

A Study on Factors Influencing Work Satisfaction and Employee Loyalty with Special Reference to IT Employees at Chennai City

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Abstract

Work Satisfaction and loyalty important attributes for employee retention. The paper investigates the factors that would affect satisfaction and loyalty amongst the employees in ITES industry. Review of literature highlighted the factors. Based on this a structured questionnaire was designed and administered to 230 respondents. KMO and Bartlett's test highlighted the adequacy of sample size. Factor analysis was carried out to find out the important factors. The results revealed that training and development, organizational culture, career prospects, rewards and recognition played a very important role in determining Work Satisfaction and Employee Loyalty to the organization.

Keywords: Work Satisfaction; Employee Loyalty; Job Satisfaction; Employee Engagement.

INTRODUCTION

Work Satisfaction

Work satisfaction is defined as the extent to which an employee feels self motivated, content & satisfied with his/her job. Job satisfaction happens when an employee feels he or she is having job stability, career growth and a comfortable work life balance. This implies that the employee is having satisfaction at job as the work meets the expectations of the individual.

Employee Loyalty

Employee loyalty is when an employee remains with a company for a lengthy period because they feel valued, appreciated and believe in the company's overall mission. Employees who are loyal to a company are likely more invested in the company's success and work towards meeting organizational goals.

Benefits of work satisfaction

- Better work output
- Reduced absenteeism
- Better work life balance for employees
- Better quality of work done by employees
- Good culture in the company

Benefits of Employee Loyalty

- Reduced employee turnover rate
- Good reputation for the company
- Reduced overall cost of human resources
- Long term association between the company and its employees.

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Employee Loyalty and Satisfaction matrix

| | High | Key Drivers | Hidden Drivers |
|-------------------------|-----------------------|--|---|
| Employee Loyalty | | Invest in areas to increase employee loyalty | Recruiting to attract candidates |
| | Low | Weak drivers | Visible Drivers |
| | | Monitor as lowest priority for investment | Consider including in recruiting collateral |
| | | Low | High |
| | Employee Satisfaction | | |

SCOPE OF THE STUDY

This study aims to find out the various factors that influence the work satisfaction and loyalty of the employees and to identify the relationship between those factors.

- To determine how much influence the factors off satisfaction and loyalty have on employees
- To identify the reasons for employee turnover
- To suggest measures for companies to reduce employee turnover.

OBJECTIVES OF THE STUDY

- To find out the factors that influence the work satisfaction and loyalty of employees
- To analyze the relationship between the factors that influence the work satisfaction and loyalty of employees

REVIEW OF LITERATURE

*Shoukun Chen, Kaili Xu & Xiwen Yao(2022)*¹ in their study entitled, “Empirical study of employee loyalty and satisfaction in the mining industry using structural equation modeling” have found

FACTORS AFFECTING WORK SATISFACTION AND EMPLOYEE LOYALTY



out that Work quality indirectly affects employee loyalty through satisfaction, while switching costs have no significant impact on employee loyalty.

*Manisha S. Saxena (2020)*² in her study titled, “Job Satisfaction and Employee Loyalty” has found out that Leadership in the organization is a key factor that affects the job satisfaction of employees. A work environment with good culture, recognition learning opportunities, etc. increase the job satisfaction of the employees.

*Ha Jing, Trung Thanh and Phong Thanh (2020)*³ in their study entitled, “Factors Affecting Employee Loyalty: A Case of Small and Medium Enterprises in TraVinh Province, Vietnam” conclude that effective colleague relationship, good remuneration policy for employees, good organizational culture, good working environment are all factors that ensure work satisfaction and loyalty of employees in companies.

*Usama Najam, Sadia Ishaque, Saadia Irshad, Qurat-ul-ainSalik, Maria Shams Khakwani and Malka Liaquat (2020)*⁴ in their study entitled, “A Link Between Human Resource Management Practices and Customer Satisfaction: A Moderated Mediation Model” Suggest that the company should come up with the best steps to make their staff members satisfied with their job, which will ultimately resolve the issues of low motivation at work and high absenteeism. They say that employee’s job satisfaction acts as a boosting factor in their performance enabling them to perform better, thus yielding high customer satisfaction with organization’s products and services.

*Said Abdi Mohamud, Abdiaziz Ahmed Ibrahim and Jamal Mohamud Hussein(2017)*⁵ in their study entitled, “The effect of motivation on employee performance case study in Homeud Company in Mogadishu Somalia” suggested that the company should come up with uniform salaries of their staff, develop an effective performance measurement system, and develop an atmosphere where

employees are well satisfied with their jobs and cooperative with each other. In this way employees will be in position to utilize their full potential in their jobs.

RESEARCH DESIGN

- Descriptive research describes the present state of affairs as it exists without having any control over variables. The researcher can only report what has happened or what is happening and it does not answer what, how and when, in this study, the researcher has adopted purely descriptive research in nature.
- Convenience sampling method is adopted for selecting respondents. Convenience sampling is a non-probability sampling technique. In this method, the ample units are chosen primarily on the basis of the convenience of the researcher.
- A Sample of 230 respondents was taken into consideration for my study and the data was collected.

DATA ANALYSIS

Correlation Test

H₀: There is positive relationship between the number of years the employee are working and rewards and recognition given to the employees.

H₁: There is negative relationship between the number of years the employee are working and rewards and recognition given to the employees.

INFERENCE

There is positive relationship between the number of years the employee are working and rewards and recognition given to the employees.

| | | Correlations | | | | | |
|--------|---------------------|--------------|--------|--------|--------|--------|--------|
| | | Yrs | R & R1 | R & R2 | R & R3 | R & R4 | R & R5 |
| Yrs | Pearson Correlation | 1 | .407** | -0.062 | -0.050 | .260** | .209* |
| | Sig. (2-tailed) | - | 0.000 | 0.506 | 0.591 | 0.004 | 0.023 |
| | N | 118 | 118 | 118 | 118 | 118 | 118 |
| R & R1 | Pearson Correlation | .407** | 1 | .511** | .309** | .728** | .725** |
| | Sig. (2-tailed) | 0.000 | - | 0.000 | 0.001 | 0.000 | 0.000 |
| | N | 118 | 118 | 118 | 118 | 118 | 118 |
| R & R2 | Pearson Correlation | -0.062 | .511** | 1 | .836** | .563** | .560** |
| | Sig. (2-tailed) | 0.506 | 0.000 | - | 0.000 | 0.000 | 0.000 |

| | | | | | | | |
|--------|---------------------|--------|--------|--------|--------|--------|--------|
| | N | 118 | 118 | 118 | 118 | 118 | 118 |
| R & R3 | Pearson Correlation | -0.050 | .309** | .836** | 1 | .528** | .387** |
| | Sig. (2-tailed) | 0.591 | 0.001 | 0.000 | - | 0.000 | 0.000 |
| | N | 118 | 118 | 118 | 118 | 118 | 118 |
| R & R4 | Pearson Correlation | .260** | .728** | .563** | .528** | 1 | .763** |
| | Sig. (2-tailed) | 0.004 | 0.000 | 0.000 | 0.000 | - | 0.000 |
| | N | 118 | 118 | 118 | 118 | 118 | 118 |
| R & R5 | Pearson Correlation | .209* | .725** | .560** | .387** | .763** | 1 |
| | Sig. (2-tailed) | 0.023 | 0.000 | 0.000 | 0.000 | 0.000 | - |
| | N | 118 | 118 | 118 | 118 | 118 | 118 |

| Test Statistics | | | | | | | | |
|-----------------|---------------------|------------------------------|----------------------------------|----------------------------------|---|--------------------------------|-----------------------------------|---|
| | Dept | (I am satisfied with my job) | (I do not feel bored at my work) | (I do not plan to change my job) | (I feel happy to come to work everyday) | (My work-life balance is good) | (My working hours are reasonable) | (My salary compensation is as expected) |
| Chi-Square | 10.559 ^a | 31.915 ^a | 23.525 ^a | 14.119 ^a | 53.017 ^a | 24.034 ^a | 21.237 ^a | 47.169 ^a |
| Df | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Asymp. Sig. | 0.032 | 0.000 | 0.000 | 0.007 | 0.000 | 0.000 | 0.000 | 0.000 |

CHI-SQUARE TEST

Null Hypothesis (H₀): There is no significant relation between the department of working and job satisfaction of employees

Alternate Hypothesis (H₁): There is a significant relation between the department of working and job satisfaction of employees.

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Since p value <0.05, Null hypothesis is rejected. Therefore, there is significant relation between the department of working and job satisfaction of

employees.

FACTOR ANALYSIS

| KMO and Bartlett's Test | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.723 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 7055.654 |
| | Df | 630 |
| | Sig. | 0.000 |

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The KMO value is 0.723 and the Bartlett's test is 0.000 which states that there is a substantial correlation in the data.

| Communalities | | |
|---|---------|------------|
| | Initial | Extraction |
| 1. Adequate training was provided at the time of joining | 1.000 | 0.814 |
| 2. The training covered all aspects of my work | 1.000 | 0.817 |
| 3. The training was given for adequate amount of time | 1.000 | 0.797 |
| 4. All my doubts were cleared in the training | 1.000 | 0.759 |
| 5. Training was given by a person with good knowledge and training skills | 1.000 | 0.741 |
| 6. I felt confident in my work after training | 1.000 | 0.812 |
| 7. My colleagues are very friendly and helpful | 1.000 | 0.741 |
| 8. My superiors are treating me good | 1.000 | 0.791 |
| 9. Conflict management in my company is good | 1.000 | 0.634 |
| 10. My company's culture enhances my productivity at work | 1.000 | 0.573 |
| 11. I am satisfied with my job | 1.000 | 0.734 |
| 12. I do not feel bored at my work | 1.000 | 0.785 |

| | | |
|---|-------|-------|
| 13. I do not plan to change my job | 1.000 | 0.802 |
| 14. I feel happy to come to work everyday | 1.000 | 0.782 |
| 15. My work-life balance is good | 1.000 | 0.720 |
| 16. My working hours are reasonable | 1.000 | 0.758 |
| 17. My salary compensation is as expected | 1.000 | 0.774 |
| 18. I like my company very much | 1.000 | 0.744 |
| 19. I will not leave this company | 1.000 | 0.760 |
| 20. I will stay with this company even if I am offered a higher salary in other companies | 1.000 | 0.796 |
| 21. I will give positive review about my company | 1.000 | 0.860 |
| 22. I will suggest others to join this company | 1.000 | 0.765 |
| 23. My growth in this company is good | 1.000 | 0.838 |
| 24. My company provides good opportunities for development | 1.000 | 0.758 |
| 25. My company provides equal opportunities for everyone to grow | 1.000 | 0.733 |
| 26. I value growth opportunities as a major factor in my job | 1.000 | 0.822 |
| 27. Growth prospects lead to increase in my job satisfaction | 1.000 | 0.867 |
| 28. When I do a good job, I receive the recognition from my company | 1.000 | 0.803 |
| 29. I do not feel that the work I do is appreciated | 1.000 | 0.795 |
| 30. I do not feel that my efforts are rewarded the way they should be | 1.000 | 0.729 |
| 31. In my company, there is a mechanism to reward good work done by employees | 1.000 | 0.806 |
| 32. Recognition and Rewards system practised in our company is fair and justified | 1.000 | 0.735 |
| 33. I am highly motivated in my work | 1.000 | 0.854 |
| 34. My level of motivation affects my job performance | 1.000 | 0.822 |
| 35. There is significant improvement in my work when I am highly motivated | 1.000 | 0.876 |
| 36. I tend to be more satisfied with my job when I do it with motivation | 1.000 | 0.802 |

Total Variance Explained

| Comp | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|------|---------------------|----------|--------------|-------------------------------------|----------|--------|-----------------------------------|----------|--------|
| | Total | % of Var | Cumulative % | Total | % of Var | Cum % | Total | % of Var | Cum% |
| 1 | 21.031 | 58.419 | 58.419 | 21.031 | 58.419 | 58.419 | 7.956 | 22.101 | 22.101 |
| 2 | 2.252 | 6.255 | 64.675 | 2.252 | 6.255 | 64.675 | 7.645 | 21.235 | 43.336 |
| 3 | 1.960 | 5.446 | 70.120 | 1.960 | 5.446 | 70.120 | 4.586 | 12.738 | 56.074 |
| 4 | 1.615 | 4.486 | 74.606 | 1.615 | 4.486 | 74.606 | 4.581 | 12.724 | 68.798 |
| 5 | 1.142 | 3.172 | 77.777 | 1.142 | 3.172 | 77.777 | 3.232 | 8.979 | 77.777 |
| 6 | 0.966 | 2.685 | 80.462 | - | - | - | - | - | - |
| 7 | 0.923 | 2.563 | 83.025 | - | - | - | - | - | - |
| 8 | 0.817 | 2.270 | 85.295 | - | - | - | - | - | - |
| 9 | 0.686 | 1.906 | 87.201 | - | - | - | - | - | - |
| 10 | 0.610 | 1.694 | 88.895 | - | - | - | - | - | - |
| 11 | 0.500 | 1.389 | 90.284 | - | - | - | - | - | - |
| 12 | 0.439 | 1.218 | 91.502 | - | - | - | - | - | - |
| 13 | 0.401 | 1.115 | 92.616 | - | - | - | - | - | - |
| 14 | 0.350 | 0.972 | 93.588 | - | - | - | - | - | - |
| 15 | 0.299 | 0.831 | 94.420 | - | - | - | - | - | - |
| 16 | 0.290 | 0.806 | 95.226 | - | - | - | - | - | - |
| 17 | 0.261 | 0.724 | 95.949 | - | - | - | - | - | - |
| 18 | 0.238 | 0.661 | 96.610 | - | - | - | - | - | - |
| 19 | 0.200 | 0.555 | 97.165 | - | - | - | - | - | - |

| | | | | | | | | | |
|----|-------|-------|---------|---|---|---|---|---|---|
| 20 | 0.176 | 0.489 | 97.654 | - | - | - | - | - | - |
| 21 | 0.151 | 0.419 | 98.074 | - | - | - | - | - | - |
| 22 | 0.135 | 0.374 | 98.448 | - | - | - | - | - | - |
| 23 | 0.128 | 0.355 | 98.803 | - | - | - | - | - | - |
| 24 | 0.111 | 0.307 | 99.110 | - | - | - | - | - | - |
| 25 | 0.078 | 0.217 | 99.327 | - | - | - | - | - | - |
| 26 | 0.057 | 0.159 | 99.486 | - | - | - | - | - | - |
| 27 | 0.054 | 0.149 | 99.635 | - | - | - | - | - | - |
| 28 | 0.042 | 0.116 | 99.751 | - | - | - | - | - | - |
| 29 | 0.029 | 0.079 | 99.830 | - | - | - | - | - | - |
| 30 | 0.016 | 0.046 | 99.876 | - | - | - | - | - | - |
| 31 | 0.016 | 0.044 | 99.920 | - | - | - | - | - | - |
| 32 | 0.012 | 0.034 | 99.953 | - | - | - | - | - | - |
| 33 | 0.008 | 0.021 | 99.975 | - | - | - | - | - | - |
| 34 | 0.005 | 0.014 | 99.989 | - | - | - | - | - | - |
| 35 | 0.004 | 0.010 | 99.999 | - | - | - | - | - | - |
| 36 | 0.000 | 0.001 | 100.000 | - | - | - | - | - | - |

INFERENCE

The Initial Eigen value of first five factors is greater than 1. Those five components explains 77.777% of the variance.

FINDINGS OF THE STUDY

- 10.2% of the respondents strongly disagree that they didn't feel confident after the attending training followed by 20.3% of the respondents disagrees to it. 28% of the respondents neither agree nor disagree, 23.7 of the respondents agrees and 17.8 of the respondents strongly agree with the statement.
- 15.3% of the respondents strongly disagree that the culture of their company is not good, followed by 15.3% of the respondents disagree with that. 20.3% of the respondents neither agree nor disagree, 30.5% of the respondents agree and 18.6% of the respondents strongly agree with that statement.
- 15.3% of the respondents strongly disagree that their company's culture does not enhance their productivity at work and 17.8% of the respondents disagree with that statement. 17.8% of the respondents neither agree nor disagree that their company's culture enhances their productivity at work, 31.4% of the respondents agree and 17.8% of the respondents agree with the statement.
- 12.7% of the respondents strongly disagree

that their salary compensation is not as expected, 10.2% of the respondents disagree with that and 43.2% of the respondents neither agree nor disagree with that statement. 23.7% of the respondents agree and 10.2% of the respondents strongly agree that their salary compensation is as expected.

- 10.2% of the respondents strongly disagree that their company does not provide good opportunities for development and 20.3% of the respondents disagree with that. 17.8% of the respondents neither agree nor disagree, 33.9% of the respondents agree and 17.8% of the respondents strongly agree with the statement.
- 10.2% of the respondents strongly disagree that their level of motivation does not affect their job performance, 12.7% of the respondents disagree with that statement. 12.7% of the respondents neither agree nor disagree, 36.4% of the respondents agree with that and 28% of the respondents strongly agree with that statement.
- There is a significant correlation between the no of years of work and the Rewards and Recognition in the company. The highest correlation is for the statement that the respondents do not feel that their efforts are rewarded the way they should be.
- There is significant relation between the department of working and employees' work satisfaction.

SUGGESTIONS

- Good training should be provided to candidates before they start to work.
- Try to maintain a good culture among the employees for better results.
- Maintain a good superior subordinate relationship.
- Try to provide a competitive salary.
- Provide opportunities for career growth for all levels of employees.
- Some respondents feel that their efforts are not rewarded the way they should be. Therefore establish and maintain a fair system for rewarding and recognizing employees.

CONCLUSION

Employees are the greatest and most valuable asset of any company. Their satisfaction about their work determines the success of the company. The loyalty they have to their company reflects the reputation of the company. Companies must consider their employees' well being as their utmost priority and ensure that they take all necessary steps to address their concerns in work.

When a company exerts such care on its employees and maintains a good relationship with them, it will definitely boost their loyalty and influence them to stay with that company for lifelong. This will guarantee the success of the company in both short term as well as in the long term.

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