



Antecedents and Consequences of Organizational Loyalty

Prof. Abdelmohsen A. Nassani

Professor of Management
nassani@ksu.edu.sa

Wadha A. Alqunaian

Master Student
Wd99de@hotmail.com

Department of Management
College of Business Administration
King Saud University, Saudi Arabia

Abstract

This study aimed to find out the antecedents and consequences of organizational loyalty, and to investigate the relationships between promotion opportunity, transformational leadership, loyalty, and retention among employees in the Kingdom of Saudi Arabia. Data was collected using a questionnaire which was distributed among a sample of 250 employees from various governmental and private sectors who were randomly selected to participate in the study. The results revealed significant relationships between the variables under investigation. Firstly, promotion opportunity was found to be positively correlated with transformational leadership, loyalty, and retention. Secondly, transformational leadership was positively correlated with both loyalty and retention. Finally, a positive relationship was found between loyalty and retention, indicating that higher levels of employee loyalty were associated with increased retention rates. These findings highlight the importance of promoting promotion opportunities within organizations, developing transformational leadership qualities among managers, and fostering a culture of loyalty to enhance employee satisfaction and reduce turnover.

Keywords: Organizational Loyalty, Antecedents, Consequences, Promotion Opportunity, Transformational Leadership, Retention, Effects, Reasons.

Introduction

Loyalty within an organizational context is a critical factor that contributes to the long-term success and sustainability of businesses. Organizational loyalty refers to the commitment and dedication of employees towards their organizations, demonstrated through their willingness to exert extra effort, stay with the organization, and endorse its values and goals. It is a multidimensional construct influenced by various antecedents and has significant consequences for both employees and organizations.

Understanding the antecedents and consequences of organizational loyalty is crucial for organizations seeking to enhance employee loyalty and create a positive work environment. Extensive research has been conducted to explore the factors that influence organizational loyalty, including job satisfaction, organizational culture, leadership styles, perceived organizational support, and employee engagement, among others (Allen et al., 2013; Meyer et al., 2002; Reichheld, 1996).

Antecedents of Organizational Loyalty can be categorized into individual and organizational factors. Individual factors include personal characteristics, values, and attitudes, while organizational factors encompass aspects such as organizational climate, policies, and practices. These antecedents shape

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employees' perceptions of their relationship with the organization and influence their level of commitment and loyalty (Allen et al., 2013; Meyer et al., 2002).

Conversely, organizational loyalty has significant consequences for both employees and organizations. For employees, organizational loyalty is associated with higher job satisfaction, increased motivation, and reduced turnover intention (Allen et al., 2013; Meyer et al., 2002). It fosters a sense of belongingness, trust, and psychological well-being, leading to improved job performance and productivity (Reichheld, 1996). From the organizational perspective, higher levels of employee loyalty result in reduced recruitment and training costs, increased customer satisfaction, enhanced organizational reputation, and ultimately, improved financial performance (Allen et al., 2013; Reichheld, 1996).

Building upon the foundational research by Allen et al. (2013), Meyer et al. (2002), and Reichheld (1996), this study seeks to investigate the intricate facets of organizational loyalty. It aims to dissect and elucidate the nuanced interrelations between various antecedents and consequences of loyalty within organizations.

Literature Review and Hypothesis Development

The Relationship between Promotion Opportunity and Loyalty

Promotion opportunity, as conceptualized in organizational studies, refers to the perceived likelihood or availability of advancement within an organization (Eisenberger et al., 1986). It's a critical factor that shapes an employee's career trajectory and is often linked to recognition and reward for their contributions. Organizational loyalty, on the other hand, is defined as the degree of emotional attachment and commitment an employee has towards their organization (Allen & Meyer, 2013). It encompasses aspects like allegiance, identification with organizational goals, and a willingness to remain with the organization. Studies have indicated that when employees perceive higher chances of promotion, their loyalty to the organization tends to increase. This is primarily because promotion opportunities are seen as a testament to the organization's investment in the employee's career and professional growth, thereby fostering a deeper sense of belonging and commitment (Maertz et al., 2007). For instance, research has shown that employees who perceive clear and attainable paths for advancement are more likely to develop a strong sense of loyalty to their organization. This relationship is crucial as it highlights how organizational practices regarding career advancement can significantly impact the overall loyalty of its workforce. Therefore, based on these insights, the following hypothesis is proposed: H1: Promotion opportunity has a positive relationship with organizational loyalty.

The Relationship between Transformational Leadership and Loyalty

Transformational leadership, as defined by Bass and Riggio (2006), involves leaders who inspire and motivate their followers to achieve higher levels of performance, often transcending their own self-interests for the good of the group. It's characterized by behaviors like inspiring a shared vision, challenging the status quo, and empowering followers. Research in the field of organizational behavior suggests a strong relationship between transformational leadership and employee loyalty. Transformational leaders, by virtue of their charismatic and inspirational qualities, foster an environment where employees feel valued, motivated, and more connected to the organizational goals and values (Bass & Riggio, 2006). This connection enhances the loyalty of employees, as they feel more integral to the organization and its success. For example, studies have demonstrated that employees working under transformational leaders exhibit higher levels of loyalty, as they feel more supported, understood, and valued. These leaders create a culture of trust and empowerment, which in turn nurtures loyalty among the workforces. Thus, considering the influence of transformational leadership on employee attitudes and behaviors, the following hypothesis is formulated: H2: Transformational leadership has a positive relationship with organizational loyalty.

The Relationship between Loyalty and Retention

Employee retention refers to an organization's ability to retain its employees and prevent turnover. It is a critical issue for organizations as high turnover can lead to increased costs and disruption of operations. Research has consistently shown that when employees feel loyal to their organization, they are less likely to leave. This loyalty often stems from various factors including job satisfaction, perceived organizational support, and alignment with organizational values (Meyer et al., 2002). For instance, studies have found that loyal employees, who feel a strong connection and commitment to their organization, tend to have higher retention rates. This relationship is significant as it highlights the importance of cultivating a loyal workforce to enhance employee retention. Thus, acknowledging the impact of loyalty on an employee's decision to stay with an organization, the following hypothesis is proposed: H3: Organizational loyalty has a positive relationship with employee retention.

The Relationship between Transformational Leadership and Retention

This leadership style, as elucidated by Bass and Riggio (2006), involves leaders who are charismatic, inspirational, and empathetic, creating an environment where employees feel valued and part of a larger vision. The relationship between transformational leadership and retention is underscored by the fact that such leaders create a positive and supportive work environment that encourages employees to stay. For example, research has shown that employees working under transformational leaders are more likely to report higher job satisfaction and organizational commitment, both of which are key predictors of retention (Toban & Sjahrudin, 2016). This finding is critical as it suggests that the way leaders interact with and inspire their employees can directly influence their decision to remain with the organization. Therefore, based on these insights, the following hypothesis is formulated: H4: Transformational leadership has a positive relationship with employee retention.

Research Model

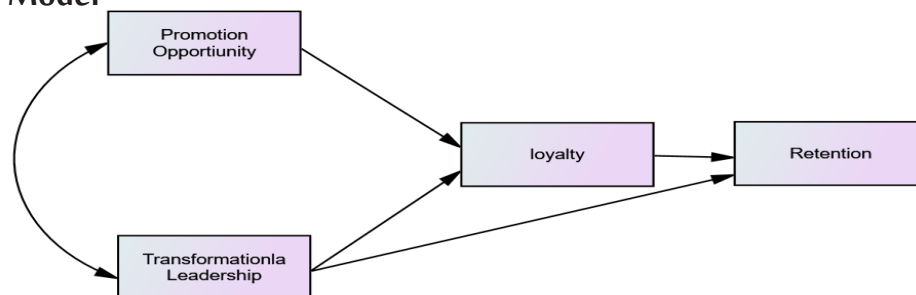


Figure 1. The Research Model

Methodology

The adopted methodology to accomplish this study uses the following techniques: the information about the research design, research population, questionnaire design, statistical data analysis, content validity and pilot study.

Population and Sampling

The population of the study consists of all the employees in all the governmental and private sectors in Saudi Arabia. Questionnaires were distributed to the research sample and all questionnaires are received. 250 employees from various governmental and private sectors were randomly chosen in Saudi Arabia.

Data Collection

In order to collect the needed data for this research, we use the secondary resources in collecting data such as books, journals, statistics and web pages. In addition to preliminary resources that not available in secondary resources through distribute questionnaires on study population to get their opinions about "Antecedents and

consequences of organizational loyalty “. Research methodology depend on the analysis of data on the use of descriptive and analytical analysis, which depends on the poll and use of the main program (SPSS V26).

Measures

A 5-point Likert scoring system was employed to collect responses for the following behavioral variables in the study:

- 1- **Promotion Opportunity:** The measurement of promotion opportunity was conducted using a tailored scale developed specifically for this study. This scale comprises items that assess employees’ perceptions of their chances for advancement and recognition within the organization. An example item is “I believe there are ample opportunities for promotion in my organization.”
- 2- **Transformational Leadership:** Transformational leadership was measured using the Bass and Avolio’s (1995) Multifactor Leadership Questionnaire (MLQ). This questionnaire assesses various aspects of transformational leadership, including inspirational motivation, intellectual stimulation, and individualized consideration. An example item is “My supervisor inspires me to think about old problems in new ways.”
- 3- **Organizational Loyalty:** Organizational loyalty was measured using a modified version of the Organizational Commitment Questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979). This scale includes items that assess the extent of an employee’s loyalty, attachment, and commitment to their organization. An example item is “I am willing to put in a great deal of effort beyond that normally expected to help this organization be successful.”
- 4- **Employee Retention:** Employee retention was gauged using a self-developed scale based on previous research. This scale includes items that reflect employees’ intentions to stay with the organization. An example item is “I see myself working in this organization for the foreseeable future.”

Each of these scales was chosen for its reliability and validity in measuring the respective constructs. The use of these established measures ensures the accuracy and consistency of the data collected, contributing to the robustness of the study’s findings.

Statistical methods

- 1- Descriptive statistics (Frequencies, Percentages, Mean, Standard deviation, Figure)
- 2- Pearson correlation coefficients for validity internal consistency.
- 3- Coefficients of Cronbach’s alpha for reliability.
- 4- A statistical software (Statistical Package for Social Sciences (SPSS, version 25) was used in this study.
- 5- A statistical software (AMOS V26) used to test the hypotheses in the model of study.
- 6- Data Analysis

We analyze the input through AMOS and SPSS, initially we examine the descriptive statistics for all variables, then Cronbach alpha has been calculated to see the reliability of Promotion Opportunity, Transformational Leadership, Organizational Loyalty, Employee Retention.

Results

Descriptive Statistics

Demographic Characteristics

Table (1) shows that the Demographic Information as follows:

- 1- Gender: 47.2% from the sample are “male” and 52.8% are female.

Table (1): Demographic Information (n=250)

| Variable | Answer | Frequency | Percentage |
|------------|--------------|------------|--------------|
| Gender | Male | 118 | 47.2 |
| | Female | 132 | 52.8 |
| | Total | 250 | 100.0 |
| Experience | 1 | 37 | 14.8 |
| | 2 | 48 | 19.2 |
| | 3 | 61 | 24.4 |
| | 4 | 33 | 13.2 |
| | 5 | 71 | 28.4 |
| | Total | 250 | 100.0 |
| Age | 1 | 13 | 5.2 |
| | 2 | 71 | 28.4 |
| | 3 | 89 | 35.6 |
| | 4 | 55 | 22.0 |
| | 5 | 22 | 8.8 |
| | Total | 250 | 100.0 |

- 2- Experience: 14.8% from the sample of experience are “”, 19.2% from “”, 24.4% from “”, 13.2 % from “”, and 28.4 % from “”.
- 3- Age : 5.2 % from the sample ages are “”, 28.4% % from “”, 35.6 % from “”, 22.0% from “”, and 8.8 % from “”.

Mean, Standard Deviation and Correlation Analysis of Variables

In Table 2, analysis revealed that Promotion Opportunity had a mean score of 3.08 and Transformational Leadership was rated at 3.40, indicating moderate to high perceptions in these areas. Loyalty emerged as the highest-rated variable with a mean of 3.47, while Retention had a mean of 3.13. Correlation analysis showed positive relationships among these variables, with moderate to strong correlations observed between Promotion Opportunity, Transformational Leadership, Loyalty, and Retention, indicating that increases in one are associated with increases in the others.

Table 2. Descriptive statistics

| No | Variables | Mean | Standard deviation | 1 | 2 | 3 | 4 |
|----|-----------------------------|------|--------------------|------|------|------|---|
| 1 | Promotion Opportunity | 3.08 | 1.00 | | | | |
| 2 | Transformational Leadership | 3.40 | 0.82 | .438 | | | |
| 3 | loyalty | 3.47 | 0.82 | .455 | .540 | | |
| 4 | Retention | 3.13 | 1.03 | .330 | .472 | .546 | |

Reliability Analysis

Table (3) presents Cronbach’s Alpha values for each construct of the questionnaire as well as for the questionnaire as a whole. The Cronbach’s Alpha values for the individual constructs range from 0.759 to 0.827, with Promotion Opportunity at 0.791 (3 items), Transformational Leadership at 0.759 (5 items), Loyalty at 0.815 (5 items), and Retention at 0.827 (3 items). These values fall within the high range, indicating a strong reliability for each construct within the questionnaire. Furthermore, the overall Cronbach’s Alpha for the entire questionnaire is 0.815, calculated across 16 items. This high value demonstrates excellent reliability for the questionnaire in its entirety. As a result, the questionnaire is considered both valid and reliable, affirming its suitability for distribution to the target population sample.

Table .3 Reliability Analysis Cronbach’s alpha

| Variables | Items | Cronbach’s alpha |
|----------------------------------|-------|------------------|
| Promotion Opportunity | 3 | 0.791 |
| Transformational Leadership | 5 | 0.759 |
| loyalty | 5 | 0.815 |
| Retention | 3 | 0.827 |
| Overall reliability coefficients | 16 | 0.815 |

Testing Research Model

Types of Model Fit Criteria:

Table (4) details the fit indices resulting from the statistical analysis conducted on the questionnaire data. The values presented are indicative of the model’s fit to the observed data. The CMIN/DF (Chi-square/degrees of freedom ratio) is .573, which is considerably below the commonly accepted threshold of 3, suggesting an excellent model fit. The Comparative Fit Index (CFI) is at the maximum value of 1.000, and the Incremental Fit Index (IFI) is almost perfect at .999, both of which indicate an exceptional fit of the model to the data. The Tucker-Lewis Index (TLI) stands at .996, further confirming the model’s good fit. The Root Mean Square Error of Approximation (RMSEA), a measure of model error, is very low at .028, well below the .05 benchmark for a good fit. The Normed Fit Index (NFI) and the Goodness of Fit Index (GFI) are .998 and .999, respectively, both suggesting that the model is a very good representation of the data. The Adjusted Goodness of Fit Index (AGFI) is .972, also indicating a strong fit, and the Root Mean Square Residual (RMR) is .011, demonstrating minimal residual variance. Overall, these statistics collectively suggest that the model exhibits an excellent fit to the data.

Table 4. Model Fit Result

| Statistics | Result |
|------------|--------|
| CMIN/DF | .573 |
| CFI | 1.000 |
| IFI | .999 |
| TLI | .996 |
| RMSEA | .028 |
| NFI | .998 |
| GFI | .999 |
| AGFI | .972 |
| RMR | .011 |

According to table 5, Presents the outcomes of the structural equation modeling, focusing on the path coefficients between various constructs. It reveals that the path from Promotion Opportunity to Loyalty has a significant positive coefficient of .222, with a high level of statistical significance (C.R. = 4.759, $p < .001$), supporting the hypothesis that Promotion Opportunity positively influences Loyalty. Similarly, the path from Transformational Leadership to Loyalty is robust, with a coefficient of .419, further substantiated by a Critical Ratio of 7.420 and a highly significant p-value, which strongly validates the impact of Transformational Leadership on Loyalty. The relationship between Loyalty and Retention is also significant, demonstrated by a coefficient of .516, a C.R. of 6.723, and marked significance, confirming the positive influence of Loyalty on Retention.

Table 5. Path Analysis

| | Path coefficient | Estimate | S.E. | C.R. | P | Results |
|----------------|-----------------------------|----------|------|-------|-----|-----------|
| loyalty <--- | Promotion opportunity | .222 | .047 | 4.759 | *** | supported |
| loyalty <--- | Transformational leadership | .419 | .057 | 7.420 | *** | supported |
| Retention <--- | loyalty | .516 | .077 | 6.723 | *** | supported |
| Retention <--- | Transformational leadership | .314 | .076 | 4.110 | *** | supported |

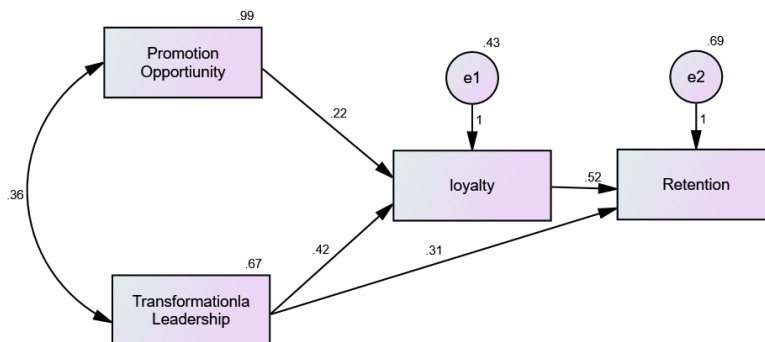


Figure 2. Standard Estimation conducted by AMOS

Discussion:

The findings of this study provide valuable insights into the factors influencing employee loyalty and retention within organizations. Consistent with previous research (Bass & Riggio, 2006), transformational leadership was found to have a positive relationship with both loyalty and retention. This suggests that leaders who inspire and motivate their subordinates, foster a sense of trust and identification, and provide guidance towards a shared vision contribute to higher levels of loyalty and increased retention rates among employees. These results support the notion that transformational leadership plays a crucial role in shaping employee attitudes and behaviors (Meyer et al., 2002).

Furthermore, the study revealed a significant positive relationship between promotion opportunity and transformational leadership, loyalty, and retention. This finding aligns with previous studies that have emphasized the importance of career advancement and growth opportunities in enhancing employee commitment and reducing turnover (Locke, 1976). Employees who perceive that there are meaningful promotion prospects within the organization are more likely to feel valued and motivated, leading to higher levels of loyalty and increased retention rates. The positive association between promotion opportunity and transformational leadership suggests that leaders who provide employees with growth opportunities and recognize their potential are more likely to exhibit transformational leadership behaviors, further enhancing loyalty and retention.

The positive relationship between loyalty and retention further emphasizes the significance of fostering a culture of loyalty within organizations. Employees who are loyal to their organization are more likely to remain committed and dedicated to their roles, resulting in reduced turnover rates (Mobley, 1982). These findings underscore the importance of creating an environment that values and prioritizes employee loyalty through various means, such as promoting a positive organizational culture (Denison & Mishra, 1995) and providing opportunities for career advancement.

For the previous studies, they focused on various factors related to organizational loyalty, including transformational leadership, job stress, perceived organizational support (POS), psychological capital, and employee engagement. Let’s discuss how these findings from the literature review relate to the results of the current study on the relationship between promotion opportunity, transformational leadership, loyalty, and retention.

Starting with the study by Toban & Sjahrudin (2016), their findings align with our study's results. Both studies highlight the significant impact of transformational leadership on organizational commitment and job satisfaction. Our study specifically investigates the relationship between transformational leadership and loyalty, as well as retention, supporting the notion that transformational leadership is positively associated with these factors.

Moving on to the study by Al-Tit & Hunitie (2015), their research explores the mediating effect of employee engagement on job satisfaction. Although our study does not directly investigate employee engagement, the notion of engagement as a mediator is relevant. It suggests that factors such as clear career growth opportunities, communication, trust, and recognition can influence organizational loyalty through employee engagement. This supports the idea that promotion opportunities, which we included in our study, can have an indirect impact on loyalty through engagement.

Next, Saadeh & Suifan (2020) examine the effect of job stress on perceived organizational support (POS) and organizational commitment. While our study does not directly address job stress or POS, the findings can still be connected. Job stress can potentially influence factors such as job satisfaction and commitment, which are key components of loyalty. Understanding the negative impact of job stress on POS and commitment reinforces the importance of mitigating stressors to foster organizational loyalty.

Maertz et al. (2007) examined turnover cognitions and organizational support suggests that both perceived supervisor support (PSS) and perceived organizational support (POS) can impact turnover through affective commitment. While our study focuses on loyalty rather than turnover, the concept of commitment is closely related. The findings from this study emphasize the significance of both PSS and POS in fostering commitment, which can contribute to loyalty within an organization.

Lastly, Shukla & Rai (2015) investigate the role of perceived organizational support (POS) in shaping organizational trust and commitment, while considering the moderating role of psychological capital. Although our study does not directly explore psychological capital, the findings are relevant. They highlight the positive relationship between POS and trust/commitment, suggesting that higher levels of psychological capital may moderate these relationships. This emphasizes the importance of individual mental disposition in understanding the impact of support on loyalty-related factors.

Overall, these studies provide valuable insights that align with and support our study's results on the relationship between promotion opportunity, transformational leadership, loyalty, and retention. They highlight the importance of factors such as transformational leadership, employee engagement, job stress, perceived support, and individual mental disposition in influencing organizational loyalty. By considering these factors, organizations can develop strategies to enhance loyalty, improve job satisfaction, and retain their employees effectively.

Limitations and Future Research

Limitations:

The existing collected data on antecedents and consequences of organizational loyalty predominantly focuses on only 250 employees. Therefore, the generalizability of findings to different cultural and regional settings may be limited. Future research should include diverse samples to examine the cross-cultural variations in the factors influencing organizational loyalty. In addition, the current study as most studies conducted thus far have utilized cross-sectional designs, limiting the ability to establish causal relationships between antecedents, organizational loyalty, and its consequences. Longitudinal studies would provide a better understanding of the temporal dynamics and directionality of these relationships. Finally, mediating and moderating factors as, the current study has primarily focused on direct relationships between antecedents, organizational loyalty, and its consequences. Future research should explore potential mediating and moderating variables that may explain or influence these relationships. For example, variables such as employee engagement, organizational justice, and work-life balance could act as mediators or moderators in the relationship between antecedents and organizational loyalty.

Future Research Directions:

- 1- Organizational loyalty is influenced by factors at both the individual and organizational levels. So that future research could employ multilevel analysis to examine how individual-level antecedents interact with organizational-level factors to influence organizational loyalty. This would provide a more comprehensive understanding of the complex dynamics involved.
- 2- Organizational loyalty may be particularly relevant during times of organizational change or crisis. So future studies could investigate how organizational loyalty is affected by organizational restructuring, mergers, downsizing, or other major organizational events. Understanding how organizational loyalty is impacted in such contexts would provide valuable insights for organizational leaders.
- 3- The rise of remote work and the increasing reliance on technology in the workplace have significant implications for organizational loyalty. So future research could explore how these factors influence organizational loyalty, as well as the potential role of virtual leadership and communication in fostering loyalty in remote work settings.
- 4- Organizational loyalty is closely linked to employee well-being. So future research could examine the reciprocal relationship between organizational loyalty and employee well-being, exploring how organizational initiatives aimed at promoting well-being (e.g., work-life balance programs, mental health support) impact organizational loyalty and vice versa.

By addressing these limitations and exploring future research directions, scholars can further advance the understanding of organizational loyalty and contribute to the development of effective strategies for enhancing employee loyalty and organizational success.

Implications

The implications of this study are significant for both practitioners and organizations. Understanding the antecedents and consequences of organizational loyalty can guide organizations in developing strategies and interventions to foster a loyal workforce and create a positive work environment. The following implications can be drawn from the study:

- 1- **Recruitment and Selection:** Organizations can incorporate the identified antecedents of organizational loyalty into their recruitment and selection processes. By assessing candidates' values, attitudes, and fit with the organizational culture, organizations can identify individuals who are more likely to exhibit loyalty towards the organization.
- 2- **Organizational Culture and Climate:** Creating a positive organizational culture and climate that promotes trust, open communication, and shared values can contribute to organizational loyalty. Organizations should focus on cultivating a supportive and inclusive environment where employees feel valued and connected to the organization.
- 3- **Employee Engagement and Recognition:** Enhancing employee engagement and providing recognition for employees' contributions can positively impact organizational loyalty. Organizations should implement strategies to actively involve employees in decision-making processes, provide opportunities for growth and development, and acknowledge and reward their achievements.
- 4- **Retention Strategies:** Organizational loyalty is closely linked to reduced turnover intention. Organizations should invest in retention strategies that focus on building strong relationships with employees, providing meaningful work experiences, and offering competitive compensation and benefits packages. By reducing turnover, organizations can save costs associated with recruitment and training while maintaining a loyal and committed workforce.
- 5- **Performance Management:** Organizations can leverage the relationship between organizational loyalty and job satisfaction to improve overall performance. By ensuring that employees are satisfied with their work, organizations can enhance motivation, productivity, and job performance, ultimately leading to improved organizational outcomes.

- 6- Organizational Reputation and Branding: Loyal employees act as brand ambassadors for the organization, contributing to a positive organizational reputation. Organizations should recognize the value of organizational loyalty in attracting and retaining customers and talent. A strong organizational reputation can lead to increased customer loyalty, market competitiveness, and overall success.
- 7- Employee Well-being and Work-Life Balance: Organizational loyalty is associated with enhanced employee well-being. Organizations should prioritize employee well-being initiatives, such as promoting work-life balance, providing mental health support, and fostering a healthy work environment. This can contribute to higher levels of organizational loyalty and overall employee satisfaction.

Conclusion

In conclusion, the results of this study provide valuable insights into the relationships between promotion opportunity, transformational leadership, loyalty, and retention within the organization. The findings support the following hypotheses:

- H1: There is a relationship between promotion opportunity and each of transformational leadership, loyalty, and retention at $\alpha \leq 0.05$. This suggests that when employees perceive greater promotion opportunities within the organization, it positively correlates with higher levels of transformational leadership, loyalty, and retention. Organizations should, therefore, focus on providing clear and meaningful promotion pathways to enhance employee satisfaction, loyalty, and retention.
- H2: There is a relationship between transformational leadership and each of loyalty and retention at $\alpha \leq 0.05$. This implies that effective transformational leadership positively influences employee loyalty and retention. Organizations should prioritize developing and nurturing transformational leadership qualities among their managers to foster a loyal and committed workforce, ultimately reducing employee turnover.
- H3: There is a relationship between loyalty and retention at $\alpha \leq 0.05$. This finding suggests that higher levels of employee loyalty are associated with increased retention rates. Organizations should focus on building a positive and supportive work environment that fosters loyalty among employees. This can be achieved by recognizing and rewarding employee contributions, promoting open communication, and providing opportunities for growth and development.

Based on these results, the following recommendations are provided:

- 1- Enhance promotion opportunities: Organizations should ensure that promotion opportunities are clearly communicated and accessible to employees. This includes establishing transparent and merit-based promotion processes, providing career development programs, and offering growth opportunities within the organization. By doing so, employees will feel motivated and engaged, leading to increased loyalty and retention.
- 2- Foster transformational leadership: Organizations should invest in leadership development programs that focus on cultivating transformational leadership skills among managers. This involves training managers to inspire and motivate employees, provide guidance and support, and foster a positive work culture. Effective transformational leadership plays a vital role in fostering loyalty and increasing employee retention.
- 3- Cultivate a culture of loyalty: Organizations should prioritize building a culture that values and rewards loyalty. This can be achieved by recognizing and appreciating employee contributions, promoting teamwork and collaboration, and creating a supportive work environment. Additionally, implementing employee retention strategies such as competitive compensation packages, work-life balance initiatives, and opportunities for professional growth can further enhance loyalty and reduce turnover.

By implementing these recommendations, organizations can create an environment that promotes loyalty, enhances employee satisfaction, and reduces turnover, ultimately contributing to long-term organizational success.

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