

# A Critical Review of Antecedents and Consequences of Employee Loyalty Using NVIVO

## Komal Goyal

Dept. of management studies  
J. C. Bose University of Science  
and Technology, YMCA  
Faridabad, India

## Prof. Ashutosh Nigam

Dept. of management studies  
J. C. Bose University of Science  
and Technology, YMCA  
Faridabad, India

## Neha Goyal

Dept. of management studies  
J. C. Bose University of Science  
and Technology, YMCA  
Faridabad, India

## Abstract

Achievement of employee loyalty has become a critical task for the HR practitioner. Loyalty defines itself as being loyal, for something, or in favor of someone. When the employees do work in the favor of the organization as consider themselves fully committed towards the organization and brings the organization to the top place where the top authority wants, loyalty exists there. The purpose of this paper is to explore the antecedents of employee loyalty using NVIVO v12 software. Findings revealed that antecedents based on frequency occurrence (word frequency) and which are revolving around the word “loyalty” (word cloud) are job crafting, empowerment, enrichment, trust, job satisfaction, work-life policies. Job satisfaction is highly attributed to employee loyalty. Also, the study found theoretically organization commitment as the behavior outcome of employee loyalty.

**Keywords:** employee loyalty, trust, whistle blowing, empowerment, job crafting.

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## Introduction

### Employee loyalty

Maintaining Employee loyalty has become a competitive advantage for companies. According to a survey it has been found that 76% of respondents leave the organization for availing next best opportunities. Employee loyalty is depending on employer loyalty<sup>1</sup>. An employer recruits, selects, trains the employees. But it's not enough for keeping them in the long run. For that must provide various best HRM Practices (Nigam, Goel, & Goyal, 2020). People who have more experiencing at one place, are less likely to quit (Cotton et.al, 1986). Too much cost associated with the employee turnover like recruitment cost, selection cost, training cost, and opportunity cost, replacement cost, etc. Keeping away from these costs to the organization, retention is required. The factors which are attributed to employee turnover are lack of job satisfaction, poor working conditions, low compensation, and inadequate benefits (Carragher, 2011; Milman, 2003; Wasmuth and Davis, 1983). The term loyalty defines the quality of being loyal, feeling of support or duty towards someone or something. Employee loyalty means when the employee is faithful, bonds, cares and feels responsible for the organization. He or she does the work for the favor

of the organization and whatever responsibility or work is given by the employer he or she fulfill that with full enthusiasm, trust, etc. Employee loyalty and organization commitment both are interchangeable words (Abd Ghani et.al, 2018). According to JosjeHoek “Loyalty is first and foremost about reciprocity. Employees should have the feeling that the organization wants the best for them, and as a result, they will continue to do their best and not look for another job. Employee loyalty is thus above all determined by how the organization has arranged things and the way this is conveyed to the employee”. A loyal employee is an asset to the organization. Fostering employee loyalty is the success for the organization not only in the short run but also in long run. By increasing, loyalty among employees decrease labor turnover cost, absenteeism and ultimately

achieve the business objectives by increasing productivity, increasing efficiency, and stable the environment of business (Cotton & Tuttle et.al, 1986). An organization should concern about the welfare of employees by educating them about various benefits plans and the process of availing of those. This gives not only employee job security but ultimately achieves employee loyalty. Job insecurity and turnover are responded positively (Sverke et.al, 2003). The researcher has studied 27 Papers and based on word frequency related to employees' words are 4091 which is shown below in table1. After that satisfaction comes. For maintaining loyalty, employee satisfaction is the foremost duty of an employer. Followed by management of workforce, committed, and many more (Sharma, & Gupta, 2015).

**Table-1** Depicting word frequency

Word	Count	Similar Words
employees 'perception	4091	employee, employee", employees, employees', employees", employees', employees' perception
Satisfactions	1814	satisfaction, satisfaction", satisfactions
Managing	1685	manage, managed, managed", management, management', managements, manager, managers, managers', managers', manages, managing
loyalty'	1655	loyalties, loyalties', loyalty, loyalty', loyalty'
Committed	919	commit, commitment, commitment', commitments, commits, committed, committing
Organizing	840	organ, organization, organization', organizations, organizations', organize, organized, organizers, organizing
Engagement	764	engage, engaged, engagement, engagement', engages, engaging

*Source: NVIVO plus v12 output*

### Antecedents of employee loyalty

**Employee satisfaction** is considered to be one of the most important drivers of quality, customer satisfaction, and productivity. The underlying factors related to human resources focussed TQM (total quality management) are employee training, employee empowerment, teamwork, appraisal system, and employee compensation made a conceptual model and led to job satisfaction. If a person is satisfied concerning his job then it automatically develops loyalty among members. Where job satisfaction is alive, employee loyalty exists (Jun et.al, 2005). Employees must satisfy regarding the task or duties that are given to them so that they work with full energy, vigor, and dedication (Schaufeli et al, 2002). It does not give rise only to work

engagement but also employee satisfaction with their jobs (Jun 2005; Hassen, 2013 & Matzler, 2006). The employer must appreciate the employee's performance if possible, by doing so they will work with full efficiency & would feel motivated. Don't criticize them for their mistakes in front of third parties. Maintaining Employee loyalty has become a competitive advantage for companies. According to a survey it has been found that 76% of respondents leave the organization for availing next best opportunities. Employee loyalty is depending on employer loyalty.

**Interpersonal trust** (trust in management and trust in peers) strongly influences satisfaction and, as a consequence, employee loyalty (Matzler, & Renzl, 2006). Organizing so many plans for the betterment of the

employees like succession planning, which ultimately fill the key position of the organization to keep in mind vacancy would arise in future. Deciding in advance which employee must place for that key job. Such practices should come into an organization.

**Empowerment** is giving the power or autonomy or self-determination to the employees for responsibly deciding on their workplace. Niehoff et al, (1983) defined empowerment does not have a direct effect on loyalty but affects loyalty indirectly through job enrichment. MBO (management by objective), given by 'Peter F Drucker' in 1954, refers to include the employees in the decision-making activity. In this activity employees and employers sit together to decide the objectives of the organization. MBO plays the role of empowering the human capital but for making successful implementation of empowerment concept, there must have self-motivation too among employees (Coleman, 1996). Whistleblowing is the act of about the illegal matters or immoral practices, occurring in the organization by the employees to the organization or the public so that can eradicate the unethical behavior from the workplace. Whistleblowing is entirely compatible with employee loyalty (Larmer, 1992).

**Job enrichment and enlargement** are the components of job design. By job, enrichment refers to give a new task or job to the employee, not related to an earlier job, and by enlargement refers to add in the existing job. The former is vertical while the latter is horizontal. The main motto for both the concept is to reduce monotony or boredom regarding the job and create the challenging work environment. Both these concepts create employee loyalty for the organization.

**Job crafting** Amy Wrzesniewski has given this concept in 2001. It refers to employees decides their jobs profiles as per their skills and abilities. Job crafting emerges where employees have full autonomy to decide how to complete a particular target given by their employers. It is a very powerful tool that can grow the organization and engaged the workforce towards their work & place (Ahuja et al, 2017). Engaged workplace makes their work place. Employee engagement is positively associated with employee loyalty (Bakker, 2010).

**Work-life balance or policies** impact of loyalty is differing by age, informal support, and gender. Informal support by their colleagues, supervisors led to loyalty. When the employees able to manage their both lives (personal and professional) then this indirectly increase the interest of employee which ultimately led to employee loyalty.

### Literary contributors

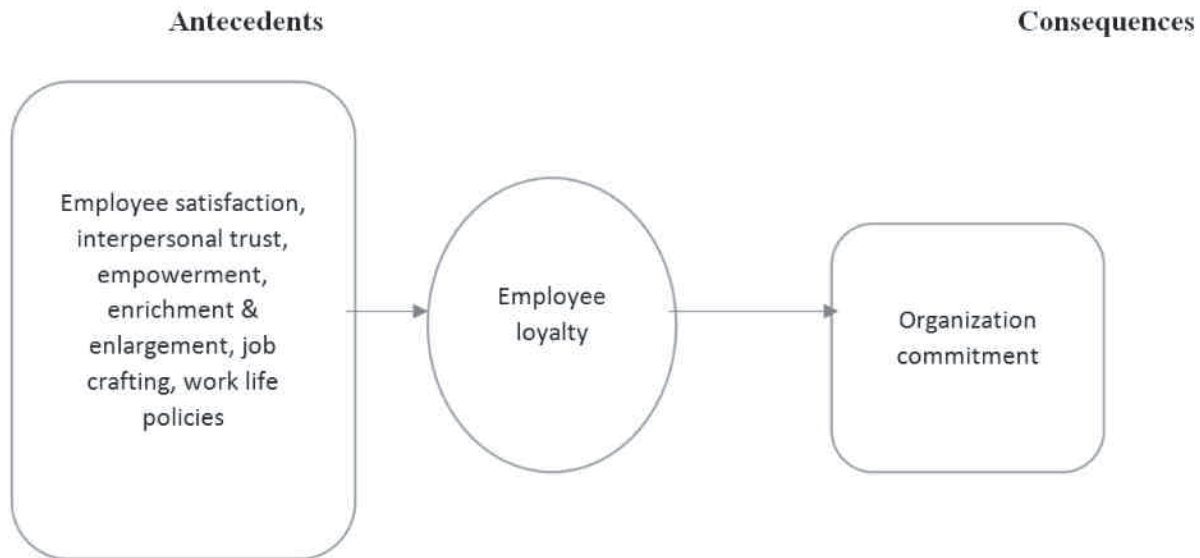
Loyalty depends on the mutual relationship in both ways. If an employer shows interest in an employee then the employee would perform better as Duska demands, ideally, of course, one expects that if one is loyal to another person that person will reciprocate in kind (Ogunyemi, 2014). Whistleblowing is entirely compatible "with employee loyalty (Larmer, 1992). To retain employees with high levels of performance, companies try to foster positive organizational attitudes like job satisfaction and organizational commitment. With the rise of the 'knowledge economy, employee satisfaction and loyalty have become critical issues. An empirical study was made in the banking sector using 3 HR practices i.e. compensation, empowerment, appraisal system. Combining all led to employee satisfaction and loyalty (Hassan, et al.2013). further stating that interpersonal trust (between management and employees) positively leads to employee satisfaction, which ultimately brings employee loyalty to the organization (Matzler, et.al. 2006). During the downsizing phase, it's hard to retain all employees but can't give mental or psychical stress to the employees due to unemployment, then there are numerous approaches to manage the surplus manpower like outplacing, flexible hours, work-sharing, and many more. Niehoff et al, (1983) described, in that situation empower them to handle such type issues in the organization by themselves. Empowerment can be regarded as an HR practice (Hassan, et al.2013). The best strategies to maintain loyalty during the downsizing phase are empowerment and enrichment. Arnold B Bakker & Demerouti, Wrzesniewski (2008) have given the concept of job redesign known as job crafting and with the help of JDR or job demand resource model, they created a linkage between the job demand and resources. Also, they explained high job demands lead to workload pressure, role conflicts, role stress, ambiguity, etc., which ultimately led to job burnout of the employees on the other hand positive job resources (are the resources or supporting activities that help the employees in achieving their goal in their work environment) also these high job resources reduces the job demands which led to employee engagement towards their work as well their organization. Employees with job crafting behavior has a tendency to be more engaged as they have the habit of frequently balancing their working atmosphere to be more resourceful and yet challenging (Bakker, Tims, and Derks, 2012)

### Need of the study

The study is done in isolation so far, but here researcher has explored all antecedents of employee loyalty using qualitative software NVIVO v12. and identified all variables which led to employee loyalty. HR practitioners,

come to know that how can maintain the existing workforce and escape from various unwanted expenses by this study.

**Figure-1 Conceptual framework**



*Source: Author own compilation*

## Research methodology

### Design

The researcher has decided to identify the antecedents of employee loyalty. This qualitative research is found to be a good approach. Data is analyzed with NVIVO v12 software by reviewing various research papers.

### Data collection process

Two steps were used viz journal selection and paper selection. Journal is selected from highly impacted databases like; SCOPUS, WEB OF SCIENCE, and science direct. After selecting a journal, a paper is selected using keywords like employee satisfaction, empowerment,

enrichment, employee loyalty, job crafting, and interpersonal trust, etc. The researcher then reviewed the abstracts of all articles and identified the research gap and find out the scope of the study in the HR area. Variables were found out by observing word cloud and word frequency, for this researcher relied mostly upon used nowadays qualitative software NVIVO v12.

### Data analysis & result

Words that are evolving around employees are employee satisfaction, relationship. Engagement, empowerment, job enrichment, job crafting, supporting staff, and many more. Job satisfaction is highly attributed to employee loyalty which is shown below in figure 2.

Figure-2 Word cloud



Figure 2 word cloud diagram using NVIVO

## Conclusion

Employee loyalty has become the key component for the organization for retaining employees. For attaining it, not only an employer but also the entire organization has to do many things. Creating a positive environment by having good communication and encourage them to participate in the business decision-making process and update them by providing knowledge about various benefits plans. Loyal employees are less sensitive to salary. They feel as the organization's "Loss" is our "Loss". Organizational commitment is enhanced when loyalty exists. Employees stay in the organization for a long time. With this staying, reduces the various costs & risk, associated with employee turnover & hiring of a new employee with the old one. Employee loyalty is a significant indicator of employee satisfaction. It demonstrates to employers that there are workers who enjoy working for them. As a result, as employers, you must do everything possible to ensure that your employees are of high quality. Leaders of today must recognize that while integrity can be taught, loyalty cannot. It only gets better with time. So, put in your best efforts while remaining patient. Soon enough, you'll have a group

of dedicated workers eager to evolve alongside you.

Due to time limitation the researcher has studied less number of articles. One can make cluster analysis and thematic analysis using NVIVO v12 so as to make your research more presentable.

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**ENDNOTES:**

1. <https://hiring.monster.com/>