. **Set high expectations.** Highly motivated people love to overcome challenges, and they like being in an environment that doesn't tolerate mediocrity. That doesn't mean being ruthless for the sake of power, but to encourage the best to give their best, knowing they're among their own kind.
2. **Communicate constantly.** One CEO whose company has offices around the world sends videos of employees questioning management about company direction. Another practices Open Book Management. Another simply allocates time to talk informally to his employees one-on-one, listening and answering their questions personally. Each in his way is acknowledging that workers like to know what's happening directly from management, not from the rumor mill or the newspaper.
3. **Empower, empower, empower.** Employees feel best about a company that gives them a sense of responsibility for their work not achievable any other way, according to many experts. Relying on people who are closest to the work to make sound decisions, with management guidance instead of direction, drives loyalty down to the team level, where it's felt most strongly.
4. **Invest in their financial security.** People who don't know the basics of investments are having to plan their own retirement these days, and it's scary to most. Support with generous 401(k) matching, easy ownership of company stock (public companies only, of course), and other retirement-driven options, can bring big dividends without big price tags.
5. **Recognize people as often as possible.** One company started a program called "I Caught You Doing Something Right" and awards \$250 each week to some worker for a job well done. Some of the most driving CEOs we know don't know how to say "Well done," but they're quick to note performance that isn't. By emphasizing the positive, we tend to create more of it.
6. **Counsel people on their careers.** This is a true win-win opportunity. If you provide guidance to help your employees have a successful career that may or may not include your company until they retire, it tells them you care about them in a way that extends beyond your company. Coaching an employee that they need some skills that are normal in their specialty but maybe not critically needed in your company tells them you really do care, and enhances the likelihood of their staying with you for the long term.
7. **Educate them.** Send me to a 1-day workshop in my work area to build my skills, and I'm truly grateful. Pay for a semester course and I'm awed and inspired. Pay for my MBA program and I'll love you for life. Well, maybe not quite that simple, but this is an uncommon benefit – rare at the upper end – that will benefit your employee for the rest of their working lives, and they know it. And they know it's because of you. If that doesn't get you the best performance that employee has to offer, one of you is in the wrong job.



Not a bad set of guidelines, in our opinion.

Ask your HR department head to pick some of these – or all of them – for implementation. If you don't have an HR Department, ask us to help set up a loyalty program. We do that.

So if you have decided to get started and you want help doing it, call me. I can help you, 310-645-1091 or 888-788-6534.

Or [e-mail me](#) for more information.

Gene Siciliano, *Your CFO for Rent*®

