Business Practices And Employee Loyalty

Posted on September 23, 2019

If one talks about the long-term success of the organization, then it depends on a multitude of factors. For instance, the extent to which the customers are loyal to the organization, as well as the overall quality of the workforce, goes a long way towards the determination of the success of the organization. At times, there are certain corporate executives who do not buy into this idea of how the employees and the workplace quality determine the extent to which customer loyalty depends (Grayson & Hodges, 2017). Looking closely at the way most successful organizations are working today, it would be hard to refute how workplace management plays its part in bringing the organization success (Grayson & Hodges, 2017).

Benefit Of The Employee Loyalty

In this day and age, it is very important that organizations inculcate a sense of loyalty among their people (Grayson & Hodges, 2017). To make sure that it happens, it must be the organization's key objective to ensure that they are looking at the way requirement costs are being managed and bringing about consistency in the business performance. If there is a lot of chopping and changing going on in terms of turnover, it implies that either the employees are not happy with the current practices or the business is not able to ensure that they are retaining the top talent across the board (Grayson & Hodges, 2017). The job market these days is changing at a very rapid pace, and organizations are always yearning for employees who are willing to stay (Grayson & Hodges, 2017).

What it has done is that it has created a relationship with the employee loyalty contract going to be carried out, as well as made sure that the demands of the modern workplace are being met. The other aspect that is very crucial is how, in the long run, the organization is going to ensure that they keep facilitating the new talent as well as ensuring that fairness across the board for every employee is going to be done. In the workplaces that one gets to see these days, downsize, and restructuring is something that is always going on in organizations (Grayson & Hodges, 2017). Despite this fact, if there is a major organization that has started to lay off people in this PR-driven age, such a strategy is always going to work to your disadvantage (Grayson & Hodges, 2017). Despite the fact that the financial market might approve such a move as it seems that the organization wants to sort its financial leverage out, in the long run, such a strategy is not going to pay dividends. As a matter of fact, there is a significant linkage between the positive financial results of the organization and employee loyalty (Ortiz-de-Mandojana & Bansal, 2016). However, at times, it is difficult to quantify these outcomes (Grayson & Hodges, 2017). What happens is that it creates goodwill on the part of the organization, and it goes a long way towards making sure that whatever the implications for the business are, they are being looked after in the right manner (Grayson & Hodges, 2017).

Measuring The Employee Loyalty In The Organization

One of the key things that the business should be asking themselves is the extent to which the employees are loyal to the organization (Grayson & Hodges, 2017). When this exercise is carried out, it is going to mean that solicited feedback from all the stakeholders and employees is going to be needed (Ortiz-de-Mandojana & Bansal, 2016). At the same time, the management must be in the mood that they are asking tough questions to the employees as well as the organization itself (Grayson & Hodges, 2017). For instance, it should be seen how the relationship that the managers share with each other affects communication within the organization (Grayson & Hodges, 2017). Or does the organization has the necessary tools at their disposal to make sure that they are training people in an appropriate manner (Grayson & Hodges, 2017). The discussion about the reward system is also an important part of the way the organization operates at any given point in time (Grayson & Hodges, 2017).

Loyalty Of The Employee And Profitability

One of the key things that need to be noted is how the cost benefits and the profit maximization are going to be carried out while also making sure that employee loyalty is being taken care of (Epstein & Buhovac, 2014). If downsizing and high turnover are witnessed in any organization, the inconvenience that it causes to the customer increases with the passage of time (Grayson & Hodges, 2017). Research from American Customer Satisfaction shows that firms engaged in downsizing for a considerable amount of time showed a decline in the level of customer satisfaction (Epstein & Buhovac, 2014).

Change In The Relationship Dynamic Between Employees And Organization

One of the key changes that have happened across the world is that there is now a change. In the past, organizations were in a much more dominant position as far as their decision-making was concerned; nowadays, the ground is clear, and there are higher paying options for the employees to make sure that they are in the table paying ground. It is one of the main reasons that, in the past, the employees were more than happy to stay in one organization for a considerable amount of time (Epstein & Buhovac, 2014). That does not happen. It does not necessarily mean that the extent of the loyalty that people have towards the organization is not there (Grayson & Hodges, 2017). Organizations that are devising new ways to retain talent are still doing well in terms of the way turnaround is supposed to be managed (Epstein & Buhovac, 2014).

Business Practices And Employee Loyalty

As the workplace dynamic has changed, employees these days are not any more interested in their own reimbursement (Epstein & Buhovac, 2014). They are more inclined to think about how the ideas are working as well as the sort of creative freedom that they enjoy at any place (Grayson & Hodges, 2017). The key point of today's workforce is that they need an environment where they are allowed to express themselves in a better manner (Ortiz-de-Mandojana & Bansal, 2016). The idea is that they are being provided value by the organization, and conversely, they want to contribute to the organization in a valuable manner as well (Epstein & Buhovac, 2014).

Corporate Practices And Employee Loyalty

The ways corporate practices are carried out by the organization are pretty much the business practices that they have done (Trevino & Nelson, 2016). These days, when the corporate environment is being talked about, the important thing is to ensure that the overall corporate guidelines that the organization is following are followed. It all depends on the value proposition of the business as well as the culture (McMurrian & Matulich, 2016). If the culture that one gets to see in the organization allows the extension of the set of skills of the employee, then they are in a position to expect some loyalty in return (Ortiz-de-Mandojana & Bansal, 2016). Then comes the fact that how the practices are carried out in a manner that allows greater involvement of the employees in the decision-making process (Epstein & Buhovac, 2014). Then, there are some other dimensions of corporate decision-making that need to be looked at. The employees are inclined towards making sure that how these values are being measured (Epstein & Buhovac, 2014). Businesses are conscious of making sure that the loyalty of the customer can be measured in an appropriate manner (McMurrian & Matulich, 2016). Again, the aggregation of employee data would contribute towards the determination of loyalty and ensure best practices to sustain good employees (Ortiz-de-Mandojana & Bansal, 2016).

Conclusion

These days, managers and decision-makers have to make sure that they are looking after all the stakeholders in the appropriate manner (Ortiz-de-Mandojana & Bansal, 2016). Employees are one of the most valuable assets of the organization, and in order for them to make sure that they execute their duties in the right manner, it is very important that they are provided with a decent working environment (Ortiz-de-Mandojana & Bansal, 2016). This means that whatever business practices are carried out in the organization, they are likely to have a huge impact on the level of loyalty that is shown by the employees. If the business practices are carried out in a manner that makes sure that employees are being valued in the entity and their input is important, it goes a long way towards making sure that they are going to stay loyal to the company (Ortiz-de-Mandojana & Bansal, 2016).

References

Epstein, M. J., & Buhovac, A. R. (2014). Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts. Berrett-Koehler Publishers.

Grayson, D., & Hodges, A. (2017). Corporate social opportunity!: Seven steps to make corporate social responsibility work for your business. Routledge.

McMurrian, R. C., & Matulich, E. (2016). Building customer value and profitability with business ethics. Journal of Business & Economics Research (Online), 14(3), 83.

Ortiz-de-Mandojana, N., & Bansal, P. (2016). The long-term benefits of organizational resilience through sustainable business practices. Strategic Management Journal, 37(8), 1615-1631.

Trevino, L. K., & Nelson, K. A. (2016). Managing business ethics: Straight talk about how to do it right. John Wiley & Sons.