

Analyzing The Impact Of Job Satisfaction On Employee Loyalty

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Abstract:

Nowadays one of the main challenges which are faced by the managers is job satisfaction and employee loyalty, apparently it seems easy but it is one of the difficult tasks for a manager. The main objective of a manager is to satisfy their employees because they are the most valuable asset of the organization, and also, there will be less chance for them to leave the organization.

In the past few years, many researchers have conducted research in which they want to see that does job satisfaction has any impact on employee loyalty. Employee loyalty refers to how much an individual is committed and sincere to their work. There are many factors underlying job satisfaction and employee loyalty. In order to achieve the main objective of this study, we used the survey method. Our result shows that there is no significant impact of job satisfaction on employee loyalty.

Introduction:

One of the major disputes which managers usually face is job satisfaction and employee loyalty especially when they have to manage their employees. Much research has been done on this study, and they have found that when the employee is satisfied with their work and environment, then that employee tends to be more motivated towards their job. The productivity of the company depends on how much the employee is motivated, so the manager needs to make sure that the employee is motivated because it has a huge impact on the company's performance.

Since the employees generate revenue for the company, they perform an important role in the significant investments of an organization, such as locating, recruiting and training. In order to keep their employees motivated and to uplift the performance of their organization, many managers focus on their benefits packages which they come up with those packages fulfill their needs, training programs in which they train their employees for their required tasks if there is any need to, performance appraisal is the most important factor in which they evaluate their overall performance and work system in which they make it sure that their organization is working with the flow and they enhance this all things by keeping the company policies in their mind. One of the main reasons that the manager do all of this is because they want their employees to be loyal to them, and it will lead to a longer tenure.

Job Satisfaction:

It was getting difficult for managers to handle their employees, so in 1935, Hoppock talked about job satisfaction. According to him, job satisfaction means the combination of external and internal sources that will force them to say that they are satisfied with their job.

When employees have a positive attitude toward their job, then that means they are satisfied with their job and they are highly motivated to do their work. Job satisfaction is also influenced by some factors such as salary, advancement, appreciation, recognition, work environment, supervisor, colleagues and team members.

Basically, it is the combination of positive or negative attitudes of an individual towards their job. When a company hires an individual on the basis of desires, needs and experience, which determines the expectation of the manager from them so, then they must match those criteria in order to get a reward. An individual's behavior in the workplace actually tells how much he/she is satisfied from their job. (Davis et al. 1985)

Achievement can also be the source of job satisfaction. Job satisfaction has a direct connection with the performance of an employee. One can be only satisfied from there only when they are doing the work of their interest and they have a positive attitude towards their job, and whenever they do their job, they have a feeling of fulfillment, and also they are being rewarded for their efforts. The more the one is happy doing their work, the more they are satisfied with their job. Job satisfaction is the main element that will lead to recognition, promotion, and income. (Kaliski, 2007)

The employees should also be satisfied with their rewards (Start, 2004). People can have different attitudes and feelings towards their job; either it can be negative, which shows how much an employee is dissatisfied with their work, or positive, which shows how an individual is satisfied and enjoying their job (Armstrong, 2006). It is the collection of one's beliefs and feelings about their job; it varies from one employee to another employee. They can also have an attitude toward their colleagues and supervisors, which will show how satisfied they are with their jobs (George et al., 2008).

Since job satisfaction has many sides so, because people have different meanings or opinions in their minds, people usually think that job satisfaction and motivation are one thing, but they have a vague relation with each other. Motivation and job satisfaction are two different things; basically, motivation is a part of job satisfaction. It all depends on how much a person is intrinsically motivated about their job. The achievement of motivation or job satisfaction can be in qualitative terms or quantitative terms (Mullins, 2005).

In job satisfaction, feelings can lead to the perception of what the job is offering them, like their material and psychological needs (Ayer, 2008).

Employee Loyalty:

Employee loyalty shows how much an employee is committed to their jobs, which further increases the level of job satisfaction. Satisfaction starts when an employee evaluates the firm or their job internally, and when their expectation is met or exceeded at a certain level, their satisfaction will automatically grow. Employees are loyal only when they attach themselves in an emotional way to their organization. There is a direct relationship between job satisfaction and employee loyalty because the more employees are satisfied with their job, the more they will be loyal to their organization.

Through the attitude of the employees, we can determine how much they are loyal to their organization. Employee who are more attached to the organization are likely to have more loyal behaviors and work to achieve the organizational goals, which will increase their productivity, they will be more efficient, and have a good relationship with their customers.

People usually refer to employee loyalty as the attitude of an individual towards their job, which is wrong; it basically means that how an individual is committed to their organization or how much they are loyal to them that even in times of difficulties, they don't stop supporting their organization which means that they will never leave their company at any circumstances (Solomon, 1992). They will prioritize their company over anything, and they will work for the interest of their company. Also, they never think about switching their job or companies (The Loyalty Research Center, 1990). The relationship of employees with their organization will reflect their image to other organizations (Bentten Court, Gwinner and Meuter, 2001).

Employee loyalty shows how much an individual is committed to their organization and how much they are mentally and physically involved in their organizational work. It has three factors: they truly understand the goals and values of their organization, they will also go out of their job description or exert more effort on behalf of their senior for the betterment of their organization, and their aim is to last long in the organization (Mowday, Porter and Steers 1979).

Literature Review:

According to Hassan et al., if the organization wants to satisfy their employees, then they must use different compensation methods because the satisfaction level varies from one employee to another employee, and if they want loyalty from their employees, then they must empower them.

Hooi Lan Wan thinks that there is no such direct relation between job satisfaction and employee loyalty; it's not necessary that if an employee is satisfied with their job so, they will also be loyal to their organization. Employee Satisfaction plays a key role in the field of sales and services because they contact directly with the customers, and if they show a positive attitude towards their company, then that will encourage them to buy their product or deal with their organization (Jain and Singh,

2003). Khare and Pandey 2012 did research together to find that employee satisfaction and organizational commitment have a direct influence on employee loyalty, so the results of their research show that these factors have a direct impact on employee loyalty. According to Kumari and Pandey (2011), the performance of the organization solely depends upon the attitudes of the employees towards their jobs. If they have a positive attitude, then their performance will be high, and if they have a negative attitude, then their performance will be low.

After testing many factors of job satisfaction, Kabir and Parveen (2011) find that the manager should enhance those factors or points that will improve their company's performance and will satisfy them more. Appreciation and rewards also play an important role in the job satisfaction of the employee. It will increase the productivity of the organization because that's natural. If anyone gets appraisal or reward for their performance, they will perform better next time (bugs and Sarwar 2013). Adjetey and Prako (2013) both think that there is a direct relationship between employee loyalty, performance and commitment. They also find that personal development and creativity have a positive impact on employee loyalty. If the manager involves their workers in those works where they can invest their total energy, that will increase the performance of the company, and they will be more satisfied with their job (Bauer 2004). Employees will be more satisfied with their jobs when they are working in a flexible workforce environment, and they will be more loyal when they find opportunities in their organization for themselves. According to akbar et al (2011) if any manager empower their employees than they will have a positive result on the job satisfaction and through their research they find that male workers are more satisfied from their job as compared to female workers.

Objectives:

- This research aims to develop a measure that can be used for the evaluation of job satisfaction along with [employee loyalty](#).
- There are several factors that have a major impact on job satisfaction and employee loyalty, and this study aims to find out all these factors.
- The impact of job satisfaction on employee loyalty is going to be discussed among academicians. Identification of new areas for research is the last objective of the current study.

Research Methodology:

Data Collection And Measurement Scale:

The study was based on teachers in the Institute of Business Management. The main purpose was to see the impact of job satisfaction on employee loyalty. For this purpose, a research was carried out in IOBM among the faculty, the data used was primary data, we carried out a questionnaire survey which consisted of 10 questions, 5 of which showed job satisfaction and the other 5 showed job loyalty. The questionnaire was based on three options: Yes, Maybe and No. Samples of 50 teachers

were used. The questionnaire is as follows:

Job Loyalty:

Please take a few minutes to tell us about your job and how the organization assists you.

1. Will you go out of your way to do something that brings benefit to your organization?

Yes	Maybe	No
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1. Do you have any idea what your organization's vision is and how your performance is contributing to attaining that vision?

Yes	Maybe	No
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1. If you get a similar job in a different organization, will you go?

Yes	Maybe	No
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1. Do your values and the values of your organization differ?

Yes	Maybe	No
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1. Do you regret working for this organization?

Yes	Maybe	No
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Job Satisfaction:

1. Does your work give you a feeling of personal satisfaction?

Yes	Maybe	No
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1. Is your job utilizing all of your skills and abilities?

Yes	Maybe	No
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1. Does your organization embrace diversity, and do you understand why it is important for your organization?

Yes	Maybe	No
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1. Does your manager appreciate and recognize your efforts?

Yes	Maybe	No
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1. Are you satisfied with the information which is provided by the management as per your division activities?

Yes	Maybe	No
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Data Analysis And Interpretation:

Every Yes was scored as 1, maybe as 0 and No as -1 except questions 3, 4 and 5 of job loyalty, which were scored as 1 for No, 0 for maybe and -1 for Yes. After the surveys were filled, we gave each answer their respective score and then made a tally graph which made it easier to count the final result. The result that came was that for every 88% of people who are satisfied with their jobs, 64% of them are loyal to their jobs as well.

Hypothesis Testing:

Our hypothesis, which said there is no significant impact of Job satisfaction on Job loyalty, was proved wrong as the result of our research showed a link between job satisfaction and job loyalty.

Discussion And Conclusion:

Employees are loyal when they go out of their way to do some work for their organization. They never want their organization to face any harm because of them and they will all the time think about their organization's success. Also, they never replace their organization with another organization, whereas job satisfaction means that what an individual feels towards their job can be positive or negative; the positive feeling will lead to a better performance, whereas the negative feeling will decrease the performance. Managers can increase the satisfaction of their employees by giving them rewards, appreciation, bonuses, perks, and advancement. Research has been conducted that shows that job satisfaction has a direct impact on employee loyalty because as the employees have more authority and they have more power in decision-making making, then it's more likely that they will be loyal to

their organization (Bordin, Bartram, Gian, 2007). Hence, the article International Journal of Learning and Development supports our hypothesis testing because, in their article, they say that there is a significant relationship between job satisfaction and employee loyalty.