

Can job satisfaction help achieve employee loyalty?

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Employee loyalty is the willingness of one to make personal sacrifices for an organization. A loyal employee is not always actively looking for alternative jobs. The Loyalty Research Centre, an Indianapolis-based consultant that focuses on the customer and employee loyalty issues, defines loyalty in part as employees being dedicated to the success of the organization and believes that working for this organization is their best option.

Employee loyalty is important because profit and growth are stimulated primarily by customer loyalty. Customer loyalty is strongly connected to employee loyalty. Customer satisfaction can be achieved by satisfied, loyal, and productive employees. Loyal employees also contribute to the success of the organization. But does job satisfaction help achieve employee loyalty?

MetLife's 10th annual survey of employee benefits, trends, and attitudes released in March 2014 puts employee loyalty at a seven-year low. One in three employees, the survey says, plans to leave his or her job by the end of the year. According to a 2011 Careerbuilder.com report, 76% of full-time workers, while not actively looking for a new job, would leave their current workplace if the right opportunity came along. Other studies show that each year, the average company loses anywhere from 20% to 50% of its employee base. These figures indicate that employees are clearly feeling disconnected from their work. Following this survey, most people are not satisfied with their jobs hence no longer loyal to their jobs.

Richard Branson said and I quote "clients do not come first. Employee comes first. If you take care of your employees, they will take care of the clients. Taking care of your employees and making sure that they are satisfied with their jobs will make them more loyal to the organization. According to Chang et al (2010), employee job satisfaction is an antecedent to employee loyalty. Employees who feel satisfied with their jobs will most likely be more loyal to the organization than dissatisfied employees (Kim et al, 2005). Once employee job satisfaction increased, the degree of employee loyalty also increases.

A study on the relationship between job satisfaction and loyalty of employees in the banking sector was done in Vietnam (Ho Chi Minh city) 2013. The findings of this study indicated that higher job satisfaction is positively associated with a higher level of organizational loyalty.

Therefore job Satisfaction does help to achieve employee loyalty but, they are also other factors like supervisor support, promotion prospects and length of service in the organization. The study for the banking sector also highlighted that these factors may directly or indirectly affect employee loyalty. Since employees increasingly expect to get more out of their jobs, the employer first needs to pay great attention to these factors. This will help increase employee loyalty.

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