UNIVERSITY OF KWAZULU-NATAL

THE STUDY OF EMPLOYEE LOYALTY IN THE WORKPLACE IN DURBAN, KWAZULU-NATAL PROVINCE

By

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DECLARATION

I **James Xolani Nyawera** declare that

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DEDICATION

I dedicate this research to my two sons, Bayanda Nyawera and Mfundo Nyawera.

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ABSTRACT

The aim of this study was to ascertain the main factors that influence employee loyalty in the workplace. It additionally sought to prioritise the main factors.

The sample population used in this research was made up of fulltime employees in the private sector organisations in Durban. Data was collected using a questionnaire. A sample of 91 participants took part in the survey. This sample comprised of 91.2% male participants and 8.8% female respondents. Years of service with their current employers were 50.5% for 0-5 years, 19.8% for 5-10 years, 16.5% for 10-20 years and 13.2% for 20-40 years. In this research there was 1.1 % of the sample population with no-matriculation, 34.1 % with matriculation, 29.7% with a diploma, 30.8% with a degree and 4.4% with post graduate qualification.

The research results revealed that having flexible working arrangements, having excellent mentoring and coaching, paying market related salaries, addressing employee's concerns effectively and a good retention strategy were the main factors influencing employee loyalty in the workplace.

There was a strong positive correlation between having flexible working arrangements, having excellent mentoring and coaching, paying market related salaries and feeling a strong sense of belonging to the employer with Pearson's coefficient (r) of 0.767, 0.762 and 0.742 respectively. This research revealed a weak positive correlation between addressing employees' concerns effectively, a good retention strategy and feeling a strong sense of belonging to the current employer with Pearson's coefficient (r) of 0.463 and 0.401 respectively.

This study contributes to employee loyalty research as it presents the main factors to be prioritised by top management.

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CHAPTER ONE
Introduction

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1.1 Introduction

The purpose of this research is to establish the main factors that influence employee loyalty in the workplace. This chapter consists of the problem statement where the problem and the approach that was followed to attempt to address the problem, is defined. The intention of the research and vital questions the research attempts to answer, are presented in this chapter.

The threat of a company losing its key employees is the new reality of today's talent starved job market (Rutledge, 2006). Appreciation for a job well done, is normally given by an immediate supervisor in an informal manner, which is an effective method. Factors that were investigated in this research were employee loyalty in the workplace itself, organisation culture, effective communication, mentoring training and coaching, motivation and performance rewards.

1.2 Motivation for the study

The culture of the organisation is one of the factors that has to be considered by top executive if they wish to have a successful business. Organisational culture has many characteristics that contribute to employee loyalty in the workplace. The benefits of the study and stakeholders that will benefit are outlined below.

The skills shortage is a course for concern worldwide and employers need to retain their experienced employees. The economic growth of South Africa will benefit if employees become more loyal to their employers, as this will increase production and result in high net profits. It is common sense that more experienced employees perform their duties better than less experienced employees.

The shareholders of businesses need to strive for durable competitive advantage for their organisations. This would be difficult to achieve if employees are not taken care of and encouraged to stay with one company. If there was employment stability, employees would have less pressure of joining new organisations and learning how new things are done.

This study contributes to the world at large considering the high skills shortage. Fulltime employees working for private organisations in Durban were used to collect data that was analysed in this research.

1.3 Focus of the study

There are many factors that can influence employee loyalty in the workplace. This research investigated employee loyalty in the workplace itself, organisation culture, effective communication, mentoring training and coaching, motivation and performance rewards. The questionnaire was designed so that each of the above topics had its own ranking questions that were used in the analysis.

The study was conducted on fulltime employees working for private organisations in Durban, KwaZulu-Natal.

1.4 Problem Statement

If there is poor communication within the organisation, employees will not be aware of the overall company strategy, what is going to keep the organisation profitable in five years time. Companies must have a good recruiting strategy to employ the right people for the available jobs.

Managers in small and established businesses need to understand how important is to value their employees. Employees are the foundation of the organisation and they are able to make the organisation successful or unsuccessful. If managers can retain experienced/skilled employees by valuing them, businesses will make more profit since common sense says experienced employees do the job better than less experienced employees.

Some of the key factors of human resource development are high involvement rates in general education, mentoring, coaching and training. Every organisation should like to develop its employees to have multi-functional skill capabilities so that they can carry out many responsibilities.

According to Drizin and Schneider (2004) failure to improve loyalty within the workforce can cost employers dearly. Increasing employee focus and improving company performance among, just two of the areas driving employee loyalty, are cost-effective ways to improve

efficiency, reduce costs, solidify customer relationships and, ultimately, increase profits (Drizin & Schneider 2004).

Economic growth does depend on highly skilled employees. As the economy grows, the demand for highly skilled employees increases and if organisations do not value their employees, employees are likely to leave and find better working environments. Successful organisations are those that see their employees' "satisfaction" as a priority which should yield excellent performance.

Privately owned businesses in every market need to be proactive, there must be an understanding of problems having a negative impact on their businesses. These businesses must develop a strategy that allows them to respond swiftly to changes in the marketplace. Employee loyalty is a concern in every industry, considering the high demand for highly skilled employees.

1.5 Research Objectives

This research will review the following topics, organisational culture, effective communication, mentoring, training and coaching, motivation and performance rewards. The above-mentioned topics are perceived to have an influence on employee loyalty in the workplace. The study will test the response of fulltime employees working in private sector organisations to a bundle of questions that can be taken to be measures and drivers of employee loyalty in the workplace.

The study will establish the main factors that influence employee loyalty in the workplace under the above mentioned topics. Driving good profits and true growth for the organisation depends predominantly on the experience and skills of the employees that are working for the organisation and being sure that most of those employees are loyal employees. In this research the established main factors will be prioritised for top management to address these factors and the influence they have to employee loyalty.

1.6 Research questions

This research was put together to answer the following research questions.

- What are the main factors that influence employee loyalty in the workplace?

- How should organisations prioritise the main factors to improve employee loyalty in the workplace?

1.7 Limitations of study

The research targeted employees that were employed fulltime in the private sector organisations in Durban. People working in the public sector could not take part in this research. The part-time employees could not participate in this research. This research was limited to Durban employees only.

This study employed a quantitative approach to collect primary data and analysis, thereby limiting the research to only quantitative methods and no qualitative methods of data collection. During human behaviour research, both qualitative and quantitative contribute certain benefits to the study (Ogba, 2008). This research did not enjoy this benefit as only quantitative methods were used.

According to Cooper and Schindler (2005) the larger the sample size, the longer the data collection itself will take. The limitations encountered in this research were research time, partially completed questionnaire, and as a result, the recommended sample size was not achieved. Some of the people who were approached to take part in this research could not read English and so the study had to be limited to those that could read English.

The data collection had to be for randomly selected employees, most of whom were approached in Durban shopping malls. Random sampling is a limitation itself since participants are persuaded individually not as a group.

1.8 Conclusion

The thesis is divided into six chapters. In Chapter One the background of the research is given. The second chapter has relevant literature to the research that was reviewed. In Chapter Three the research methodology to be followed is discussed and in Chapter Four the results are presented.

Chapter Five is where the research questions are answered and the final chapter six is where the recommendations are outlined for future research and conclusion is summarised about the study.

This chapter has discussed the background to the research questions, problem statement, and research objectives of the research. Research limitations are acknowledged in this section. The next chapter discusses the literature view focussing on factors that are perceived to influence employee loyalty in the workplace in order to give the reader different perspectives on employee loyalty.

CHAPTER TWO

Factors that influence employee loyalty

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2.1 Introduction

The research on employee loyalty in the workplace was undertaken to establish the main factors that influence employee loyalty. Five topics were researched, namely:

- Organisation culture
- Effective communication
- Mentoring training and coaching
- Motivation
- Performance rewards

Within the above subjects, specific questions were asked in the questionnaire to get the responses of the participants. The total number of questions from the five subjects was 12 in all, 4 dealt with organisation culture and the other 8 questions were 2 questions for each subject. In this study there were 9 questions on employee loyalty itself and the first 5 questions asked for the respondent's particulars. The questionnaire had a total of 26 questions.

2.2 Discussion

According to Spalding (2007) loyalty can be described and defined in many ways: dogs are loyal and so are sports fans. There is often little that employers can do to prevent high-risk employees from leaving (Drizin & Schneider 2004). Reasons for leaving may include poor relationships with their employer, family and personal issues, and market forces that put the power of the relationship squarely in the hands of the employee (Drizin & Schneider 2004).

The old workplace paradigm suggests that employees leaving a company can always be replaced (Rutledge, 2006). Truly loyal employees are committed and stay because they want to. Most people would agree with Drizin and Schneider (2004) when they say that loyal employees tend to go above and beyond the call of duty to further the company's interests.

Loyalty does not imply that people have a duty to refrain from reporting the immoral actions of those to whom they or others are loyal to (Varelius, 2009). An employer who is acting immorally is not acting in her own or the company's best interests and an employee is not acting disloyally in blowing the whistle on unacceptable behaviour (Varelius, 2009).

Spalding (2007) says mob bosses, teenage peer groups, cult leaders, academic department's chairs, and political leaders all exhibit some preference for loyalty. But when demands for loyalty are incorporated into a corporate code of conduct, those demands deserve careful scrutiny, especially when a corporate code of conduct is held out and enforced as the articulation of corporate ethical policies.

As loyalty can have different kinds of objects, such as one's family, country, a football club, a political doctrine, and others, the exact nature of the relationship can plausibly vary from one instance of loyalty to another (Varelius, 2009). Most people would agree with Varelius (2009) that it seems safe to say that the subject and the object of loyalty must at least have some common history and relations with each other before people can legitimately speak about loyalty.

Thomas and Inkson (2003) say that people are all different, yet all too often managers/employers expect every employee to be like everyone else. If people do not do things the way managers/employers would do them, managers assume there is something wrong with those employees (Thomas & Inkson 2003). Most people would agree with Stockdale (2002) that an effective team is one that recognises and values the diversity of qualities that are found within each individual whether they are related to race, religion, disability or gender.

Diversity creates tension and conflicts in the workplace (Blanchard & Thacker 2007). One of the reasons is that supervisors (and people in general) tend to make decisions that favour those who are similar to themselves. Thus, ratings of performance, promotion recommendations, and such are often biased in favour of those who are most similar to the person making the evaluation or recommendation (Blanchard & Thacker 2007). Managers need to think outside their cultural rulebooks, to accept and enjoy the wonderful diversity of humankind, and learn to work in harmony with other's ways (Thomas & Inkson 2003).

It is an unquestionable fact, Blanchard and Thacker (2007) that when employees perceive that decisions affecting their pay or status are biased by factors such as race or gender, they become upset. Cultural intelligence provides a means of dealing with group development and process issues that are caused or exacerbated by cultural differences (Thomas & Inkson 2003).

According to Rad and Yarmohammadian (2006) participative management is not always a good management style. Managers should be first educated and trained in choosing the proper

scientific methods and techniques of participative management, as well its goals, objectives, weaknesses, strengths and application in the organisation.

Devi (2009) says having a fully engaged employee is a win-win situation. Engaged employees stay longer and contribute in a more meaningful way (Devi, 2009). The term employee "engagement" may sound new, but it has long existed as a core management practice (Devi, 2009).

According to Leung (2008) altruism and identification with the company, are considered extra-role behaviour, and focus on the organisation itself, as well as behaviours intended to benefit the organisation as a whole. Altruism involves voluntarily helping others with, or preventing the occurrence of, work-related problems (Leung, 2008). Identification with the company involves voluntary creativity and innovative behaviours, aimed at the improvement of individual and/or organisational performance (Leung, 2008).

Most people would agree with Drizin and Schneider (2004) when they say that short-sighted managers are often not concerned about providing advancement training to their employees for fear they will head for the competition at the first opportunity. Instead, they trap employees with increasing compensation packages in the hopes of retaining a valuable asset. According to Blanchard and Thacker (2007) training must be seen as an integral part of the organisation's performance improvement system. If not, it will continue to be seen as a cost centre, providing less valued contributions to the organisation. In today's competitive environment, companies need to ensure that, in philosophy and practice, they acknowledge the importance of the manager in training employees (Devi, 2009).

Motivation, at the most basic level, refers to the inner urges that cause people to behave in certain ways (Shani, Chandler, Coget, & Lau 2009). In the workplace, when the issue of what motivates or de-motivates individuals is explored, people argue that a more accurate focus should be on understanding what motivates people in a specific direction. A firm's success, profitability, and sustainability are directly linked to individual performance and productivity (Shani *et al.,* 2009).

According to Gold (2005) the motivations of team members may affect what incentives will encourage people to work for the team's goals and, if a sense of group identity is associated with successful teamwork, understanding its role and how to generate it will help management to promote effective teamwork.

According to Rutledge (2006) many employers are conditioned to treat employees as "commodities," or "replaceable parts," for which a spare could always be found. Most people would agree with Rutledge (2006) that it is becoming increasingly difficult to find talented replacements for employees who leave. Devi (2009) says that successful organisations recognise that employee retention and talent management are integral to sustaining their leadership and growth in the marketplace. Creating a retention-rich organisation that attracts, engages and builds lasting loyalty among the most talented employees is a key to success in the modern globalised economy (Devi, 2009).

Rutledge (2006) says that managers may be tempted to dismiss employee retention as "tomorrow's problem" and stick with "replacement strategies" so long as replacing departed employees is relatively easy. While this may be true today, soon there will be more jobs than talented people to fill them, and this will endure as the new status quo for years to come. According to Kayne (2007) high level executives within organisations are beginning to realise that unless they find a way to connect with those in their employ, especially in this age of "knowledge workers" the consequences could be dire. Large salary and perks are no longer enough to secure the loyalty of skilled employees (Kayne, 2007).

According to Hughes and Rog (2008) talent management is an espoused and enacted commitment to implement an integrated, strategic and technology enabled approach to human resource management. This commitment stems in part from the widely shared belief that human resources are the organisation's primary source of competitive advantage; an essential asset that is becoming in increasingly short supply (Hughes & Rog 2008).

Rutledge (2006) says that with a talent shortage looming on the horizon, it makes sense for managers to implement employee retention plans now so they can keep their top performers in the future. Hughes & Rog (2008) and Devi (2009), echo the same sentiments that the benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. These outcomes in turn, have been associated with improved operational and financial performance.

Most managers would agree with Miller (2002) that employers, supervisors and managers who take steps to win their employees' loyalty now will reap the benefits when the pool of prospective employees dwindles. Their track record for providing a desirable work environment will draw the best people, those who will have their choice of companies and organisations to join (Miller, 2002).

2.2.1 Loyalty in the workplace

According to Leung (2008) employee loyalty is less likely to be based on personal identification with the organisation, than on gratitude toward individualised support by the supervisor and personal role obligations for the supervisor. Hence, gratitude and role obligations would be reflected in the new dimensions so that normative commitment to a supervisor could be measured, in addition to normative commitment to the organisation. Drizin and Schneider (2004) say more than ever, employees are looking for positive, mutually beneficial relationships with their employers that offer stability and room for growth – both personally and professionally.

According to Drizin and Schneider (2004) perks have been proven to buy tenure and "job satisfaction," but they have consistently failed to buy employee loyalty. More relationship prone employees are more likely to become loyal employee than less relationship prone employees (Bloemer & Odekerken-Schroder 2006).

The figure below shows possible contributors towards employee satisfaction.

Figure 2.2 Determinants of overall employee satisfaction
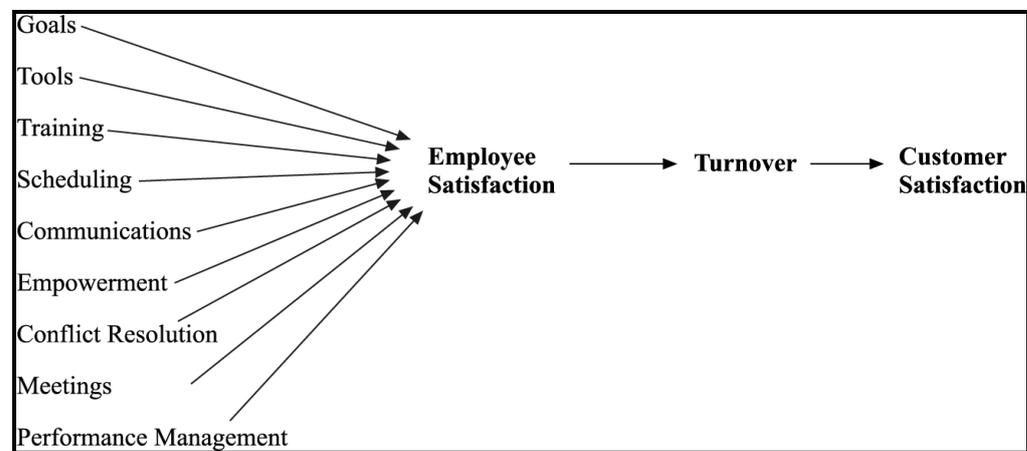
Adapted from Hurley, R.F. & Estelami, H., 2007, An exploratory study of employee turnover indicators as predictors of customer satisfaction. *Journal of Service Marketing*, 21 (3), pp. 186-199.

The above are factors that may contribute towards employee satisfaction and therefore have a direct impact on turnover and most importantly customer satisfaction.

There is an emotional connection that must be made if employees are to "trust" that their company is looking out for their best interests (Kayne, 2007). One of the most salient social interactions in the workplace is with co-workers. Co-worker relationships can serve as important sources of social-emotional support and performance enhancing knowledge (Williamson, Burnett & Bartol 2009).

According to Indvik and Johnson (2008) it is tempting to think that the world would become a better place when purged of the deceptions that seem to interfere with our attempts at genuine communication or intimacy. On the other hand, perhaps social lives would collapse under the weight of relentless honesty, with unveiled truths destroying ability to connect with others (Indvik & Johnson 2008).

There are few people that would disagree with Ogba, (2007) as cited in Ogba (2008), who stated that employee commitment is the extent to which employees are psychologically connected to their organisations, sustained by the continued desire to remain employed in the organisation and expressed, the bond, involvement and consideration of alternatives, sacrifices, and costs due to internal and external influences as real emotions.

Loyalty is appropriate only in those relationships that demand self-sacrifice without expectation of reward. Employee-employer relationships are not of that nature (Hajdin, 2005). According to Hajdin (2005) loyalty is incompatible with the commercial character of the employee-employer relationship, i.e. with the fact that both parties to it are aiming at a monetary payoff.

It is a fair comment from Leung (2008) that the essence of organisational care is linking the employer's values to employee values, thus increasing the extent to which employees internalise work values, even in the absence of incentives or sanctions.

According to Miller (2002) people who are light-hearted, having fun, and in good spirit are more likely to be successful. Light-hearted people's mental attitude produce increase oxygen endorphins and blood flow to the brains which enables them to think more clearly and creatively. Miller (2002) continues and say these people are more relaxed and spontaneous, more accepting of others and more likely to share their sense of humour.

Trust is a sense of assurance that others will help when needed, and collaboration minimises the distinctions among group members, and emphasises equality and group accomplishments (Beersma, Hollenbeck, Moon, & Conlon 2003).

The features of loyalty that have drawn most attention in the recent business ethics literature are reciprocity and self-sacrifice (Varelius, 2009). Some philosophers maintain that loyalty is necessarily a reciprocal relationship (Varelius, 2009). According to Spalding (2007) loyalty – whether in a workplace context or otherwise – is an important virtue because it represents a disposition in the direction of flourishing. It functions best when it operates toward the enhancement of an ideal, rather than in favour of a person, a group, a set of rules, or other entity.

The majority of people would agree with Drizin and Schneider (2004) that a long service record does not necessarily indicate loyalty. Employees who stay in their jobs because they feel trapped present employers with a difficult situation (Drizin & Schneider 2004). Some people would agree while others would disagree with Drizin and Schneider (2004) that trapped employees who would rather be working somewhere else are often poisonous to their overall work environment, are inefficient, and do not spread goodwill about their employer outside of work.

According to Hughes (2007) work-life balances have an impact not only on businesses productivity, but also on the economy as a whole. A massive amount of money is being lost due to illness (Hughes, 2007). The information included from companies who have already implemented a work-life balance programme shows that the results are significant (Hughes, 2007).

Organisational citizenship behaviour (OCB) is believed to promote organisational goals and effectiveness (Leung, 2008). Interpersonal OCB helps employees work together and helps coordinate information and team activities. OCB enhances improved organisational performance (Leung, 2008).

2.2.2   Organisational Culture

Gibson (2008) says that organisations with a solid character do exist. They stand by their employees, help them and recognise them. These companies will do it in both good and bad economic times, but most especially in bad economic times when they can not afford to lose their top performers (Gibson, 2008).

Loyalty does not presume mindless following. It is rather the result of meaningful relationships that produce two-sided wins. It is driven by character – which is decided by

every single operation (Gibson, 2008). The workforce is very aware if a company is driven by profits only or a company is driven by profits plus integrity (Gibson, 2008).

According to Rad and Yarmohammadian (2006) organisational success in obtaining its goals and objectives depends on managers and their leadership styles. By using appropriate leadership styles, managers can affect employee job satisfaction, commitment and productivity (Rad & Yarmohammadian 2006).

Shani, et al. (2009) say corporate cultures can have a significant impact on a firm's long-term economic performance. Corporate cultures will probably be an even more important factor in determining the success or failure of firms in the next decade; corporate cultures that inhibit strong long-term financial performance are not rare, they develop easily, even in firms that are full of reasonable and intelligent people (Shani, et al., 2009). Although tough to change, corporate cultures can be made more performance enhancing (Shani, et al., 2009).

Spalding (2007) says that organisational leaders, and those who teach or advise them, need to become more alert and more sensitive to the philosophical implications of the articulation of an organisational ethos. Employers that want to keep good employees need to adjust their focus not only toward employee retention programmes but to better recruitment strategies (Ropella, 2003).

According to O'Neill and Adya (2007) qualified applicants who pass early recruitment stages become candidates in the interview and selection stage. Here recruiters are advised by O'Neill and Adya (2007) to focus on presenting a realistic job preview that accurately depicts the collaborative behaviours expected within the specific position as well as the corporate values to be adopted upon successful entry into the organisation.

Williamson, Burnett and Bartol (2009) say managers also benefit from considering cultural orientation during the employee selection process. Measuring applicants' collectivist orientation during the selection process may assist managers in identifying employees who have the greatest likelihood of developing commitment given certain workplace characteristics (Williamson, Burnett & Bartol 2009). Management requires a keen understanding of human nature in terms of the basic needs, wants and abilities of people (Rad & Yarmohammadian 2006).

According to Rad and Yarmohammadian (2006) employees are the most important resource in organisations. Nevertheless, managers spend very little time learning more about human

behaviour, communication, and how their own attitudes and behaviour impact employee performance. According to Leung (2008) the creation of a strong corporate climate is essential to prevent unethical acts. This may be due to the fact that the ethical climate within an organisation is an important factor affecting employees' perceptions about the nature of the relational contract between themselves and their employer.

The object of rational loyalty is not the physical aspects of the company – buildings, executives, boards, hierarchies, colleagues – but the mission statement, goals, value statement and code of conduct of the organisation which is judged legitimate (Vandekerckhove & Commers 2004).

Most people would agree with Spiegelman (2006) that culture is not an accidental occurrence. It is carefully created and maintained through dedicated, intuitive, and thoughtful leadership. A leader's investment in the company's most valuable asset - its people- pays off in bottom-line returns (Spiegelman, 2006).

According to Williamson, Burnett and Bartol (2009) autonomy is likely to be positively related to affective organisational commitment for all employees because it helps employees satisfy internal psychological needs.

Only if whistle blowing is understood in terms of a commitment to the mutual flourishing of self and others (including both the corporation and society) can loyalty obtain. But the larger mutual cause (e.g., an ethical work environment, or organisational citizenship, or corporate social responsibility) must be more than a mere ideal (Spalding, 2007).

Varelius (2009) and Spalding (2007) echo these sentiments. When the nature of employees' loyalty is understood correctly, it becomes clear that whistle-blowing does not threaten employees' loyalty to their employer. Varelius (2009) continues by saying that this is because blowing the whistle about one's employer's wrongdoing and being loyal to them serves the same goal, the moral good of the employer.

The organisation's view of loyalty can also inform the way in which whistle blowing procedures are understood within that organisation (Spalding, 2007). If, for example loyalty to an employer is tantamount to fulfilment of proper (and properly delegated) employment duties, whistle blowing would not necessarily represent disloyalty (Spalding, 2007).

Effective leadership and workable organisation design and development programmes must be based on sensitivity to, an understanding of culture (Mullins, 2005). Excellent leaders are not merely aware of the organisation's basic assumption, they also know how to take action and mould and refine employees (Mullins, 2005).

According to Spalding (2007) corporate expectations of, say the wisdom and personal choices of a Chief Executive Officer, who has been hired to elevate the moral climate of a corporation, might be different than the expectations for other workers. When loyalty is defined and articulated in terms of developing those organisational habits and behavioural patterns that optimise the mutual flourishing of the organisation and its members, hard and fast rules give way to preferences and patterns of behaviour (Spalding, 2007).

Thomas and Inkson (2003) say that people are all living increasingly global lives. But managers live lives that are more global than most. As the new century dawns people are beginning to see and understand the importance of the process known as globalisation, and particularly the way it impacts the lives of people involved in business (Thomas & Inkson 2003).

According to Kayne (2007) a true teamwork culture values the diversity of its members and regularly draws on that diversity to accomplish its goals. Diversity connects the team (Kayne, 2007). Globalisation means an increase in the permeability of traditional boundaries, including those around countries, economies, industries and organisations (Thomas & Inkson 2003).

If the organisation is facing a problem of employees' lacking identification with the company, the organisation should emphasise human development as an organisational imperative, independent of concern for profit or competitive advantage (Wasti, 2003). When employees have been led to believe, via various organisational practices, that the organisation cares for them, they are more likely to impose normative pressure on themselves in relation to their behaviours (Wasti, 2003).

Most people would agree with Kayne (2007) that relationships are built on shared experiences not necessarily sharing your personal experiences with your workmates. Mutually shared experiences, particularly those that might be labelled "fun" reveal certain things about our personalities that enable others to determine how best to communicate with people (Kayne, 2007).

According to O'Neill and Adya (2007) management must customise the message to each such group by clearly describing the performance criteria and reward mechanisms that are being developed in exchange for achieving knowledge sharing objectives.

The relationship between loyalty and enhancement of the moral good of its object is merely accidental (Varelius, 2009). Moral virtues (e.g., honesty and sincerity), then are dependent upon epistemic virtues. In particular, a truth – seeking intentionality precedes specific truth – seeking about ethics, morality, or virtues (Spalding, 2007).

At the heart of organisation development and improved performance is the need for effective management (Mullins, 2005). It is the role of management to act as an integrating activity and to co-ordinate, guide and direct the efforts of members towards the achievement of goals and objectives (Mullins, 2005).

Before developing an incentive programme, it is important to understand the firm's culture so that the programme and the rewards can be tailored accordingly (Rozycki, 2008). The majority of people would agree with Mullins (2005) that the process of management does not take place in a vacuum but within the context of the organisational settings.

If serious, philosophical reflection on the telos of the organisation take place as part of any effort to define its ethical parameters, sought-after qualities such as loyalty will not necessarily be reduced to a narrow notion of the avoidance of any thought, word or action that might possibly conflict with the immediate or short-term expectations of any given collection of organisational leaders at any one point in time (Spalding, 2007).

According to Woolard (2009) organisations must be efficient in hard times. Management should not ask questions about issues that can not be addressed (Woolard, 2009). Too often the focus is on attributes where the organisation rating is the lowest, rather than focusing on the attributes with the highest impact on employee perceptions and behaviour (Woolard, 2009).

The most productive relationship consists of a caring climate, where the management fulfils employees' needs, promotes employees' best interests, and values employee' contributions; in this type of environment, employees are likely to reciprocate with good behaviour (Leung, 2008).

Cultural values play an important role in shaping employees' preferences. Due to different social, economic, political, and historical experiences, groups of individuals are likely to form different preferences and expectations (Williamson, Burnett and Bartol 2009).

According to Ogba (2008) commitment measurement in a non-western culture can only be effective when culturally suitable instruments are employed in assessing employees' expressions of commitment to their organisation. Loyalty is a result of many factors, including employee expression of commitment due to fear associated with leaving their organisation because of limited job alternatives, or natural employee emotional attachment to their organisation (Ogba, 2008). According to Ogba (2008) other factors influencing loyalty may be culture-related issues such as family, friends and their manager's influence.

2.2.3   Effective Communication

Every employee has something valuable to add, which is why management must listen to their thoughts and suggestions (Spiegelman, 2006). Communication goes both ways, and management need focus, not just on what employees have to say, but on the feedback (Spiegelman, 2006).

Internal communication happens constantly within organisations and includes informal chats on the "grapevine" as well as managed communication (Welch & Jackson 2007). Good communication increases the mutual understanding between workers and the management, thus helping enhance employee job satisfaction, performance and service quality (Gu & Chi Sen Siu 2009).

According to Devi (2009) an engaged employee is willing and able to contribute to company success. Devi (2009) continues that engagement is the extent to which an employee puts discretionary effort into his or her work, beyond the required minimum to get the job done, in the form of extra time, brainpower or energy.

Communication is crucial for effective organisational performance (Riggio, 2003). The basic communication model begins with the sender, who is responsible for encoding the message. This involves choosing some mutually understood code for transmitting the message to another person. The sender also selects a means such as telephone, verbal, email and others for communication (Riggio, 2003). According to Gu and Chi Sen Siu (2009) mediocre

interpersonal skills are the major weakness of the labour force and job satisfaction is significantly correlated with job performance.

Keyton (2002) says people interaction skills in group settings contribute to how others perceive them. How people present themselves and their ideas is a major factor in how others evaluate their worth as group members (Keyton, 2002). Research evidence provides no clear understanding of the relationships between the team communication dimension, such as frequency of interaction, communication style communication patterns, and performance (Gold, 2005).

Gu and Chi Sen Siu (2009) say that communication skills are vital. An employee's confidence and courtesy also contribute greatly to customer satisfaction and as a result loyalty. Confidence and courtesy are often reflected in workers' greeting and smiling to customers and willing to help (Gu & Chi Sen Siu 2009).

Another way to improve verbal communication skills is to carefully consider the words chosen to communicate with (Keyton, 2002). The majority of people would agree with Keyton (2002) that it is good to avoid words that will evoke strong emotions from other group members or that have negative connotations. Some people might disagree with Keyton (2002) that labelling people as a "flunky," "radical," or "do-gooder" can cause other group members to stop listening to the labeller (Keyton 2002).

Thomas anf Inkson (2003) say that in the direct convention of communication, most of the message is placed in the content of the communication – the actual words that are used. In the indirect convention, the context is more important – for example, the physical setting, the previous relationships between the participants, and the nonverbal behaviour of those involved (Thomas & Inkson 2003).

There are many definitions of communication. According to Keyton (2002) most researchers believe that communication is the medium through which individuals form a group, because communication creates and sustains interdependency among group members.

According to Thomas and Inkson (2003) there is a western convention that communication should be verbal and that verbal messages should be explicit, direct, and unambiguous. But in other cultures – for example Middle Eastern and Asian – there is no absolute truth, and politeness and desire to avoid embarrassment often take precedence (Thomas & Inkson 2003).

Keyton (2002) says that nonverbal communication occurs in many forms: through the tone and sound of people's voice, individual facial expressions and other body gestures, and individual use of space, touch, time, and objects. Even when people are not talking in a group, they are communicating nonverbal (Keyton, 2002). Improving nonverbal communication skills is more difficult than improving verbal communication skills because people are less conscious of the nonverbal messages they send (Keyton, 2002).

According to Shani, et al. (2009) communication is often ranked as a key problem of organisational life. Communication is closely interrelated with the other core concepts of personality, diversity, perception, and motivation previously reviewed (Shani, et al., 2009). The meaning of the message to the receiver is filtered through the receiver's perceptual frame of reference and own needs (Shani, et al., 2009).

2.2.4   Mentoring, Training and Coaching

The value of mentors and role models is not to be underestimated. They play a critical role particularly with those who are lacking in self-esteem and confidence (Stockdale, 2002). Mentoring developed from the concept of apprenticeship where a person more experienced in their craft would pass on their knowledge to someone less experience (Stockdale, 2002).

According to Leung (2008) if the organisation is facing a problem of employees' lacking identification with the company, the organisation should emphasise human development as organisational imperative, independent of concern for profit or competitive advantage.

Drizin and Schneider (2004) say that employees tend to work harder and exhibit more loyal behaviour during the time they work for organisations that provide development opportunities. They will be more motivated, work harder, and stay longer.

According to Blanchard and Thacker (2007) training provides employees with the knowledge and skills to perform more effectively. This allows employees to meet current job requirements or prepares them to meet the inevitable changes that occur in their jobs (Blanchard & Thacker 2007). Training is an opportunity for learning (Blanchard & Thacker 2007).

Performing a task publicly with insufficient skill jeopardises service quality, and can demean and embarrass employees, yet anecdotal evidence overwhelmingly suggests that training is poor, and employees are disciplined for their inability to perform (Poulston, 2008).

Organisations looking to capitalise on the knowledge resources of their employees must understand that employees are likely to have very different psychological contracts and perceptions at various stage of employment (O'Neill & Adya 2007).

According to Spiegelman (2006) investing in people leads to happy employees who feel good about what they are doing and who then translate that feeling to customers. That breeds loyal customers who drive profits into the business. Those profits are then reinvested in the employees, and the cycle starts again (Spiegelman, 2006).

The implicit psychological contrasts that often influence knowledge worker attitudes towards sharing knowledge are easy to overlook and challenging to manage (O'Neill & Adya 2007). Managers must properly assess the nature of psychological contracts maintained by such workers so that knowledge-sharing messages address employees' key motivators (O'Neill & Adya 2007).

Blanchard and Thacker (2007) say that training is facing increasing demands to demonstrate results in terms of return on investment. With these demands come increased opportunities for the training function to influence the direction and operations of the company (Blanchard & Thacker 2007). In higher performing organisations, training activities are aligned with the organisation's strategy (Blanchard & Thacker 2007).

Coaching and training are about changing either what people do, or how they think about a situation. Both create development and learning and both use similar techniques (Smith, 2007). According to Smith (2007) training will generally work towards pre-determined, objective areas of knowledge; whilst coaching is person-centred, helping define subjective answers to open questions where the answers could not have been predicted by the coach.

According to Wilson (2004) the word "Coach" comes from "Kocs", a village in Hungary where high quality carriages were made. In the 19th Century, English university students began to use this word as slang for tutors of such excellence that their students felt as if they were carried through their academic career in a carriage driven by their tutor. Developing mental strength is something that most sane people would probably never dream of doing (Stockdale, 2002).

Wilson (2004) says that coaching at work is sometimes regarded as the latest fad. Companies are falling over themselves to provide their senior and middle managers with personal coaches, and to train them in coaching skills (Wilson, 2004). According to Poulston (2008) poor training is associated with workplace problems and improving training is likely to reduce problems.

According to O'Neill and Adya (2007) the most successful organisations are able to attract and retain top talent by entering into psychological contracts with their employees that motivate them to generate and share knowledge in return for nurturing and nourishing their professional skills.

2.2.5   Motivation

Motivation is a complex subject. It is a very personal thing, and is influenced by many variables (Mullins, 2005). Individuals have a variety of changing, and often conflicting, needs and expectations which they attempt to satisfy in a number of different ways (Mullins, 2005).

According to Blanchard and Thacker (2007) the motivation to learn is defined as the trainees' intensity and persistence of learning directed activities related to the content of the training programme. Motivation to learn has been shown repeatedly to influence the outcomes of training, such as knowledge and skill acquisition, in addition to the transfer of knowledge, skill and attitude to the job and resulting job performance (Blanchard & Thacker 2007).

Some people might disagree with Leung (2008) that employees are expected not only to be individually productive, but they must also increase productivity by helping those around them, and/or exhibiting civic virtue. The practical importance of organisational citizenship behaviour is that it promotes organisational efficiency, innovativeness, and competitive advantage (Leung, 2008).

An orientation toward, and a sensitivity to, one another, is generally understood under most ethical and religious regimes to be right action (Spalding, 2007). A social epistemology of other-orientation, under these regimes, is a precondition for such right action (Spalding, 2007).

Maxwell (2008) says self-managed teams are given the authority to make decisions that were once reserved for managers. Cross-functional teams are used to improve coordination among

the different departments involved in carrying out a joint project (Maxwell, 2008). According to Maxwell (2008) many organisations are implementing these teams successfully into their structure.

According to Stockdale (2002) there are many things that can stop people from achieve their own goals and one of these is self-belief. People must believe that they are capable of achieving their goals. Even if their vision is seemingly unachievable to others, it has to be possible (Stockdale, 2002).

Equity theory states that workers are motivated by a desire to be treated equitably or fairly (Riggio, 2003). The majority of people would agree with Riggio (2003) that if workers perceive that they are receiving fair treatment, their motivation to work will be maintained and steady performance can be expected. If, on the other hand, they feel that there is inequitable treatment, their motivation will be channelled into some strategy that will try to reduce the inequity (Riggio, 2003).

If a person chooses to take control of their brain and the messages they tell themselves, then their life may never be the same again (Stockdale, 2002). It does not matter if people are 15 or 55 years old, the principles are just the same (Stockdale, 2002). People can learn to become personally empowered, capable of withstanding the pressures of life and work, and able to bounce back even though things get tough (Stockdale, 2002).

Employers need to take some of the blame for workplace lies (Indvik & Johnson 2008). People do not like lying, so much so that it produces physiological changes in their bodies (Indvik & Johnson 2008).

According to Indvik and Johnson (2008) employers need to ensure they create an environment that recognises and accepts unchangeable aspects of the human condition. It is an indisputable fact from Indvik and Johnson (2008) that people are not machines and they all have lapses in motivation and attention to detail and, accordingly, people make mistakes.

The "need perspective" in motivation is based on the idea that individuals have certain needs and their behaviours are designed to help them fulfil these needs. As such people strive to understand and explain the individual needs that arouse, start, initiate, or energise individual behaviour (Shani, et al., 2009).

Companies have to remember that while employers are paying employees to work, and they have a job to do, they need to treat the employees as people. By letting them unwind and have fun at work on occasion, employee loyalty may actually improve which will have a positive, long-term impact on the company (Woolard, 2009).

According to Shani, et al. (2009) the act of delegating responsibilities to employees and providing them with the authority necessary to carry out the delegated responsibility are viewed as powerful forces in motivating employees.

Gibson (2008) says when loyalty goes unacknowledged and an individual's above – and – beyond contributions are not valued by their immediate manager, spark and motivation to produce great work begins to die.

The basic premise of equity theory is that individuals want their efforts and performance to be judged fairly relative to others and that individuals engage in a process of evaluating their social relations much like they evaluate economic transactions in the marketplace (Shani, et al., 2009).

Mullins (2005) says the purpose of motivational theories is to predict behaviour. Motivation is not behaviour itself, and it is not performance (Mullins, 2005). Motivation concerns action, and the internal and external forces which influence a person's choice of action (Mullins, 2005). Loyalty as devotion to a mutual cause is the version of loyalty that most accommodates epistemic clarity (Spalding, 2007).

The energy source for the individual's motivation is restoring equity (Shani, et al., 2009). Equity theory further states that an individual is motivated in proportion to the perceived fairness of the rewards received for a certain amount of effort, as compared to the rewards received by relevant others (Shani, et al., 2009).

According to Stockdale (2002) encouraging people to set their own goals, rotating roles within the team to develop flexibility and reviewing performance together regularly can enhance team performance.

When people have to work in a team environment, the quicker they get to know what motivates each individual, the quicker they will be able to adapt behaviour to get the best from each person (Stockdale, 2002).

The focus on problems in the workplace has unfortunate consequences for both managers and employees (Tombaugh, 2005). It often creates a work environment where defensiveness and finger pointing are commitment and innovation are stifled, resistance to change is high, and employee commitment and motivation are low (Tombaugh, 2005).

2.2.6   Performance Rewards

According to Ogba (2008) income represents an instrument for a employee's continued expression of commitment to their organisations. In other words, the more that employees are well paid or are paid expected wage/salary (reward for commitment), the more they are willing to express their dedication to the organisation. By implication this means the higher the income the higher the commitment (Ogba, 2008).

Besides aiding recruiting and retention, an incentive programme within a firm can increase sales, improve the development of relationships, improve client service, build client loyalty, increase client retention, improve employee morale, build employee loyalty and trust, improve communication between departments and service groups and foster teamwork (Rozycki, 2008).

Training opportunities, salaries and benefits, and support from colleagues and superiors are significant drivers of job satisfaction (Gu & Chi Sen Siu 2009). An employees' big smile is viewed by a customer as demonstration of competency and he or she feels happy when served by a competent employee (Gu & Chi Sen Siu 2009).

2.3 Conclusion

The five aspects, namely organisation culture, effective communication, mentoring, training and coaching, motivation, performance rewards and employee loyalty itself considered in this chapter would make a significant contribution towards having more loyal employees. Management and employees ought to work collectively to understand these aspects and their principles.

This chapter highlights the importance of appreciating diverse cultures in the workplace. In this chapter also emphasised is the importance for organisations to have values that should guide every employee to conduct themselves in an acceptable manner. Effective communication is mentioned in this chapter as vital in making sure that every employee understands where the organisation is going to and what is expected of them. This chapter

illustrates that motivating and training employees to be competent in their responsibilities is important. Talent management and recognition for performance is outlined in this chapter.

This chapter discussed literature review of employee loyalty in the workplace. The next chapter will discuss the research approaches, research design and methods used in this research.

CHAPTER THREE
Research Methodology

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3.1 Introduction

This chapter will present the research approach and methods used to answer the research questions. This chapter will also examine the weaknesses and strengths associated with the chosen research approach and methods. The techniques for data collection will be explored in greater intensity. In addition, the reflexivity part, which comprise of ethical deliberation will be clarified in this chapter.

The research design followed while conducting this research is discussed its aims and objectives, sample selection and data analysis are also examined. This chapter discusses possible problems of data validity, and challenges encountered while conducting a research. The questionnaire used in this research had two parts, the respondent's particulars questions and research questions.

3.2 Aims and Objectives of the study

This research will review the following topics: organisational culture, effective communication, mentoring training and coaching, motivation and performance rewards. The above mentioned subjects are perceived to have an influence on employee loyalty in the workplace. The study will test the responses of fulltime employees working in the private sector to a bundle of questions that can be taken to be measures and drivers of employee loyalty in the workplace.

The study will establish the main factors that influence employee loyalty in the workplace under the above mentioned topics. Driving good profits and true growth for the organisation depends predominantly on the experience and skills of the employees. In this research the established main factors will be prioritised for management to address these factors depending on the influence they have on employee loyalty.

3.3 Data Collection Strategy

There are two types of data available, primary and secondary data. Secondary data is information collected by others and primary data is information collected by the researcher (Ghauri & Gronhaug 2002). The focus of this research is on the primary data to increase validity of the information analysed. Quantitative methods were used to analyse the data.

Non-response error is always a potential problem with mail surveys. Individuals who are interested in the general subject of the survey are more likely to respond than those with less interest or little experience (Zikmund, 2003).

Potential participants were approached in various Durban shopping malls and they were asked to take part in the research. The problem encountered in this research was to convince people to spend 20 or less minutes of their time answering the questions. Approached people were first asked if they were fulltime employees in a private sector organisation. If they were, they were then requested to be part of the research. An incentive of a chocolate bar was used to attract the respondents to take part in the research. The employees selected varied from top management of organisations to low level employees in organisations.

The questionnaire was self-administered to get fast responses and to minimise the research cost. The questionnaire was distributed in Durban shopping malls and other gatherings and collected immediately after the respondent had completed their answers. The sample that was used in this research was fulltime private sector employees. The sample was randomly selected with the intention of giving everyone an equal chance to be selected to the survey.

3.4 Research Design and Methods

There are two research approaches, inductive and deductive (Saunders, Lewis & Thornhill 2003). The deductive approach is when a theory and hypothesis (or hypotheses) are developed and a research strategy is designed to test the hypothesis (Saunders, Lewis & Thornhill 2003). The deductive approach is when data is collected and a theory is then developed from the data analysis (Saunders, Lewis & Thornhill 2003).

In research accuracy is the degree to which bias is absent from the sample (Cooper & Schindler 2005). When the sample is drawn properly, some sample elements underestimate the population values being studied and others overestimate them (Cooper & Schindler 2005).

There are three views about the research process, positivism, interpretivism and realism (Saunders, Lewis & Thornhill 2003). Positivism adopts the philosophical stance of the natural scientist, where a social reality is observed and the end product of such research can be laws or generalisations similar to those produced by physical and natural science (Saunders, Lewis & Thornhill 2003).

A deductive approach was used to solve the research problem using the questionnaire as the research instrument. The sample population was selected randomly and the focus was on fulltime private sector employees. The research was conducted in a systematic way and limited to fulltime private sector Durban employees in KwaZulu- Natal.

There are several alternative ways of taking a sample. Sampling plans may be grouped into probability techniques and non-probability techniques (Zikmund, 2003). According to Zikmund (2003) in probability sampling, every element in the population has a known non-zero probability of selection. The simple random sample is the best known probability sample, in which each member of the population has an equal probability of being selected (Zikmund, 2003).

This research used probability sampling. The process of probability sampling can be divided into four stages (Saunders, Lewis & Thornhill 2003).

- Identification of a suitable sampling frame based on the research questions or objectives.
- Deciding on a suitable sample size.
- Selecting the most appropriate sampling technique and selecting the sample.
- Checking that the sample is representative of the population.

According to Cooper and Schindler (2005) the essential difference between a descriptive study and a causal study lies in their objectives. If the research is concerned with finding out who, what, where or how much, then the study is descriptive (Cooper & Schindler 2005). If it is concerned with learning why that is, how one variable produces changes in another – it is causal study (Cooper & Schindler 2005). This research on employee loyalty in the workplace is a descriptive study since it wanted to establish what main factors influence employee loyalty

Quantitative methods (statistical analyses) was used to analyse the data using the statistical package SPSS. Frequency tables, regression analysis and correlation were used to assess relationships.

3.4.1   Description and purpose

The questionnaire used in this research had two parts. Part One was the particulars of respondents and Part Two was the research questions. The research questions used a Likert Scale. The neutral option was used to accommodate participants that preferred not to comment or were puzzled about the statement.

The five options were presented to the participants to choose the answer that express their feelings most accurately about the statement. The respondents were requested to use any type of indication be it a cross, or a tick or they could circle in the relevant answer.

3.4.1.1 Construction of the instrument

The questionnaire had mostly closed ended questions. This meant there was little or no possibility of misinterpreting the response. The research questions were divided into six sections, employee loyalty in the workplace, organisational culture, effective communication, mentoring training and coaching, motivation and performance rewards. Each of these sections had its own questions to be answered by the respondent.

The first page of the questionnaire had an informed consent form for the participants. This was used to ensure that the participants were aware that their participation was voluntary and that they had the right to withdraw partially or completely from the process at any time.

3.4.1.2 Recruitment of study participants

The questionnaire was designed to be completed in not more than 20 minutes. Enough time available to fill the questionnaire was important to increase validity of the information from the respondents in this research.

The participants received a full explanation of why the research was being done and the objective of the research. This was done to avoid deception when the questionnaire was being

answered. The research approach followed was a deductive approach where data was collected, analysed and a theory was developed on employee loyalty in the workplace.

3.4.2   Pre-testing and Validation

The lack of researcher's faithfulness can cause the significance of the information gathered to be partial, raising doubts regarding its reliability and validity. In this research, the questionnaire was distributed personally and the explanation was done face to face with the respondents. The initial plan was to use emails, but poor/no responses persuaded the researcher to rather handover the questionnaire personally and explain the questions to every respondent.

When considering the validity of a research study, there is a need to ask two basic questions. First, does the study have sufficient controls to ensure that the conclusions drawn are truly warranted by the data? And second, can what is observed be used in the research situation to make generalisations about the world beyond that specific situation? The answers to these two questions address the issues of internal validity and external validity, respectively (Leedy & Ormrod 2005).

According to Lipsey (2009), a study with both strong internal validity and strong external validity would require: a relatively large research sample randomly drawn from the relevant population (external validity), random assignment to intervention and control conditions with low attrition (internal validity). This research had 91 participants that were randomly selected. Most of the participants were approached in Durban shopping malls.

In research, bias is any influence, condition, or set of conditions that singly or together could distort the data (Leedy & Ormrod 2005). Data are, in many respects, delicate and sensitive to unintended influences (Leedy & Ormrod 2005).

A response bias occurs when respondents tend to answer in a certain direction, that is, when they consciously or unconsciously misrepresent the truth (Zikmund, 2003). If a distortion of the measurement occurs because respondents' answer are falsified or misrepresented, either intentionally or inadvertently, the sample bias that occurs is a response bias (Zikmund, 2003).

3.4.3   Administration of questionnaire

The questionnaire can be divided into different types of questions, self-administered and interviewer-administered (Saunders, Lewis & Thornhill 2003). This research used a self-administered questionnaire.

The questionnaire was aimed at answering the two research questions and was divided into two parts. A combination of individual questions and ranking questions were used. The questionnaire was divided into the following two parts,

- Part 1 of the questionnaire asked for the respondent's particulars. This ranged from gender, age, years of experience, and highest qualifications.
- Part 2 of the questionnaire was aimed at answering the research question. The factors that could influence employee loyalty in the workplace were used with research questions in this part.

Self-administered questionnaire present a challenge to business research because they rely on the clarity of the written word rather than on the skills of the interviewer   (Zikmund, 2003).

The questionnaire was first submitted to 5 randomly selected participants. The aim of this was to find out the following: the time it took to complete the questionnaire, the clarity of instructions, any questions that were unclear, any questions the respondents felt uneasy about answering and other comments.

Using the comments, some of the questions such as those about race, salary bracket and others that could have made respondents to be uncomfortable were then removed from the questionnaire. Some of the statements used in the questionnaire were redesigned.

3.5 Analysis of data

Quantitative methods (statistical analyses) were used to analyse the data by means of the statistical package SPSS. Frequency plots were used to calculate the percentages. When percentages of both strongly disagree and disagree were less than 25% that statement was acceptable and did not have to be considered as one of the main factors. When the percentage was more than 25% then the factor became one of the main factors.

The Pearson correlation was used to assess relationships. A correlation coefficient (r) was used to quantify the strength of the relationship between different factors that affect employee loyalty in the workplace. Pearson's coefficient has a value of between +1 and -1 in statistics (Waters, 2001).

According to Waters (2001) a value of r = 1 shows that the two variables have a perfect linear relationship with no noise at all, and as one increases so does the other. A lower positive value of r shows that the linear relationship is getting weaker (Waters, 2001). A value of r = 0 shows that there is no correlation at all between the two variables and no linear relationship (Waters, 2001). A lower negative value of r shows that the linear relationship is getting stronger (Waters, 2001). A value of r = -1 shows that the two variables have a perfect linear relationship and as one increases the other decreases (Waters, 2001).

The above values of r were used in this research as a guide to decide whether the relationship between the variables was strong or weak.

According to Waters (2001) the relationship between the factors with correlation coefficients (r) less than 0.3 and greater than -0.3 are taken as statistically not related. Waters (2001) says correlation coefficients (r) less than 0.7 and greater than or equal to 0.3 or greater than -0.7 and less or equal to -0.3, are taken as statistically having weaker positive and negative correlations respectively. Correlation coefficients greater or equal to 0.7 and less or equal to -0.7 are taken as statistically having strong positive and negative correlations respectively (Waters, 2001).

3.6 Conclusion

This chapter outlined the steps followed in the research as a research methodology. There were different research methodologies that were examined in this section to simplify this research. The research approaches and methods that were best suited to the research topic were selected in this chapter.

A deductive approach to collect data was used as research strategy, and the philosophy was positivism. The type of data used was primary data. A questionnaire was used as the research instrument to collect primary data.

The greatest problem encountered in this research was the poor response rate from email questionnaires that were sent out. The other problem was the lack of enthusiasm from participants that were requested to participate in the research in the shopping malls because they had planned to do shopping and were being delayed. A better response was encouraged by giving participants an incentive of a chocolate bar. The next chapter presents the analyses of the primary data obtained and generates correlations from the data to establish relationships.

CHAPTER FOUR

Results

4.1 Introduction

This chapter analyses the data that has been obtained from the participants to establish relationships that are available in the data and cross examining that with the literature review. The data analysis aims to identify the main factors influencing loyalty in the workplace and then rate them depending on how strong is the correlation to loyalty in the workplace. Frequency plots are used to establish the percentage of respondents that both strongly disagreed and disagreed with the research statements.

In this research the main factors are revealed by using a total percentage more than 25 % of participants that both strongly disagreed and disagreed with a statement. The correlation of the main factors is done against the feeling of a strong sense of belonging to the employer. When the relationship is stronger then the main factor tested is rated high priority.

4.2 Results

4.2.1 Respondent's gender

Figure 4.1 Gender
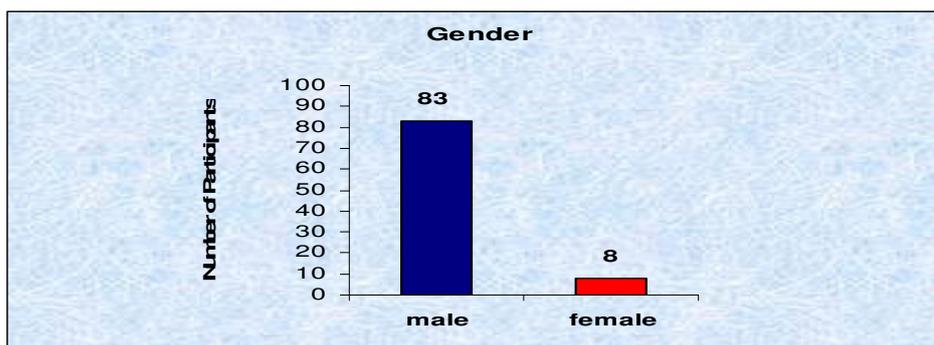
Table 4.1 Gender

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
male	83	91.2	91.2	91.2
female	8	8.8	8.8	100.0
Total	91	100.0	100.0	

In this research 91.2 % of the participants were males and 8.8 % of the respondents were female. There were 83 male and 8 female in the total of 91 participants in this research. In this research there were more male participants than female participants.

4.2.2   Age groups

Figure 4.2 Age (years)
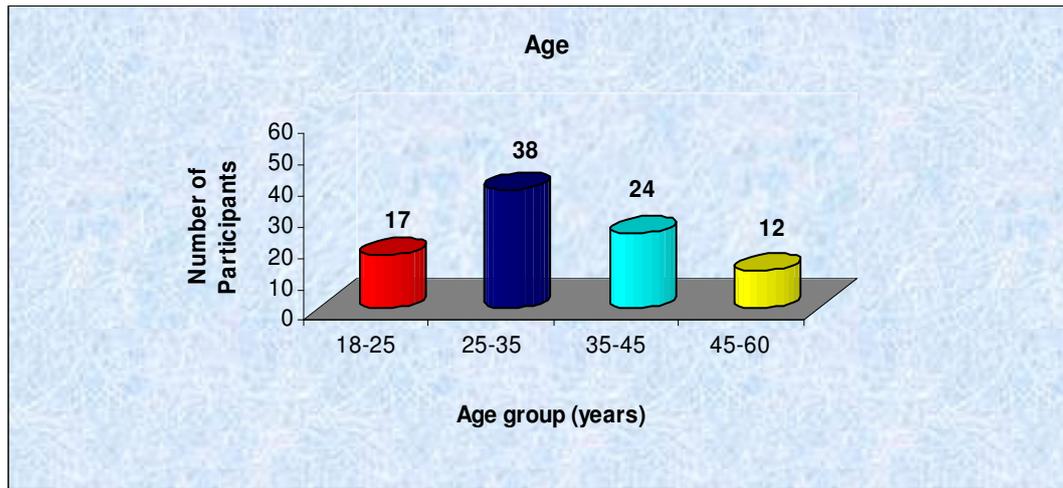
Table 4.2 Age (years)

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	17	18.7	18.7	18.7
25-35	38	41.8	41.8	60.4
35-45	24	26.4	26.4	86.8
45-60	12	13.2	13.2	100.0
Total	91	100.0	100.0	

The dominating age group that participated in this research was 25-35 years at 41.8 % and was followed by 35- 45 years at 26.4 %. The age group of 18-25 had 18.7% participants. The age group 45- 60 years had only 13.2 % respondents. There were no respondents with age above 60 years.

4.2.3   Respondent's Marital Status

Figure 4.3 Marital status
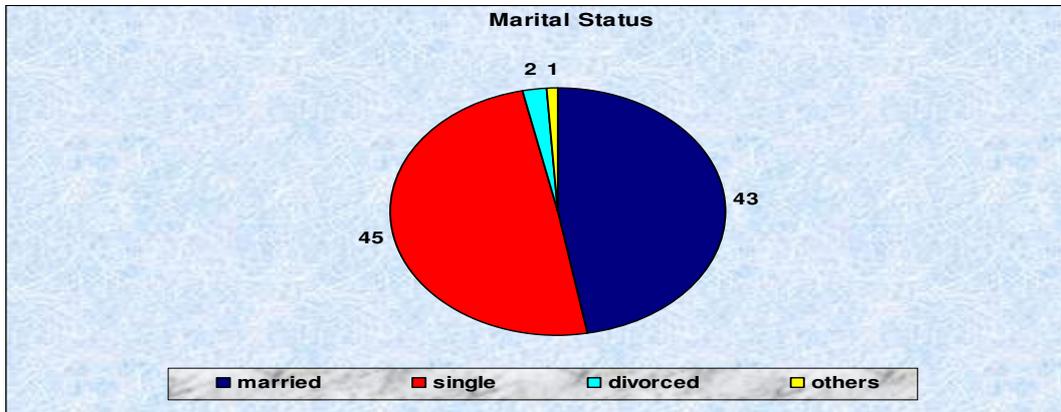
Table 4.3 Marital status

Marital status				
	Frequency	Percent	Valid Percent	Cumulative Percent
married	43	47.3	47.3	47.3
single	45	49.5	49.5	96.7
divorced	2	2.2	2.2	98.9
others	1	1.1	1.1	100.0
Total	91	100.0	100.0	

In this research, most of the participants were either married or single with both having a cumulative percentage of 96.7 %. The married respondents made up 47.3 % and the single participants were 49.5 %. There were only 2 divorced participants.

4.2.4   Respondent's Years of Service

Figure 4.4 Years of service with current employer
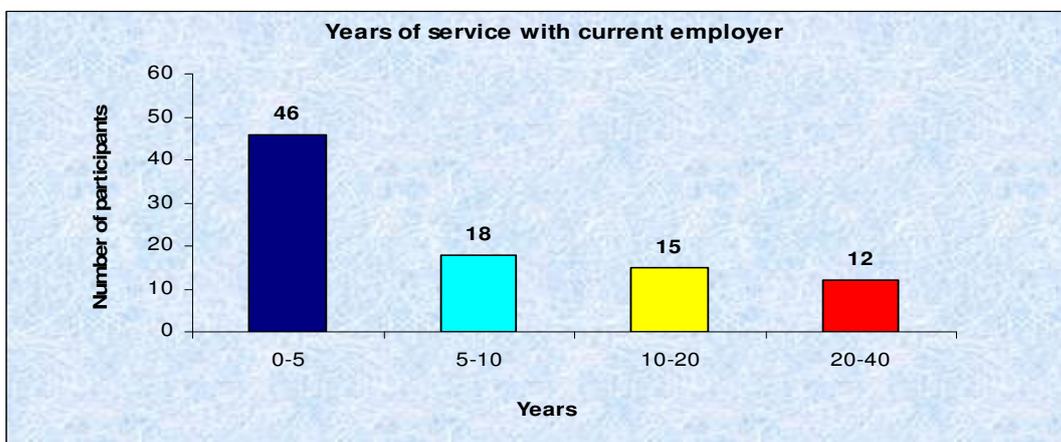
Table 4.4 Years of service with the current employer

Years of service with current employer				
	Frequency	Percent	Valid Percent	Cumulative Percent
0-5	46	50.5	50.5	50.5
5-10	18	19.8	19.8	70.3
10-20	15	16.5	16.5	86.8
20-40	12	13.2	13.2	100.0
Total	91	100.0	100.0	

The years of experience with the current employer had a high percentage response in the range of 0-5 years, at 50.5 %. In this research there was a 70.3 % cumulative of the participants that had 0-10 years experience with their current employers. There were 86.8 % cumulative of the participants in total who had 20 years or less experience with the current employer. The other 13.2 % of the participants had between 20-40 years of service with their current employer.

4.2.5 Respondent's Highest Qualification

Figure 4.5 Highest qualification
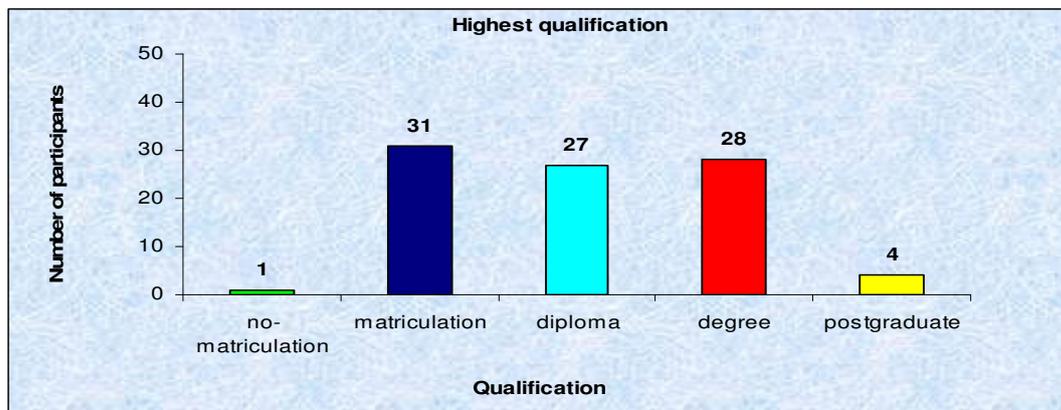
Table 4.5 Highest qualification

Highest qualification				
	Frequency	Percent	Valid Percent	Cumulative Percent
no-matriculation	1	1.1	1.1	1.1
matriculation	31	34.1	34.1	35.2
diploma	27	29.7	29.7	64.8
degree	28	30.8	30.8	95.6
postgraduate	4	4.4	4.4	100.0
Total	91	100.0	100.0	

This question asked participants what their highest qualification was. Most participants had matriculation at 34.1 % followed with those having degrees at 30.8 %. There were 29.7 % of the respondents with diplomas, and only 4.4 % were postgraduates.

4.3 Employee loyalty in the workplace

4.3.1 Relationships

Figure 4.6 Generally, I am someone who is willing to stay with employers
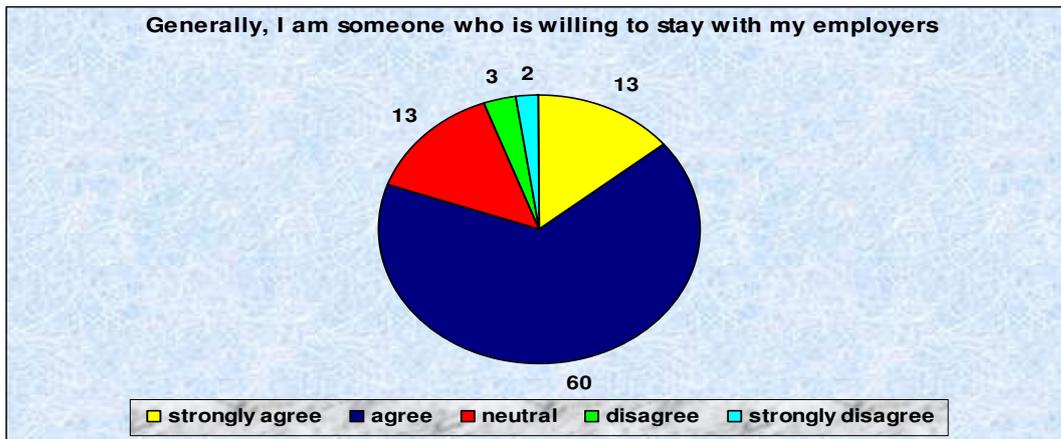
Table 4.6 Generally, I am someone who is willing to stay with my employers

Generally, I am someone who is willing to stay with my employers				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	13	14.3	14.3	14.3
agree	60	65.9	65.9	80.2
neutral	13	14.3	14.3	94.5
disagree	3	3.3	3.3	97.8
strongly disagree	2	2.2	2.2	100.0
Total	91	100.0	100.0	

In this research 80.2 % cumulative of the respondents agreed to be willing to stay with their current employers. This research shows that a high percentage of respondents are willing to stay with their employers. There was 14.3 % of the sample population that responded as neutral and only 5.5 % respondents disagreed, indicating that they would consider leaving.

4.3.2 Affective Commitment

Figure 4.7 Strong sense of belonging to my employers

I do feel a strong sense of belonging to my employers

7   2   11

29

42

☐ strongly agree ■ agree ■ neutral ☐ disagree ☐ strongly disagree
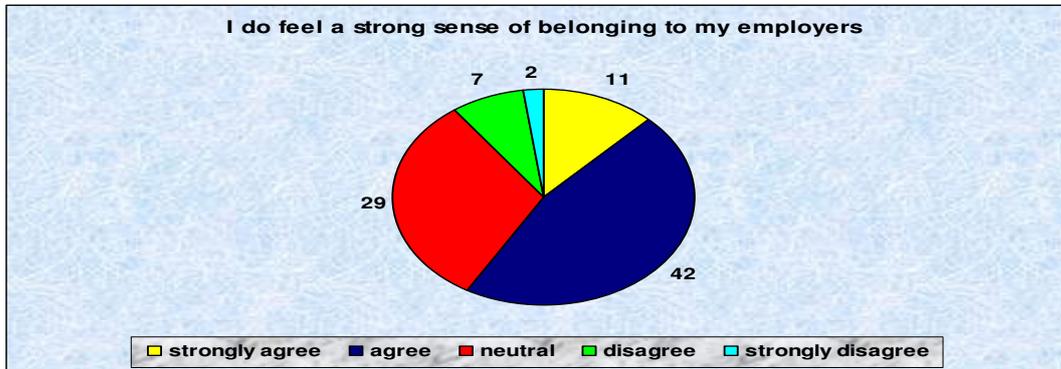
Table 4.7 Strong sense of belonging to my employers

I do feel a strong sense of belonging to my employers				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	11	12.1	12.1	12.1
agree	42	46.2	46.2	58.2
neutral	29	31.9	31.9	90.1
disagree	7	7.7	7.7	97.8
strongly disagree	2	2.2	2.2	100.0
Total	91	100.0	100.0	

This research investigated feeling a strong sense of belonging to the employer. There was a 58.2 % cumulative of the participants that agreed with the statement. 31.9 % of the respondents were neutral on this statement. There were about 9.9 % of respondents that disagreed with the statement.

4.3.3 Calculative Commitment

Figure 4.8 Too few options to consider leaving my employer

I feel that i have too few options to consider leaving my employer

Number of respondents

8   22   18   35   8

strongly agree   agree   neutral   disagree   strongly disagree

Table 4.8 Too few options to consider leaving my employer

I feel that I have too few options to consider leaving my employers				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	8	8.8	8.8	8.8
agree	22	24.2	24.2	33.0
neutral	18	19.8	19.8	52.7
disagree	35	38.5	38.5	91.2
strongly disagree	8	8.8	8.8	100.0
Total	91	100.0	100.0	

This research indicates 33.0 % cumulative of the respondents that both strongly agreed and agreed with having too few options to consider leaving their current employer. There was 19.8 % of the participants that were neutral and 47.2 % disagreed with having few options to consider leaving their current employers.

Figure 4.9 Too costly for me to leave my employers

Table 4.9 Too costly for me to leave my employers

It would be too costly for me to leave my employers				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	9.9	9.9	9.9
agree	21	23.1	23.1	33.0
neutral	20	22.0	22.0	54.9
disagree	34	37.4	37.4	92.3
strongly disagree	7	7.7	7.7	100.0
Total	91	100.0	100.0	

This research shows that about 33.0 % cumulative of the participants agreed with the statement saying it would be too costly to leave their current employers. About 45.1 % of participants disagreed with the statement, indicating that it would not be costly to leave their current employer

4.3.4 Loyalty to Employers

Figure 4.10 Loyalty to my employers

Table 4.10 Loyalty to my employers

I feel loyalty to my employers				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	19	20.9	20.9	20.9
agree	38	41.8	41.8	62.6
neutral	26	28.6	28.6	91.2
disagree	8	8.8	8.8	100.0
Total	91	100.0	100.0	

In this research 62.6 % cumulative of the participants agreed that they felt loyalty to their respective employers. There were 28.6 % of the respondents that were neutral to the statement in question. This study had 8.8 % of participants that disagreed with the statement.

4.3.5 Relationship between Employee and Customers

Figure 4.11 Loyal to my employer's customers

Table 4.11 Loyal to my employer's customers

I feel loyal to my employer's customers				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	22	24.2	24.2	24.2
agree	45	49.5	49.5	73.6
neutral	21	23.1	23.1	96.7
disagree	2	2.2	2.2	98.9
strongly disagree	1	1.1	1.1	100.0
Total	91	100.0	100.0	

This study investigated feelings of loyalty to the employer's customers. The results show that 73.6 % cumulative of the respondents felt loyal to their customers. The rest of the respondents were neutral to the statement, and only 3 respondents disagreed with the statement.

4.3.6   Relationship between Employee and Colleagues

Figure 4.12 Loyal to my colleagues
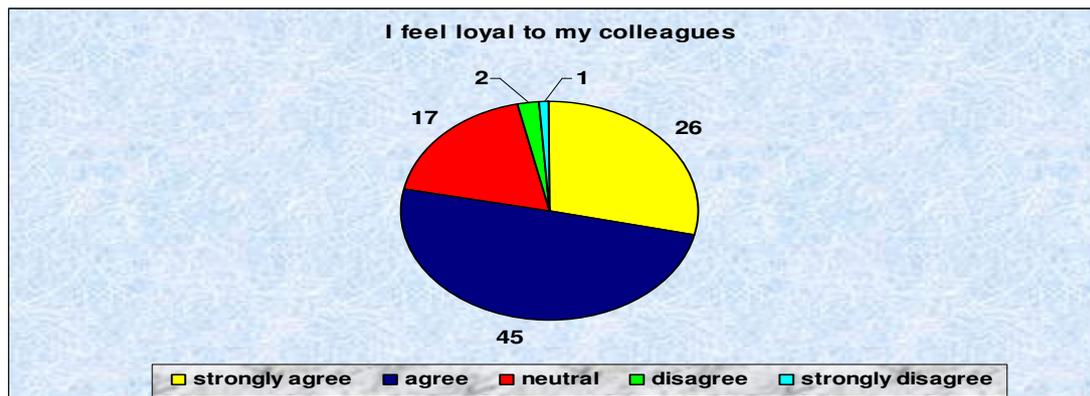
Table 4.12 Loyal to my colleagues

I feel loyal to my colleagues				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	26	28.6	28.6	28.6
agree	45	49.5	49.5	78.0
neutral	17	18.7	18.7	96.7
disagree	2	2.2	2.2	98.9
strongly disagree	1	1.1	1.1	100.0
Total	91	100.0	100.0	

The relationship between the working colleagues in this research was shown to be high at 78 % cumulative of the participants that agreed with the statement. Only 18.7 % of the respondents were neutral to the statement with only 3 participants who felt no loyalty to their colleagues.

4.3.7 Company Benefits

Figure 4.13 Leave my employers for more money

I would leave my employers for more money

Table 4.13 Leave my employers for more money

I would leave my employers for more money				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	31	34.1	34.1	34.1
agree	25	27.5	27.5	61.5
neutral	20	22.0	22.0	83.5
disagree	11	12.1	12.1	95.6
strongly disagree	4	4.4	4.4	100.0
Total	91	100.0	100.0	

The research sample population indicated that 61.5 % cumulative of the participants agreed with the statement that they would leave their current employer for more money. The other 22 % of the participants responded neutral to leaving their current employers for more money. Only 16.5 % of the respondents both strongly disagreed and disagreed with the statement.

Figure 4.14 Happy with my present level of benefits

I am happy with my present level of benefits
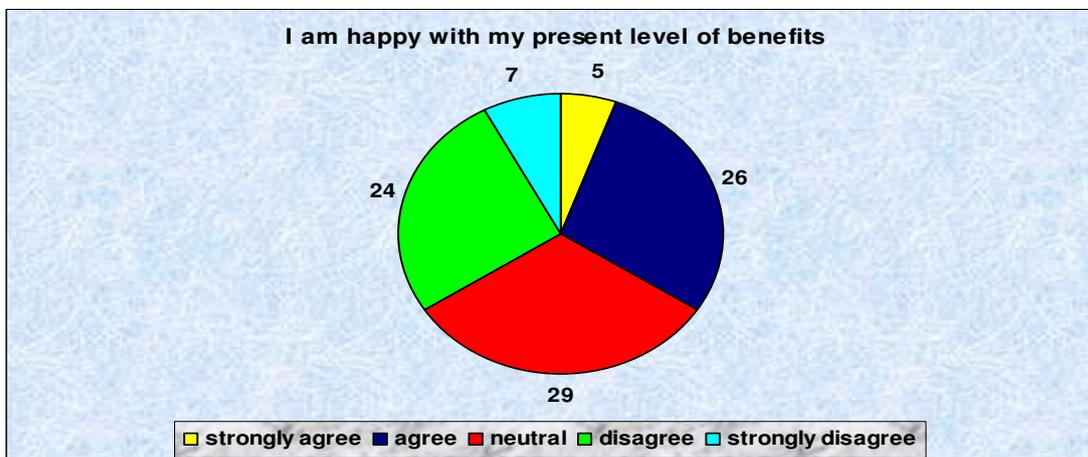
Table 4.14 Happy with my present level of benefits

I am happy with my present level of benefits				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	5.5	5.5	5.5
agree	26	28.6	28.6	34.1
neutral	29	31.9	31.9	65.9
disagree	24	26.4	26.4	92.3
strongly disagree	7	7.7	7.7	100.0
Total	91	100.0	100.0	

The study indicated 34.1 % cumulative of respondents that both strongly agreed and agreed with being happy with their present level of benefits. There were 31.9 % of the respondents that were neutral and 34 % participants both strongly disagreed and disagreed with being happy with their present level of benefits.

4.4 Factors influencing Employee Loyalty in the Workplace

4.4.1   Organisation Culture

Figure 4.15 My employers encourage trust and honesty

Table 4.15 My employers encourage trust and honesty

The culture of my employers encourage trust and honesty				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	19	20.9	20.9	20.9
agree	40	44.0	44.0	64.8
neutral	23	25.3	25.3	90.1
disagree	9	9.9	9.9	100.0
Total	91	100.0	100.0	

This study examined whether employers were encouraging trust and honesty in their organisations. The research indicates 64.8 % cumulative of the respondents agreed to having

their organisations encouraging trust and honesty. There were 25.3 % of the participants that responded neutral and 9.9 % disagreed with the statement, no one strongly disagreed with the statement.

Figure 4.16 Management addresses employees' concerns effectively
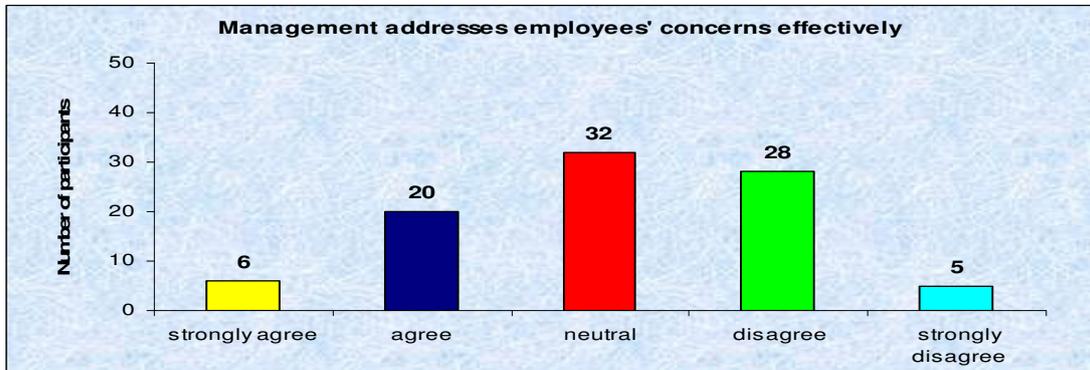
Table 4.16 Management addresses employees' concerns effectively

Management addresses employees' concerns effectively				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	6	6.6	6.6	6.6
agree	20	22.0	22.0	28.6
neutral	32	35.2	35.2	63.7
disagree	28	30.8	30.8	94.5
strongly disagree	5	5.5	5.5	100.0
Total	91	100.0	100.0	

The research examined if management was addressing employees' concerns effectively. The cumulative percent of the respondents that agreed with the statement was only 28.6 % while 36.2 % of the participants both strongly disagreed and disagreed with the statement. The other 35.2 % of the respondents was neutral on this statement.

Figure 4.17 Flexible working arrangements
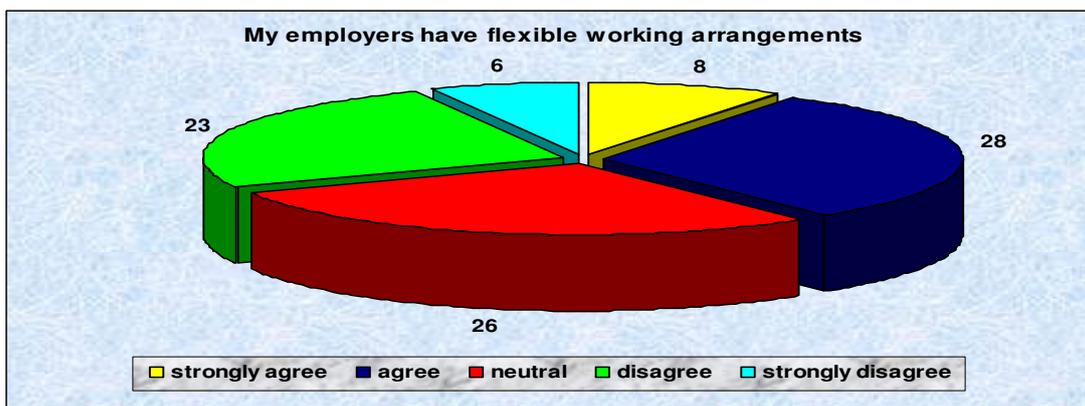
Table 4.17 Flexible working arrangements

My employers have flexible working arrangements				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	8	8.8	8.8	8.8
agree	28	30.8	30.8	39.6
neutral	26	28.6	28.6	68.1
disagree	23	25.3	25.3	93.4
strongly disagree	6	6.6	6.6	100.0
Total	91	100.0	100.0	

This study investigated having flexible working arrangements and 39.6 % cumulative of the participants agreed that they have flexible working arrangements in their current employment. There were 28.6 % of the respondents that were neutral to the statement and 31.9 % of the participants both strongly disagreed and disagreed with the statement.

Figure 4.18 Employers encourage teamwork

Table 4.18 Employers encourage teamwork

My employers encourage teamwork				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	27	29.7	29.7	29.7
agree	50	54.9	54.9	84.6
neutral	8	8.8	8.8	93.4
disagree	5	5.5	5.5	98.9
strongly disagree	1	1.1	1.1	100.0
Total	91	100.0	100.0	

This research revealed that 84.6 % cumulative of the respondents agreed with the statement that their employers were encouraging teamwork in the workplace. There was only 8.8 % of the participants that were neutral and 6.6 % disagreed with the statement about their employers encouraging teamwork.

4.4.2 Effective Communication

Figure 4.19 Employers communicate effectively
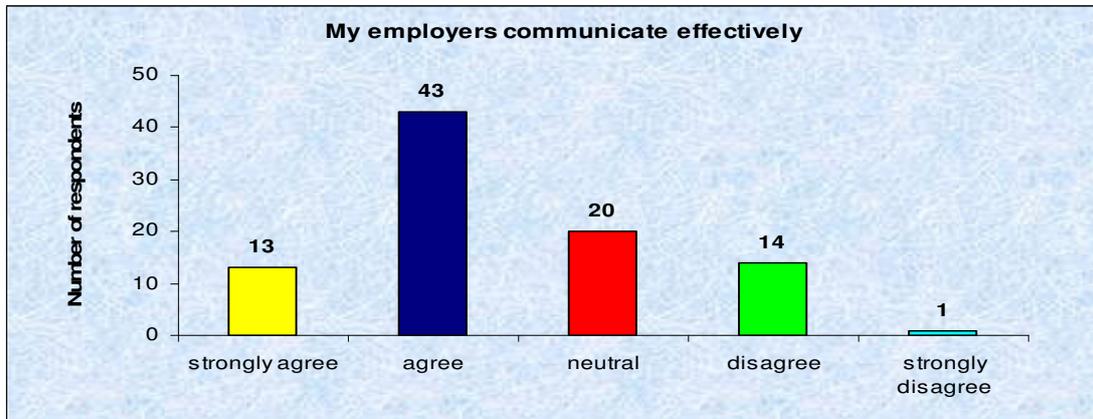
Table 4.19 Employers communicate effectively

My employers communicate effectively				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	13	14.3	14.3	14.3
agree	43	47.3	47.3	61.5
neutral	20	22.0	22.0	83.5
disagree	14	15.4	15.4	98.9
strongly disagree	1	1.1	1.1	100.0
Total	91	100.0	100.0	

This study indicated that 61.5 % cumulative of the respondents agreed with that their employers communicate effectively with employees. There were 22 % of the participants that were neutral on this statement and 16.5 % of the respondents the both strongly disagreed and disagreed with the statement.

Figure 4.20 Employers communicates "the big picture" and an attainable vision
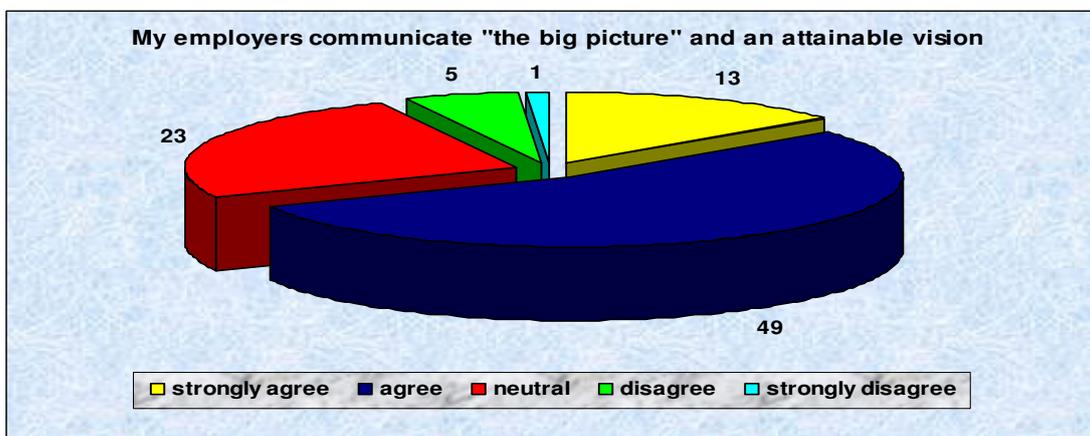
Table 4.20 Employers communicates big picture and attainable vision

My employers communicates "the big picture" and an attainable vision				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	13	14.3	14.3	14.3
agree	49	53.8	53.8	68.1
neutral	23	25.3	25.3	93.4
disagree	5	5.5	5.5	98.9
strongly disagree	1	1.1	1.1	100.0
Total	91	100.0	100.0	

This research shows that 68.1 % cumulative of respondents agreed with the statement that their employers communicate "the big picture" and an attainable vision. There were 25.3 % of respondents that were neutral to the statement and only 6.6 % disagreed with the statement.

4.4.3   Mentoring, Training and Coaching

Figure 4.21 Excellent mentoring and coaching
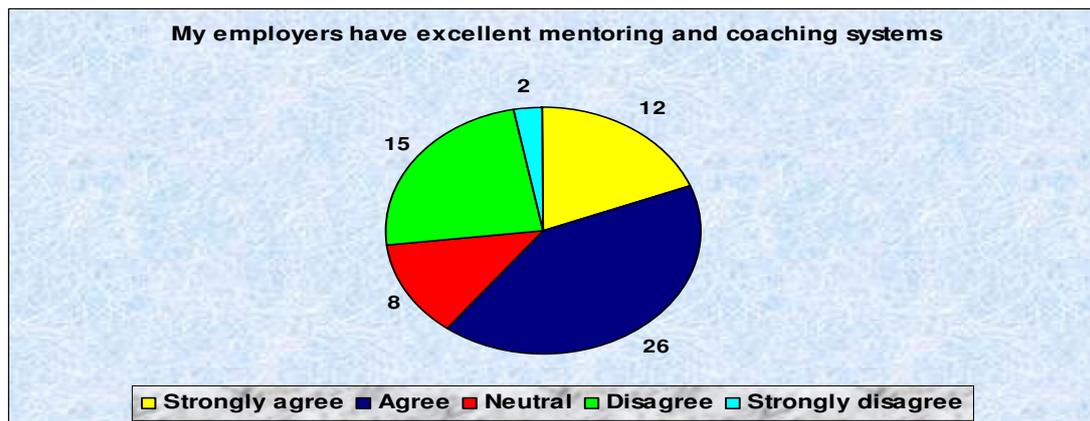
Table 4.21 Excellent mentoring and coaching

My employers have excellent mentoring and coaching				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	17.6	17.6	17.6
agree	34	37.4	37.4	54.9
neutral	15	16.5	16.5	71.4
disagree	21	23.1	23.1	94.5
strongly disagree	5	5.5	5.5	100.0
Total	91	100.0	100.0	

This research examined having excellent mentoring and coaching and there was 54.9% cumulative of the respondents that agreed with the statement. There were 16.5 % of the respondents that were neutral to the statement and 28.6 % of the participants both strongly disagreed and disagreed with the statement.

Figure 4.22 Investing in training employees

Table 4.22 Investing in training employees

My employer is investing in training employees				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	20	22.0	22.0	22.0
agree	42	46.2	46.2	68.1
neutral	17	18.7	18.7	86.8
disagree	9	9.9	9.9	96.7
strongly disagree	3	3.3	3.3	100.0
Total	91	100.0	100.0	

In this study 68.1 % cumulative of the participants agreed that their respective employers were investing in training their employees. There were 18.7 % of the respondents that were neutral to the statement. Only 13.2 % of the participants both strongly disagreed and disagreed with the statement.

4.4.4   Motivation

Figure 4.23 Employers motivate employees to be positive

Table 4.23 Employers motivate employees to be positive

My employers motivate employees to be positive				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	14	15.4	15.4	15.4
agree	46	50.5	50.5	65.9
neutral	23	25.3	25.3	91.2
disagree	8	8.8	8.8	100.0
Total	91	100.0	100.0	

This research examined whether employers were motivating employees to be positive at work. The research revealed that 65.9 % cumulative of the participants agreed with the statement. There were 25.3 % of the respondents that were neutral and only 8.8 % participants disagreed with the statement.

Figure 4.24 Employers recognise achievement

Table 4.24 Employers recognise achievement

My employers recognise achievement				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	10	11.0	11.0	11.0
agree	38	41.8	41.8	52.7
neutral	30	33.0	33.0	85.7
disagree	12	13.2	13.2	98.9
strongly disagree	1	1.1	1.1	100.0
Total	91	100.0	100.0	

Everyone would like to be recognised for achieving good work. In this research 52.7 % cumulative of the participants agreed that their respective employers do recognise the achievements of the employees. There were 33 % neutral participants in this study and only 14.3 % respondents that both strongly disagreed and disagreed with the statement.

4.4.5   Performance Rewards

Figure 4.25 Market related salaries

Table 4.25 Market related salaries

My employers pays market related salaries				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	5.5	5.5	5.5
agree	27	29.7	29.7	35.2
neutral	33	36.3	36.3	71.4
disagree	22	24.2	24.2	95.6
strongly disagree	4	4.4	4.4	100.0
Total	91	100.0	100.0	

In this study there were only 35.2 % cumulative respondents who agreed that their employers pay market related salaries. There were 36.3 % participants that were neutral. There were 28.5 % respondents that both strongly disagreed and disagreed that their employers pay market related salaries.

Figure 4.26 Good retention strategy

Table 4.26 Good retention strategy

My employer has a good retention strategy				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	6	6.6	6.6	6.6
agree	20	22.0	22.0	28.6
neutral	27	29.7	29.7	58.2
disagree	25	27.5	27.5	85.7
strongly disagree	13	14.3	14.3	100.0
Total	91	100.0	100.0	

In this study only 28.6 % cumulative agreed that their employers have a good employee retention strategy. There was 29.7 % of the participants who were neutral and 41.8 % of the participants both strongly disagreed and disagreed with the statement.

4.5 Strongly disagreed and disagreed percentage

Frequency plots were used to calculate the percentage of both strongly disagreed and disagreed answers. This was then used to decide on the factors influencing employee loyalty in the workplace. When percentages of both strongly disagree and disagree were less than 25% that statement was acceptable and did not have to be considered as one of the main factors. When the percentages of both strongly disagree and disagree was more than 25% then the factor became one of the main factors.

Table 4.27 Main factors

Main factors influencing employee loyalty in the workplace, Durban	% (Strongly disagreed and disagreed)
My employer has a good retention strategy	41.8
Management addresses employees' concerns effectively	36.3
My employers have flexible working arrangements	31.9
My employers pays market related salaries	28.6
My employers have excellent mentoring and coaching	28.6

The above table shows the summary of factors that had over 25 % of the participants who both strongly disagreed and disagreed with the statement in the questionnaire.

4.6 Correlations

Correlation between each of the factors that are perceived to be influencing employee loyalty in the workplace in this research was done to establish relationships between factors. Below is

the table with the correlation matrix that was generated from the responses of the 91 participants that were part of this research.

Table 4.28 Correlation Matrix

	I do feel a strong sense of belonging to my employers	It would be too costly for me to leave my current employers	I am happy with my present level of benefits	I feel that I have too few options to consider leaving my employers	My employer has a good retention strategy	Management addresses employees' concerns effectively	My employer pays market related salaries	My employers have flexible work arrangements	My employers have excellent mentoring and coaching
I do feel a strong sense of belonging to my employers	1.00								
It would be too costly for me to leave my current employers	0.22	1.00							
I am happy with my present level of benefits	0.68	0.77	1.00						
I feel that I have too few options to consider leaving my employers	0.18	0.99	0.74	1.00					
My employer has a good retention strategy	0.40	0.79	0.94	0.76	1.00				
Management addresses employees' concerns effectively	0.46	0.83	0.95	0.77	0.95	1.00			
My employer pays market related salaries	0.74	0.69	0.99	0.64	0.89	0.94	1.00		
My employers have flexible work arrangements	0.77	0.78	0.98	0.74	0.85	0.89	0.97	1.00	
My employers have excellent mentoring and coaching	0.76	0.55	0.59	0.56	0.31	0.41	0.58	0.74	1.00

The correlation matrix above shows that most of the factors had strong positive relationships to each other. The professed factor, "employers having excellent mentoring and coaching" had most of the correlations below 0.7 which was regarded as the weakest positive relationship in this research.

4.6.1 Good Retention Strategy and Strong Sense of belonging

Table 4.28 Good retention strategy vs Strong sense of belonging

	My employer has a good retention strategy (%)	I do feel a strong sense of belonging to my employers (%)	Pearson's coefficient (r)	Regression Statistics	
Strongly agree	6.6	12.1		Multiple R	0.40
Agree	22.0	46.2		R Square	0.16
Neutral	29.7	31.9	0.401	Adjusted R Square	-0.12
Disagree	27.5	7.7		Standard Error	10.11
Strongly disagree	14.3	2.2		Observations	5.00

In this research, to have a good retention strategy came as one of the main factors that influence employee loyalty in the workplace. This had the highest percentage (41.8%) of the participants that both strongly disagreed and disagreed with the statement. A correlation between having a strong sense of belonging to the current employers and having a good retention strategy was done and these had a weaker positive relationship at 0.401 Pearson's coefficient (r).

4.6.2 Addressing Employees' Concerns and Strong Sense of belonging

Table 4.29 Addressing employees' concerns vs Strong sense of belonging

	Management addresses employees' concerns effectively (%)	I do feel a strong sense of belonging to my employers (%)	Pearson's coefficient (r)	Regression Statistics	
Strongly agree	6.6	12.1		Multiple R	0.46
Agree	22.0	46.2		R Square	0.21
Neutral	35.2	31.9	0.463	Adjusted R Square	-0.05
Disagree	30.8	7.7		Standard Error	13.92
Strongly disagree	5.5	2.2		Observations	5.00

In this study, management addressing employees' concerns effectively came as one of the main factors that influence employee loyalty in the workplace. The percentage of the respondents that both strongly disagreed and disagreed with the statement in the questionnaire was 36.3 %. A correlation between having a strong sense of belonging to the current

employers and management addressing employees' concerns was done and these had a weaker positive relationship at 0.463 Pearson's coefficient.

4.6.3 Flexible Work Arrangements and Strong Sense of belonging

Table 4.30 Flexible work arrangements vs Strong sense of belonging

	My employers have flexible work arrangements (%)	I do feel a strong sense of belonging to my employers (%)	Pearson's coefficient (r)	Regression Statistics	
Strongly agree	8.8	12.1		Multiple R	0.77
Agree	30.8	46.2		R Square	0.59
Neutral	28.6	31.9	0.767	Adjusted R Square	0.45
Disagree	25.3	7.7		Standard Error	8.47
Strongly disagree	6.6	2.2		Observations	5.00

The other main factor that influences employee loyalty in the workplace, in this research was to have flexible work arrangements. This factor came at 31.9 % of participants that both strongly disagreed and disagreed about having flexible work arrangements. Pearson's coefficient (r) was 0.767 and that shows a strong positive relationship between flexible work arrangements and feeling a strong sense of belonging.

4.6.4 Paying Market Salaries and Strong Sense of belonging

Table 4.31 Paying market salaries vs Strong sense of belonging

	My employer pays market related salaries (%)	I do feel a strong sense of belonging to my employers (%)	Pearson's coefficient (r)	Regression Statistics	
Strongly agree	5.5	12.1		Multiple R	0.74
Agree	29.7	46.2		R Square	0.55
Neutral	36.3	31.9	0.742	Adjusted R Square	0.40
Disagree	24.2	7.7		Standard Error	11.14
Strongly disagree	4.4	2.2		Observations	5.00

Paying market related salaries was one of the main factors that influence employee loyalty in the workplace. This factor had 28.6 % of the participants that both strongly disagreed and disagreed with the statement. This research revealed a strong positive relationship with Pearson's coefficient of 0.742 between paying market related salaries and feeling a strong sense of belonging.

4.6.5   Mentoring and Coaching and Strong Sense of belonging

Table 4.32 Mentoring and coaching vs Strong sense of belonging

	My employers have excellent mentoring and coaching	I do feel a strong sense of belonging to my employers (%)	Pearson's coefficient (r)	Regression Statistics	
Strongly agree	17.6	12.1		Multiple R	0.76
Agree	37.4	46.2		R Square	0.58
Neutral	16.5	31.9	0.762	Adjusted R Square	0.44
Disagree	23.1	7.7		Standard Error	8.68
Strongly disagree	5.5	2.2		Observations	5.00

In this research, having excellent mentoring and coaching was revealed to be one of the main factors with 28.6 % of respondents that both strongly disagreed and disagreed with the statement. This research revealed a strong positive relationship between having excellent mentoring and coaching and having a strong sense of belonging to the employers. Pearson's coefficient was 0.762 and that shows a strong positive relationship between the two factors.

The percentages of strongly agree, agree, neutral, disagree and strongly disagree were used to correlate the main factors. Below is the summary table with Pearson's coefficients (r).

Table 4.33 Correlation summary

Main factors influencing employee loyalty in the workplace, Durban	I do feel a strong sense of belonging to my employer Pearson's coefficient (r)
My employers have excellent mentoring and coaching	0.762
My employers pays market related salaries	0.742
My employers have flexible working arrangements	0.767
Management addresses employees' concerns effectively	0.463
My employer has a good retention strategy	0.401

The above correlation summary table outlines the relationship between the main factors revealed in this research against the felling of a strong sense of belonging to the employer. In this research, affective commitment was used as feeling a strong sense of belonging to the employer and this was correlated against the main factors. The main factors that influence employee loyalty in the workplace were revealed in this research and prioritised as follows:

Table 4.34 Summary of the main factors influencing employee loyalty

Main factors influencing employee loyalty in the workplace, Durban	I do feel a strong sense of belonging to my employer Pearson's coefficient (r)	% (Strongly disagreed and disagreed)	Priority
My employers have flexible working arrangements	0.767	31.9	1
My employers have excellent mentoring and coaching	0.762	28.6	2
My employers pays market related salaries	0.742	28.6	3
Management addresses employees' concerns effectively	0.463	36.3	4
My employer has a good retention strategy	0.401	41.8	5

The summary table above of factors that influence employee loyalty in the workplace was generated from the main factors in table 4.27 and table 4.34 which is the correlation summary table. The relationship from Pearson's coefficient (r) was first considered then lastly the percentage of participants that strongly disagreed and disagreed with the statements when prioritising the factors.

4.7 Conclusion

The data collected from the participants was analysed in this chapter. The frequency plots were used to establish the main factors that influence employee loyalty in the workplace. The percent of respondents that both strongly disagreed and disagreed with the statements was used to make a decision about the first research question. Any statement with more than 25 % was considered to be a main factor that influences employee loyalty in the workplace.

Statistical analysis was used in this section to show the relationships between factors that influence employee loyalty and feeling a strong sense of belonging to the employer. The statement that had the strongest relationship with feeling a strong sense of belonging to the employers had the highest priority. The next chapter discusses the results from this chapter.

CHAPTER FIVE

Discussion

_____

5.1 Introduction

In this chapter the results presented in Chapter Four will be analysed to answer the research questions outlined in Chapter One.

The age group that participated in this research was 25-35 years at 41.8 % and there was 35-45 years at 26.4 %. The reason for this spread could be attributed to the fact that this is the age of the population that is working as permanent employees. The years of experience with the current employer had a high percentage response in the range of 0-5 years, at 50.5 %. This shows that most participants in this research did not have more than 5 years experience with their current employers. In this research there was about 50/50 % of married and single participants.

More than 50 % of the participants had a tertiary qualification. This could be attributed to the fact that Durban is a city with many organisations that require highly skilled employees. The above analysis gives the background of the participants in this research, including gender, age, marital status, years of services to current employers and highest qualifications.

5.2 Discussion

This research indicates that 33.0 % cumulative of the respondents that both strongly agree and agree with having too few options available to consider leaving their current employer. This could be attributed to many things like doing a unique job, labour work, scared of new challenges or just the current "depression" and others.

On the statement that asked whether participants would leave their current employers for more money, 16.5 % of the participants both strongly disagreed and disagreed with the statement. This shows that not all employees are motivated by money. It must be noted that benefits include things like pensions, car allowances, phone allowances and other benefits companies can offer.

The sample of this research shows a concern that management is not addressing the employees' concerns effectively with 36.2 % of the participants who both strongly disagreed and disagreed with the statement. In this research there is a very high positive response from participants regarding teamwork. This research shows that 84.6 % cumulative of the respondents agreed with the statement that their employers encourage teamwork in the workplace.

There were 54.9 % of the participants that both strongly agreed and agreed that their employers have excellent mentoring and coaching programmes in their organisations. Mentoring and coaching is vital in the organisation to both inspire employees and transfer skills to inexperienced employees. Employees are the foundation of building a successful company that has a durable competitive advantage. Training employees to be competent and productive is vital in an organisation.

The research revealed that 65.9 % cumulative of the participants agreed that they had employers that motivate employees to be positive. Employees who are not positive could affect other employees to be negative as well. The negative employees are generally not productive. This could negatively affect the profits of the organisation if managers do not motivate employees to be positive.

5.3 Research Questions

The research questions in Chapter One are:

- What are the main factors that influence employee loyalty in the workplace?
- How should organisations prioritise the main factors to improve employee loyalty in the workplace?

The above mentioned questions were aimed at illustrating the importance of human behaviour (employees in the workplace) to management. The findings answering the research questions will be drawn from the analysis of the data and literature review in Chapter Two.

5.3.1   First Research Question

The first research question was "What are main factors that influence employee loyalty in the workplace?" This research question searched for the main factors influencing employee

loyalty in the workplace that has to be attended to by top management. There were twelve statements from the questionnaire that had to be rated in order to identify the main factors.

Table 5.1 Organisation Culture

Organisation Culture	% (Strongly disagreed and disagreed)	Number/12
The culture of my employers encourage trust and honesty	9.9	9
Management addresses employees' concerns effectively	36.3	2
My employers have flexible working arrangements	31.9	3
My employers encourage teamwork	6.6	12
Average	**21.2**	

Organisation culture had 4 questions. Two of them produced both strongly disagreed and disagreed percentages more than 25 %. These factors were therefore classified as the main factors that influenced employee loyalty in this study. The factors were management addressing employee concerns effectively at 36.3 % and flexible working arrangements at 31.9 %.

This research indicates that encouraging teamwork produced the lowest percentage (6.6 %) of participants that both strongly disagree and disagreed with the statement. Encouraging trust and honesty came in at 9.9 % of participants that strongly disagreed and disagreed with the statement.

It is the responsibility of management to create an environment and culture that is conducive for employees to be more willing to participate in business growth. If the culture is acceptable to employees they will share their ideas to take the organisation to the next level with a sense of high accountability. The organisation will then have a durable competitive advantage.

Trust and honesty has to exist as two way processes, from the top down and from the bottom up. This means that a manager must be trustworthy and be honest as well. Managers can not expect employees to be trustworthy and honest while they themselves are not. This study shows the existence of poor flexible work arrangements with 31.9 % participants that both strongly disagreed and disagreed with the statement.

Table 5.2 Effective Communication

Effective Communication	% (Strongly disagreed and disagreed)	Number/12
My employers communicate effectively	16.5	6
My employers communicate "the big picture" and an attainable vision	6.6	11
Average	**11.5**	

Effective communication was one of the areas that was examined and both research questions had less than 25 % of the participants that both strongly disagreed and disagreed with the statements.

This study indicates that communication is done fairly effectively and that management communicates "the big picture". There is always room for improvement in all areas but for the purposes of this study, effective communication had satisfactory results as both research questions were disagreed with less than 25 % of the participants.

This research indicates that managers do communicate effectively and this may be enhanced by communication on the organisation's grapevine which happens everywhere anyway. Communication must be ongoing between an employee and a manager if they hope to have a high-quality relationship.

Table 5.3 Mentoring, training and coaching

Mentoring, training and coaching	% (Strongly disagreed and disagreed)	Number/12
My employers have excellent mentoring and coaching	28.6	5
My employer is investing in training employees	13.2	8
Average	**20.9**	

Mentoring and coaching had more than 25 % of the participants who disagreed with the statement. It was therefore rated as 5th most important factor with 28.6 %. This research shows that there are no concerns with training since it only had 13.2 % of participants that both strongly disagreed and disagreed with the statement. In this research training was rated to be number 8 out of 12.

Mentoring and coaching are vital as they demonstrate direction to young employees. During coaching gabs in knowledge and skills can be identified and action plans can be prepared. Coaching can be described as transferring skills for competency. This should be aimed at motivating employees to strive towards high standards and stretching themselves. Organisations must have mentors that have achieved or working towards the same goal as one for the employee.

A company that has an excellent coaching programme in place stands a better chance of transferring knowledge from experienced employees to inexperienced employees and hence a better chance of achieving high company performance. One could say that high performers in organisations are not as a result of being clever, but because they receive excellent training.

Table 5.4 Motivation

Motivation	% (Strongly disagreed and disagreed)	Number/12
My employers motivate employees to be positive	8.8	10
My employers recognise achievement	14.3	7
Average	**11.5**	

Motivation was investigated. Motivating employees to be positive showed only 8.8 % of participants who strongly disagreed and disagreed with the statement. The rating for motivating employees to be positive was 10 out of 12. Recognising achievement passed showed 14.3 % of the participants that strongly disagreed and disagreed with the statement that their employers recognised achievement and it was rated number 7 in importance.

It is necessary for organisations to motivate employees to apply high level of hard work toward organisational objectives. Motivated and satisfied employees become high performers in the organisation and increase the performance of their organisation.

Table 5.5 Performance Rewards

Performance Rewards	% (Strongly disagreed and disagreed)	Number/12
My employers pays market related salaries	28.6	4
My employer has a good retention strategy	41.8	1
Average	**35.2**	

Performance rewards was the last subject in establishing main factors that affect employee loyalty in the workplace. Both factors showed percentages above the benchmark of 25 %. This could easily be attributed to situations where companies are more concern with maximising profits by paying employees less. On the other side of the coin, employees are human beings, they are not easily satisfied with their salaries, and they always want more.

Paying market related salaries had 28.6 % participants that both strongly disagreed and disagreed. The second factor on performance rewards was that the company had a good retention strategy. These factors were rated 4 and 1 respectively out of the 12 factors that were rated in this research. This research indicates poor retention strategy (41.8 %) of the respondents that both strongly disagreed and disagreed with the statement.

Table 4.27 indicates that the main factors that influence employee loyalty in the workplace. The factors that less than 25% of the participants who both strongly disagreed and disagreed with the statements in the questionnaire, were not considered in this research.

The main factors were good retention strategy, addressing employees' concerns effectively, having flexible working arrangements, paying market related salaries and having excellent mentoring and coaching. The first question of this research was answered by establishing the main factors that influence employee loyalty in the workplace.

5.3.2   Second Research Question

The second question was to prioritise the main factors that influence employee loyalty and the first main factor that needed improvement was a good retention strategy of employees. The second main factor was to have management trained properly to address employees' concerns effectively. This could be attributed to the poor management skills of existing managers that are still doing things the old traditional way. Generations change and managers need to be able to adapt to these changes by going through intensive training to change their management style.

The third main factor to be addressed was having flexible working arrangements. Organisations could have flexible working hours, allow employees to come in late and leave late and come in early and leave early. The fourth main factor to be addressed was paying your valuable employees market related salaries. Organisations could do research on what

their competitors were paying their respective employees, considering the skill and experience and match the salaries.

The fifth main factor that influenced employee loyalty in the workplace in Durban was for management to have excellent mentoring and coaching skills, especially for the least experienced employees. Coaching could be described as a process of assisting in the transfer of skill or competence to another person. Mentors guide with high calibre the young stars to achieve their goal in life.

The next step in this research was to develop a strategy that would answer the second research question that was as follows: How should organisations prioritise the main factors to boost employee loyalty in the workplace?

Pearson's correlation was used in this research to prioritise the main factors influencing employee loyalty in the workplace in Durban. The correlation of all five top factors was done against the feeling of a strong sense of belonging to the employers to establish the relationships. This was testing affective commitment.

The percentages of strongly agree, agree, neutral, disagree and strongly disagree were used to correlate the main factors. Table 4.33 in Chapter Four shows the correlation summary. The first main factor that influenced employee loyalty in the workplace according to this research done in Durban, is to have flexible work arrangements. This main factor had a Pearson's coefficient of 0.767 when correlated with feeling a strong sense of belonging. This shows that there is a strong positive relationship between having flexible working arrangements and feeling a strong sense of belonging to the employer.

Mentoring and coaching was the second factor with Pearson's coefficient (r) of 0.762 and that indicated a strong positive relationship with feeling a strong sense of belonging to the employer.

The third main factor that had a strong positive relationship was paying market related salaries to have employees feeling a strong sense of belonging to their respective employers. Paying market related salaries when correlated with feeling a strong sense of belonging to the employer had a Pearson's coefficient of 0.742 and that is a strong positive relationship.

The fourth main factor was to have management addressing the employees' concerns effectively. The fifth main factor tested was to have a good retention strategy. Both these factors were correlated with feeling a strong sense of belonging to the respective employers.

Both the main factors indicated that there was weak positive relationship with feeling a strong sense of belonging to the employer with Pearson's coefficient of 0.463 and 0.401 respectively.

5.4 Conclusion

Table 5.6 Main factors priority

Main factors influencing employee loyalty in the workplace, Durban	Priority
My employers have flexible working arrangements	1
My employers have excellent mentoring and coaching	2
My employers pays market related salaries	3
Management addresses employees' concerns effectively	4
My employer has a good retention strategy	5

The first priority was having flexible working arrangements followed by mentoring and coaching and the third factor was paying market related salaries. The first three factors had a strong positive relationship with feeling the sense of belonging to the employers.

Management addressing employees' concerns effectively and a good retention strategy both had weak positive relationships to feeling a sense of belonging to the employers and they were fourth and fifth main factors respectively.

In this section the research questions were answered and suggestions were made about what organisations should do to boost employee loyalty in the workplace. The discussion of the results was done in this chapter and the next chapter has recommendations for future research and conclusion of the study.

CHAPTER SIX

Recommendations and Conclusion

_____

6.1 Introduction

This research was conducted to answer two research questions, what are the main factors that influence employee loyalty in the workplace? And how should organisations prioritise the main factors to boost employee loyalty in the workplace? The data that was collected was analysed. There were limitations that were obstacles and they were discussed in the first chapter. The recommendations are made in this chapter for future studies.

6.2 Limitations of the Research

Employee loyalty in the workplace should be an important subject for executive management, as they try to retain to their experienced employees. This suggests that senior management must understand the factors that influence employee loyalty in the workplace. This research had twelve factors under five subjects and five out of the twelve were indentified as main factors that influence employee loyalty in the workplace. This research also unearthed the five main factors for top management to address in that order considering the time issue and financing the projects.

During questionnaire distribution, participants were requested to be as honest as possible when answering the questionnaire. In this study there were respondents in every question that decided to choose the neutral option. This could have been caused by not understanding the question itself or the participants just deciding to be neutral to the statement.

There was 91 participants in this research that were randomly selected to participate. The respondents had to be fulltime employees in only private organisation in Durban. There could have been a small percent of the respondents who said that they were fulltime employees in the private organisation in Durban but who did not meet all the requirements. As most of the participants were randomly selected, a small percentage of the respondents may have just answered the questionnaire quickly and did not think through each statement.

The research focused on employees and did not look at manager's point of view, meaning it was a down to top approach. The participants answered the questionnaire as employees, not as managers.

6.3 Further study

This study targeted people that could read English as the questionnaire was constructed in English. This excluded certain fulltime employees in private organisations in Durban that could have been part of the research. Future studies should at least include the other dominant languages in the sample population of a particular region like Zulu in KwaZulu-Natal, Afrikaans in Northern Cape, Xhosa in Eastern Cape and Sotho in Free State. The language barrier influenced the number of participants that could be part of the research.

Future research could include the participants that are both part-time and fulltime employees and a comparison could be made of how they respond to the questionnaire. Other comparisons could be made between private sector and public sector employees to establish their responses to the questionnaire.

In future research more participants could be used to improve validity, generalisation and reliability of the research. At the Doctoral studies level the study could look at the whole country, and try to accommodate other languages as mentioned above. The questionnaire could be expanded to include other possible subjects that influence employee loyalty in the workplace.

6.4 Suggestions for future research

This research focused on five subjects that influence employee loyalty in the workplace: organisation culture, effective communication, mentoring training and coaching, motivation and performance rewards. There are other subjects that could be included for future research like individual culture, interpersonal influence, feedback and performance appraisals, bargaining and negotiating, effective management, social responsibilities and other subjects. All these subjects could influence employee loyalty.

The initial data collection strategy that was adopted in this research was to email the questionnaire to the respondents. This caused delays in getting the responses, so the strategy was changed to one where the researcher to distributed the questionnaire personally and got

the participants to answer the questionnaire at the same time. The second data collection strategy succeeded in getting more responses more quickly and supported the random sample technique as participants were selected randomly.

There were about 8.8% female participants in this research. This may have been caused by the fact that females are the one doing shopping mostly and males had time to answer the questionnaire.

Future studies could look at the manager's point of view to this research, where they answer the questionnaire as managers, top to down approach.

6.5 Conclusion

This chapter discussed recommendations to top management and researchers for future research and has made conclusion about the study of employee loyalty in the workplace. The research solved both research questions: What are the main factors that influence employee loyalty in the workplace? How should organisations prioritise the main factors to boost employee loyalty in the workplace?

In this research the main factors were identified from the original twelve factors derived from five subjects. These main factors were prioritised so that top management in organisations can allocate resources to them accordingly. The research results revealed that having flexible working arrangements, having excellent mentoring and coaching, paying market related salaries, addressing employees' concerns effectively and having a good retention strategy to be the main factors that influence employee loyalty in the workplace. According to this research if top management addresses these main factors, employee loyalty in the workplace should increase and organisations will have more loyal, competent and productive employees.

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Dear Respondent,

MBA Research Project
Researcher: James Xolani Nyawera (Cell no. 082 5577 802)
Supervisor: Martin Robin Challenor (Office Tel no. 031 260 8104)

I, **James Xolani Nyawera**, an MBA student at the Graduate School of Business, University of KwaZulu-Natal, invite you to participate in a research project entitled the study of employee loyalty in the workplace in Durban, KwaZulu Natal Province. The aim of this study is to identify main factors that influence employee loyalty in the workplace and how to prioritize them to boost employee loyalty in the workplace.

Through your participation I hope to understand the main factors that affect employee loyalty in the workplace and which ones take first priority. The results of the survey are intended to contribute to the Durban organizations to understand factors affecting employee loyalty in the workplace. Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business, UKZN for 5 years.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above. The survey should take you about 20-40 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

James Xolani Nyawera

Signature_____Date_____

CONSENT

I _____the undersigned have read and understand the above information. I hereby consent to participate in the study outlined in this document. I understand that participation is voluntary and that I may withdraw at any stage of the process.

Participant's signature_____ Date_____

Questionnaire

Respondent's Particulars Questions

1. Gender.

Male	Female

2. Age.

18-25	25-35	35-45	45-60	60+

3. Marital Status

Married	Single	Divorced	Others,

4. Years of service with your current employers.

0-5	5-10	10-20	20-40	40+

5. Highest Qualifications.

No-Matriculation	Matriculation	Diploma	Degree	Post-graduate

Employee Loyalty in the workplace

6. Generally, I am someone who is willing to stay with my employers.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

7. I do feel a strong sense of belonging to my employers.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

8. I feel that I have too few options to consider leaving my employers.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

9. It would be too costly for me to leave my employers.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

10. I feel loyalty to my employers.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

11. I would leave my employers for more money.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

12. I feel loyal to my colleagues.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

13. I feel loyal to my employer's customers.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

14. I am happy with my present level of benefits.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

Organization Culture

15. The culture of my employers encourage trust and honesty

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

16. Management addresses employees' concerns effectively.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

17. My employers have flexible work arrangements.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

18. My employers encourage teamwork.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

Effective communication

19. My employers communicate effectively.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

20. My employers communicate "the big picture" and an attainable vision.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

Mentoring Training and Coaching

21. My employers have excellent mentoring and coaching systems

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

22. My employer is investing in training (empowering) employees.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

Motivation

23. My employers motivate employees to be positive.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

24. My employers recognize achievement.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

Performance Reward

25. My employer pays market related salaries.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

26. My employer has a good employee retention strategy.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree