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Title : Employee Loyalty

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Abstract

When examining employees' behaviors in an organization, loyalty is one of the topics gained considerable attention. The main purpose of this paper is to study the factors that influence one's loyalty to their job, or to their company. Specifically, we organized those factors into three levels as personal, interpersonal, and organizational. Employees' performance is affected by their motivation toward their work, which directly impacts their job constancy. Moreover, it is easy to speculate that there is a strong causal link between employee loyalty and wages, which would be connected to the motivation of employees, but it has rarely been examined. By reviewing related research, we found out that employee loyalty is negatively associated with wages (Masakure, 2016). Beside the wages, interpersonal trust has been identified as the fundamental cornerstone for trustful organization behavior and dynamic collaboration in the workplace (Dirks & Ferrin, 2001). Kurt and Birgit (2007) argued that interpersonal trust strongly influences employee satisfaction and, as a consequence, employee loyalty. In sum, we purported that job satisfaction connected motivation, effect of wages, and interpersonal trust to employee loyalty. Furthermore, relevant data revealed that the loyalty of the boss itself has an important influence on the loyalty of employees, such as Kodak. Its reputation for high employee loyalty is still well-known in the business world. On the contrary, some international companies are large in scale, but their employee loyalty is the least in the ranking, such as Google and Amazon. Based on the above analysis, it helps us to have a further understanding and exploration of employee loyalty.

Keyword: *employee loyalty, motivation, wages, interpersonal trust, job satisfaction*

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1. Introduction

Nowadays, the organizational commitment of employees is a topic of interest to organizations; this concept will not only be found through proper management of human and material resources, but also through good leadership, a policy and an organizational strategy focused on continuous improvement, all of this is considered essential for employees, so they can have commitment, do their job passionately and above all, to be loyal to it.

This research was enlightened by a well-known company, Kodak. According to Fortune magazine, Kodak is one of the best companies to work for, being one of the largest multinational companies dedicated to the design, production, and marketing of photographic equipment. But how does this company motivate more than 5000 people and inspire balance, loyalty, and team spirit?

This issue is of utmost importance for the company, since if there is no such degree of commitment in its employees, the company can be affected in: (1) unjustified absenteeism, (2) delays, (3) low productivity, (4) lack of loyalty, (5) negative communication between colleagues; and (6) job dissatisfaction.

Employee loyalty had been proved as an employer branding used to attract and retain effective and profitable people for companies (Mandhanya, & Shah, 2010), conceiving the internal customer as the most relevant asset of the company and loyalty is the action aimed at ensuring that these maintain relationships with the company over time, by creating a positive feeling towards the company which motivates and encourages them to continue with it.

Attracting and retaining the most effective and profitable workers will be a true investment in the future. Companies that truly treat employees as the most important assets they own have a huge competitive advantage over those that don't. However, how is this generated? The main variables proposed in this work highlight employee loyalty based on the Kodak company, having as a question the main variants that influence labor loyalty.

In this order of ideas, organizational commitment is analyzed from different perspectives and that is why the intention of this work is to find out the causes and motives (previously mentioned) for which the employees of this organization show high levels of satisfaction and labor loyalty to their company.

2. Personal antecedents of employee loyalty interpersonal trust

2.1. Relation between motivation and employee loyalty

It is believed that employee motivation is one of the considerations for employees when deciding whether to keep working in the same company or not. Motivation is the enthusiasm, energy level, commitment and creativity employees bring to the organization. The more motivation an employee has, the more effort is put into work. Hence, motivation is one of the top priorities that organizations have to deal with. Motivation is usually separated into intrinsic and extrinsic. Therefore, in this research, we are interested in knowing whether intrinsic or extrinsic motivation has higher effects on employees' loyalty by considering existing research referring to the same topic.

2.1.1. Relation between motivation and employee loyalty

Al Balushi and Aulia (2019) had proved the strong positive relations between employee motivation and loyalty (Shown in Table 1). The research database was collected from 70 employees working in Nama Group, Oman (Al Balushi and Aulia, 2019).

Table 1. The correlation between motivation and employee loyalty in the organization

		Motivation	Employee Loyalty
Motivation	Pearson Correlation	1	.589**
	Sig. (2-tailed)		.000
	N	63	63
Employee Loyalty	Pearson Correlation	.589**	1
	Sig. (2-tailed)	.000	
	N	63	63

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Al Balushi, K., & Aulia, S. (2019). A Study on Motivation and its Relationship with Employee Loyalty and Commitment: A Case study of Nama Group Sultanate of Oman. *International Journal of Managerial Studies and Research*, 7(4).

2.1.2. Impact of different motivation on employee loyalty

Obviously, according to the result mentioned above, motivation and loyalty are positively related. However, it is unclear which kind of motivation has a greater impact on employee loyalty. Therefore, need theory is attracted to many researchers to find the answer. One of the most familiar and popular theories discussing motivation is Maslow's need hierarchy. On the other hand, many researchers criticized the theory of failing in describing job motivation (Panagiotis et al., 2019). Hence, the ERG, which stands for Existences, Relatedness, and Growth, theory was applied to demonstrate the objective. ERG theory was developed from the five levels of Maslow's need hierarchy through empirical research by Alderfer (year).

The existence needs include all the basic material and physiological desires for existence. The existence needs correspond for the first two levels of Maslow's hierarchy. The relatedness needs encompass social and external esteem of a person. In specific, it is the desire in relationships with significant others like family, friends, co-workers, and employers. Relatedness needs of the ERG fit with Maslow's third and fourth level of needs. Lastly, growth needs consist of internal esteem and self-actualization. These desires are factors that push a person to make creative or productive effects on himself and the environment. Growth needs are matched with the fourth and fifth levels of Maslow's hierarchy. Unlike Maslow's theory which fall short of being replicated empirically, the ERG theory has been examined in many research focusing on the correlation between its contents and work behavior (Trivellas, Panagiotis & Kakkos, Nikos and Reklitis, Panagiotis, 2015). For example, Trivellas, Panagiotis & Kakkos, Nikos and Reklitis, Panagiotis (2015), adapting Alderfer's theory, discovered which kind of needs cause certain behaviors reflected on employee loyalty and performance intentions, rather than just consider the correlation between motivations and behaviors.

The study is the investigation of the impact of motivation on loyalty and performance intentions in Greek banking sectors (See Table 2). The data was collected through a questionnaire method asking 220 employees of bank branches in Greece. Panagiotis et al. set out five main categories, which are existence needs (pay), existence needs (fringe benefits), relatedness needs (peers), relatedness needs (supervisors), and growth needs, to determine whether the need satisfactions are the improvement of employees' loyalty and job performances.

Table 2. The relationship between needs satisfaction, employee loyalty, and performance intentions.

Independent variables	Dependent variables	
	Employee loyalty	Performance intentions
Control Variables		
Gender	-0.003	-0.041
age	0.075	0.074
Working experience	-0.075	-0.084
Alderfer needs		
existence needs (pay)	0.168**	0.187**
existence needs (fringe benefits)	0.066	0.003
relatedness needs (peers)	0.113*	0.039
relatedness needs (superiors)	0.513***	0.462***
growth needs	0.143**	0.208**
<i>Adjusted -R²</i>	0.576***	0.486***

* Significant at the 0.05 level, ** significant at the 0.01 level, *** significant at the 0.001 level. Valid N=90.

Source: Trivellas, Panagiotis & Kakkos, Nikos & Reklitis, Panagiotis. (2015). Investigating the impact of motivation on loyalty and performance intentions in the Greek banking sector.

Considering the results shown in the table 2 above, we can observe that 4 out of 5 categories are related to employee loyalty. Thus, the relatedness needs referring to respect from superiors is the most important factor impacting employee loyalty, followed by existence needs of pay and growth needs. The relatedness referring to peers' respect is the least predictor of employee loyalty.

For existence needs, only satisfaction with pay has a direct impact on loyalty of a frontline employee, while satisfaction of fringe benefits has no association. In the case of relatedness needs, the frontline employees pursue the acceptance of their employers rather than the respect and acceptance of their colleagues. Lastly, for growth needs, higher order needs do motivate frontline employees, which is in contrast with Maslow's theory assuming that higher order needs are not motivators of lower level employees.

To sum up, there is no direct evidence to conclude the difference between the impact of intrinsic and extrinsic motivation on employee loyalty. Still, based on the results of the studies, which follow the ERG motivation theory, mentioned above, it is convinced that employee loyalty is positively and directly affected by employee motivation.

2.2.Relation between job satisfaction and employee loyalty

Most of the companies are interested in the employee who is working hard and also who can be loyal to the organization or company. But to make the employee work hard or keep loyal to the company, some factors are needed. Because the employees must have some reason why they want to keep staying in the company, and it is important for the company to know what kind of action that the company needs to take to keep the employee loyal.

One of the key factors that can affect employee loyalty is job satisfaction. Job satisfaction itself according to Locke (1976) is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Job satisfaction is how the person who works feels about the job experience, whether she or he likes the job or not. As defined by Zanabazar and Sarantuya (2018), employee satisfaction is one of the crucial factors for organizational performance as it has impacted numerous employment-related issues.

Job satisfaction is a complex concept, because what satisfies one person will be different from another person. Some people will think that having higher wages satisfies them more and others might feel having a good co-worker will satisfy them more than wages. Therefore, we organized several factors that had been found related to job satisfaction, and which in turn influence the employee loyalty.

Environment

The working environment has a positive impact on the job satisfaction of employees, and thus providing a conducive work environment to employees is essential. A study by Razig and Maulabaksh (2015) shows that the working environment has a positive impact on job satisfaction. However, having a bad working condition will have a bad impact on the employee to attain their full potential, so it is important for the company to understand and provide a good working environment for the employee.

Wage

Money is one of the most valuable instruments to live in this world in that money is an instrument in exchange to fulfill their daily needs, and also tertiary needs to fulfill their satisfaction in life, because of that people will work for wages. According to Muguongo, Muguna, and Murithi (2015) wage has a positive and big impact on the job satisfaction of the workers, with higher wages and compensation means higher satisfaction that workers get.

Passion

Employees or people who turn their passions into careers will reach job satisfaction easier whatever they do in their workplaces. From the study by Spehar, Forest, and Stenseng (2016), passion has a positive impact on employee satisfaction. Having a career that is the same as our passion is what every person dreams of.

Feel of Belongings

Most companies fail to understand this fundamental factor, and a lot of companies start to take this issue seriously. Based on the research of Winter-collins and Mcdaniels (2000), a sense of belonging had a significant positive impact on total satisfaction. It is important to make the employee feel that he or she is considered as part of the team members. This will make them feel more belonging to the company itself, and which engender higher satisfaction. With giving a small little gesture such as texting them, giving appreciation for their complete task, having a small chat outside the team, and also saying happy birthday, all of this little gesture will make he or she believe that they are belongs to the team, which can bring job satisfaction and employee loyalty at the same time.

It is believed that with all of these factors which include environment, wage, passion and also the feeling of belonging will give a big impact on employees feeling satisfied with their job and also it is affecting the decision of the employee if they want to stay or not. Rajput, Singhal, and Tiwari (2016)'s research focused on Academicians from North India showed that the correlation between job satisfaction and employee loyalty.

Table 3. The relationship between job satisfaction and employee loyalty.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	14.346	3.597		3.989	.000
Job Satisfaction	.363	.074	.445	4.917	.000

Source: Rajput, S., Singhal, M., & Tiwari, S. (2016). Job satisfaction and employee loyalty: A study of academicians. *Asian Journal of Management*, 7(2), 105-109.

With regression analysis applied, the beta factor of job satisfaction is .445 and the T value is 4.91 which indicates that both are correlated to each other, and job satisfaction has a significant impact on employee loyalty itself.

In line with the evidence above, we purported that job satisfaction is one of the most

vital parts of giving impact to employee loyalty, therefore, to achieve job satisfaction there is a lot of access needed such as environment, wage, passion, and also feel of belonging, which is also related indirectly to employee loyalty.

3. Interpersonal antecedents of employee loyalty – Relation between interpersonal trust and employee loyalty

The relation between interpersonal trust and employee loyalty has been studied by researchers but there is not a vast amount of information about it. However, there is one research about interpersonal trust and affective commitment by Bagraim and Hime (2007) that can be linked to other research about employee commitment to explain the relation between these two topics.

Based on Ma, Schaubroeck, and LeBlanc (2019), interpersonal trust refers to confidence in another person (or between two persons) and a willingness to be vulnerable to him or her (or to each other). Bagraim et al.(2007) studied about the interpersonal trust and the affective commitment in an organization. Unlike most of the research regarding personal trust, they separate it to supervisors and interpersonal trust to co-workers due to the essence of them are distinct. Specifically, trust in a supervisor is an interpersonal form of trust that emerges from an employee's perceptions of the supervisor's integrity, ability, openness to share information, and consistency of behavior. This trust has been widely researched by many researchers. On the other hand, trust in co-workers is another form of interpersonal trust. The research proposed that if a coworker interacts with integrity, consistency, ability, and openness towards a colleague then the relationship between them is likely to be strengthened and maintained. But there is very little research about this type of trust.

Table 4. The correlation between supervisory trust, co-worker trust and commitment.

Variable	M	SD	Skew.	Kurtosis	1	2	3	4
1. T-SUP	5,44	0,90	-0,32	0,12	(0,95)			
2. T-CW	4,76	0,83	-0,11	0,59	0,426**	(0,95)		
3. AC-SUP	3,39	0,85	-0,31	-0,42	0,474**	0,201*	(0,82)	
4. AC-CW	3,49	0,79	-0,61	0,09	0,071	0,252**	0,478**	(0,86)

Source: Bagraim, J. J., & Hime, P. (2007). The dimensionality of workplace interpersonal trust and its relationship to workplace affective commitment. *SA Journal of Industrial Psychology*, 33(3), 43-48.

The study from Bagraim et al.(2007) showed (see table 4) us the number of correlations between interpersonal trust and commitment. As you can see from the illustration, the variables on the left side are 1)Trust supervisor 2)Trust co-worker 3)Affective commitment supervisor 4)Affective commitment co-worker. The correlation analysis revealed significant relationships between and within the trust and affective commitment scales. Specificallym The value of 0.474, shows a significant positive relationship between Trust supervisor (T-SUP) and Affective commitment supervisor (AC-SUP). Likewise, the value of 0.252, shows a significant positive relationship between Trust co-worker (T-CW) and Affective commitment co-worker (AC-CW). This analysis demonstrated that both interpersonal trust to supervisors and interpersonal trust to co-workers have a positive relation between the commitment but with a higher relation in supervisors' trust.

The study about firm performance, worker commitment and loyalty by Brown, S., McNabb, R. and Taylor, K. (2007) showed us that commitment captures an employee's involvement in the organization, and it relates to an employee's obligation to remain in the organization (Employee loyalty). Another study conducted by Meyer et al. (1993) confirmed a strong affective commitment to an organization arises because employees share values with both the organization and its members and is therefore predicted to have the strongest positive association with job performance. We can see from these two researches that the higher commitment the employees have, the higher their loyalty to the company.

From all the research and the evidence, we can conclude that interpersonal trust is positively related to employee commitment and, as a consequence, it increases employee loyalty. Even though we made the conclusion in this paper, we still need a deeper research about the relationship between interpersonal trust, employee commitment, and employee loyalty for a better understanding on this topic.

4. Organizational antecedents of employee loyalty – Relation between wages and employee loyalty

Research had documented that the higher the loyalty of employees in a company, the more desirable it is. Thus, companies will endeavor to enclose their employees in various ways to achieve higher loyalty. To achieve this, some companies may raise employee salaries. But whether raising salaries really have a real effect on employees' loyalty to the company is under question. It seems this fact is blindly known to society and the entire company without further research, and we thus answer this call by reviewing the related literature

In the beginning, it was reminiscent of the unique institution and culture of Japanese companies in relation to employee loyalty.

Japanese employment practices are said to be "professional-type" and are characterized by the following three types as "lifetime employment," "seniority-wage system," and "labor unions by company." Also known as the "membership type," most employment contracts involve hiring people first and then allocating work, with no restrictions on the job, place of work, or working hours. Since future wage increases and employment until retirement age are secured, employees can work with a sense of stability, and the company has the advantage of being easily attached.

The background of the system of lifetime employment and seniority is the traditional Japanese way of thinking of society and the culture of the company. Japanese companies regard employees as their families, and the idea that the company takes responsibility for taking care of employees and their families until the day of retirement is widespread. This provides employees a stable job, and the longer they stay, the higher their salary, which makes it easier for them to design in the future and has the advantage of living a stable life. It is believed that the company treats employees like their families and allows them to work for a long period of time, which makes them more attached to the company and fosters loyalty.

However, due to the influence of globalization, various foreign-affiliated companies have entered Japan and new employment forms have been introduced, and this way of thinking has become obsolete. Young people, in particular, are less interested in lifetime employment and seniority-wage systems and tend to focus more on their lives and job satisfaction than on loyalty to the company. There is a growing need for traditional companies to reassess whether the old way was really right.

From some research, we will consider whether the seniority-wage system really contributed to the improvement of employee loyalty. According to Carraher (2011), high employee turnover is one manifestation of employee lack of loyalty and lack of job satisfaction, poor working conditions, low compensation, etc.

There are several studies showing that compensation has a significant positive impact on employee loyalty. Joseph & Ethel (2017); Onsaldi et al.(2017)This shows that compensation plays an important role in increasing employee loyalty. However, studies have shown a negative impact on employee loyalty (Masakure, 2016). In addition, there is the fact that wages and job satisfaction have a strong relationship. For example, Muguongo et al. (2015) showed that compensation plays an important role in

determining employee job satisfaction. Compensation for job satisfaction has a positive effect, and the higher the compensation provided by the company, the more satisfied the employee is with the job.

In general, meeting employee needs, recognizing employee efforts, and rewarding financial and non-monetary rewards tends to help organizations increase employee job satisfaction. Satisfied employees show an attitude of loyalty by making the best contribution to the success of the company (Zakaria et al, 2019).

Shanthakumary (2013) investigated and confirmed the mediation effect of job satisfaction on the relationship between compensation and employee loyalty.

One of the surveys conducted observations at more than 100 hotels scattered throughout Hungary to assess the reasons for respondents' loyalty (see Table 5.).

Table 5. The ranking of respondents for their relative importance of reasons for loyalty

Reasons for being loyal	n	Rank	Mean	Std. deviation
I like providing good service to the customers	647	1	4.23	.957
I enjoy meeting customers	649	2	4.09	1.536
I enjoy good communications with my work-mates	644	3	4.06	.946
I get personal satisfaction from my job	660	4	3.98	1.033
I respect my head of department	643	5	3.97	1.032
I enjoy good communications with my managers	657	6	3.72	1.085
I am proud of my company	657	7	3.70	1.020
The location of my workplace is convenient for me	657	8	3.66	1.215
I have job security	653	9	3.54	1.088
The working hours are suitable for me	649	10	3.50	1.106
I think of the workplace as my second home and work-mates as my family	649	11	3.38	1.080
The job is varied; each day is different	653	11	3.28	1.126
I receive good training with this company	646	13	3.22	1.149
The job is fun	646	14	3.20	1.087
I have a career path planned for me/I have good promotional prospects	645	15	3.16	1.118
There are opportunities for skills' development in my job	645	16	3.12	1.158
The salary offered is good	648	17	3.03	1.137
My job is highly respected in the industry	648	18	3.01	1.048
My job is highly respected in the society	629	19	2.98	1.088
The benefits offered are good	640	20	2.96	1.154
The maternity/paternity package is good	578	21	2.89	1.238
Valid N (listwise)	495			

Source: Masakure, O. (2016). The effect of employee loyalty on wages. *Journal of Economic Psychology*, 56, 274-298.

Based on the information listed in the Table 4, we found that the reasons that most influenced employee loyalty were predominantly related to customer service and dedication to the company, good working relationships, effective communication, and respect for superiors. Surprisingly, salaries and other benefits were at the bottom in terms of promoting loyalty. In general, these findings show the loyalty of hotels in Hungary, not the specific rewards, but the fact that the work environment, atmosphere, and people are the most important contributors.

Therefore, we can conclude that wages do not directly affect employee loyalty. However,

wage and job satisfaction are closely related, and because job satisfaction affects the improvement of employee loyalty, wage is indirectly involved. In other words, in traditional Japanese companies, seniority-wages system and lifetime employment did not directly affect employee loyalty in terms of salary increases over the years, however, it can be said that deepening relationships with superiors and colleagues while working for a long period of time directly contributed to the improvement of employee loyalty.

5. Methodology: Employee Loyalty in Kodak vs. Google and Amazon

When looking for the list of the most loyal employees, we were pleasantly surprised to find Kodak's name at the top of the list. In the contemporary era where digital cameras have long been widely used, Kodak, which ended the film era with bankruptcy, is still well-known in business management. On the contrary, many large international companies, such as Apple and Google, are seen as having the worst employee loyalty in the list. In this part, I will discuss the characteristics that belong to Kodak when facing their employees, and what kind of characteristics are not suitable to cultivate the loyalty of the company's employees.

First of all, before requiring loyalty from your employees, the bosses need to remain loyal, willing to dedicate to employees. Although Kodak has 18,000 employees, it always regarded its employees as their biggest investment. George Eastman, founder of the Eastman Kodak Company, established the Kodak Welfare Fund in 1911. The fund helps employees who are unable to work because of an accident, illness, or retirement. Then Eastman introduced one of the most advanced and extensive profit-sharing programs in American corporate history, called the "Salary Dividend." After seven years, Eastman will offer nearly a third of its individual shares to employees at a discount price. Later Eastman implemented paid sick leave, life insurance, disability insurance, retirement annuities, paying for college tuition, and access to company-funded medical centers and company housing. Kodak's employees believed that they could have a good life after a hard day's work, and he knew there was only one way to pay back, and that was loyalty.

Many companies organized outings or chants as a way to build team cohesion. But when define a leader, as George Eastman did, we don't have to create complex internal branding campaigns to persuade employees to be loyal. Because George Eastman was loyal to his employees, and in turn, they were loyal to him. Kodak never joined a labor union, and their employees were known for holding jobs for life -- and they tended to participate in the Kodak community long after they stopped working for it.

Obviously, Kodak is not only willing to create opportunities and value for employees through cultural diversity, innovation, and social influence, but also has established strong family values within the company.

Moreover, employee participation is important for all bosses. In contrast to Kodak, Amazon has come under fire from society for its human resources. Previous reports of unsafe working conditions at Amazon warehouses drew widespread attention, and a blog post by former Amazon vice president Tim Bray explaining that he had resigned "in frustration" over his dismissal received widespread coverage in the news and on social media.

Over the past 15 years, Amazon has transformed retail. However, a fast-growing technology company requires a workforce of talented software engineers, so many of their employees are often replaced for lack of capability. In addition, the company has grown rapidly in recent years, and many of the jobs are new, which is another reason why Amazon employees typically stay with the company for only one year. However, if a job can provide employees with a labor salary and the opportunity to learn and grow together with the company, it will greatly enhance employees' loyalty.

The criticism of Amazon is important because employee engagement can influence customer perceptions and purchasing decisions. Research by Weber Shandwick, a public relations firm, shows that when consumers discuss companies, how they treat employees is one of the top five issues they care about. In a report released by the global research firm, no link between a company's single action and its ability to build trust among the public was more important than "treating employees well."

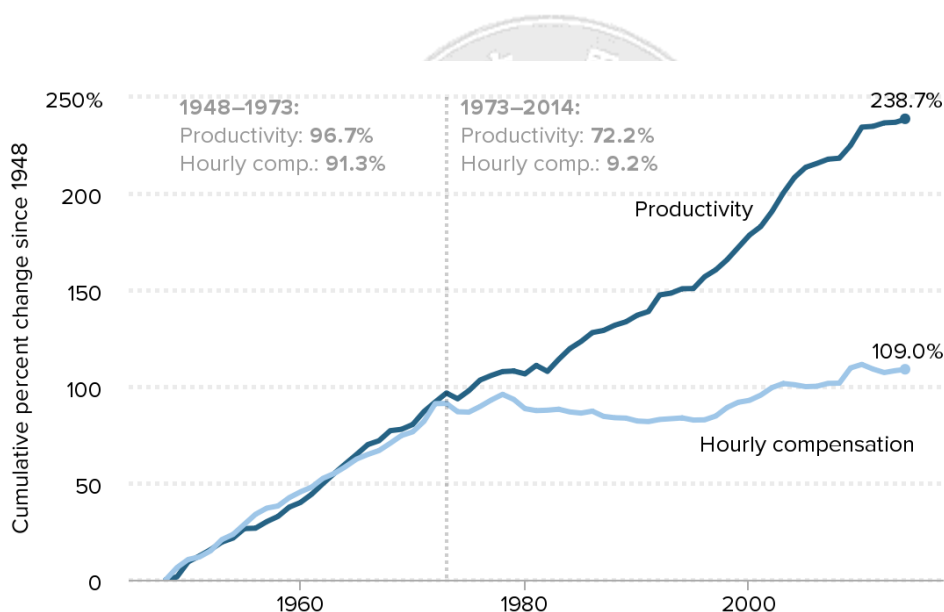
In particular, the COVID-19 pandemic has increased customer awareness of employee well-being. How Amazon treats its employees also affects the company's ability to retain existing employees and attract new ones. In a March 2020 survey of 2,200 U.S. adults, U.S. researchers found that 67% said it was important for companies to 'take care of employees and treat them well, even in difficult times.' Fifty-three percent agreed with the statement "I am more likely to buy from a company that treats its employees flexibly and sympathetically."

Therefore, let employees and the company grow together. Amazon's has high employee turnover. Employees are often fired. In fact, this situation will increase the company's training costs, because it actually requires a lot of costs to train employees and make

them familiar with their positions.

We should dilute words like leadership and redefine them in terms of what loyalty really looks like. Despite Kodak's well-known struggles in the digital age, its nearly century-old dominance of the industry suggests that following George Eastman's example is a good place to start when it comes to developing loyal employees and understanding the relationship between loyalty and results.

Actually, much of the social contract between employers and employees has been broken. According to PayScale's report, it records data collected from Fortune 500 companies over the past year. The average tenure of a typical employee at a company is just 3.68 years. The average tenure of Kodak employees was 20 years. Overall, employee loyalty is not what it used to be.



Note: Data are for average hourly compensation of production/nonsupervisory workers in the private sector and net productivity of the total economy. "Net productivity" is the growth of output of goods and services minus depreciation per hour worked.

Source: EPI analysis of data from the BEA and BLS (see technical appendix for more detailed information)

Economic Policy Institute

Figure 1 The disconnection between productivity and a typical worker's compensation, 1948-2014

Source: Bivens, J. and Mishel, L., 2015. *Understanding the Historic Divergence Between Productivity and a Typical Worker's Pay: Why It Matters and Why It's Real*. [online] Economic Policy Institute.

PayScale points out that loyalty it's more about job satisfaction and what you'd give up

staying with the company. An important reason for this is that companies have become focused on maximizing shareholder value. Until 1980, productivity gains were shared with the workers who generated those gains. After 1980, almost all gains went to shareholders and executives.

There is a growing recognition among some business leaders that unless they start taking better care of their employees, start sharing benefits more widely, and focus more on the long term, businesses as an institution will find themselves increasingly affected. Therefore, it is necessary to cultivate employee loyalty.

6. Conclusion

The effectiveness, efficiency and productivity of the workers is crucial to obtain the proposed objectives. Through our review, it is concluded that defining a strategy that enhances the motivation, confidence and satisfaction of the employees are all conducive to elevating employee loyalty. The correct management of human resources represents a good competitive advantage to lead a company towards success, especially in the competitive and global environment in which we find ourselves.

To reiterate, motivation is the basis for the correct management and maintenance of the labor sector. Work motivation in employees implies commitment to the company, when this is achieved in the workforce, optimal results are obtained that meet the needs of the employee. The challenges facing the business environment can only be tackled by highly motivated people. Also, a business organization requires a network with training and a dose of motivation to meet the objectives and obtain a good results account. It has evolved in recent years about some postulates of human resource management in relation to work motivation. The goal for companies should not be to consider economic retribution as the sole motivating factor, but as a set of factors that allow the full development of workers.

Corroborating with the ERG theory mentioned above, factors such as continuous training, a pleasant work environment, recognition, autonomy, work recreation or quality treatment, among others, are conducive to satisfy employees' needs and thus influence the loyalty of employees positively. Future trends are based on the characteristics of younger workers, called Millennials or Centennials. Thus, the future of job loyalty tends towards strategies aimed at the formation of intrapersonal relationships and commitment. From these two motivational forces emerge new models that will motivate employees in the long term, and which are already being implemented by companies such as Kodak.

The current environment is forcing the creation of new growth strategies with the aim of improving its efficiency, profitability, solvency, and productivity ratios. Today's companies have very similar work processes. As a direct consequence of this panorama, there is a strong need to implement job maintenance tactics in companies.

Overall, in this study, we found that companies like Kodak are aware of this situation and try to guide all human resources policies to motivate the workforce. They carry out strategies composed of levers for trust such as continuous training, feedback or acquiring recognition in order to increase employee satisfaction and commitment in the workplace. Doing so, most companies are not seeking to improve their ratios exclusively in external growth (attracting new clients or increasing sales, among others), but try to seek improvements from internal growth instead. The improvement of the health of the final results of a business organization depends directly on the motivation, satisfaction, and commitment of the workers within the company. To conclude, loyalty is a term of great relevance for business institutes in which it is necessary to face the modernization process demanded by the current competitive environment. Only when the confidence and motivation of a company's workforce is palpable, high levels of performance and differentiation will be achieved.

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