chapter 4

LOYALTY: IT'S NOT ABOUT THE LEADER

Discipline is the soul of an army.
It makes small numbers formidable;
procures success to the weak and esteem to all.

George Washington (1759)

Loyalty as used here means the tenacious adherence to the disciplines and practices advanced by the leader in pursuit of the goals and objectives of the organization. For example, though they died in 1939, the Mayo brothers of Mayo Clinic fame still influence decisions in the clinic today. In meetings where difficult decisions are to be made, the question is often asked, "What would Will and Charlie do?" Staff members remind each other that Will and Charlie's guiding philosophy was, "The best interest of the patient is the only interest to be considered."

It is impressive in any organization to have leaders who still have influence even though many years have passed since they left the organization. This phenomenon is not restricted just to the founders or former executives of a company. It can be found at any level within the organization. Front-line employees can be heard to say things like, "If old Bill was still here, he would never put up with that." If employees follow the leader, whether present or absent, and encourage or correct others for their adherence to practices, processes, and codes of conduct put forth by the leader, the organization has reached an ideal state. While some leaders create these followers, many, if not most, do not. How do we create an organization where most leaders do?

It's Not About the Leader

It's easy to think of loyalty in terms of being loyal to a person. Certainly in family settings, that's how we frame the concept. But even in a family setting, loyalty is less about the family members than it is about what they stand for. In any undertaking that requires leadership, loyalty to the individual may be how the venture starts, but it is not how that venture thrives. If the leader cannot transfer personal loyalty to loyalty to his vision, he has failed one of the critical tests of effective leadership.

The tragedy of so many entrepreneurs and executives is that they cannot conceive of the notion that their personal interests and those of the organization might be different. This causes them to blind themselves to flaws and faults, both personal and organizational. They punish differences of opinion and ultimately create loyalty as a one-way street. When they ask for input, all they hear is their own opinions repeated back to them. They expect others to be loyal to them, and they feel betrayed when others take care of their own personal interests first. Loyalty to others, for them, is predicated on obedience from others first. When unquestioning obedience ends, so does their concept of loyalty.

Loyalty is not about the leader. It is about the leader's vision and values. Where loyalty is about the leader, the survivability of the enterprise will always be suspect. Leaders who ignore this are like Louis XV, who is quoted as saying, "Après moi, le deluge!" or "After me, the flood!" He knew that the monarchy could not survive after his departure, but did little, if anything, to prevent its demise. While it is impossible to know what goes on in their heads, many leaders, by their behavior, indicate that they cannot separate their personal fate from that of their organization. Since they will not always be there, they are indifferent to the future of the organization after their tenure at the organization ends. This is most evident when an executive refuses to identify and train a successor.

Building Loyalty

On the other hand, true leaders know that a significant part of their legacy will depend on their cause, not just on their personal attributes. For that reason they take care to articulate their vision and the values that will define their contribution. They strive to inculcate these ideas and ideals in their followers. They transfer some of the followers' loyalty to that which will endure and prove worthy over time.

We know the process for transferring loyalty from one thing to another: it is called *pairing*. By this we mean that, when one thing has positive attributes for an individual, other things of little or of neutral worth become more valuable when presented in tandem with that already valued item. We have all witnessed this phenomenon. We ignore a stranger until he is introduced to us by a friend, at which point the stranger becomes someone of interest to us. This works the other way as well. Things that are feared are sometimes generalized to things that, in and of themselves, have no inherent potential for harm. We have seen, for instance, many individuals who are so afraid of their boss that they will be highly stressed when asked to enter his office, even when the boss is not present.

Leaders create loyalty to their cause by how they value the actions of their followers—actions that demonstrate behavior consistent with the leader's vision and values. The leader uses personal influence to spur the follower to action but then follows through in some concrete way to demonstrate that those actions are valued. This pairing of the leader's approval with the actions directed toward her vision and values gives those activities greater importance in the eyes of the followers. Done often enough, the followers come to value the vision for its own sake. We call this *buy-in*.

Actions Speak Louder Than Words

For most people, pairing represents a trap rather than a tool. This is because the default approach to follower behavior is to do nothing when their behavior is what we want and to criticize when it fails to meet our expectations. For leaders who work through others, this has the potential for limiting loyalty rather than promoting it because the leader is paired only with some form of punishment. Individuals who are punished by their manager are more likely to punish their subordinates in turn. People who are positively reinforced by their manager are more likely to positively reinforce their direct reports in turn. The leader's behavior really does flow down to the lowest level of the organization.

In an environment where the leader uses punishment as an integral part of his style, it is commonplace for escape-and-avoidance behaviors to flow through the layers of the organization. People at all levels tend to concern themselves with limiting their exposure to punishment, and much like soldiers in a foxhole, they keep their heads down and concern themselves with their own safety. Organizations say that they would like for every manager and supervisor to be a leader. This implies that they should take responsibility for performance and find the most effective way to attack problems. But, we know that in an environment where negative consequences are frequent, that is not the natural response. A negatively managed environment cumulatively decreases loyalty throughout the company.

When the performers learn how the leader deals with failure or some perceived fault, they become defensive and more concerned with avoiding the boss's displeasure than they are with anticipating the needs of the organization or with implementing a determined strategy. As a result, the leader must continually increase his or her expenditure of personal energy just to compensate for this lowered level of performance on the part of the followers. And at this point, many performers are no longer followers but POWs, enduring a forced march toward some distant destination that promises only continued or increased punishment.

In an environment where the leader uses positive reinforcement as a style of working with direct reports, that style is also imitated at all levels of the organization. An interesting and important point is that while managers will absorb some of the punishment they receive, they will actually give more positive reinforcement than they receive (Hinton, 1975). This results in a culture where individuals feel empowered, where they feel committed, or where they form supportive relationships with their peers and managers. In the more tangible aspects of such an organization's culture, you find a higher level of performance, both individually and collectively. Here individuals are actually making the choice to be followers because the leaders have made sure the followers have experienced personal benefits resulting from the success of their units and that of the company. By participating in the reinforcement that comes with success, they connect their actions to department and company achievements, and they perform at levels higher than the organization can reasonably demand but which are freely given for the benefit of the whole enterprise. This is the essence of discretionary behavior and the fundamental building block of loyalty.

The Leader Shows the Way

Loyalty is a habit, not just an act. It grows out of repeated experiences of working at implementing a vision, adhering to values, and finding reinforcement for doing so. All successes have the effect of narrowing the range of responding. This means that behavior that is successful leaves less opportunity for a different response. The more successful I am at one behavior, the less likely I am to try some alternate response. So as individuals find behavior that is successful for them, they tend to repeat it. Whenever the signals of successful behavior are visible to the performer, not only do those individuals tend to repeat the behavior but those who observe that person's success tend to imitate the behavior as well. Over time the organization will acquire common characteristics based on the behaviors that large numbers of individuals find will earn reinforcement. This is the way that loyalty becomes a characteristic of the followers.

But this tendency to imitate successful behavior contains some perils. Without the proper signals, people may imitate nonproductive, trivial, or even harmful behaviors. Many parents cringe as they see their children mimic the very traits they are so desperately seeking to change. This same problem exists in organizations. We worked in one location where the plant manager was a workaholic. It was his usual practice to come in early and stay late. Most of his subordinates did the same. However, although the plant manager stayed late to work on substantive matters, his subordinates only marked time. Because much of their work was supervision, when their employees went home, there was little for them to supervise. In fact, they were more likely to be a hindrance to the oncoming shift than they were to accomplish anything. These subordinates developed the form of working hard rather than its substance.

It is the responsibility of leaders to help followers sort out effective behaviors from ineffective ones. All behavior comes at a cost, even those characteristic of loyalty. When we elect to do one thing, by necessity we choose not to do something else. When followers imitate non-value-adding behaviors, they are reducing the opportunity to perform value-adding actions. So, how is the leader to know which behaviors are being imitated?

First, sample behavior at all levels of the organization, looking for both effective and ineffective examples. The behaviors that the leader is concerned with are the ones that a significant number of people choose to do. When a leader sees common practices that produce a benefit to the organization, the leader should celebrate that fact with the performers. This simply means that the leader calls attention to the behaviors and links the behaviors to the benefits they bring to the unit. An effective leader celebrates the ordinary. If you only celebrate extraordinary behavior, by definition this will be a rare event and is unlikely to give people sufficient guidance and motivation for their daily work.

When, as a leader, you find ineffective practices, look first to the system and the process for an explanation. If multiple people engage in ineffective practices, the cause is most likely to be in how their work was engineered. This can be in the way the workflow is structured or how the management of the work is structured. Either way, look first to those systems for an explanation. The most effective remedy is usually to change the consequences for common ineffective practices rather than to punish the performers. If you have a large number of people abusing the sick leave policy, coming to work late, or some other undesirable or unproductive behavior, you can be pretty sure that they are acting rationally, given the system in which they find themselves. The fact that most followers act responsibly does not mean that the individuals involved in undesirable behavior have some character flaw. You have simply designed a system that provided reinforcing consequences for certain problem patterns of behavior.

Second, seek input from your direct reports on how your behavior impacts your followers. We do not seek out negative information about ourselves unless it helps us in some way. Unless the reinforcement from what you learn is greater than the punishment involved in having someone describe your flaws and foibles, you will avoid this act. If you have truly taught your direct reports to be *loyal to the cause,* they will give you the information that you need to be even more effective. If you have taught them to be *loyal to you,* the usual follower will try to avoid hurting or offending you. This, in essence, prevents you from growing as a leader.

When a leader has led an organization for any significant amount of time, that organization becomes a reflection of the leader's behavior. Much like a mirror, that reflection shows only what the leader demonstrates. Often this reflection is a picture of the virtues of the leader. Many times, however, the image is not flattering. While the leader may not recognize this reflection as his or her own, this is merely a perceptual error. You receive what you reinforce, in individuals or groups.

This is why it is so important to analyze unacceptable or chronic poor performance from the perspective of the followers, not just devise new methods of punishment for undesirable performance. Punishing someone for behavior that was created by actions or decisions of the leader inevitably leads to a less loyal workforce. It is certainly not the case that the individual performers are never at fault, but it is important to understand the origins of problem behaviors. Faulty facts or data lead to defective decisions. It is very difficult to change the behavior of individuals in organizations without a methodology that evaluates the efficacy of leadership practices in a practical, empirical fashion.

The Opposite of Loyalty

While we are predisposed to think of the opposite of loyalty as disloyalty, disloyalty is not what leaders should fear most. In fact, many acts that management sees as disloyal are actually expressions of care and concern for the organization's success. The real act that leadership should fear is indifference—indifference to the vision and values that make the organization unique. Yet indifference is also a product of leadership. When the leader is indifferent to how the followers are managed, or to how he treats his direct reports, the followers will reflect that behavior.

One of the signs that performance is being punished is that the performers' behavior becomes less predictable, which is often visible in the ways they seek to avoid further punishment. This reaction is the opposite of the reaction to positive reinforcement, which makes patterns of behavior much more predictable. This same pattern of unpredictable behavior can also be produced by leaders who reinforce based only on results. If salespeople are reinforced based only on sales, for instance, their outcomes frequently become a function of their territory, marketing effectiveness, or other non-salesperson variables. Frequently, the salesperson who gets the largest bonus works less than the person with the least productive territory. While one takes the orders, the other has to hustle simply to gain the attention of clients. While one builds relationships with the customers through golf and dinners, the other knocks on doors, answers objections, demonstrates how to use or sell the product, asks for the order, follows through with customer service, and works strenuously to satisfy the client. Put the salesperson with the bonus in the low producing territory and the sales figures will collapse. Put the salesperson in the low producing territory in the winner's territory and the market share will make significant improvement. Focusing only on results will always produce behavior that erodes the organization over time. Loyalty that is taught only by rewarding success is usually shallow, with its roots reaching only as deep as the leader's pockets.

Resistance to change, the antithesis of leadership, also comes from the leader. This speaks to methodology again. When change exposes individuals to failure and punishment, they resist. When change increases the person's access to reinforcement, they seek it out. Since one of the leader's key functions is to lead change, he must view resistance as a signal that something is wrong with the process being used to achieve desired change rather than simply passing off the resistance to change as a normal characteristic of human behavior. Contrary to common opinion, it is not normal!

When certain behaviors, or patterns of behaviors, get reinforced over time in individuals, the behavior takes on reinforcing properties. This is why some people value being on time, for instance. They begin to see it as a value that they expect or wish others to embrace as well. Consciously, or unconsciously, they begin applying consequences to others who exhibit or fail to exhibit that same behavior. The more individuals get reinforced for that behavior, the greater the collective impact of their individual consequences on those around them. Normally we think of this in terms of peer pressure.

The common understanding of peer pressure is when most people punish some deviation from a group norm. In heavy traffic, for instance, impatient drivers honk at overly cautious motorists. In schools, children taunt peers for a variety of out-of-the-norm behaviors. The United Nations imposes sanctions on countries for the ways the governments of those countries treat their citizens or for the way they treat neighboring countries. Some professional athletes have been criticized, fined, and then ostracized by their teammates for offensive behavior. Peer pressure is designed to obtain compliance. The person is punished until he stops the unacceptable behavior or until he gives the demanded response.

On the other hand, many groups develop norms, or patterns of behavior through positive means that are not in the best long-term interest of the group members. These nonproductive or even self-destructive behaviors usually come about as a result of inadvertent peer reinforcement. We occasionally see individuals risk accidents or injury because they are cheered on by their peers. College students engage in drinking contests to see who can be the last person standing. Passengers in cars, especially when the driver is a teenager, can encourage the driver to speed or to perform some risky maneuver. In his book, *Bringing Out the Best in People,* Aubrey describes the scenario at one company in which spectators and fellow roofers cheered one roofer on as he walked on his hands across the pinnacle of a four-story roof. We all see instances in the news every day in which groups in some part of the world are being positively reinforced for destructive behavior. As a result, the groups' members behave in ways that demonstrate loyalty to the groups' practices, as inappropriate as they may be. It is just as possible to create that same tenacious adherence or loyalty to quality, cost, productivity, and personal behavior standards that cause an organization to excel. It is leadership's job to harness these positive forces and connect them to the organization's goals.

Leaders should not be willing to simply let natural selection determine which behaviors the group encourages. Leaders help groups make those determinations. These decisions are simply too important to be left to the collective.

While a leader cannot monitor or manage all behaviors, the leader can ensure that the individuals and groups align their values and behaviors with the vision. A leader does this by making sure that the critical behaviors are reinforced from the many sources available in the organization in the day-to-day conduct of business. Dr. Robert Eisenberger (1992) has shown that people who are positively reinforced over time for extra effort are characterized by persistence at difficult tasks, high self-control, and high levels of integrity. The leader who knows who is engaged in extra effort directed toward the organization's goals and who then makes sure that those people receive effective reinforcement for such effort creates followers who will not only give discretionary effort toward the current goals, but who will thrive on even more challenging goals and objectives in the future. The company that masters this discipline becomes the leader in its field.