

Is Loyalty Still a Business Virtue?

By Dr. Thomas J. Whetstone

Let's be real—isn't loyalty an old-fashioned virtue that no longer makes practical sense in today's fluid, fast-paced business world? This was not the case in the 1950s, but times have changed. We can sentimentalize, but the doers and shakers of today demonstrate that "corporations can no longer be truly loyal, and employees cannot be truly loyal" (Ferguson, 1994, A19). Even management guru Peter Drucker (1995) discounted the practical meaning of simplistic, old-fashioned loyalty in the network society. Today's management often views the individual primarily as an incremental contribution to what the organization wants. Practical advice to live by is to keep your resume up-to-date and be flexible to move. Loyalty will not be shown you, so why kid yourself?

C. S. Lewis seems to mock loyalty when he portrays the dufflepuds in *The Voyage of the "Dawn Treader."* These creatures, in their silliness, are extremely loyal to their foolish leader, affirming all he says:

"Well done, Chief. You never said a truer word. You never made a better plan, Chief. You couldn't have a better plan than that.... Couldn't have a better order. Just what we were going to say ourselves. Off we go!" (pp. 112, 113).

But perhaps you still consider loyalty a virtue, something you desire. Let's consider what genuine loyalty means in the organization.

Loyalty is one of those other-regarding virtues that refute the criticism of virtue ethics as being too inward and self-centered; that is, subjective. You are loyal to someone or something outside yourself. Loyalty cannot fully be understood without knowing its object. Employees can honor their employer through loyalty, but doesn't the employer have to earn this loyalty? The employee-employer relationship is a two-way commitment.

Loyalty has limits because there are competing objects of one's loyalty. Being totally loyal to one person or object can lead to disloyalty toward another. This is the essence of whistleblowing. The relative strength of one's loyalty may vary depending on the object of loyalty and the mutual relationship. A husband vows to be ever loyal to his wife; adulterous behavior breaks the vow and harms the relationship.

A person and those forming an organization need a means for prioritizing or balancing loyalties. Should an employee stay late at work to help a co-worker complete a key organizational task, risking the wrath of his spouse, or should he go home at the regular hour, thus letting the co-worker and possibly other stakeholders down? The best answer may depend on appeal to your moral compass, your full set of virtues.

Unlike the dufflepuds, some leaders see genuine subordinate loyalty as involving something other than their acting as “yes men.” U.S. Navy Admiral Mike Mullen commented in a recent interview that he realized after promotion to admiral that he would never again be told the full truth by those serving beneath him. Before speaking to him, people will ask themselves, “What should I say?” rather than “What does he need to hear?” (Boneau, 2009) Mullen would appreciate some genuine, true feedback.

Perhaps in your organization an employee fears for his job security if he asks, “Is this wrong?” If so, does this effectually undermine your personal responsibility to the organization and its stakeholders, risking its becoming another Enron or Fannie Mae?

Early management researcher Mary Parker Follett said followers are vital for helping the leader understand the situation and for controlling it. An open-door policy is essential to nurture and allow followers to provide the information and even criticism that the leader must have. The most basic requirement for this to occur is a relationship of trust and respect between leader and followers; the leader must show such a sense of responsibility to her followers that they realize it is genuine and of highest priority.

Alfred P. Sloan, who designed and built General Motors into the world’s largest manufacturing enterprise, is reported to have said at a committee meeting, “Gentlemen, I take it we are all in complete agreement on the decision here.” Everyone around the table nodded assent. “Then,” continued Mr. Sloan, “I propose we postpone further discussion of this matter until our next meeting to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about” (Drucker, 1966, p. 148.). If we are all harmonious “yes men,” will we agree too quickly without identifying the problems that likely will come? Genuine loyalty does not suggest the ethic of: “whatever the boss says is right, so this is what I will do.” Doesn’t it include defending your view of what the organization should be and should do, even when this requires confronting your boss?

On the other hand, be careful not to go too far. Surely you must avoid being labeled a “confrontational junkie,” one of those people who seem to thrive on conflict and sometimes enjoy the battle more than winning. By working to create and fuel conflict rather than to resolve it, confrontational junkies are surely not loyal, though at the opposite extreme from dufflepuds. The person of genuine virtue seeks an optimal middle ground, the Greek “golden mean.” The right aim is to work toward building an effective and ethical team consensus.

Whereas the idea of a team player and the power of positive thinking (Blanchard and Peale, 1988) is interpreted by some to mean that the positive, “reliably loyal” player never objects, a truly loyal manager may at times have to exercise the integrity and courage to stand up for her beliefs as she interprets them. Is this disloyal, or does it represent higher loyalty, a loyalty to the organization and other stakeholders, including moral self-identity? Some short-term disharmony

is often needed to point to the need to change direction. How else can the organization see a need to improve?

As a good leader, you should tolerate and even encourage constructive dissent. Good ideas need to be challenged, bad ideas even more so. But if your organization still makes a decision you do not agree with, try to learn from it, and move ahead to the next decision, as your conscience allows (McCoy, 2007).

Loyalty is still a business virtue. While few of us are dufflepuds or confrontational junkies, it is difficult to obtain the golden mean for the virtue of loyalty in our pressure-filled organizational life. Nevertheless, you can find the right balance. A former boss of mine, John, left me with a rather good example. As Senior Vice President for Corporate Planning of a Fortune 500 corporation, he worked many years to find the right merger candidate for diversifying our business, which he sincerely felt our corporation needed. However, the chairman avoided making such an acquisition. After finally retiring, the former chairman grew terminally ill and John decided to visit him. The chairman invited him in and from his deathbed promptly smiled and greeted John, "Faithful to the end." He then realized that his former boss had long known something he thought was a deep secret.

When still chairman, several of the firm's top executives, who believed the corporation would never diversify unless he were deposed, had organized a plan to force his retirement. These executives went to John to urge him to join them. John immediately refused and asked that he be left out of their group. The group dropped its plan and nothing was ever said about it again, at least to John's knowledge. But the chairman's deathbed greeting showed that he had learned of John's honorable loyalty to him.

This account reminds me of what I hope to hear someday from my ultimate boss, Christ Jesus, "Well done, good and faithful servant." Like John, will I pass the loyalty component of my test? How about you?

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