

The Effect of Support of Manager Job Satisfaction and Job Commitment on Employee Loyalty to the Organization

ผลกระทบของการสนับสนุนของหัวหน้างาน ความพึงพอใจในงาน และความล้มเหลวใน
การทำงานที่มีต่อความจงรักภักดีของพนักงานต่อองค์กร

Sutthipat Assawavichairoj (สุทธิภัทร อัศววิชัยโรจน์)^{*}

Abstract

The purpose of this research is to examine factors affecting organisational loyalty, four variables will be analysed including the Employees' loyalty to the organisation, the level of support of the managers, job satisfaction and Job Commitment. To achieve this aim, a path diagram is developed for examining effect between each variable. The level of support of managers, Job Commitment, and Job Satisfaction affect employees' loyalty to the organisation. The result indicates that the total effect of the level of support of managers on loyalty is positive 0.6. The total effect of the Job Commitment on loyalty is positive 0.17, and the total effect of satisfaction on loyalty is positive 0.37. In addition, the indirect effects are also contribute employees loyalty to organization.

Keywords: Employee Loyalty, Job Satisfaction, Support of the Managers, Job Commitment

^{*}
ดร. คณะบริหารธุรกิจและเทคโนโลยี มหาวิทยาลัยนานาชาติ สแตมฟอร์ด

Dr., Faculty of Business and Technology, Stamford International University,
Email: sutthipat.assawavichairoj@stamford.edu

Introduction

Employee loyalty is a key to business success. In the intervening years, many researchers have examined the links between organisational loyalty and various elements of working life (Chen, Tsui & Farh, 2002; Morozova et al., 2016; Nisar et al. 2017.). Some studies have found strong links while others have found the connection to be weaker depending on the area of focus (Bell & Menguc, 2002; Eungswan & Chantuk, 2016; Teeratanachaiyakun, 2016). It is widely believed that organisational loyalty are influenced by many factors such as job satisfaction, job influence, job commitment, relationships between managers and employees, working arrangement, training and skills, information and consultant, employee representation and working hours (Judge et al., 2017; Maloni et. al., 2017; Zopiatis, Constanti & Theocharous, 2014)

To examine factors affecting organisational loyalty, four variables will be analysed including the level of loyalty to the organisation, the level of support of the managers, job satisfaction and Job commitment. The reasons behind choosing these variables are that the level of support of the managers and job commitment in organisations are critical as it influences employee behaviour and the level of trust between employees and management, this in turn directly affects employees' loyalty (Judge et al., 2017; Kurtessis et al., 2017; Mayfield & Mayfield, 2006). Furthermore, job satisfaction and Job commitment enhance critical psychological states that results in both personal and work outcomes and lead to increased organizational loyalty and productivity gains.

Literature Review

Employees' loyalty in organization is considered as valuable asset for the company. Many academic researchers found that the loyalty employee contributes to organizational success (Bhuvanaiah & Raya, 2014; Ibrahim & Al Falasi, 2014). It is important to note that employees' loyalty are viewed as important component of organizational resources, which lead to companies' sustained competitive advantage. According to Fu & Deshpande (2014), to be loyal, employees have to feel like a part of the organization through a matrix of relationships in terms of Job commitment, Job satisfaction and relationship between manager and employee. Findings of an investigation by Ingersoll et al. (2002) and Maloni et al. (2017) suggest that the management and organizational environment in which employee performs their jobs directly influences their attitudes related to job satisfaction, job commitment, and plans for continuing their employment. Therefore, the purpose of this research is to focus on

the importance of these factors to provide a better understanding of their interrelatedness: employee loyalty, levels of job satisfaction, the level support of the manager, and job commitment can be linked to management practices within the organization.

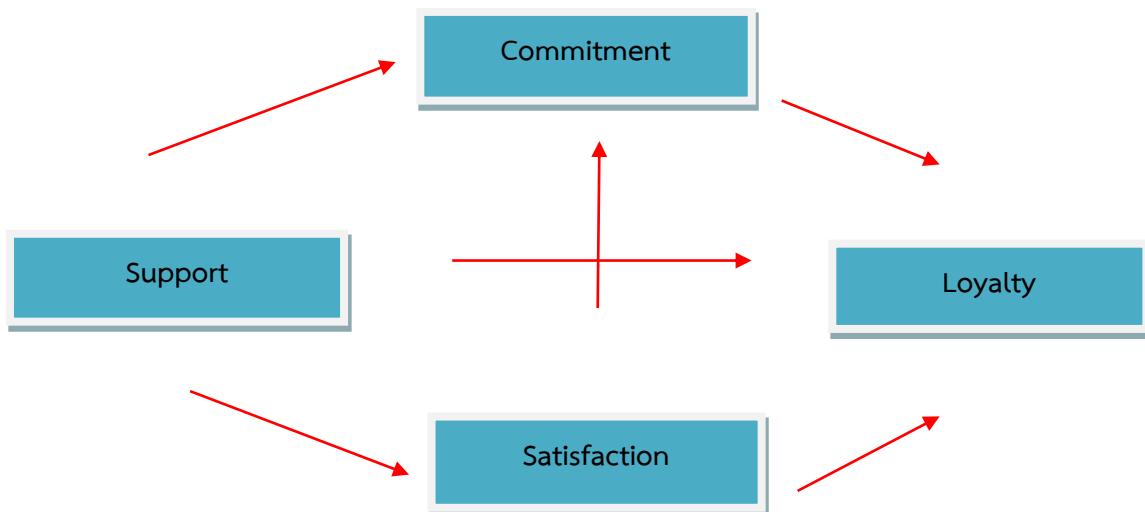


Figure 1: Path Diagram: Research Conceptual Model

To achieve this aim, a path diagram is developed for examining effect between each variable. The research questions are addressed as follows:

To what extent do the level of support of the managers and job commitment in organizations and job satisfaction contribute to the employees' loyalty to the organization?

Research Methodology

The measurements used for this study are established scales to measure the constructs including level of support of the managers, job commitment in organizations, job satisfaction and employees' loyalty. The Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree) were employed for each of the questions in the questionnaire. The questionnaire were developed from the theoretical framework, which was based on the previous studies of employee loyalty, the level of support of the managers, job satisfaction and Job commitment concepts. A review of literature related to employee loyalty was also undertaken to support the development of relevant questionnaire. These included the studies by Ingersoll et al. (2002), Judge 2017 and Maloni et al. (2017). Consequently, the questions were reviewed by academic experts in the survey research areas to increase the creditability of the current study.

The survey of employees which contains questions on the level of loyalty to the organisation, the level of support of the managers, job satisfaction and Job Commitment was used to analyse in this study. An illustration of the measurements used in this research shows in Table 1, with acceptable Cronbach's alpha coefficient of .70 indicating these scales are reliable (Gliem & Gliem, 2003).

Table 1: Reliability Analysis

Variable	Cronbach's Alpha Coefficient (α)
Support of the Managers	0.93
Job Commitment	0.89
Job Satisfaction	0.83
Employees' Loyalty	0.85

Accordingly, Cronbach alpha coefficient for all scales exceeded .80, which indicate excellent reliability for all factors under study including support of the managers, Job commitment, Job satisfaction and Employees' Loyalty. Thus, the results of reliability are reflected to be acceptable.

The Scope and Coverage of the Study

The data was collected from managers with responsibility for employment relations or personnel matters; trade union or employee representatives; and employee themselves. The focus of the survey was the practice of employment relations at the workplace. This survey covers workplaces in both private and public sectors in Bangkok Thailand. A self-administered questionnaire with the closed-end and scale type format was used to ask including the level of loyalty to the organisation, the level of support of the managers, job satisfaction and Job Commitment.

Sample size

This survey was based on a random sample of establishments in existence in 2017. The survey data conducted from approximately 200 face-to-face interviews with managers, 200 face-to-face interviews with employees via a self-completion questionnaire.

Research Finding

Table 2: Pearson's Correlation Coefficient

	Support of the Managers	Job Commitment	Job Satisfaction	Employees' Loyalty
Support of the Managers	1	.589	.617	.516
Job Commitment	.589	1	.446	.615
Job Satisfaction	.617	.446	1	.539
Employees' Loyalty	.516	.615	.539	1

As shows in Table 2, the Pearson correlation coefficient is calculated to examine for multicollinearity. There is no substantial correlation between any of the variables ($R>.9$). The correlation is used for choosing variables that have a strong relationship in order to develop an input path diagram.

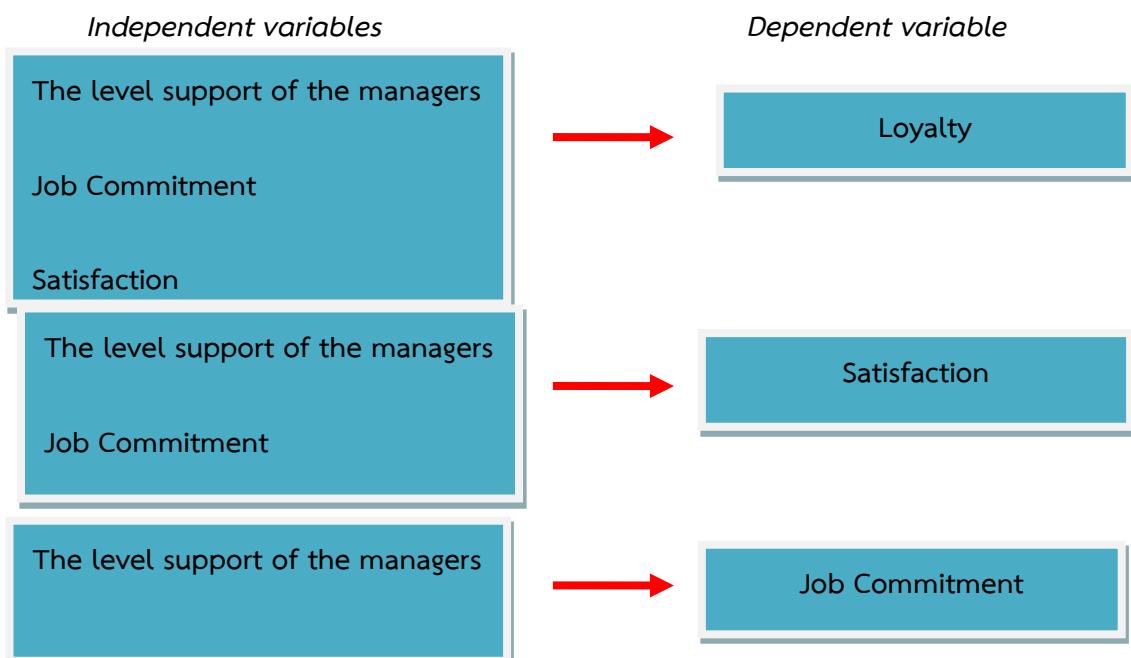


Figure 2: A set of Diagram analysis

As shows in Figure 2, an input path diagram is developed to present the causal connections.

Path Analysis

To move from this input diagram to the output diagram, computing path coefficients is needed by setting up structural equation.

Table 3: Structural Equation

Loyalty = b11 support + b12 commitments + b13 satisfaction + e1
Satisfaction = b21 support + b22 commitments + e2
Commitments = b31 support + e3
Find that b11 = 0.28, b12=0.11, b13= 0.37
b21 = 0.48, b22= 0.17
b31 = 0.80

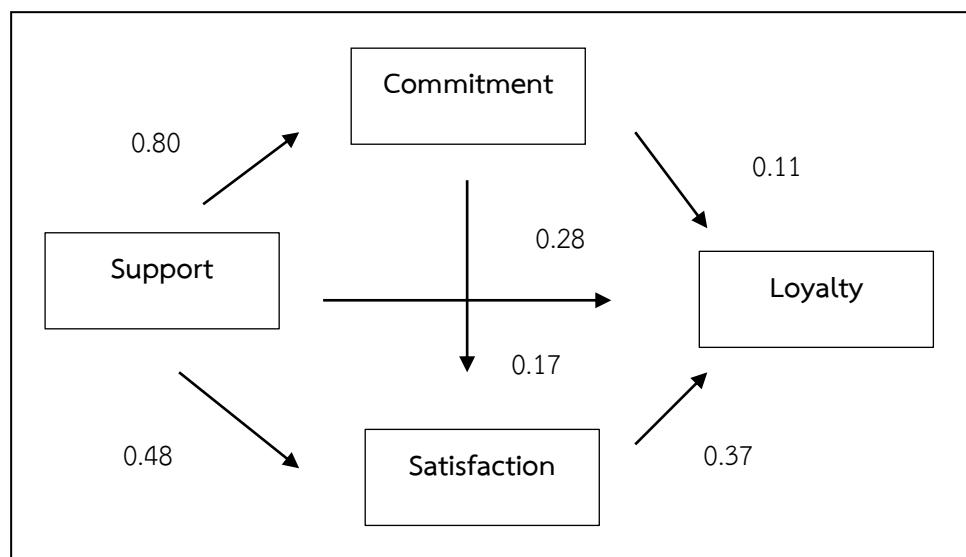


Figure 3: Path Analysis

The overall result may seem surprisingly intuitive: the level of support of the managers was found to highly affect the employees' commitment and in a positive direction (0.80). The level of support of the managers and satisfaction were also found to be positive related, but more weakly (0.48). The direct effect from the level support of the managers to loyalty was weakly positive (0.28).

In addition, indirect effects of the level support of the manager on loyalty are also suggested: the level of support of managers affects job satisfaction which in turn affects the level of loyalty to the organisation. The level of support of manager also affects commitment which in turn affects loyalty and the level of support of managers affects commitment which affect job satisfaction which affects loyalty.

Table 3: The indirect effects coefficients the level of support of managers to the level of loyalty in organisation

Support -> Satisfaction -> Loyalty $0.48 \times 0.37 = 0.18$
Support -> Commitment -> Loyalty $0.80 \times 0.11 = 0.09$
Support -> Commitment -> Satisfaction -> Loyalty $0.80 \times 0.17 \times 0.37 = 0.05$
Total indirect effect = 0.32

Total effect of the level of support of managers on Loyalty: The total indirect effect of the level of support of managers on loyalty is positive (0.32) and direct effect is also positive (0.28). The total effect is then $0.32 + 0.28 = 0.6$

Total effect of the Job Commitment on Loyalty: The total indirect effect of the employees commitment on loyalty is positive 0.06 (0.17×0.37) and direct effect is also positive (0.11). Therefore, the total effect is $0.06 + 0.11 = 0.17$

Total effect of Satisfaction on Loyalty: Direct effect of satisfaction on loyalty is positive 0.37 and no indirect effect. Therefore, the total effect is 0.37

Conclusion and Discussion

The key objective of this study is to explore factors influencing organisational loyalty. The study is designed to test model to predict the level of loyalty to the organization. Three independent variables are used for testing including the level of support of managers, Job commitment, and Job satisfaction. The proposed framework is that these three variables affect the likelihood that employees will engage in the level of loyalty to organization.

The level of support of managers, Job commitment, and Job satisfaction affect employees' loyalty to the organisation. The result indicates that the total effect of the level of support of managers on loyalty is positive 0.6. The total effect of the Job Commitment on loyalty is positive 0.17, and the total effect of satisfaction on loyalty is positive 0.37.

The results show that of the level of support of managers is stronger direct effect on the level of loyalty to organization than the Job Commitment. In addition, it should be noted that indirect effects are also contribute employees loyalty to organization. The findings provide good support for the proposed concept. Therefore, it could be claimed that the greater level of support of the managers, the greater the job commitment in the organisation. The higher the level of satisfaction, the higher the level of loyalty to the organisation. These findings would benefit for companies to increase the employees' loyalty in organization.

References

Bell, S. J., & Menguc, B. (2002). "The employee-organization relationship, organizational citizenship behaviors, and superior service quality." *Journal of retailing* 78,2 : 131-146.

Bhuvanaiah, T., & Raya, R. P. (2014). "Employee engagement: Key to organizational success." *SCMS journal of Indian management* 11, 4 : 61.

Chen, Z. X., Tsui, A. S., & Farh, J. L. (2002). "Loyalty to supervisor vs. organizational commitment: Relationships to employee performance in China." *Journal of occupational and organizational psychology* 75, 3 : 339-356.

Eungswan, K. & Chantuk, T. (2016). "Development of a policy model for achievement motivation enhancing work competence of elderly returning to labor force." *Veridian E-Journal; International Humanities, Social Sciences and arts* 9, 5: 67-82.

Fu, W., & Deshpande, S. P. (2014). "The impact of caring climate, job satisfaction, and organizational commitment on job performance of employees in a China's insurance company." *Journal of Business Ethics* 124, 2: 339-349.

Gliem, J. A., & Gliem, R. R. (2003). "Calculating, interpreting, and reporting Cronbach's alpha reliability coefficient for Likert-type scales." Midwest Research-to-Practice Conference in Adult, Continuing, and Community Education.

Ibrahim, M., & Al Falasi, S. (2014). "Employee loyalty and engagement in UAE public sector." *Employee Relations* 36, 5: 562-582.

Ingersoll, G. L., Olsan, T., Drew-Cates, J., DeVinney, B. C., & Davies, J. (2002). "Nurses' job satisfaction, organizational commitment, and career intent." *Journal of Nursing Administration* 32, 5: 250-263.

Judge, T. A., Weiss, H. M., Kammeyer-Mueller, J. D., & Hulin, C. L. (2017). "Job attitudes, job satisfaction, and job affect: A century of continuity and of change." *Journal of Applied Psychology* 102, 3: 356.

Kurtessis, J. N., Eisenberger, R., Ford, M. T., Buffardi, L. C., Stewart, K. A., & Adis, C. S. (2017). "Perceived organizational support: A meta-analytic evaluation of organizational support theory." *Journal of Management* 43, 6: 1854-1884.

Maloni, M. J., Campbell, S. M., Gligor, D. M., Scherrer, C. R., & Boyd, E. M. (2017). "Exploring the effects of workforce level on supply chain job satisfaction and industry commitment." *The International Journal of Logistics Management* 28, 4: 1294-1318.

Mayfield, J., & Mayfield, M. (2006). "The Benefits of Leader Communication on Part-time worker outcomes: A comparison between part-time and full-time employees using motivating language." *Journal of Business Strategies* 23, 2: 131-153.

Morozova, L. S., Morozov, V. Y., Khavanova, N. V., Lustina, T. N., & Panova, A. G. (2016). "Approach to Evaluating Personnel Loyalty in the Context of Streamlining the Company's Human Resources Policy." *Indian Journal of Science and Technology* 9, 12.

Nisar, Q. A., Uzair, M., Razzaq, W., & Sarfraz, M. (2017). "Impact of HR Practices on Employee loyalty and commitment: Mediating role of Job satisfaction." *International Journal of Management Excellence* 9, 2: 1067-1073.

Teeratanachaiyakun, K. (2016). "Strategic Human Resources Management ...Leading toward....Excellent Working Platform." Veridian E-Journal; International Humanities, Social Sciences and arts 9, 4: 277-288.

Zopiatis, A., Constanti, P., & Theocharous, A. L. (2014). "Job involvement, commitment, satisfaction and turnover: Evidence from hotel employees in Cyprus." *Tourism Management* 41: 129-140.