

# Organizational Loyalty Management of the Strategic Approach of Human Resources

A. Goodarzi

Payam Noor University of Central Province, Iran

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## ABSTRACT

In organizations, the quality and quantity of products or the provided services are directly related to sense of commitment and loyalty of staff towards values and mission of the organization. Contemplating on organizational environments, we find out that the staff has no equal loyalty to observing the values and mission of the organization. Therefore, the successful organizations in competitive market will be those having the staff with high loyalty to the organization and its values, and have the tendency to accomplish the goals and missions of their organization beyond their personal profit. It is obvious that reaching this goal requires knowledge and specific preparations and mechanisms, so we try here to concisely present the concept of organizational loyalty, its significance and its types, and how to form loyalty in staff of the organization.

**Keywords:** Loyalty; Commitment; Development of human resources; Organization; needs.

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## INTRODUCTION

### The concept of organizational loyalty

In present modern world, human resource has become a competitive privilege in organizations. Unsuitable staff can result in failure of business. Normal staff can keep the business and reach the head to head point, while fine staff ever can lead to summit of even moderate businesses (Deal, 2003). In order to become successful in future, the organizations must thus not only employ the best staff, but also must make them loyal to the organization to keep them (Barnet, 2003).

Organizational loyalty is usually determined by three factors:

- Identification and belief in goals, values, and mission of the organization;
- Tendency to carrying out those activities which are profitable firstly to the organization;
- Tendency to stay and continue working in organization.

Loyalty is often defined by one of these three approaches:

- Firstly, the consequences resulting from the interactions between staff and organization;
- Secondly, the staff loyalty as having tendency to organization, which itself is composed of three factors:
  - Identification of organization's goals and values;
  - High engagement in activities;
  - Serious tendency to maintain the membership in the organization.
- Thirdly, some researchers have defined loyalty according to behavior. It has been an effort to combine the definitions of the first and second categories; hence, it can be stated that organizational loyalty is a kind of interest which has both emotional and behavioral components (Brunto, 2003).

In brief, the staff who is organizationally loyal is the one who:

- shares the goals, values, and mission of the organization;
- feels necessary to be with the organization;
- stays with the organization in good and bad conditions.
- pays attention to perform the job accurately in an ordered way.

### Importance of Organizational Loyalty

Among the first researchers who elucidated the significance of loyalty was Walton. In his opinion, the performance in organization improves when the organization moves from the conventional approach of control-oriented towards the approach of staff management through loyalty (Armstrong, 2000).

A decrease in control is observed where loyalty and commitment for working exist. In other words, loyalty and commitment are two different methods for considering the behavior and approaches of the staff, and great differences in their results are observed when each of them is applied. The following table depicts the effects of applying these two approaches in different fields of human resources management.

To speak concisely, loyalty in an organization has direct effect on occupational efficiency and causes less translocation of staff, more efficient use of resources, and higher efficiency (Burgi, 2001).

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\*Corresponding Author: A. Goodarzi, Payam Noor University of Central Province, Iran.  
Email: ah.goodarzi@gmail.com

**Table 1: The effects of applying control and organizational loyalty approaches in management of human resources (Verheul, 2003)**

Fields of human resources management	Loyalty and commitment	Control
Occupational zone	Jobs are defined generally	Jobs are defined rigidly
Task assignment	Discrimination of tasks	Fixed tasks
Supervision	Direct	Indirect
Organizational structure	Informal	Formal
Learning	Structured learning (explicit)	Learning by task (implicit)
Training	General	Specific
Role of staff	Member of team	Individual
Sharing information	General information (company)	Low information (related to task)
Position and degree	High	Low
Association of staff	High	Low
Decentralization	Important	Unimportant
Social activities	Important	Unimportant
Basis of wages	Improvement of skills	Work amount

### Types of Organizational Loyalty

Walker put the staff in the four following categories according to their loyalty:

- Truly loyal: the staff who feel committed to their company and plan for staying in company and working in future
- Accessible: the staff who have a sense of commitment to their company, but future changes such as family alterations and other problems may lead them to leave the company
- Trapped: the staff that are not committed to work for company, but may stay in company for some reasons such as wage and privileges.
- High risk: neither they are committed to work for the company nor have they intended to work for the company in future.

Staffs of the second and fourth categories (accessible and high risk) are the ones which we can influence their perception and change them into truly loyal staff. But, Probably thy third group are those who less can change their perceptions , so this efforts to improve another two categories employees is more effective.

In another classification, Kelman states three bases for loyalty:

- Compliance: Association and engagement are required for specific external rewards;
- Identification: Association based on tendency to being a member of the organization;
- Internalization: based upon alignment of the values of individual and organization (Askkanasy et al., 2000).

### How to make the staff loyal

In an organization, different factors can influence the loyalty and commitment of the staff and we mention some of them in following:

- Wage: Do not believe when people say wage is not important to them. Wage may be not the most important thing, but is always included as one of the most important things.
  - Privileges: It is similar to wage. Provide a flexible program for privileges which gives the individual the opportunity to choose the privilege that is better for him/her.
  - Learning environment: Provide facilities for learning during work. The staffs will tend to leave the organization if they feel that they will learn new tasks in another company which will improve them. Most organizations pay attention to only the trainings related to the occupation, while paying attention to staff's interests which are not related their occupation and also offering trainings in these fields, such as computer and foreign languages can lead to improvement in job efficiency and loyalty.
  - Regular meetings about the work: Holding monthly or even weekly meetings is a typical method for attracting the association of staffs and identification and removing their worries before they result in problems.
  - Identification of good work: mostly The staffs feel that the managers notice them only when problems exist, while good staffs expect attention when they carry out their task well.
  - Good work conditions: This is a requirement. Good staffs expect their employers to create continuous improvement in work environment so as to make the work environment a safe and pleasant place (Dale, 2003).
  - Understanding the staffs' needs: Individuals act based on their needs and according to emergency of they needs in different situations. Therefore, it is possible to recognize what motivates the staff more through identification of their needs (physiological, safety, social, respect, personality, etc.).
- Moreover, a method through which we can create loyalty in staffs is to apply the approach of humbly management.

Kenth Belacherd describes humbly management as following:

The most significant objective of humbly management is to supply the profits of personnel in the best way. Thus, humble managers are ready to share others in power for more freedom, having more authority, and making the staff more powerful and more efficient. The main responsibility of humble leaders is to assist the staff in order to reach the favorite goals and this is achieved via presenting and emphasizing the behavioral and value instance which is agreed by all. Guiding the personnel is the most important factor of humble management for helping the personnel in reaching their goals. Humble managers want to be responsible for their performance and the results of their activities. In fact, they would like to know whether they have been useful for their employees or not. They appreciate whatever helps them in carrying out their responsibilities better since their goal is servicing. Hence, they welcome the criticisms and suggestion, even if not constructive. In such a management, the staffs have the responsibility and the leader and manager become responsible. In general, from the viewpoint of humble managers, life means assisting the personnel to get the highest score (Blanchard, 2002).

Furthermore, the humble manager tends to continuously learn and accepts his/her mistakes whenever such a mistake happens, so the humble manager does not justify his/her own mistakes and is open against the viewpoints and opinions of others and listens carefully to his/her staffs.

The managers who apply the approach of humbly management towards their staff and observe the mentioned issues will undoubtedly create a sense of loyalty and commitment in their staff.

The following approaches are useful for creating loyalty in staff:

- Behave your staff like your best customers.
- Try to make your staff familiar with goal and strategies of your company. Your staff will have emotional attachment to your company when they understand your organization and its goals and policies and believe them. They should know where the organization's position and what their role in its success (Barnet, 2003).
- Have sympathy for your staff and be compassionate to them.
- Try to do what is right for your staff.
- Let your staff participate in decisions. The staff accept the changes when they are present in the decision process.
- Try to be an example of adaptability. No difference should exist between your words and your deeds.
- Pay attention to differences. Each of us brings a collection of experiences and values to work environment. You must respect these differences.
- Motivate the organization staff to define their mutual expectations.
- Creating trust is one of the most significant ways through which loyalty can be formed. This will not occur if the staffs are considered only as production factors. Certainly, when the staffs feel that their organization does not consider them valuable will not become loyal to it (Armstrong, 2000).

### **Organizational Loyalty of the Strategic Approach for Human Resources**

Gest (1999) believes that management of human resources emphasizes on attracting the loyalty, heart, and mind of the staffs through associating them, communication, and other suitable methods.

Additionally, Armstrong (2001) believes that the main goal of strategic management of human resources is to create strategic possibility through guarantying the point that the organization has skillful and committed staffs with organizational loyalty and motivation for trying to reach stable competitive privilege. Since the staffs with high organizational loyalty feel the organization as theirs and the future of the organization is of importance to them, they struggle with motivation and will have higher efficiency. So, organizational loyalty can be considered as a strategic approach for human resources because it regards the staffs as believing the values and mission of the organization and encourages them to perform the activities and leads to persistence of human power in organization.

### **Conclusion**

One of significant factors required for success of organizations in the present era is the staffs' loyalty to goals, values, and mission of the organization. Organizational loyalty is defined as believing the organization's values, having tendency to carry out the activities and continuing the occupation with the organization. In a classification, from the viewpoint of organizational loyalty, staffs can be put in one of the four categories of truly loyal, accessible, trapped, and high risk. Different factors influence the loyalty of staff among which the most important ones are wage, privileges, work environment of the learner, regular meeting in the work field, understanding the staff needs, and identification of good work. Furthermore, the most considerable strategy for creating loyalty in staff is to apply the humble management. Besides, for reaching this objective, strategies exist such as sympathy and compassion, forming trust, association of staff, respecting the differences, and defining mutual expectations. Organizational loyalty can be considered as a strategic policy for human resources since it leads to an increase in work motivation, higher efficiency, and persistence of human power.

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