FACTORS AFFECTING EMPLOYEE LOYALTY IN THE CASE OF GREAT ABSINIYA; EMPLOYEE PERCEPTION

A Thesis Submitted to the School of Graduate Studies of Jimma University in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (MBA)

BY:

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JIMMA UNIVERSITY

COLLEGE OF BUSINESS & ECONOMICS

MBA PROGRAM

JULY, 2020

ADDIS ABABA, ETHIOPIA

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DECLARATION

I declare that the research Report entitled "Factors Affecting Employee Loyalty: in Case of Great Abyssinia plc. Sululeta Plant," **submitted** to Research and Postgraduate Studies' Office of Business and Economics College is original and it has not been submitted previously in part or full to any university.

Name: <u>Lielte Tsegaye</u>

Date: <u>August, 2020</u>

CERTIFICATE

We certify that the Research Report entitled "Factors Affecting Employee Loyalty: in Case of Great Abyssinia plc. Sululeta Plant," was done by Lielte Tsegaye for the partial fulfillment of Masters Degree under our Supervision.

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Dr. Mekonen Bogale (Main Advisor)   Mr. Belay Chekol (Co-Advisor)

ACKNOWLEDGMENT

ABSTRACT

The objective of this study is to investigate factors affecting employee loyalty in Great Abyssinia sululeta plant. This Research had been undertaken to examine the important factors influencing employees' loyalty such as nature of work, carrier advancement and recognition, employee benefit, relationship with supervisor & colleagues, and working condition in the organization. The study used explanatory research design it studies a situation or a problem in order to explain the relationships between variables .The sample group used in this research consisted of 300 current employees of Great Abyssinia sululta plant as the target group. The sample size of this study is 171 employees only 147 employees responded. A questionnaire is used to collect data for this study, comprising closed-ended question, Likert matrix questions. The Statistical Package for Social Sciences (SPSS) version 21 program is used for validity, reliability, correlation and regression analysis to examine the relationship among dependent variable and independent variable. The findings of the study indicated that factors like Career Advancement and Recognition, Employment Benefits, Nature of the work, Relationship with their supervisors and colleagues and Working Environment have a strong relationship with Employee loyalty, from the model summary of regression analysis, the adjusted R square is 66.7 percent which indicates that Nature of the work, Relationship with their supervisors and colleagues, Working Environment, and employee benefit contribute to the variance of employee loyalty in the organization. Also the study shows that they are significant to employee loyalty. The study drawn a conclusion from research findings, Career Advancement and Recognition was found to have the better and positive influence on Employee loyalty followed by Relationship with their supervisors and colleagues, Working Environment, Nature of the work ,and employee benefit. Have significant relationship with employee loyalty. The principle recommendation of study is a greater understanding of employees' needs will increase employee loyalty in the organization ,it will also helps to have a better business results, organizational growth, reduced employee turnover and policy development, to support employee's motives on work effectiveness to and have greater employee loyalty.

Key words; employee loyalty, organization, work effectiveness, employee turnover, policy development, Great Abyssinia p.l.c.

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ACRONYMS/ABRIVATIONS

SPSS: Statistical Package for Social Science

NW: Nature of the work

CAR: Career advancement and recognition

EB: Employment benefits

RS: Relationship with your supervisors and colleagues RS

WE: Working environment

ELY: Employee loyalty

CHAPTER ONE

INTRODUCTION

This chapter will provide an overview outline of this research. A research background and problem statement has drawn to let readers have a basic knowledge of the research. The Research objectives and significance are identified and discussed, research question have been prepared and these allow the researchers clear guideline to precede the research to the next chapters.

1.1 Background of the study

In the highly competitive business world of today, effective human resource management is very critical. In order to survive or stay ahead of their competitors, many organizations now have directed their attention, more and more, to the importance of human resource management.

The main objective of creating the environment of employee loyalty is to achieve a situation in which employees will knowingly and without coercion become committed, accept responsibilities and pursue them at their own best efforts. In order to achieve employee loyalty in the organization, organization must take a good care of employees. A sense of belonging is associated with confidence and accepting the objectives and values of the firm and it is accompanied by the employees' willingness and commitment to the efforts - Employee loyalty can contribute to greater efficiency, better business results, firm growth, reduced employee turnover, etc. (Meylon and Alilya 2016, Antoncic and Hisrich 2014).

Employee loyalty to the organization has sometimes been viewed as an attitude. However, it is not so much an attitude that is important in organizations, but rather it is the bottom-line action component. Some specific behaviors that may point employee loyalty to the organization are simply mentioned in their job description, such as working safely, adhering to rules, following orders, maintaining quality of output, and taking care of company property. But other behaviors are based on unwritten aspects such as staying late to complete a project, participating in extraordinary activities, contributing to company charities,

proposing suggestions, and remaining with the organization. Employees with these types of behaviors tend to be more productive, creative, and committed to their employers, as well as contributing fully to their company's common goal of making a profit while companies that have very few of these employee's risk lowered profit margins (Kreitner & Kinicki, 2018).

Loyal employees also contribute to the creation of the image to the organization to its environment and outside stakeholders, such as customers (Meylon and Alilya 2016, Antoncic and Hisrich 2014). The trust of employees in the company very importantly defines the employee welfare at work and satisfaction with work (Maylon 2016), Internal service quality can influence employee satisfaction, employee loyalty and productivity (Heskett et al. 2016). Employees are key to achieving the internal quality of service in the organization and hence for the business results of enterprises. Business growth important is based on the performance of employees.

People may join an employing organization and want to work for a vision, but when they leave an organization, it largely because they are dissatisfied (Kaye & Jordan-Evans, 2015) pointed out that employee satisfaction and retention have always been important issues (Buckingham & Coffman 2018).a high level of absenteeism and staff turnover can negatively affect the company as a whole. Satisfied employees show greater loyalty to their organization.

The cost of replacing an employee in today's market is roughly one-half of that person's annual salary (Kreitner & Kinicki, 2018).This figure does not include the loss of intellectual capital that results from each departure. We know to replace old employees with new ones costs time, money and experience. But there is also a possibility that the loss of a longtime employee will bring about the loss of loyal customers. Moreover, employee disloyalty results in low profitability.

Employees who are not motivated to achieve organizational objectives would not be interested in fulfilling customer demands or be concerned about customer satisfaction. Eventually, organizations would have to face a reduction in sales and profitability. Motivation theories suggest individuals differ in their desired rewards, how they attempt to satisfy their needs, and how they view the fairness of what managers attempt to do for them and the work environment.

The purpose of this study is to examine the factors which can potentially affect the employee loyalty. To begin with, a brief review of the determinants such as nature of work, carrier advancement and recognition, employee benefit relationship with supervisor and collogues, and working condition.

The success of employee and supervisor relationship is important to the business organizations, especially for the manufacturing industry. First, followers are critical to approximately 80% of organizational success (Hall & Densten, 2014). A good and healthy employee-supervisor relationship directly affects employee loyalty.

People may join an employing organization and want to work for a vision, but when they leave an organization, it largely because of their boss; employees quit their bosses, not their job or their employer (Buckingham & Coffman, First break all the rules: What the world's greatest managers do differently, (Kaye & Jordan-Evans, 2016). Hence, the explanation to an organization's success is lie upon the success of the employee-supervisor relationship.

Meanwhile, the study is also conducted to assess the employee loyalty among the back of house staff to determine whether the quality of working conditions can affect the employee loyalty. The important of a proper working condition is essential in an organization. If the organization has all the skilled and expertise staff but does not have proper facilities, the organization is on the path to failure (Kaye & Jordan-Evans, 2016).

Employee benefit and recognition is such a factor that exerts a driving force on our actions and work (Baron, Behavior in organizations, 2016). Hence, recognition and reward has become a vital determinant to increase the sense of appreciation towards the staff in an organization. Within an organization, the best performance is feasible with most committed employees that can only be achieved through employee motivation and presume that motivation is included recognition and rewards (Kreitner & Kinicki, 2016). Hence, rewards such as incentives, intangible reward, compensation and others will be most preferred for the organization staff.

Meanwhile, nature of work and carrier advancement is also an essence of workplace loyalty. This approach has improved employee morale and increased input. The type of work can make a positive effect on any of the organization. In addition, it does improve the job commitment; decrease the absenteeism, increase participation and others by the staff (Kreitner & Kinicki, 2016).

So, if Organizations that offer little in the way of technological developments, career opportunities or few provisions for equal employment opportunities, racial discrimination, and rewards for performance and allowance for benefits are likely to face employee disloyalty (Buckingham & Coffman, 2014) it would not benefit the organization to invest in high tech machinery and equipment or evolve using modern supply chain management programs unless they first address employee loyalty issues.

Today, organizations are placing increasing importance on capturing employee loyalty given its proven link to customer loyalty and profitability (Klang Valley, Malaysia, 2016).

Great Abyssinia private Limited Company has been one of Ethiopians forefront manufacturers and exporter of coffee for a half of century. According to the company's capacity, it can export around 1,000 pieces of coffee product per month to countries all over the world, including such as Japan, Europe and the USA. With high monthly capacity, the company is aware that its workforce is considered the most important resources and loyal employees are the greatest asset to help drive the company's success.

This research aims to contribute to the existing knowledge; hence, conducting this research is important to know the effects factors affecting employee loyalty. The results of this study could lead to a greater understanding of employees' needs in order to increase the loyalty in the organization and better business results, organizational growth, reduced employee turnover in Great Abyssinia, policy development supporting employee's motives on work effectiveness and result in a greater loyalty.

1.2 Background of the organization

Great Abyssinia traces its roots from a small sole proprietorship founded in the early nineties in Ethiopia, then called Abyssinia Tea and Coffee Enterprise, with a single purpose of adding value to the finest Ethiopia coffee and catering to domestic market and foreign market.

It was a humble beginning which largely banked on 10,000 birr initial investment capital, an old and rundown machine, ten employees and sheer devotion and love for Ethiopia coffee. The company started by roasting, grounding and packaging Arabica Coffee relaying on local market and exports. Eventually, strategic leadership and diligent employees of company were rewarded with increased market share and expanding customer base ushering the company into a new era of progress.

Recently what could be considered as a milestone in the growth of company came in 2003 when the three brothers decide to reorganize the company as private limited company with paid up Capital amounting to 4.5 million birr subscribed in cash and item. Thereafter, the company assumed its name Great Abyssinia P.L.C with three shareholders each having equal equity contributions and shares. It has become frontrunner Food and Beverage Company based in Ethiopia specialized in carbonated soft drinks, bottled water, juice, coffee and tea. Started off as a small coffee roaster in the nineties, currently Great Abyssinia has six different product lines, a well-equipped coffee roasting facility fitted with state- of-the-arts coffee laboratory.

Soon after, Great Abyssinia gathered its momentum to launch its bottled water line: Abyssinia Springs. This move took the company to a new height making it one of the biggest players in the Ethiopia's private bottling industry. Yet again, another milestone in Great Abyssinia's history was its partnership with Gat Foods, a foreign food and beverage manufacturer, a deal which led to the manufacturing and bottling of the latter's juice product: PRIGAT Juice in Ethiopia. Worthy of its name, the Great Abyssinia, the company was reestablished redirecting its focus more on diversification that included but not limited to fast-moving consumer goods.

1.3 Statements of the problem

As argued by Guillon and Cezanne (2014), the concept of employee loyalty has been given many different definitions. Therefore, the need for further research looking into both the definition of the concept as well as the factors affecting employee loyalty .Tomic et al. (2018) highlight in their study the importance of the positive relationship between employee loyalty and factors like Career Advancement and Recognition, Employment Benefits, Nature of the work, Relationship with their supervisors and colleagues and Working Environment, indicating a need to study ways to improve employees loyalty.

 In the study by Bloemer and Schröder (2014), the importance of studying employee loyalty is also highlighted since this concept is important for both creating loyal employees. With the agreement of loyal employees being an important factor for increasing organizational performance, more studies have been conducted with the aim of investigating factors impacting employee loyalty. Tseng and Wu (2017) study shows focusing on factors such as

ethical leadership and organizational culture and therefore suggest future studies to look into other factors which could have an impact on employee's loyalty.

When looking through existing literature, such as the articles used in the review, it can be seen that there is a need for further research within the area of factors affecting employee loyalty. Even though previous research has both looked into the definition and factors impacting this concept, most of them argue that because of the broadness of the concept, the area is not yet fully saturated.

When comparing the research used in the review, it can be seen that most of previous research about factors affecting employee loyalty has been conducted using a qualitative method. This means that a quantitative method looking further into the concept of factors affecting employee's loyalty is both relevant and relatively unexplored. Therefore, with this quantitative study aiming at investigating both the definition of employee loyalty and factors impacting it, there is a clear contribution to existing research and further closing of the gap of areas not fully explored.

Great Abyssinia have low employee retention program, there is a high employee turnover rather than fostering a positive work atmosphere to promote engagement, showing appreciation to employees ,organization emphasizes the importance of economic performance and growth of the organization, but often neglect its employees, who are an important element for sustainable development of the organization.

Long term business objectives of the organization can be achieved when employee loyalty can be established. In practice, it often happens that the employer expects or requires from its employees to be loyal, but fails to provide a positive atmosphere at work; such attempts to obtain loyalty can be almost always far from successful (Mihalic 2014).

Organization can come into trouble, when key employees start leaving the Organization because of mistrust and lack of confidence in the Organization, lack of acceptance of certain business decisions, and because of the neglect of their needs. In order to achieve the business objectives and the consequent growth of the Organization, the Organization should strive to achieve employee loyalty (Mozina 2016).

Employees are said to be loyal to their organizations if they enthusiastically continue their association with the organization and exhibit significant exertion in achieving organizational

objectives. The authors argue that these elevated levels of effort exerted by employees increase organizational loyalty. This will prompt higher levels of productivity and viability of both the individual and the organizational levels (Mihalic, 2014) did a comparative study in public and private sector companies in India of 250 employees in the limit of managerial and non-managerial ranks. Their results revealed that employees in public sector 31 organization have more prominent levels of organizational loyalty compared to private sector organizations.

Furthermore, employee benefit increases or decreases when there is an increment or diminishing organizational loyalty (Ramanathan and Senthil 2016), conducted a study to investigate the role of employee loyalty and to examine crucial factors influencing the business productivity. The study was undertaken on a sample size of 100 across the South Indian cities. The results revealed that. employees think that factors such as nature of work, career advancement & recognition, working environment, employment benefits and relationship with their supervisor and colleagues are related to organization loyalty is the leading contributing factor to employee loyalty.

Employee benefit is a major factor to enhance and maintain the overall yield of organization and job loyalty by efficient service and better performance (Kumari and Pandey, 2015).

In the negative side, stringent HR policies, discrepancies in pay, lack of rewards and recognition, severity in the work loads, conflicts due to contract nature of the business and personal problems resulted in lower levels of employee loyalty hampering the development of the company. However, when viewed totally, most of the respondents agreed that employee loyalty is important for the success of the company.

A research study was conducted by (Tymon et al.2017) to examine the talent management practices of twenty-eight companies in India. A sample of 4, 811 employees was surveyed to understand employee's attitudes towards their employer. They identified four important factors within the control of employer can drive employee attitude to stay in the company. These four important factors are professional development practices, performance management practices, the quality of supervision and the company's socially responsible posture. The research confirmed that these result in higher levels of satisfaction and pride with the 32 organization and employees will be more attached to the organization and are more likely to stay.

According to the findings based on a survey 'Employee loyalty Insights of India' and in an interview with Economic Times, Brad Adams, Head of HR Research in Asia, Corporate Executive Board said that Indian workforces exhibited lowest employee loyalty in Asia of the 28 major economies surveyed. This survey also revealed interesting needs of employees working in Asia. They were work-life balance, location preference, career development opportunities, upward mobility, the growth of the company, stable career and earning potential were more important than just an attractive compensation (Economic times, 2014). According to (Ipsos Reid 2016) study it was found that 22 per cent of 1,128 Canadian employees were less loyal to their employers.

In organizations where employees experienced layoffs, 36 percent reported that their loyalty decreased and when their salaries were freeze, it was 31 percent. A survey conducted by Spherion Corp. (2016) found that employees remain committed to their organizations when there is long term job security. Employees are also less loyal when they feel ignored and not valued by their employers. Decreased face to face interactions by relying too much on teleconferencing, video conferencing and email exchanges lead to the erosion of social relationships and thereby decline in the loyalty levels within the organization.

According to (Yee, Yeung, Edwin 2017) carried out an empirical study of 210 high contact service shops in Hong Kong to assess the influence of employee loyalty on business performance. They tested this relationship using structural equation modeling and results of this study 33 uncovered that employee loyalty has a significant influence in extending the profitability of the firm through increased customer loyalty.

Conducted a survey on employee loyalty in the area, San Francisco on random sample of 151 participants across multiple industries like healthcare, hi-tech, finance, retail, services, manufacturing and few others (Gupta and Aityan 2016).Though there are enormous researches conducted on factors affecting employee loyalty, no research has been undertaken to examine whether the available researches can be applied to Great Abyssinia plc.

During the past decade, the Manufacturing sectors industry has undergone drastic change and intense competition in Ethiopia. It will be imperative to apply the modern innovative called employee loyalty to the manufacturing industry of Ethiopia. However, the researcher found only one study conducted on employee loyalty by Efrem (2013). The research by Efrem (2013) shows that Employee benefit, nature of work and recognition have a significant

positive influence on employee loyalty. In addition, employee benefit is the most essential factor in affecting employee loyally followed by nature of work and recognition. The least important factor in affecting employee loyalty is relationship with supervisor. The result also indicated that relationship with supervisor was not significantly affecting employee loyalty.

This research aims to contribute to the existing knowledge; hence, conducting this research is important to know the effects factors affecting employee loyalty. The results of this study could lead to a greater understanding of employees' needs in order to increase the loyalty in the organization and better business results, organizational growth, reduced employee turnover in Great Abyssinia, policy development supporting employee's motives on work effectiveness and result in a greater loyalty.

This study aims to answer the following questions:

1.4 Research Questions

1.4.1 Basic Research Questions:

The Specific Questions to be answered by this study are:

- What is the status of nature of work, carrier advancement and recognition, employee benefit, relationship with supervisor and colleagues, and working condition practice in the case of Great Abyssinia?
- Is there any significant relationship between nature of work, carrier advancement and recognition, employee benefit, relationship with supervisor & colleagues, working condition with Employee Loyalty among the back of house staffs in Great Abyssinia?
- To what extent does nature of work, carrier advancement and recognition, employee benefit, relationship with supervisor & colleagues, and working condition practice influence Employee loyalty in the case of Great Abyssinia?

1.5 Objective of the study

1.5.1 General Objective

To investigate factors affecting employee loyalty.

1.5.2 Specific Objectives

- To examine the status of nature of work, carrier advancement and recognition, employee benefit relationship with supervisor support, and working condition practice in the case of Great Abyssinia.
- To determine whether there is a significant relationship between nature of work, carrier advancement and recognition, employee benefit, relationship with supervisor & colleagues, working condition with Employee Loyalty among the back of house staffs in Great Abyssinia.
- To examine the influence of nature of work, carrier advancement and recognition, employee benefit, relationship with supervisor & colleagues, and working condition on Employee loyalty in the case of Great Abyssinia.

1.6 Significance of the study

1.6.1 Individual Perspective

The poor level of the employee turnover management and human resource management bring a serious impact to the employee Great Abyssinia. Their contribution normally ignore by the top management. It will affect the loyalty of the employees. Through the study, the ideas and needs of the back of house employees can transmit to the top management of the organization. As the results, they need the improvement of management skill and policy, controlling the management process and performance to let the back of house employees feel more secure, ease and motivated to their job task.

1.6.2 Organization Perspective

The study provides better and up-to-date information regarding factors affecting employee loyalty. Results of this study are useful to the section dealing with human resource management in Great Abyssinia sululta plant. The results of this study could lead to a greater understanding of employees' needs in order to increase the loyalty of employees in the organization. It could be helpful for management of Great Abyssinia sululta plant and other organizations, in human resources departments or related parties on policy development in the organizations supporting employee's motives on work effectiveness and result in a greater loyalty.

1.7 scope of the study

Conceptually this study used nature of work, carrier advancement and recognition, employee benefit relationship with supervisor support, and working condition independent variable and employee loyalty as dependant variable. And main objective of this study is limited to investigating the relationship between variables. And it also investigate if independent variables influence dependent variable.

A questionnaire is used to collect data for this study, comprising closed-ended question, Likert matrix questions and open-ended questions. The Statistical Package for Social Sciences (SPSS) version 21 program is used to analyze the data. The data acquired during the period of April 2019.

It is important to state that the coverage of this study will be limited factors affecting employee loyalty in Great Abyssinia sululeta plant only.

1.8 Organization of the study

The study is divided in to four chapters:-

Chapter 1: provides introduction consisting of background of the study, back ground of the organization, statement of the problem, objectives of the study, scope and significance of the study. Chapter 2: provides a review of literature, consisting of a review of theories and previous research studies that are related to this study. Chapter 3: discusses the research design, sources of data collection and data collection techniques, target population and sampling method, method of data analysis and presentation. Chapter 4: Results and discussion. Chapter 5: conclusion, discussion and Recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

Literature review is an important chapter in a thesis where we used to review others' work and the information obtained is based on text such as journals, articles, newspaper, internet and other aims to review the critical points of current knowledge on a particular topic. In short, this chapter information obtained is all secondary sources. This chapter is divided into four parts which are review of literature, review of relevant theoretical framework, Empirical research, conceptual framework.

2.1 Theoretical literature

2.1.1 What is employee loyalty?

Loyalty as defined by (siomon, 2016) is the strong relationship that ties an employee to his or her particular organization even when it may not be monetary considerably to stay there". also defines employee's loyalty as a deliberate commitment to promote the best interests of one's employer, even when doing so may call for losing some characteristic of one's self interest beyond what would be required by one's legal and other moral obligations. Loyalty according to (Anderson and Weitz 2015) and (Morgan and Hunt 2016) contends that commitment "is a long-term relational perspective that encourages parties to resist the short-term benefits offered by other companies in favor of the benefits associated with remaining in are relationship" (as cited in Dagger, David, and Ng, 2017).

2.1.2 The importance of employee loyalty

The organizational loyalty is a subject that received considerable interest from researchers in the field of organizational behaviour in the recent period. This interest is attributed to the fact that organizational loyalty of the employees is the most important factor that determines the effectiveness and efficiency of the organization (steers, 2014). The concept of loyalty has passed through different evolutionary stage. At one time, it meant living up to the end of the

employee employer bargain. One should be loyal to the company and the company would be loyal to their employee.

Traditional trust bond relationship was based on the premise that an employee's loyalty could be measured by the amount of time he or she spent on and in the job. Long hours and long service meant a loyal employee one who was willing to make personal sacrifices for the betterment of the organization. It won't come as a surprise to know that this model of employee loyalty has dramatically changed today, employee loyalty means that I give my full commitment to the job while I'm on the job. Progressive leaders do not equate loyalty with longevity and hold the view that it is quite possible that someone who has been with you for 20 months can make a greater contribution than an employee who has been employed by the organization for 20 years (Mehta, Singh, Bhakar, & Sinha, 2013).

Employees' loyalty is defined as being faithful to a cause, ideal, custom or institution. In one of the recent studies: MetLife's 10th annual survey of employee benefits, trends and attitudes released in March puts employee loyalty at a seven-year low. One in three employees, the survey says, plans to leave his or her job by the end of the year.

According to a 2014 Careerbuilder.com report, 76% of full-time workers, while not actively looking for a new job, would leave their current workplace if the right opportunity came along. Other studies show that each year, the average company loses anywhere from 20% to 50% of its employee base. These figures indicate that employees are clearly feeling disconnected from their work. Among the reasons cited for this: the recession, during which companies laid off huge number of their employees with little regard for loyalty or length of service. Some employees feel that their loyalty to the firm is contingent on the firm's loyalty to them.

The Loyalty Research Centre, an Indianapolis-based consultant that focuses on employee loyalty issues, defines loyalty in part as employees being committed to the success of the organization and believing that working for this organization is their best option. Loyalty, which can be considered a component of employee engagement, is based on a number of factors. Therefore, we find that organizational loyalty is one of the key elements to measure the compatibility between individuals on one hand and between institutions on the other hand, since if this compatibility increases, the organization achieves a lot of its goals and aspirations (Ketbi, 2017).

organizations nowadays strive to achieve the loyalty of their employees more than in the past, especially among high-tech organizations (manufacturers), banks, health institutions and other organizations in which the participation and the status of its employees do not depend on the number of years spent by the employees in a specific organization, but on its qualification and experience in taking the decisions that affect the future of the organization (Aityan and Gupta, 2012).

Due to the importance of this topic, this study focus on does this factors like nature of work, carrier advancement and recognition, employee benefit, relationship with supervisor & colleagues, and working condition have a relation or correlation between Employee Loyalty.due to the importance of the loyalty and the provision of the satisfaction of the employees toward their positions and on several studies carried out by the researchers.

2.1.3 Relationship with Supervisor & colleagues

Past researchers have identified that employees do not quit their jobs but their bosses. The reason may be a weak rapport, failure on the manager part to understand employee needs, lack of communication, faith and trust, failure to recognize contributions and so on. All this friction can weaken the bond between the manager and employee. The resultant effect results in low morale, disturbed attitude and behaviour among the employees. This will in turn affect organizations' health and loyalty. If, unresolved by the management, employee's intention to quit the job becomes even more and more evident. This is the point where an organization can lose critical employees to its competitors (Clark, Diener, Georgellis, & Lucas, 2008).

Thus, a strong support from the supervisor helps to reduce burnout, employee's intention to quit the job and turnover rate (Kalliah and Beck 2016). An important element in creating the desired culture is through the leader or a manager. The leader can create a culture by the question he/she asks, the decisions he/she makes and the way they act. The actions of the leader and the culture he/she creates will also help with employee retention. The supervisor or leader is the person who focuses the employee on what is important.

The boss's values, actions and words determine how well the employee performs and if the job is accomplished. It is the immediate supervisor or manager's responsibility to create job satisfaction for the employee to develop challenging jobs and rewarding experiences.

Sometimes the supervisor or manager needs to be trained on how to satisfy quality performers and build loyalty in their people (Emmerich, 2016).

A "lone wolf" (Johnson, R.,n.d) leader who stays in his or her office and delegates, issue deadlines and monitors goals is no longer effective in an open system organization. Today's leaders need to have a high level of energy, enthusiasm and high desire to achieve to inspire others. The leader of the future needs to have a relationship with his/her subordinates. It is recommended that a manager acknowledges the employee when he/she sees their subordinates and makes an effort to interact with them.

Conducted surveys (Satava 2003). Of CPA firms in order to find out why people were leaving. He found that management style made a difference. The survey indicated that management's relationship with their employees had a significant influence on how long the employee stayed on the job. Satava found that the better management treated their people, the longer the employees would stay with the company. It was also suggested that the supervisor or manager should talk to each employee at least twice a week. Some of the topics they chat about could be personal things like family or sports or anything apart from work.

A study by (Gallup Organization 2014) based on queries from two million workers at 700 companies; found that poor supervisor behaviour was one of the main reasons people quit companies. The results of that study were also supported by (Pekala's 2014) finding that the relation between the supervisor and his/her employees affected how long the employee would stay with the company.

Past research on perceived organizational support, indicates that supportive and caring treatment shown by the supervisor has a positive effect on employee Loyalty (Eisen berger et al, 2013). (Gerstner and Day 2012) reported that high quality relationships between supervisors and their subordinates have a positive influence on work performance, work satisfaction, role clarity and organizational loyalty. This reveals that care for employees can promote organizational commitment and build loyalty. Thus, helping subordinates to grow and succeed has appositive influence on improving and nurturing employee loyalty (Liden et al.2017).

An empirical research on full-time sales staff concluded that servant leadership behaviour improves an employees' adaptation to the organization, thereby enhancing his organizational

commitment, and thus reducing their turnover intention (Jaramilloet al., 2017). (Mulki et al., 2006).In their studies on sales staff revealed that employees tend to quit when they are dissatisfied with their leaders and sense that their leaders cannot be trusted. This supports that those leaders who established a harmonious relationship with their subordinates by involving and promoting in shaping their career development will result in improved organizational commitment and loyalty (Brashear et al., 2017).

A research study to analyse the relationship of servant leadership and employee loyalty with employee satisfaction as a mediating role was studied in China. The results showed that, in order to improve employee loyalty, the managers in addition to developing their servant leadership style should also give due consideration to the employee needs to increase their psychological satisfaction(Dinget al, 2017).

Employees view their supervisor as an anchor to their emotional and on-the job needs. They view him as a mentor or coach who can shape the future direction of their career and growth within the organization. Supervisors need to care for the employees more than just being a career tutor. This it self is an intangible incentive in motivating employees (Moses, 2015). Thus, taking an honest interest in employees can build loyalty in the organization.

The second is relationship among Co-workers is an important source in providing support to co-workers and positive effect on employee satisfaction (Madlock & Booth-Butterfield, 2014). Employees develop a relationship with her co-workers to add friendship. Employees who feel a friendship with co-workers will experience mental and physical health is good. It is based on the feeling of security and self-confidence of the individuals associated with the work and motivation to encourage friendships in the workplace. Co-workers relations are different from supervisor relations.

Employee interactions with supervisors based on the position in the hierarchy of authority, while co-workers relations are flat without any formal authority elements (Basford & Offermann, 2012). Co-workers cannot be ruled but depending on the relationship quality that was compiled from daily work both very pleasant and sad.

Relationship with colleagues is an integral component of everyday life of employees in the Work place. Consequences of such a relationship are sharing in the workplace physically and

are in a work team. Employee relation characterized by little or even no imbalance of power (Tan & Lim, 2009).

Trust in co-workers can also affect confidence in the organization, so as to improve organizational performance. Co-workers show the membership organization that has the same power and authority and a person who is always interacting with the employees in the organization. Co-workers have an important role because forming informal networks that instantaneously and without planned in the organization. Co-workers have a more horizontal flow of information within the organization which is the channel lawful authority. Previous research states that employees tend to communicate ideas and problems related to their work to co-workers rather than to other, more formal party as supervisor. Trust in co-workers can produce huge social capital (Prusak & Cohen, 2001).

Co-workers relations also affect the secession or resignation of the employee from the workplace. This is due to the rules and formal policies that lead to a lack of communication in the workplace. Secession or resignation can occur because of social or structural conditions. Lack of communication can lead to interpersonal relationship needs are not met. When co-workers supports are high, the employees will enjoy and feel good relationships with co-workers so that employees will feel the engagement in the organization. Humans in general have the drive to establish and maintain positive interpersonal relationships, enduring, and significant (Baumeister & Leary, 2013). Most of these relationships affect the life to reach the goal. The relationship can make ends meet the needs (Baumeister & Leary, 2013) and hel.

2.1.4 Working Conditions

Working condition may also one of the factors affecting employee loyalty. Individuals differ in personality, as well as emotions and cognitive process (Diener, Suh, Lucas, Smith, Schwarz, and Strack, 2014). In additions, the employees will constantly compare and judge the current working conditions from the past and even future. These standards are varied as differences of life experience and living standard in each of the people.

Each of the employees has different aspiration levels (Stutzer, 2017). In some cases, some work activities may create a psychological frustration or state of decline, if the employee expected himself or herself to gain a better valued job, while the other employee, may have a very low desire on gaining better valued job due to a lower level of education or other

reasons. Hence, at this point the topic produces an entire new view, where the same work may be associated with quality views. Meanwhile, the research also found that the objective working conditions is not only the important determinant that motivates people positional concerns. In fact, environment and the past or expectation towards the future has also become aspirations about working conditions.

People adapt to the contexts they live in (Clark, Diener, Georgellis, and Lucas, 2015). In business organization context, it would mean that employee able to adjust themselves when they encounter adverse working condition. This is due to the adaptability skills that everyone possesses of when they enter or facing a whole new working condition.

2.1.5 Carrier advancement, Recognition

Carrier advancement and recognition is used as a motivational tool in formulating strategies to retain employees at the workplace. It has a great significance in the work life of an Employee. It elevates and gives a sense of satisfaction on the job taking and enhanced self-confidence, emotional well-being, self –esteem and love for the job increases promoting an affective bond with the organization. However, in the absence of growth and recognition programs, an employee fails to develop appositive attitude towards the work and such attitudes weaken the bond with the organization and eventually lead to alienation from work. This has prompted many organizations to implement effective policy on Carrier advancement and recognition programs as recognition for employees' outstanding capabilities. This has helped in creating healthy relationship between employer and its employees (Stutzer, 2014).

Within the context of organizational Psychology, Carrier advancement and recognition are often considered synonymous with slight demarcation in understanding these two terms Carrier advancement is aspect linked to growth. Recognition refers to non-monetary ways of acknowledging the efforts by verbally honouring the commitment, sharing success stories of the employees on a common platform, giving much challenging roles and so on.

A survey by (Accelir in 2015), a strategic advisory and Research for HCM to understand the current, future and ideal state of Carrier advancement and recognition practices in the work place. Human Resource professionals and corporate leader's from 400 companies participated in this study. The results revealed that Carrier advancement and recognition need not be always expensive or linked with high monetary value. This was supported by 57 % of

the companies surveyed and they agreed to have only spent less than 0.5 % of the total payroll while another 11% of companies had spends lightly higher about 2% of the total payroll on the rewards and recognition programs. The results also found that only 42% of the companies had a formal recognition practice or program in place to grow outstanding employees.

(Jamie Hale and George Bailey 2013) authors of the article titled "Seven dimensions of successful reward plans" clarify that employees are ready to invest their intelligence, talent and creativity in support of the company strategy in the even that they can expect a reasonable return. The management theory that supports this dimension of study is the "organizational equilibrium theory"). According to this theory, the most vital resource of an organization is its people. (Barnard 2013) emphasized that the most important function of the management is to motivate employees' to contribute continuously to the survival of the organization.

Employees continue in the organizations as long as the inducements they receive exceed the contributions made by them .The significance of rewards and recognition in the form of service rewards in determining employee longevity and loyalty has been well explained by Susan Wheatfield. Service awards are given to employees as recognition for their efforts and long tenure with the organization. It is a thankfulness and affirmation given to the workers. The recipients of such service awards usually recommend their employer as an incredible place to work; they infuse positive culture and greater commitment and continuity in the organization.

Based on the analysis of Raytheon Co. Talent retention efforts, (Helpert 2017) concluded that Carrier advancement and recognition are critical for having loyal employees.(Anil Kumar V 2013) studied human resource management in the electrochemical industries located in Travancore. He reported that in order to motivate employees and increase their efficiency, the management should adopt measures to evaluate the merit of the employees and have a feel in them that the merit is well recognized and appreciated by the management.

In order to embed loyalty in the workplace, companies should give careful consideration in implementing, improving and innovating the Carrier advancement and recognition program. This motivates a positive, cheerful attitude towards work with increased performance,

reduced intentions to quit and increased trust towards the employer improving employee morale and loyalty within the organization.

2.1.6 Employee Benefit

Benefits Employee benefits and earnings form compensation packages available in different combinations and at different levels to occupations located in different labour markets (O'Rand, 2018). Vroom maintained in his expectation theory that everyone works in expectation of some rewards (both spiritual and material), and welfare is one of them. In other words, the degree of reward influences the quality and quantity of work, and in turn productivity. So it is important to explore how to give the stimulus (welfare) in order to promote work motivation and productivity (Vroom, 1964). According to Maslow's (1948) in the hierarchy theory, the employee benefit programs could be classified into four types of welfare demands: physical demands; security demands; social demands; self-actualization demands. First, physical-demand benefit includes loans, dividends, year-end bonuses, savings subsidies, emergency subsidies, individual annual vacations, national holidays, paid leaves, dormitories and housing benefits, meal subsidies and laundry service.

Security-demand benefit includes day-care service, group dependent insurance (life and medical), pension, occupational disease compensations, child education benefits, discounted goods supply, medical equipment and subsidies, free commuting vehicles, commuter subsidies. Third, social demand benefit includes entertainment equipment and activities (such as clubs and foreign travel), educational equipment and activities, foreign travel subsidies, counselling measures, maternity and paternity leave. Finally, self-actualization-demand (including self-esteem) benefit includes opportunity and subsidies for further education/training and flexible working time. Benefits are items such as pension, sickness payments, company cars etc. which are additional to earnings; sometimes known as fringe benefits (Cole, 2015).

 Employee benefits are virtually any form of compensation other than direct wages paid to employees. It constitutes a major part of almost any individual's financial and economic security (Rosenbloom, 2015). Employee benefit policy to be adopted by an organization needs to consider several important issues like; the purpose of the benefit policy, range of benefits to be provided, the groups to which the benefit should be applied, estimated cost of

benefit's program, the extent to which the program is influenced by the benefit policy of the competitors and the program likely achievement (Cole, 2015).

2.1.7 Nature of Work

The level of a person's work, or performance, is often directly connected to the nature, or type of work, assigned to the employee. Performance may be improved by better matching workers with jobs. For example, a role that requires the rote performance of tasks wastes an enterprising worker while a creative team may lack inspiration due to an employee who focuses only on the bottom line. (Jared Lewis, 2019).

This is the most widely studied for its relevance to nature of job. According to Oldham's (2013) nature of job, there are five important factors that keep employees' job more satisfying. They are skill variety, task significance, task identity, autonomy and feedback, job or the task itself is the key to employee loyalty Thus, by offering challenges and variety in the tasks, an employee's motivation levels can enhance and adds more meaningfulness to the work. It is therefore important to note that in a job design phase; these factors need to form a right amalgam to receive increased employee loyalty.

Huynh (2015) identified the factors affecting employees' loyalty suggested solutions to improve employee loyalty at An Giang Water and Electric Joint Stock Company. Research results show that factors affecting loyalty are 6 factors are ranked according to the level of decreasing effect, including: Training and promotion, Company policy, Colleague, Working conditions, Leadership, Nature of work. Five factors impact employees loyalty. Particularly, the nature of work is the only factor that impacts in the opposite direction with the job satisfaction of employees.

2.2 Empirical Research

Many research studies have been conducted to study whether there is a relationship between employees' loyalty and nature of work, career advancement and recognition, employment benefits, relationship with their supervisors and colleagues and working environment of the organization.

Based on the journal "A closer look at the relationship between affective commitment to supervisors and organizations and turnover" by Christian (Venden berghe and Kathleen

Bentein in 2016), the author stated that if the employees had high levels of affective commitment to their supervisors, their turn over intentions were expect to be reduce and they are willingness to stay at the organization.

According to (Sturgeon's research 2013), it indicates that is significant relation between the relationships of subordinate-supervisor. The subordinates perceive that the commitment of supervisor will get their job easily and effectiveness. They will believe their supervisor and willing to contribute to the organization. The level of loyalty will increase reflect by the level of relationship with supervisor.

Referring to the journal of "work environment factors and job performance: the construction project manager's perspective" by (Arman Abdul Razak, Mastura Jaafar, Shardy Abdullah and Samsiah Muhammad in 2015). From the result of the analysis conducted on the gathered data, in working conditions has influenced on work performance and research also find out that the importance ranking of work environment factors were dominated by factors attributed to the projects being undertaken. The findings of the study further support that a more attention need to be given to these work environment factors in the hopes of enhancing job performance of the construction project manager (Razak, Jaafar, Abdullah, & Muhammad, 2016).

(Shweta Rajput et al., 2016) argues that The impact of nature of work on employee loyalty was researched with 100 academicians using questionnaire survey .the researchers found that there is a significant impact of nature of work on employee loyalty among academicians.

(Onsardi et al., 2017) argues that the direct influence of nature of work, employee benefit, career advancement and recognition, working environment, relationship with supervisor and colleagues to employee loyalty was analyzed with 149 people from Muhammadiyah University of Bengkulu Indonesia. Employee benefit, career advancement and recognition, has a direct positive effect on employee loyalty. This means higher the employee job satisfaction, the employee loyalty will increase.

(Zainuddin Zakaria et.al., 2019) argues the factors such as rewards and benefits and working environment, career advancement and recognition, nature of work, relationship between supervisor and colleagues . Was taken as the determinants toward employee loyalty and to know which factors have the strongest and dominant effect on employee loyalty was the main aim. The company is located in Johor, Malaysia and data for this study was collected through

questionnaires from 260 employees. The organization must give importance to all the factors and. higher level of rewards and benefits, good working environment, career advancement and recognition, nature of work, relationship between supervisor and colleagues by organizations will create job satisfaction and will able to lead a higher level of employee loyalty.

(Choi Sang Long et al., 2012) argues the author pointed out that the major reasons for turnover both at an individual and organizational level, are managerial support, nature of job, and employee benefit ; each impacts the decision to leave the organization. Hence increasing the level of managerial support and also providing career advancement opportunities, creating a challenging job, good working environment to the employees will help to decrease employees' thoughts of leaving the organization.

Meanwhile, based on the journal "Relationships among leadership empowerment and employee loyalty in university dining student workers" by (Seung Suk Lee, 2014) the author stated that confidence in high performance and autonomy were significant indicators of employee loyalty to non-supervisory student workers while goal accomplishment was a significant indicator of employee loyalty to supervisory student workers (Lee, 2014). In overall, research result found from the two studies conducted by these researchers indicates that proper working conditions implement by organizations have significant positive relationship with employee loyalty.

Organization that offers competitive salary with attractive benefits has high potential to retain their employees (Ramlall, 2013). From research, participants responded that they have an average satisfaction with the rewards and recognition they received from organization. In addition, further analysis as indication of employees' satisfaction with their position showed that they satisfied with the rewards and recognition received from the company (Ramlall, 2013).

From the research carried out by (Solon Fire Rescue 2014), recognition seems to be the most prevalent types of reward for employees to stay in the organization (William J.Shaw, Rescue, & Solon, 2014). The reward or recognition programmed survey by William J. Shaw, Solon Fire Rescue (2014) shows that most of the employees feel that they are adequately recognized by for their contribution to the organization. The result of research also shows that higher employee retention can be assisted by reward and recognition programs (William J.Shaw,

Rescue, & Solon, 2014). From previous theory and research proposed that rewards and recognition were the most frequently reasons for staying in an organization (John et al, 2016).

On the other hand, findings indicated that high performers are more loyal to the organization when there is an opportunity for salary growth and the availability of contingent rewards (Allen & Griffeth, 2013) as cited by (Hausknecht, Rodda, & Howard, 2014). Employees' commitment and rewards are important factors for them to retain in the company (Griffeth & et al., 2014).

Based on a (Dow, Bishop, & Chen, UK Survey in 2017) Working condition may also one of the factors affecting employee loyalty. Individuals differ in personality, as well as emotions and cognitive process in additions, the employees will constantly compare and judge the current working conditions from the past and even future. These standards are varied as differences of life experience and living standard in each of the people.

This study aims linkage of Employee Loyalty (dependant variable) nature of work, career advancement and recognition, employment benefits, relationship with their supervisors and colleagues and working environment in Great Abyssinia sululeta plant, in Addis Ababa by using a survey.

The results of this thesis will reveal that all the areas of employee loyalty factors like, nature of work, career advancement and recognition, employment benefits, relationship with their supervisors and colleagues and working environment have a positive relationship with employee loyalty. It will determine policy in human resource management, supervisory management style.

Loyalty in Organization at Sub-Inspector in the Police of the organization" looked at loyalty in the organization. These studies will determine factors affecting employee loyalty.

2.3 Conceptual Framework

The proposed framework for this research is illustrated in Figure 2.1 It shows In dependent variable of factors affecting employee loyalty which is relationship with supervisor, recognition and reward, working condition, job satisfaction. The dependent variable is employee loyalty.

Nature of work	
Relationship with supervisor	
Career advancement and Recognition	Employee loyalty
Working Environment	
Employee Benefit	
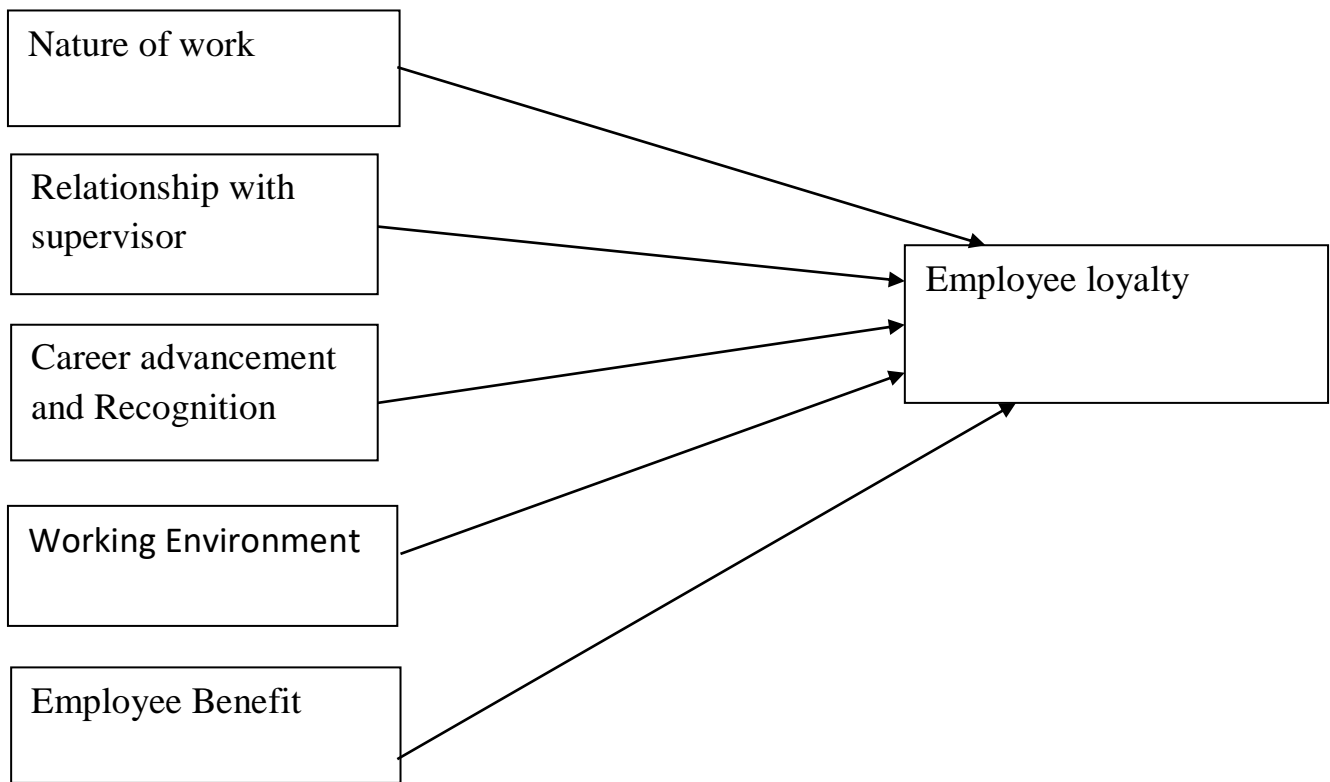
Independent variable   **Dependent variable**

Source: Aaisha Arbab Khan, Babak Mahmood, Mehvish Ayoub and Shabbir Hussain (2016),

Figure 2.1 Conceptualization of factors affecting employee loyalty.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research paradigm, approach, methods and design being used by the study, while highlighting the population and issues related to sampling technique, sample size determination, and data collection instrument. Besides, the chapter outlines the approach to data collection and analysis.

3.1 Research Design

The research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement, and analysis of data (Kothari, 2004). According to (Saunders, Lewis and Thornhill, 2009). explanatory research design studies a situation or a problem in order to explain the relationships between variables, therefore, this research design will be more appropriate for this study.

3.2 Research Approach

The research approach is a plan and procedure that consists of the steps of broad assumptions to detailed methods of data collection, analysis, and interpretation. According to Saunders, Mark and Thornhill (2000) there are two research approaches deductive approach and inductive approach. The deduction approach concentrates on using the literature to identify theories and ideas that the researcher will test using data. In contrast, the inductive approach involves collecting data and developing theory based on the results of data analysis. In this study the deductive approach is used. Quantitative data which is deductive approach. Empirically test the relationship among the two variables. This research is both descriptive and inferential statistics.

3.3 Population and Sample

The target population of this study is employees from finance and administration, injection and blowing, production, technique, laboratory, bottling, managers of every department this study excludes the board of directors in Great Abyssinia sululta plant.

Samples are selected using Probability sampling method .in this survey Stratified sampling is used to ensure that every department from the organization is proportionally represented in the sample. Random sampling is used to select a sample from each subgroup. Every member of the population has equal chance of being selected. It is mainly used in quantitative research. It removes bias from the selection procedure and should result in representative samples.

The total number of the target population is about 300 employees who work in Great Abyssinia sululta plant.

A simplified formula to calculate sample size (Yamane, 1967)

(Where 'n' is the sample size, 'N' is the population size, and 'e' is the level of precision)

$$n= \frac{N}{1+N(e^2)} = \frac{300}{1+300(0.05^2)} = \frac{300}{1.75} = \textbf{171}$$

3.4 Data Sources and Types

This research used two types of data; Primary and Secondary data types. Primary sources used are employees from every department in Great Abyssinia sululta plant. Which Includes departments from finance and administration, injection and blowing, production, technique, laboratory, bottling, managers of every department this study excludes the board of directors. And the secondary data sources are relevant books, different articles, researches and journals made by different scholars.

The primary source is conducted Self-administered close ended and open-ended questioner is used to gather information. Close ended questioner which have multiple options as answers and allow respondents to select a single option from amongst. It's useful when conducting preliminary analysis. As a fixed answer set is provided, these are ideal for calculation of statistical information and percentages of various types. Open ended questioner on the other that allows the target audience to voice their feelings and notions freely. These questions are not based on pre-determined responses, giving respondents an opportunity to express what they feel is right, and often provide real, perceptional, startling proposal. And for the secondary sources they are used to clarify this study by using journals, books, research papers report through internet browsing.

The data is collected from participants by one month from August 1, 2019 up to August 31, a 2019.the questionnaire is returned randomly. Data analysis took 15 days. It took Five months to complete the report.

3.5 Data Collection Procedures

The research used questionnaire to collect data from employees. Data was collected by using structured questionnaire; the questionnaire is adapted from (Tigist Hamelmal; 2019) by taking into consideration the different surveys that has been done by other scholars and take consideration of the nature of the organization. The procedure was that first questionnaire was distributed to subjects and was given time and then all the responses was collected and analyzed. The rationale behind selecting questioner as a data collection instrument is; it helps to get information in a short period of time. Besides, it may be particularly useful when participants wish to remain anonymous, as it provides a more comfortable way for them disclose information that would make them uncomfortable in a face-to-face setting.

3.6 Data Analysis

Descriptive statistical tools for data analysis will be used in this study. The data analysis was supported with software called Statistical Package for Social Science (SPSS) version 21. Mean scores, standard deviations, percentages and frequency distribution was used to summarize the responses. Besides, tables and charts are also used to present facts as required, so as to give more clarifications to readers. Furthermore, correlation and regression analysis were made to show the relationship between dependant variable and independent variable.

3.7 Validity and Reliability

3.7.1. Validity

Validity refers to the extent to which a test measures what we actually wish to measure. Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study (Kothari, 2004). The validity of the study therefore, was checked through content validity method by taking an advice from the advisor an experienced person on the topic understudy and adopting questionnaires from previous researchers also increase its validity. Under study (Kothari, 2004). The validity of the study therefore, was checked through content validity method by taking an advice from the advisor an experienced person

on the topic understudy and adopting questionnaires from previous researchers also increase its validity.

3.7.2. Reliability

Reliability check for questionnaires was done by using Cronbach Alpha statistic method to ensure internal consistency by using pre-testing method. The basic reason for carrying out pre-testing is to determine whether the instruments are going to serve the purpose of measuring what they were intended to measure.

Table 3. 1: Reliability Test Result

Variables	No. of items	Cranach's Alpha
Nature of the work,	5	0.712
Career Advancement and Recognition	5	0.899
Employment Benefits	5	0.771
Relationship with their supervisors and colleagues,	5	0.824
Working Environment	5	0.890
Employee loyalty	5	0.803
Over all	**30**	

(Source: SPSS output from own survey data, 2020)

3.8 Ethical Consideration

The researcher was granted permission from the organization. Additionally, the researcher informed all participants about the purpose of the study, during data collection and the data interpretation process. So, the questionnaires completed namelessly by respondents and treats confidentially. This study is intended for academicals purpose only and the researcher will not disclose any confidential information to other parties.

CHAPTER FOUR

4. RESULTS AND DISCUSSIONS:

4.0 Introduction

This chapter presents the data collected from the questionnaires of 147 respondents of Great Abyssinia Staff members working in the sululeta plant.The findings were interpreted to examine the factors affecting employees' loyalty. The result is analyzed using the Statistic Package for Social Sciences (SPSS) version 21 .to process all the data collection, which is illustrated in the form of tables and figures and as follows. This chapter is divided into four parts. The first part presents the respondents' demographic information, the second part demonstrates of level of agreement of the respondents, the third part is Pearson correlation analysis and this is followed by the multiple linear regression analysis. It is aim is to examine the relationship among dependent variable and independent variable.

4.1 Description Analysis

Five questions were asked under the demographic profile section in questionnaire which included the gender, age, education level, length of employment, and current working position.

4.1.1 Respondent Demographics

4.1.1.1 Gender

Table 4. 1 Gender of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	69	46.9	46.9	46.9
Female	78	53.1	53.1	100.0
Total	147	100.0	100.0	

Source: own survey, 2020

As shown as the tables 4.1 above the majority of the respondents are female, this consists of 78 persons (53.1%), whereas the male consists of 69 persons (46.9%) out of the 147 respondents.

4.1.1.2 Age

Table 4. 2 Age Range of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
18-30	25	17.0	17.0	17.0
31-40	73	49.7	49.7	66.7
41-50	40	27.2	27.2	93.9
51-60	9	6.1	6.1	100.0
Total	147	100.0	100.0	

Source: own survey, 2020

According to the table 4.2 above, most of the respondents are ranged between 31 – 40 years old, which is 73 persons (49.7 %) out of the 147 respondents. Second highest is between 41-50 years old which is 40 persons (27.2%) from the respondents. The third is respondents are ranged between 18-30 years old, which is (17.0%) out of 147 respondents. The lowest amount is ranged between 51-60 years old, which is 9 persons (6.1%) out of the 147 respondent

4.1.1.3 Education Level of Respondents

Table 4. 3 Educational level of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Diploma	49	33.3	33.3	33.3
Degree	90	61.2	61.2	94.6
Masters and above	8	5.4	5.4	100
Total	147	100.0	100.0	

Source: own survey, 2020

Based on the above table 4.3, most of the respondents are Degree level which consists of 90 persons, which is (61.2%), out of the 147 respondents. This followed by the Diploma level which is consists of 49 persons (33.3%) out of 147 respondents. The lowest education level of the respondents is Masters and above which consists of 8 people which is only 5.4 % of The 147 respondents.

4.1.1.4 Length of employment Respondents

Table 4. 4 Length of Employment

	Frequency	Percent	Valid Percent	Cumulative Percent
0-5	50	34.0	34.0	34.0
6-10	74	50.3	50.3	84.4
11-15	14	9.5	9.5	93.9
16-20	9	6.1	6.1	100.0
Total	147	100.0	100.0	

Source: own survey, 2020

Based on the table 4.4 The majority of the respondents worked from 6-10 years in the company, which consists 74 persons, that is (50.3%) out of 147 respondent, the second highest respondent worked from is 0-5 years in the company, which is 50 persons, that is (34.0%) out of 147 respondent. Followed by respondent worked 11-15 years in the company, which is 14 persons, that is (9.5%) out of 147 respondent. The last respondent worked from 16-20 years in the company, which consists 9 persons, that is (6.1%) out of 147 respondent.

4.1.1.5 Respondent current working position

Table 4. 5 current working position of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Officer	51	34.7	34.7	34.7
Supervisor	83	56.5	56.5	91.2
Manager	13	8.8	8.8	100.0
Total	147	100.0	100.0	

Source: own survey, 2020

From the questionnaires collected, current working   position of the 147 respondents included supervisor, officer, manger; Most of the respondents are supervisor which have occupied 83 persons (56.5 %) out of the respondent, followed by officer, which is 51 employees (34.7 %). The lowest percentage of respondent's current working position is manager which is only 13 employees (8.8) % from the 147 respondents.

4.11.6 Frequency of Respondent

Table 4. 6 Frequency table

	Gender	Age of Respondents	Education Level of Respondents	Length of Employment	current position
Valid	147	147	147	147	147
Missing	0	0	0	0	0
Total	147	147	147	147	147

Source: own survey, 2020

4.2 Respondents Level of Agreement

A Likert Scale is a type of rating scale used to measure attitudes or opinions. With this scale, respondents are asked to rate items on a level of agreement

The level of agreement of employees towards factors affecting employee's loyalty is assessed in six aspects; these are Nature of work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment which are independent variable and Employee loyalty is dependent variable. Each of the aspects' outcomes is analyzed below:

4.2.1 Nature of Work

Table 4. 7 Respondent level of agreement on Nature of job

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
NW 1.To work appropriately based on knowledge and ability	0 0%	0 0%	67 45%	80 54.42%	0 0%
NW 2.To think that your job responsibility is important	0 0%	4 2.72%	117 79.59%	26 17.69%	0 0%
NW 3. To be responsible for an appropriate quantity of work.	0 0%	0 0%	4 2.72%	80 54.42%	63 42.85%
NW 4. To work on a variety of jobs and not to be bored.	0 0%	0 0%	67 45.57%	80 54.42%	0 0%
NW 5.To work at a challenging job	0 0%	4 2.72%	117 79.59%	26 17.69%	0 0%

Sources: own survey, 2020

Based on the table shown above 67 (45.57%) respondent's responded neutral to question number one they were asked if working appropriately based on knowledge and ability affects their loyalty. And more than a half 80 (54.42%) respondent agreed it affects their loyalty.

The second question put forward to the respondents is whether they think that their job responsibility is important 4 (2.72%) respondent disagreed, 117 (79.59%) respondent responded neutral, 26 (17.69%) respondent agreed.

The third question respondent was asked if whether to be responsible for an appropriate quantity of work have effect on their loyalty. 4 (2.72%) respondent responded neutral and 80 (54.42%) agreed.

The same table shows the responses of the respondents for question number four whether working on a variety of jobs and not to be bored have effect on their loyalty, 67(45.57%) respondent responded neutral, 80(554.42%) agreed.

The last question respondent were asked is whether working in a challenging job affects their loyalty and 4(2.72%) responded disagreed, 117(79.59%) respondent responded neutral, 26(17.68%) agreed it will affect their loyalty.

4.2.2 Career Advancement and Recognition

Table 4. 8 Respondent Level of agreement on career advancement and recognition.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CAR 1. To have the possibility for career advancement at work.	0 0%	9 6.22%	19 12.92%	67 45.57%	52 35.37%
CAR 2. To be part of a team when problems are being solved.	4 2.72%	18 12.24%	4 2.72%	78 53.06%	43 29.2%
CAR 3. The opportunity for promotion in the workplace dealt with fairly.	0 0%	4 2.72	117 79.59%	26 17.68%	0 0%
CAR 4. To be supported by the company to attend training or seminars.	0 0%	0 0%	67 45.57 %	80 54.42%	0 0%
CAR 5. To be able to work independently because the supervisor is confident in you.	0 0%	0 0%	0 0%	143 97.27%	4 2.72%

Source: own survey, 2020

Based on the table shown above 19 (12.92%) respondents responded neutrally to whether having the possibility for career advancement at work affects their loyalty. 9(6.22%) disagreed,67(45.57%) agreed, 52(35.37%) respondent strongly agreed it affects their loyalty.

The second question put forward to the respondents is whether being part of a team when problems are being solved affects their loyalty. 4 (2.72%) strangely agreed, 18 (12.24%) respondent disagreed, 4 (2.72%) responded neutral, 78 (53.06%) agreed 43 (29.2%) strangely agreed it affects their loyalty.

The third question respondent was asked the opportunity for promotion in the workplace dealt with fairly affects their loyalty. 4 (2.72) disagreed, 117(79.59%) responded neutral, 26(17.68%) agreed it affects their loyalty..

The same table shows the responses of the respondents for question number four to be supported by the company to attend training or seminars affects their loyalty. 67(45.57%) responded neutral, 80 (54.42%) agreed it affects their loyalty

The last question respondent asked whether working independently because the supervisor is confident in you affects their loyalty. And 143 (97.27%) responded agreed,4(2.72%) strangely agreed it will affect their loyalty.

4.2.3 Employment Benefits

Table 4. 9 Respondent level of agreement on employment benefit.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
EB 1. To have appropriate annual holiday entitlements.	0 0%	0 0%	67 45.57%	80 54.42%	0 0%
EB 2. The company creates recreational activities for its staff.	0 0%	4 2.72%	117 79.595	26 17.68	0 0%
EB 3. To be happy with the annual bonus.	0 0%	0 0%	4 2.72%	80 54.42%	63 42.82%
EB 4. To get other appropriate benefits.	0 0%	0 0%	67 54.42%	80 54.42	0 0%
EB 5. To feel that salary matches with job responsibilities.	0 0%	4 2.72%	117 79.59%	26 17.685	0 0%

Source: own survey, 2020

Based on the table shown above 67 (45.57%) respondents responded neutrally having appropriate annual holiday entitlements affects their loyalty,80 (54.42 %) agreed, it affects their loyalty.

The second question put forward to the respondents is if the Company creates recreational activities for its staff affects their loyalty. 4(2.72%) disagreed, 117 (79.595%) responded neutral, 26 (17.65%) agreed it affects their loyalty.

The third question respondent were asked To be happy with the annual bonus affects their loyalty. 4 (2.72%) responded neutral, 80(54.42%) agreed, 63(42.33%) strongly agreed it affects their loyalty..

The same table shows the responses of the respondents for question number four to be able to get other appropriate benefits affects their loyalty. 67(54.42%) responded neutral, 80 (54.42%) agreed it affects their loyalty

The last question respondent asked whether they feel that salary matches with job responsibilities affects their loyalty. And 4 (2.72%) responded disagreed,(79.59%) neutral ,26(17.685%) agreed it will affect their loyalty.

4.2.4 Relationship with their supervisors and colleagues

Table 4. 10 Respondent level of agreement on relationship with their supervisors and colleagues.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
RS 1.To have a good working relationship with colleagues.	0 0%	4 2.72%	15 10.20%	26 17.68%	102 69.38%
RS 2. The company creates extra-curricular activities to build the relationship among staff members.	2 1.36%	11 7.48%	22 14.96%	68 46.25%	44 29.93%
RS 3. To acknowledge company issues and to be able to share ideas.	0 0%	4 2.72%	117 79.59%	26 76.68%	0 0%
RS 4. The chain of command reacts fast enough to resolve issues.	0 0%	0 0%	67 45.57%	80 54.42%	0 0%
RS 5. To get help from supervisors for job problems.	0 0%	4 2.72%	117 79.59%	26 17.68%	0 0%

Sources: own survey, 2020

Based on the table shown above 4 (2.72 %) respondents disagreed having a good working relationship with colleagues affects their loyalty. 15 (10.20%) responded neutral ,26(17.68%) agreed,102(69.38%) strongly agreed it affects their loyalty.

The second question put forward to the respondents whether the company creates extra-curricular activities to build the relationship among staff members affects their loyalty. 2(1.36%) strongly agreed, 11 (7.48%) disagreed, 22(14.96%) responded neutral,68 (46.25%) agreed ,44(29%) strongly disagreed it affects their loyalty.

The third question respondent were asked to acknowledge company issues and to be able to share ideas affects their loyalty 4(2.72%) disagreed, 117(79.59) responded neutral, 26(17.68%) agreed it affects their loyalty.

The same table shows the responses of the respondents for question number four if The chain of command reacts fast enough to resolve issues affects their loyalty. 67(45.57%) responded neutral, 80 (54.42%) agreed it affects their loyalty.

The last question respondent asked getting help from supervisors for job problems affects their loyalty. And 4 (2.72%) responded disagreed,(79.59%) neutral ,26 (17.685%) agreed it will affect their loyalty.

4.2.5 Working Environment

Table 4. 11 Respondent level of agreement on working environment

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
WE 1. To feel comfortable in the work environment.	0 0%	4 2.72%	15 10.20%	26 17.68%	102 69.38%
WE 2. To feel safe in the work environment.	0 0%	0 0%	4 2.72%	80 54.42%	63 42.85%
WE 3. To be proud to work in the department.	0 0%	4 2.72%	15 10.20%	26 17.68%	102 69.38%
WE 4. To be pleased with the job management in the department.	0 0%	0 0%	67 45.57%	80 54.42%	0 0%
WE 5.To feel happy working in the department	0 0%	4 2.72%	117 79.59%	26 17.68%	0 0%

Sources: own survey, 2020

Based on the table shown above 4 (2.72 %) respondents disagreed on feeling comfortable in the work environment Affects their loyalty. 15 (10.20%) responded neutral, 26(17.68%) agreed, 102(69.38%) strongly agreed it affects their loyalty.

The second question put forward to the respondents feeling safe in the work environment affects their loyalty. 4(2.72%) responded neutral, 80(54.42%) agreed, 63(42.85%) strongly agreed, it affects their loyalty.

The third question respondent were asked being proud to work in the department affects their loyalty 4(2.72%) disagreed, 15 (10.20%) responded neutral, 26(17.68%) agreed,102(69.38%) strongly agreed it affects their loyalty.

The same table shows the responses of the respondents for question number four to be pleased with the job management in the department affects their loyalty. 67(45.57%) responded neutral, 80 (54.42%) agreed it affects their loyalty.

The last question respondent asked feeling happy working in the department affects their loyalty. And 4 (2.72%) responded disagreed, 117(79.59%) neutral, 26 (17.685%) agreed it will affect their loyalty.

4.2.6 Employee Loyalty

Table 4. 12 Respondent level of agreement on employee loyalty

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
ELY 1. I have made the contribution on achieving my company's objectives.	0 0%	0 0%	67 45.57%	80 54.42%	0 0%
ELY 2. I have the feeling of job satisfaction working at my company.	0 0%	9 6.12%	19 12.92%	67 45.57%	52 35.37%
ELY 3. I believe that my company in making long term relationship.	0 0%	0 0%	67 45.57%	80 54.42%	0 0%
ELY 4. My company provide sufficient opportunity of grows.	0 0%	4 2.72%	15 10.20%	26 17.68%	102 69.38%
ELY 5. My company retains outstanding employees.	0 0%	4 2.72%	117 79.59%	26 17.68%	0 0%

Sources: own survey, 2020

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Based on the table shown below 67(45.57%) respondent responded neutral whether they have made the contribution on achieving their company's objectives.80 (54.42%) agreed.

The second question put forward to the respondents whether they have the feeling of job satisfaction working at the company. 9(6.12%) disagreed, 19 (12.92%) responded neutral, 67(45.57%) agreed,52(35.37%) strongly agreed.

The third question respondent were asked if they believe that the company in making long term relationship 67(45.57%) respondent responded nutral,80(54.42%) agreed.

The same table shows the responses of the respondents for question number four if the company provides sufficient opportunity of grows. 4 (2.72 %) respondents disagreed 15 (10.20%) responded neutral, 26(17.68%) agreed, 102(69.38%) strongly agreed.

The last question respondent asked if the company retains outstanding employees. And 4 (2.72%) responded disagreed, 117 (79.59%) neutral, 26 (17.685%) agreed.

4.3 Correlation Analysis

Correlation analysis describes the strength and direction of the linear relationship between two variables. Pearson Correlation indicates the relationship between variables which can range from -1.00 to 1.00 if a correlation coefficient indicates 0 it means that there is no relationship at all. If a correlation of 1.0 it means that there is a perfect positive correlation and if the correlation coefficient shows -1.0 it means that there is a perfect negative correlation. (Pallant, 2005) The below table will show the relationship between the dependent and the independent variables.

Table 4. 13: Correlation table

Correlation between NW, CAR, EB ,RS, WE and ELY Correlations

		NW	CAR	EB	RS	WE	ELY
NW	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	147					
CAR	Pearson Correlation	.394**	1				
	Sig. (2-tailed)	.000					
	N	147	147				
EB	Pearson Correlation	1.000**	.394**	1			
	Sig. (2-tailed)	.000	.000				
	N	147	147	147			
RS	Pearson Correlation	.419**	.019	.419**	1		
	Sig. (2-tailed)	.000	.824	.000			
	N	147	147	147	147		
WE	Pearson Correlation	.190*	-.040	.190*	.764**	1	
	Sig. (2-tailed)	.021	.630	.021	.000		
	N	147	147	147	147	147	
ELY	Pearson Correlation	.590**	.640**	.590**	.554**	.535**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	147	147	147	147	147	147

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tail

Table 4. 14 Pearson Correlation Analysis for independent and dependent variables.

Independent Variables	Employee Loyalty (Dependent variable)	
	Pearson correlation	Significance (2 tailed)
Nature of work	.590	000
Career Advancement and Recognition	.640	.000
Employment Benefits	.590	.000
Relationship with their supervisors and colleagues	.554	.000
Working Environment	.535	.000

Source: own survey, 2020

Table 4. 15: Correlation Coefficient

Correlation Coefficient(r)	Strength of the correlation
0.50 to 1.0 or -.50 to -.10	Strong relationship
0.30 to .49 or -30 to -.49	Moderate relationship
0.10 to .29 or -.10 to -.29	Weak relationship

(Cohen, 1988)

According to Cohen displayed in table 4.12 above it can be seen that, all independent variables have a strong relationship with that of Employee loyalty.

4.4 Assumption of regression analysis

Regression diagnosis techniques are used to explore the relationship between one continuous dependent variable and several independent variables. It allows a more sophisticated exploration of interrelationship among a set of variables and in this particular research the researcher has tried to display few of the diagnosis between variables of Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment and dependent variable (employee loyalty) as below.

4.5 Multi-Co linearity Diagnostics:

Multi co linearity refers to the relationship among independent variables. It exists when the independent variables are highly correlated. According to Menard (1995) tolerance should be >0.2 and VIF should be less than 10 (Myers, 1990) as it can be seen in the below table there is no Multi co linearity between the independent variables. The tolerance is >0.2 and the VIF is below.

Table 4. 16: Results of Multi collinearly

Variables	Tolerance	(VIF)
Nature of the work	0.818	1.222
Career Advancement and Recognition	0.646	1.547
Employment Benefits	0.333	1.170
Relationship with their supervisors and colleagues	0.395	3.002
Working Environment	0.295	2.531

(Source: SPSS output from own survey data, 2020)

The above table clearly showed that multi co linearity passed for further regression analysis

4.5.1 Normality test

Normality is one of the assumptions for multiple regressions. in statistics, normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. Thus we can say that the assumption of normality is fulfill.
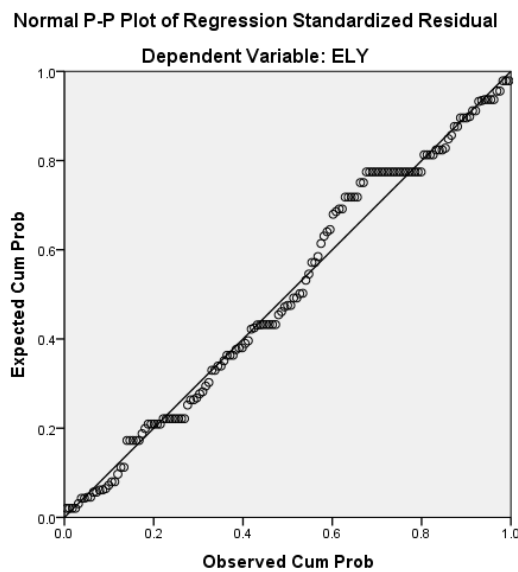

Figure 1 Normality test

(Source: SPSS output from own survey data, 2020)

4.5.2Autocorrelation test

Autocorrelation refers to the degree of correlation between the values of the same variables across different observations in the data. In a regression analysis, autocorrelation of the regression residuals can also occur if the model is incorrectly specified. As a rule of

thumb the acceptable value is between 1.5 and 2.5 thus the result of this test in this study are 2.225 the model is fit to a linear regression model.

Table 4. 17: Results of Autocorrelation test

Model	Model Summary Durbin Watson
1	**2.225**

    a.   Predictor: (Constant), NW, CAR, EB, RS, WE

    b.   Dependent variables: ELY

(Source: SPSS output from own survey data, 2020)

4.6 Regression Analysis between independent variables and dependant variable

Multiple regression analysis helps in order to measure the relative strength of independent variables on dependent variables i.e the effect of nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment on employee loyalty improvement at Great Abyssinia. With the effect of Independent variable on Employee loyalty at Great Abyssinia.

Beta-value of 0.118 at 95% confidence level nature of the work significantly affects employee loyalty improvement. With Beta of 0.262 and 95 percent confidence interval, Career Advancement and recognition also significantly affects employee loyalty improvement at the enterprise. At 95% confidence level with Beta of 0.074, Employment Benefit also significantly affects employee loyalty improvement. Beta-value of 0.247 at 95% confidence level Employee Relationship with their supervisors and colleagues significantly affects employee loyalty improvement. Finlay, With Beta of 0.246 and 95 percent confidence interval, Working Environment also significantly affects employee loyalty improvement at the enterprise. It can therefore be inferred from the responses of the employees that all the five predictor variables affect employee Loyalty improvement significantly.

Table 4. 18Table 4.18 Result of regression analysis

Independent Variable	Unstandardized Coefficients	Standardized Coefficients	T -value	Sig.
	B	Beta		
(Constant)	.061		.145	0.000
Nature of the work	.118	.154	1.002	0.000
Career Advancement and Recognition	.262	.328	2.625	0.000
Employment Benefits	.074	.095	.728	0.000
Relationship with their supervisors and colleagues	.247	.218	2.297	0.000
Working Environment	.246	.268	2.297	0.000
R	0.838			
R2	0.702			
Adjusted R2	.667			
F	20.233			

(Source: SPSS output from own survey data, 2020)

Table 4.18 above that show the correlation coefficient, R = 0.838, it means that there is a positive correlation between the 5(five) independent variables (Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment) and dependent variable (employee loyalty). The value of Adjusted R square is 0.667 which indicates that 66.7 % of the variance in the dependent variable (employee loyalty) is explained by the 5 independent variables (Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment). However, it still leaves 33.3 % of employee loyalty are explained by other factors in this research.

A study on the influence toward the loyalty of the employee among the back of house staffs in great Abyssinia. According the table above, p-value (Sig. 0.000) is less that alpha value 0.05, thus the F- statistic which equal to 20.233 is significant. That mean this model is a good descriptor for the relation between the residual and predictors. Therefore, the independent

variables are significantly explaining the variance in the employee loyalty among the great Abyssinia enterprise. Table 4.18 above show that all the independent variable p-value is equal to 0.000; it means that all the independent variables (Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment) are significantly to predict the dependent variable (employee loyalty). This is because that all the independent variable p-value is less than the 0.05. Therefore, the multiple regression equation is formed which show it the below:

MODEL: $Y = 0.061 + 0.118 (X_1) + 0.262(X_2) + 0.074(X_3) + 0.247(X_4)+ 0.246(X_5)+0.326$

Where Y = dependant variable

b1, b2, b3, b4, b5-----b_n are the coefficients

X1, x2, x3, x4, x5 --------X_n are the corresponding independent variables: Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment ε is the error term due to model specification or left variable from the model.

4.7 Implication of the result

Form data analysis above it's found that Most of the respondent agreed Career Advancement and Recognition, Employment Benefits, Nature of the work, Relationship with their supervisors and colleagues, Working Environment have effect on their organizational loyalty.

The result also shows Career Advancement and Recognition was found to have the better and positive influence, on Employee loyalty followed by Relationship with their supervisors and colleagues, Working Environment, Nature of the work and employee benefit.

The result of regression coefficients of this study had also further revealed that Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment examined in the study were found to bring variation in Employee loyalty in great Abyssinia in Sululeta with different levels.

Other researches argues that whether nature of work, employees relationship with their supervisors and colleagues, Working Environment have an effect on employee loyalty. It was empirically tested with 100 academicians using questionnaire survey .the researchers found

that there is a significant impact on employee loyalty among academicians (Shweta Rajput et al., 2016).

In the mean time the direct influence of nature of work, employee benefit, career advancement and recognition, working environment, relationship with supervisor and colleagues to employee loyalty was analyzed with 149 people from Muhammadiyah University of Bengkulu Indonesia. Employee benefit, career advancement and recognition, has a direct positive effect on employee loyalty. This means higher the employee job satisfaction; the employee loyalty will increase (Onsardi et al., 2017).

(Zainuddin Zakaria et.al., 2019) also revealed that The factors such as rewards and benefits and working environment, career advancement and recognition, nature of work, relationship between supervisor and colleagues high variance employee loyalty . The company is located in Johor, Malaysia and data for this study was collected through questionnaires from 260 employees

CHAPTER FIVE:

SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

Chapter 4 has shown the result and the analysis from the respondents. In this chapter, we will discuss the summary of statistical analysis from the result. In addition, major findings and implications of the study will be further elaborate. Conclusion and recommendations to improve the future research.

5.1. Summary of Findings

This study conducted to examine the effect of Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment on Employee loyalty in great Abyssinia in Sululeta through questionnaire data collected from 147 employees. Therefore, summary of findings has been presented as follows:

- o The majority of the respondents are female, Most of the respondents are supervisor, and majority of the respondents worked from 6-10 years in the company, most of them are Degree level ,age of respondent are ranged between 31 – 40 years old,
- o Most of the respondent agreed Career Advancement and Recognition, Employment Benefits, Nature of the work, Relationship with their supervisors and colleagues and Working Environment have effect on their organizational loyalty.

- o As it is shown from the result of correlation analysis, Career Advancement and Recognition (0.640), Employment Benefits (0.590), Nature of the work (0.590), Relationship with their supervisors and colleagues (0.554) and Working Environment (0.535) have a strong relationship with Employee loyalty.

- As it is evidenced from the model summary of regression analysis, the adjusted R square 66.7 percent was which indicates that the independent variables of this study contribute 66.7 % to that variance on Employee loyalty in the case of great Abyssinia.

- The ANOVA result also confirms the model summary result found to be significant to Employee Loyalty.

- The result of regression coefficients had also further revealed that Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment examined in the study were found to bring variation in Employee loyalty in great Abyssinia in Sululeta with different levels.

- Career Advancement and Recognition was found to have the better and positive influence (26.2%) on Employee loyalty followed by Relationship with their supervisors and colleagues (24.7%), Working Environment (24.6%), Nature of the work (11.8%) and employee benefit (7.4%).

- With respect to the significance level of the independent variables, all variables are significance as their significance value is less than 0.05 (P<0.05).

5.2 Conclusion

The fundamental objective of the study was to examine factors affecting employee loyalty in great Abyssinia. Based on the analysis of the study, it can be concluded, Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working Environment influence employee loyalty. Though the model shows a significant and positive relationship between the dependent and independent variable. The result is obtained from great Abyssinia sululeta plant. Career Advancement and Recognition was found to have the better and positive influence on Employee loyalty followed by Relationship with their supervisors and colleagues, and Working Environment, The study further concluded that Nature of the work and employee benefit. Significant relationship with employee loyalty.

The study finally concluded that Nature of the work, Career Advancement and Recognition, Employment Benefits, Relationship with their supervisors and colleagues, Working

Environment showed a significant impact on employee loyalty in great Abyssinia and there was at least significant relationship between the human resource practices, and employee loyalty in various sectors which validates the various theories and studies. The objective of the study is fulfilled with the results accepted.

5.3 Recommendations

The study recommends that, stakeholders of the organization should pay more attention to employees' loyalty as this will enhance the improvement and help survive the current competition within these competitors. This study will lead to a greater understanding of employees' needs in order to increase the loyalty in the organization and better business results, organizational growth, reduced employee turnover in Great Abyssinia, policy development supporting employee's motives on work effectiveness and result in a greater loyalty.

The major reasons for employee turnover both at an individual and organizational level are managerial support, nature of job, and employee benefit; each impacts the decision to leave the organization. Hence increasing the level of managerial support and also providing career advancement opportunities, creating a challenging job, good working environment to the employees will help to decrease employees' thoughts of leaving the organization.

The study also recommends the organization must give importance to all the factors and. higher level of rewards and benefits, good working environment, career advancement and recognition, nature of work, relationship between supervisor and colleagues by organizations will lead a higher level of employee loyalty.

The necessity of focusing on affecting factors is because this reflects on the performance of the employees directly through increasing the level of their loyalty and getting rid of the aspects negatively affect the loyalty of the employees working in Great Abyssinia.

A good relationship between supervisor and employee is essential in order to have a friendly working environment in one organization. Supervisor role is important in an organization not just to monitor and control employee performance, but also to encourage and motivate employee morale.

The managements of organization shall focus on factors that significantly affect employee loyalty. Due to the importance of this dimension on the psyche of the employees, as many studies have indicated it have positive or negative effect on organizational loyalty.

The managements of Great Abyssinia shall work hard more than they do now to provide practical support to support the trends of employees in the organization, to increase awareness of all the factors that deepen the loyalty of workers.

Meanwhile, management has to acknowledge or give recognition to employees. Difficulties of operating procedures and neglect of certain aspects of recognition may cause reduce in employee loyalty to work. To overcome this issue, management are encourage to carry out certain employee benefit and recognition activities such as proper recognition and appreciation, salary increments, allowances, bonuses, fringe benefits and other compensations on regular and specific periods. In addition, organization is suggested that whether tangible or intangible and formal or informal recognition should include personal value in order to have loyal employees.

The study further recommends that, management can also consider other factors of like job satisfaction, job security, training and development since it is undisputable fact that what might be the motivating factor or to increase or decrease organizational employee loyalty.

Lastly, Business organizations should start realizing the need to be tackle on these determinants in order to stay competitive and ahead of its rivals.

5.4 Limitation of the Study

The population of this study was strictly limited to only the employees of Great Abyssinia sululeta plant; thus, the results of this study may not be applicable to other organizations. It should be concerned about situations in other locations and at different times in order to verify and complete factors.

5.5 Future Research

For further Research Based on the findings and conclusion of this study, the following recommendations are made for further research. The population of this study was strictly limited to only the employees of Great Abyssinia sululeta plant; thus, the results of this study may not be applicable to other organizations, or those of different businesses. For any further

research, the researcher may consider expanding the amount of the population, as well as the research area, in order to attain broader results.

For further research, other factors, which have can affect employee's loyalty, such as job satisfaction, team work, employee empowerment, emotional equivalence, social support and others, should be considered to see whether or not there is any relationship between them.

In the next research, ways of collecting data could be done by employing multiple methods, such as observation and direct interviewing as a tool, rather than using only questionnaires. This will help to obtain a much deeper information base and many more completed answers.

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APPENDIX

Questionnaire

Factors Affecting Employees Loyalty: A case study of Great Abyssinia p.l.c sululta plant.

This questionnaire is a part of a research methodology course which is a partial fulfillment of the requirement for Masters of Business Administration in Jimma University. The aim of this questionnaire is to study employee loyalty at Great Abyssinia p.l.c sululta plant. You can be assures that your response will be only used for study purposes and it will be treated confidentially. Your answers will help the success of the study and your cooperation in answering this questionnaire will be highly appreciated.

Should you have questions or need more information about this study, please contact Ms.lielteTsegaye Tel: +251910474468 or E-mail: lieltetsegaye@gmail.com

The questionnaire is divided into 3 parts as follows:

Part 1 Demographic information of respondents

Part 2 Opinion of respondents on the level of agreement about factors affecting employee's loyalty.

<u>Instruction</u>

Please mark X in the ( ) and fill in the information in the provided blank spaces

Part 1 Demographic information of respondents

1. Gender

(   ) 1. Male   (   ) 2. Female

2. Age

(   ) 1. 18-30   (   ) 2. 31-40

(   ) 3. 41-50   (   ) 4. 51-60

3. Educational background

(　　) 1.Diploma

(　　) 2. Bachelor

(　　) 3. Masters

4. Length of Employment

(　　) 1. 0 - 5 years

(　　) 2. 6 – 10 years

(　　) 3. 11-15years

(　　) 4. 16-20

5. What is the level of your current position?

(　　) 1. Officer

(　　) 2. Supervisor

(　　) 3. Manager

Part 2 Opinion of respondents about factors affecting employee's loyalty.

Please mark X in the (　) and fill in the information in the provided blank spaces

1 = strongly disagree

 1.　= Disagree

3.　= Moderate

4 = Agree

5 = strongly agree

	The following factors affecting your loyalty:	**Level of Agreement**				
	Nature of work	**Strongly agree**	**Agree**	**Moderate**	**Disagree**	**Strangely Disagree**
NW 1	To work appropriately based on knowledge and ability					
NW2	To think that your job responsibility is important					
NW 3	To be responsible for an appropriate quantity of work					
NW 4	To work on a variety of jobs and not to be bored					
NW 5	To work at a challenging job					
	Career advancement and recognition	**Strongly agree**	**Agree**	**Moderate**	**Disagree**	**Strongly Disagree**
CAR 1	To have the possibility for career advancement at work					
CAR 2	To be part of a team when problems are being solved					
CAR 3	The opportunity for promotion in the workplace dealt with fairly					
CAR 4	To be supported by the company to attend training or seminars					
CAR 5	To be able to work independently					

		because the supervisor is confident in you					

	Employment benefits	Strongly agree	Agree	Moderate	Disagree	Strongly Disagree
EB 1	To have appropriate annual holiday entitlements					
EB 2	The company creates recreational activities for its staff					
EB 3	To be happy with the annual bonus					
EB 4	To get other appropriate benefits					
EB 5	To feel that salary matches with job responsibilities					

	Relationship with your supervisors and colleagues	Strongly agree	Agree	Moderate	Disagree	Strongly Disagree
RS 1	To have a good working relationship with colleagues					
RS 2	The company creates extra-curricular activities to build the relationship among staff members					
RS 3	To acknowledge company issues and to be able to share ideas					
RS 4	The chain of command reacts fast enough to resolve issues					
RS 5	To get help from supervisors for job problems					

	Working environment	**Strongly agree**	**Agree**	**Moderate**	**Disagree**	**Strongly Disagree**
WE 1	To feel comfortable in the work environment					
WE 2	To feel safe in the work environment					
WE 3	To be proud to work in the department					
WE 4	To be pleased with the job management in the department					
WE 5	To feel happy working in the department					
	Employee loyalty	Strongly agree	Agree	Moderate	Disagree	Strongly Disagree
ELY 1	I have made the contribution on achieving my company's objectives					
ELY 2	I have the feeling of job satisfaction working at my company.					
ELY 3	. I believe that my company in making long term relationship.					
ELY 4	My company provide sufficient opportunity of grows.					
ELY 5	My company retains outstanding employees					