



**FACTORS EMPLOYEE LOYALTY IN
ORGANIZATION**

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ABSTRACT

Organization nowadays facing high competition. They need to provide best benefits to their employee in order to make they stay longer in their organization. No matter what type of industry, every organization will give benefits to their employee as recognition. By doing this, it can make the employee stay longer in the organization or in short they will be employee loyalty. Employee loyalty can be defined as employees being committed to the success of the organization and believing that working for this organization is their best option. They play vital role for the organization improvement. However, it is not easy to maintain the employee loyalty in an organization. There are several variables that influence the employee loyalty in the area of Shah Alam. There are employee motivation, compensation and rewards, job security, and workplace environment.

Based on the four variables stated above, we conducting this research as the aim of the study is to find the factors that contribute employee loyalty in the organization in area of Shah Alam. This study also is to find whether the four variables have relationship between the employee loyalty. From this research, there are some evidence which can prove the reliability to the four variables as mentioned earlier. Thus, an organization need to focus more on employee motivation, compensation and rewards, job security, and workplace environment in order to make their employee become loyalty.

In order to achieve the aim of study, questionnaire survey was used for this research project. The researcher had contributed the questionnaire to the employees who worked in the organization in area of Shah Alam. This will help the researcher to obtain accurate variable. Besides that, this research also will define the most reliable factors that contribute to employee loyalty.

Apart from that, this research also has several recommendations as proposed in the last part of this research as it could generate employee loyalty in the organization in the area of Shah Alam. By recommendation, it could enhance the company profitability and operation.

CHAPTER 1: INTRODUCTION

1.0 Introduction

This chapter is an overview for the whole research of the study context and it explain the research problems. In this research , the problem statement describe the core idea of the study prompting to make a clear explanation on the research objectives to be achieved and the research questions to be answered. Apart from that, researcher also clarified the hypothesis to be tested and elucidate the importance and contribution of conducting this study. In the end of this chapter, conclusion is provided.

1.1 Background of Study

Today, the conditions under which a company is working are constantly changing. The customers demand more than simply the core product. They want a wide range of values, attitudes and experiences. This show that customer are more brilliant and very careful with their buying behavior. Apart from that, an employee is also play an important role as they are the direct person who interact with the customer and knows better what the customer need. Generally talking, employee loyalty also can effect to customer loyalty as stated by Stuart Evans, UK General Manager in Financial Times on 31stJanuary 2013.

Basically employee loyalty can be defined as a psychological attachment or commitment to the organization and develops as a result of increase satisfaction. Satisfaction results from a process of internal evaluation, and if an employee's expectation level is met or exceeded, then satisfaction grows. Employee loyalty then develops into a generalized emotional attitude towards the organization. In other words, the more satisfied an employee is regarding his or her working environment, the more likely that he or she will develop a sense of commitment towards the organization in general.