

UNIVERSITY OF KWAZULU-NATAL (UKZN)

**THE STUDY OF EMPLOYEE LOYALTY IN A SOUTH
AFRICAN SPECIALITY CHEMICAL INDUSTRY
(THE CASE OF IMPROCHEM)**

BY

GABRIEL ARINZE CHUKWUKA

214579160

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for the degree**

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Supervisor: Dr Emmanuel Mutambara

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DECLARATION

I **Gabriel Arinze Chukwuka** declare that

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Name: Gabriel Arinze Chukwuka

Student Number: 214579160

Signed: _____ Date: June 2016

DEDICATION

I dedicate this research to my saviour Jesus Christ, my lovely queen Onyinye and to our children, Joy, Jotham and Jethro Chukwuka.

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I would like to express my sincere appreciation and gratitude to the following persons and institutions, without which this study would not have been possible:

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ABSTRACT

Employee loyalty plays a vital role in employee retention, organisational development and improvement of human capital that results in overall growth of any organisation. The research investigated the study of employee loyalty in a speciality chemical industry, using ImproChem (Pty) Ltd with headquarters in Johannesburg as a case study. ImproChem operates in a highly competitive environment. The organisation was faced with employee loyalty issues such that skilled technical employees left the employ of the organisation and some migrated to other countries. Increased attrition of production and manufacturing staff became a growing concern. Sales team were looking for job offers with better packages and some were unhappy at other issues like leadership, communication, company culture, mentoring and coaching, performance rewards and employee engagement. A quantitative research approach was utilized for this study. The study employed a random sampling technique where a total of 395 employees were selected to participate in the online survey, out of which 156 completed the online survey.

The study revealed that effective communication, organisational structure, leadership, mentoring and coaching, performance rewards and employee engagement were factors that influenced employee loyalty in Improchem. The study also assessed the extent to which the reviewed factors affected the ImproChem employees. The findings confirmed that employees desired more of open door communication policy and that more training should be organised for line managers to improve communication abilities. The study revealed that transformation and servant leadership should be maintained at ImproChem. Further, employees desired more commitment from management on mentoring and coaching. Findings also revealed that ImproChem needed to pay competitive salaries. It showed that employees were enthusiastic about the work environment, as they desired to go above and beyond to achieve organisational goals.

Recommendations were offered to the management of ImproChem. Some of such recommendations were that the management should organise more training for line managers and supervisors with respect to communication. It was also recommended to the management of ImproChem to pay competitive salaries and focus should be given to employees awareness and understanding of ImproChem's retention strategy.

The study was not exhaustive enough as it was limited to ImproChem as a speciality chemical industry in South Africa. Future studies should be encouraged to explore other chemical and manufacturing industries.

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LIST OF ACRONYMS

AECI – African Explosive Chemical Industries

IC – ImproChem

SA – South Africa

IT – Information Technology

PWC - PricewaterhouseCoopers

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

In today's business environment, employees are strong drivers of competitive advantage for many industries. A company may manage with average employees but loyal employees can push a mediocre business to bigger levels. In a competitive environment, keeping good employees and developing their loyalty becomes increasingly important and a growing challenge. It is then very clear that employee loyalty plays a key role in organisational growth and employee retention. This chapter presents the motivation and focus of this study. It also provides the research objectives, research questions, scope of the study and necessary assumptions for the study.

1.2 MOTIVATION FOR THE STUDY

ImproChem (IC) is a water, energy and air treatment company which forms part of the African Explosive Chemical Industries (AECI) business units and functions under the Speciality Chemical Cluster. IC was established in the early 1980's as a small company under AECI's chemical cluster and has grown over the last two decades. IC has a diverse portfolio which comprises of different divisions with a decentralised divisional structure approach, where each division has its own management team that report to the Managing Director of the company. IC's vision is to be a supplier of choice for Water, Energy and Air Solutions in their chose markets. IC is constantly faced with local and international competitors that operate in South Africa (SA) and Sub-Saharan Africa. To remain a front runner and the best speciality chemical company, IC has to stay abreast with current external and internal human capital dynamics, as well as developments in the industry.

As a major player in SA chemical industry, IC has been affected by employee loyalty issues within the skilled technical employees. These skilled employees range from design engineers, chemical specialists and IT employees. Majority of the key technical employees do not stay with the company for more than one year as they leave for

other chemical industries in SA and other countries. When such employees leave the company, it creates a gap for IC as the business relies on the technical capabilities of such employees.

IC has also experienced increasing employee attrition within the production and manufacturing division. This has affected IC's employee retention as those that left were not happy with the line manager communication style. This was known as the employees discussed amongst themselves during lunch times, about their unhappiness with the way their line managers and supervisors communicated with them. This created an unhappy environment in the production and manufacturing division, which is an integral part of IC's supply chain.

IC as a business largely depends on the sales team which forms about fifty percent of the staff. From the AECI's mandate to IC, they have a specified sales target to reach and IC rely on their sales activities driven by the sales team to reach such targets. The sales division has experienced high attrition from the reports of the Regional Sales Managers and Sales Managers, as they leave for other opportunities with better rewards, benefits, commissions and more competitive salary.

Some employees in the general business also resign as they complain about their individual misalignment to organisational cultures in the company (Awadh and Saad, 2013). Majority of employees within IC are also not happy at the commitment of IC management in relation to mentoring and coaching. There is a strong argument that some of the trainings are not aligned to employee needs. These challenges at IC made it needful for senior management to seek to understand deeper, the issues surrounding employee loyalty within IC, as it also affects IC's business growth and performance.

As IC aggressively explores to discover new ways for stimulating top line growth, their people tactics ought to be in accurate alliance with their organisational strategies. It is very vital for IC not to overlook the seriousness of these challenges, hence the need to understand and improve employee loyalty in the company, and the need for the study of employee loyalty in a speciality chemical industry like IC.

1.3 FOCUS OF THE STUDY

The focus of the study is to investigate employee loyalty in a speciality chemical industry and also to review these factors which include organisational culture, employee engagement, effective communication, leadership, mentoring and coaching, motivation and performance rewards. The study is conducted full time and part time employees working for ImproChem (Pty) Ltd. with headquarters in Johannesburg, operating across all the provinces of SA and in Sub-Saharan Africa.

1.4 AIMS OF THE STUDY

This research was aimed at establishing the main factors that affect employee loyalty in a work place. The factors investigated includes; organisational culture, employee engagement, effective communication, leadership, mentoring and coaching, and performance rewards. These factors are proven to have effect on employee loyalty in the work place like a specialty chemical industry. The study was also intended to access the extent to which each of the following highlighted factors affect employee loyalty in a specialty chemical industry.

1.5 PROBLEM STATEMENT

The SA chemical industry has been experiencing challenges arising from poor employee loyalty within various businesses. Examples of such challenges include issues around competitive pay and benefits, effective communication in the organisation between junior employees and their line managers. The approach of leadership is also a concern as employees complained that the nature of leadership took no interest in their personal welfare but more on business growth and development. The increasing attrition of resourceful technical and skilled employees in the area of chemistry, chemical engineering and IT professionals with the speciality chemical industry is a growing concern for company's senior management. Declining human resources management that focus on employee needs such as mentoring and coaching is also of great concern. Lack of engaged employees is also a challenge in SA chemical industry and can increase innovation, efficiency and profitability. This study, therefore sought to investigate employee loyalty at IC speciality chemical industry.

1.6 RESEARCH OBJECTIVES

The objectives for the research are as follows:

- a) To establish the main factors that affect employee loyalty at ImproChem.
- b) To access the extent to which each of the factors affect employee loyalty.
- c) To recommend factors appropriate for sustainable employee loyalty in IC, as a speciality chemical industry.

1.7 RESEARCH QUESTIONS

The research findings from the study are expected to answer the following questions:

1. What are the main factors that affect employee loyalty in ImproChem?
2. How far can the established factors affect employee loyalty?
3. What are the recommended factors appropriate for sustainable employee loyalty in IC, as a speciality chemical industry?

1.8 SCOPE AND ASSUMPTIONS OF THE STUDY

This study is basically concerned with understanding the main factors that affect employee loyalty and to access the extent of impact in a speciality chemical industry. It was conducted at IC with headquarters in Johannesburg, operating in SA and Sub-Saharan Africa. The researcher was permitted by the management of IC to carry out the research without any interference. It is presumed that the respondents are going to respond objectively, honestly and truthfully to the research.

1.9 RESEARCH METHODOLOGY

The research employed the positivism approach which is usually associated with quantitative research (Cooper and Schindler, 2011). The study utilized descriptive study or statistics approach, because it deals with the collection of data that describes the features of a person or circumstances (Sekaran and Bougie, 2013). The study was conducted at ImproChem (Pty) Ltd covering employee spread across Sub-Saharan Africa. Random sampling was used as it gives all the elements of the population equal opportunity of being selected as a subject (Sekaran and Bougie, 2013). A primary data collection approach was used for the research and the strategies for data collection

ensured that areas like confidentiality of data, protection of respondent's privacy, equal participation opportunity and no mandatory obligation were addressed.

The first section of the questionnaire contained biographical data while the second part contained research questions. The questionnaire was made up of closed ended questions, which reduced the propensity of misunderstanding the feedback. The questionnaires were administered electronically by email due to the wider geographical area. QuestionPro was utilized to distribute the questionnaires via a link that was sent to all participants. The respondents' feedback was kept confidential throughout the study as the researcher's intention was not to release the feedbacks to the employer, but to communicate outcomes and recommendations.

Ethical considerations were undertaken in course of the research as caution was exercised to ensure appropriateness of wordings. The research ensured that respondents' responded willingly with no coercion and maintained anonymity. To exclude bias in the analysis, SPSS and QuestionPro were used, as the data analysis is free of researcher's interference (Abeyasekera, 2011). Descriptive statistics such as the frequency distribution, mean and standard deviation were conducted to summarize the data. Other descriptive measures like mode and mean were used to summarize the outcome from the data.

1.10 LIMITATIONS OF THE STUDY

The research targeted employees of ImproChem that were employed full time or part time across Sub-Saharan Africa. Employees who were based on customer sites and who work in the chemical production facilities could not participate in the survey due to poor access to computer.

The Study employed a quantitative method to collect primary data and analysis, hence limiting the research to only quantitative methods and no qualitative approach of data collection. According to Sekaran and Bougie (2013), qualitative and quantitative approach are very essential in getting a full perspective on any investigation. Both

methods are highly encouraged during human behaviour research, as they contribute essential benefits to the study (Sekaran and Bougie, 2013).

Targeting larger sample size using the online surveys is usually faced with lower completion rate (Delice, 2010). According to Delice (2010), the larger the sample size, the longer the data collection will take. The limitations encountered in this research were research time and uncompleted surveys resulting in lower completing rate.

1.11 ORGANISATION AND STRUCTURE OF THE STUDY

This study is presented in five chapters that contain the following details:

Chapter One: Chapter one provides an introduction to the study. It covers the motivation of the study, focus of the study, problem statement, research objectives and research questions. It also shows the scope of the study, assumption and structure of the study.

Chapter Two: Chapter two deals with the literature of the study. It covers definitions of employee loyalty, literatures establishing the factors that affect employee loyalty and the extent to which the factors affect employees.

Chapter Three: Chapter three deals with the research methodology. It shows the research philosophy, research design method, location of study, population, sampling, and collection strategy. It also covers reliability and validity, data analysis and administration of questionnaire.

Chapter Four: Chapter four covers the results presentation, analysis and discussion of the results presented. It also shows how the results agree or disagrees with the theory.

Chapter Five: Chapter four covers conclusion of the study and recommendation for further study.

1.12 CONCLUSION

This chapter outlined the background on the study, motivation and focus of the study. It also provided the problem statement, research objectives, research question, scope and assumptions of the study. It is clear from the background that employee loyalty is a key contributor to the success of any organisation in the present dynamic environment. It is of uttermost importance for employers and businesses to have a good comprehension of employee loyalty and the impact to their organisation. This study helps to understand its dynamics of employee loyalty in a speciality chemical industry. The next chapter presents the literature review.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter presented the introduction of the study. This chapter presents the literature related to the study. It starts by giving an overview on the definition and different perspectives on employee loyalty. It also gives a background of the speciality chemical industry and the present business environment coupled with growing employee loyalty challenges. The factors that drive employee loyalty are also reviewed. This chapter additionally explains different perspectives of employee loyalty and the degree of impact of the factors on employee loyalty.

2.2 DEFINITION AND DISCUSSION ON EMPLOYEE LOYALTY

In view of today's competitive business and economic environment, employee performance has become a key goal for many organisations and the risk of a company losing key employees is the new reality of today's talent starved job force (Hofmans, De Gieter and Pepermans, 2013). According to Preko and Adjetey (2013), employee loyalty in the work environment is considered to be a key driver with a significant level of relationship with employee performance. The perception on employee loyalty has changed progressively, due to the dawn of "globalisation" when employees began to face reformation, company relocations, and employee downsizing in other to address present challenges (Mehta, Singh, Bhakar and Sinha, 2010). In the past, once an employee is hired, it was generally believed to be a life time task and their managers were expected to demonstrate an unstinted loyalty to the organisation and employees (Mehta et al., 2010). Many economics and management literatures seem to be in agreement regarding the benefits of employee loyalty on businesses performance (Guillon and Cezanne, 2014).

The term employee loyalty is defined as employees who are dedicated to the accomplishment of the organisation and trust that working for such organisation is their best choice (Preko and Adjetey, 2013). Another view regards employee loyalty as the ability of an employee to maintain commitment and passion (Turkyilmaz, Akman,

Ozkan and Pastuszak, 2011). According to Wan (2014), employee loyalty can be defined as an emotional connection or commitment to the organisation and develops as a result of increase in gratification. Employee loyalty is also defined as being faithful to a cause, ideal, customer, institution or product (Cobb, 2012). Such gratification comes from a process of internal appraisal, and when the employee's expectancy level is met or surpassed, then the satisfaction increases (Wan, 2014). Employee loyalty then grows into a generalized psychological attitude to the organisation. This implies that the more an employee is satisfied concerning the workplace, the more likely he or she cultivates a sense of commitment towards the organisation (Wan, 2014). Current trends shows that it is not only about the employees loyalty to the employer, but the employer's loyalty to the employees (Cobb, 2012). Employee behaviour to the organisation then culminates to the behavioural aspect of loyalty. An employee who has built up a connection to a company is likely to display loyalty behaviour toward the overall objective of the organisation, which includes performance, increased efficiency and superior service to the clients and business customers (Wan, 2014). According to Wan (2014), both the attitudinal and social aspect of employee loyalty can be monitored by combining certain indicators into a single parameter that can be monitored over time using the Employee Loyalty Index (ELI). These parameters include general satisfaction with line supervisors or managers, probability to stay with the organisation, deserving their loyalty and probability to provide recommendations for organisation (Wan, 2014).

It is also imperative to note that organisations are constantly faced with the fact that today's description of employee loyalty is integrally multifaceted (Wan, 2014). No longer is the old-fashioned idea of employee loyalty that was defined as a lifetime association with a particular employer, suitable in the current environment of dismissals, mergers and talent competition (Wan, 2014). There has been key changes in the commercial environment and the labour force in the last couple of decades. The relationships between employers and employees have transited from steady to progressively casual ones in the past 20 years (Ineson, Benke and Laszlo, 2013). It has also been proven that the percentage of flexible contracts has grown steadily and career service duration is no longer any assurance of bigger salary or promotional prospects (Ineson et al., 2013). Another school of thought also believes that economic

dynamics, downsizing, cooperate restructuring have made the meaning of employee loyalty change in many ways (Khuonga and Tien, 2013). Hence, it is now said that employee loyalty cannot only be evaluated by the career duration of employees, but by the need to embrace the aggregate of commitment displayed by employees during their service period (Khuonga and Tien, 2013).

However, there are different views regarding the definition of employee loyalty. Some views suggest that some of the characteristics of employee loyalty are reliance, identification, obligation, participation and attachment (Guillon and Cezanne, 2014). According to Turkyilmaz, et al. (2011), it is believed that employee loyalty covers various features of the job. These features are working situation, salary, relationships with fellow employees and line managers, business or organisational guidelines and the nature of the job itself. Iqbal, et al. (2015) identifies three types of commitments under the study of employee loyalty. Normative commitment is defined as a type of obligation to the organisation or corporation. Effective commitments are defined by emotional connections, affinity and involvement to accomplish the goal of the company (Iqbal et al., 2015). Continuance commitment is a type of perpetual commitment and the enthusiasm to remain in an organisation as a result of diverse investments.

Elegido (2013) defines employee loyalty as furthering the best interests of one's employer. His views suggests that an employer is not only limited to a business body but might be an educational institution, a research institute, a government unit, an agency, a health body and a religious body (Elegido, 2013). This definition also refers to employer's interests and the study further explains that being loyal to a business does not only relate to the aspect of persevering in the service relationship for such a long time. It suggests that loyalty can be conveyed in conducts such as evading gossip, mentoring junior workers, going extra step with a client, and demonstrating readiness to work overtime even when that is not individually suitable (Elegido, 2013).

When employee loyalty is viewed from an attitude perspective, it is seen as an emotional feeling which covers areas like identification, attachment, or commitment. This feeling can follow the path of emotion or moral nature and is hard to identify directly (Guillon and Cezanne, 2014). From some studies, researchers have

emphasized that one need to rely on qualitative evaluations to measure it while some argue that loyalty can be summarized with indicators such as absenteeism (Guillon and Cezanne, 2014). However, the researchers advised that the main challenge related to identifying loyalty via this approach is that it is tricky to observe a feeling. Another challenge is that the evaluations feedback may appear subjective because they are self-reported, thereby excluding replies from selected employees (Guillon and Cezanne, 2014).

In contrast, another school of thought believes that employee loyalty is more behavioural in nature. According to this model, employee loyalty is revealed by the employee not only electing to stay in the organisation, but also taking on a positive behaviour notwithstanding the sources of discontent encountered (Guillon and Cezanne, 2014). It is also believed that this tactic uses concepts that are easily measurable but whose analysis remains delicate (Guillon and Cezanne, 2014). For example, an employee's seemingly forbearance of displeasure may reflect simply a lack of prospects for mobility or change of work environment. A different study also supports this view by stating that such behaviours might be confusing as employers seem to think that such employees are very loyal based on their behaviour, not knowing that opportunity has not presented itself to the employee (Mehta et al., 2010).

2.3 IMPROCHEM – CASE STUDY

IC has a diverse portfolio which comprises of different divisions with a decentralised divisional structure approach, where each division has its own operations management team that all report to the Managing Director. Sustainable human resource management is key to sustainable employee loyalty in a highly competitive business and economic environment. For the purpose of using IC as a case study, employee loyalty can be defined as the ability of an IC employee to maintain long term commitment and passion to the company. It can also be defined as promoting the best interest of ImproChem as an employee in all ramifications.

2.4 THE FACTORS THAT AFFECT EMPLOYEE LOYALTY AND THE EXTENT OF INFLUENCE

A recent study has shown that employees are more loyal, more enthusiastic and likely to work harder if they notice that their work outputs are appreciated and that the company looks after them (Wan, 2014). Further research has shown that taking a conscious step in building a work environment whereby an employee is appreciated can promote loyalty (Wan, 2014). Equality, superiority of supervision and upkeep for employee life style are vital factors in employee loyalty. According to Wan (2014), the following are the key drivers of employee loyalty and involvement in goal settings. These includes performance response; reassuring communications with direct supervisors or line managers and upper management; fairness in performance assessments; neutral assessment of performance; sufficiency of pay, remunerations and rewards; superiority of the line manager; positive developmental prospects and plainly stated guiding principles describing appropriate work conduct and job demands (Wan, 2014). According to Wan (2014), the same survey showed that the least employee attrition rates and strong collaboration are all indicators of employee loyalty.

In studying employee loyalty in a speciality chemical industry, there is need to establish the factors that affect employee loyalty. These factors are the key drivers of employee loyalty. The study also reviews the extent to which the identified factors affect employee loyalty in a workplace and more importantly, a speciality chemical industry. The factors to be evaluated include;

1. Effective communication
2. Organisational Culture
3. Leadership
4. Mentoring and Coaching
5. Performance Rewards
6. Employee Engagement

2.4.1 Effective Communication

Communication is basically defined as a way or a method through which messages are distributed from one person to the other (Nwagbara, Oruh, Ugorgi and Ennsra,

2013). According to Nwagbara, et al. (2013), there is certain interference or noise that may come in the way in course of message transfer and could affect the level and rate of decoding in the communication. The moment both the communicator and the listener comprehend themselves in a way that brings engagement, understanding and alliance instead of ordinarily sending information from one point to another, such process is deemed to be an effective communication (Nwagbara et al., 2013). This implies that effective communication is the procedure in which envisioned implication of what is being said is communicated in a way that the listener can comprehend (Nwagbara et al., 2013). Another study defines communication as the interchange of information between business managers or leaders and workers inside the organisation (Balakrishnan and Masthan, 2013). This study also indicates that communication can either be formal or informal and may include resources like newsletter, memorandum, emails, suggestion boxes, surveys, etc. The main focus of communication in business organisation is to connect individual employees or departments as a single body, in other to expedite the realization of common interest and spontaneous cooperation (Balakrishnan and Masthan, 2013).

Effective communication increases employee loyalty and employees commitment to an organisation. According to Nwagbara, et al. (2013), effective communication is vital in managing human capital and guiding business establishments productively. In this same study, it was observed that many organisations operate in a mode where communication is not open, friendly and engaging (Nwagbara et al., 2013). Another indicator of poor communication is also lack of response in terms of the managers not providing feedbacks on issues raised on past situations. Having an open door policy in the work place is also part of creating a good communication culture in the workplace. An open door is a scenario where the manager's door is always accessible and open for communication with employees (Arthur, 2013). When this policy is present, workers can reach out to any manager or executive and dialogue about any subject. An open door policy creates a forum that makes an employee to be able to communicate to a manager without worrying or fear about triggering any trouble (Arthur, 2013). A major benefit of employing an open door policy is that it supports elimination of tales and chatters in the workplace (Arthur, 2013). Even though there is the limitation of

accessing senior level executives for bigger organisations, it improves employee morale as it creates an easy environment (Arthur, 2013).

Employee loyalty is best cultivated when communication practices are in place in the organisation. Organisational values promotes stronger relationships and stimulates confidence in employees (Mayfield and Mayfield, 2002). This same study also suggests that businesses and organisations with high trust values demonstrate a distinct effective communication practice that supports employee loyalty and communication (Mayfield and Mayfield, 2002). According to Mayfield and Mayfield (2002), there are vital communication practices that are essential to be emulated. They include;

- Explanation from managers as to why certain decisions are made.
- Timely communication.
- Flow of important information continuously.
- Steady and timeous explanation of organisational changes to each level of workers.
- Validation of employee responses by business leaders and managers.

Some leadership professionals have included few other factors as vital to employee loyalty in improving communication practices. Two key areas are employing active listening in a leader-employee relations and the additional insight that can be gained from observing employee verbal metaphors (Mayfield and Mayfield, 2002). Active listening from a leader includes behaviours like eye contact, suitable gestures and expressions and authenticating employee expressions through considerate turn-taking during communication (Mayfield and Mayfield, 2002). Feedback is also another skill supervisors and managers are encouraged to improve, which compliments the listening skill greatly. Some studies have emphasized the importance of feedback timeliness and mutuality. According to Mayfield and Mayfield (2002), to achieve mutuality, supervisors and managers must be open to honest and valuable criticism from employees. Again, constructive supervisor or line manager feedback is highly associated with other employee loyalty-related results such as performance, self-confidence, appreciation, and emotional bonding (Mayfield and Mayfield, 2002).

According to Mayfield and Mayfield (2002), the leader's communication is seen as a bridge to the workers loyalty. A study in this regards revealed that employee's performance, job satisfaction, and retention are all affected by the relationship with his or her immediate manager (Mayfield and Mayfield, 2002). That nature of positive relationship rests heavily on proficient leadership skills, many of which are definitely grounded in communication abilities including listening/feedback, coaching and information distribution in the organisation. Fortunately, these skills can be learned and thereby enhanced upon, as many studies have shown that leader's communication abilities can be enhanced as a result of training as this positively affects the performance of direct reports (Mayfield and Mayfield, 2002). Communication is very influential in grooming supportive employees in any organisation. According to Balakrishnan and Masthan (2013), a good environment of communication builds up an employee and also affects the employee relationship with the customers in managing the service requirement of an airport environment. It creates a relaxed environment for the employees thereby making them great assets to the employer, as their full potential is utilized in the workplace (Balakrishnan and Masthan, 2013). This in turn can improve employee commitment and thus improve their level of loyalty to the organisation.

Lack of poor communication in the workplace can affect employees negatively by reducing employee morale (Wille, 2013). This can make employees to still continue with their jobs but display reduced enthusiasm and lesser effort that could lead the organisation to greater returns. According to Willie (2013), poor communication in the workplace could also lead to errors that are not conscious mistakes but done as a result of lack of understanding. Line managers are highly encouraged to maintain effective communication to avoid such errors which could cost the organisation greatly in the long run. Lack of effective communication could also result in poor comprehension of organisational goals by the employee's (Wille, 2013). Employees must have a clear description of company goals; hence the reason why most global organisations put a lot of effort in clarifying organisational goals and ensuring that individual goals aligns well with their objectives for each financial year. In conclusion, effective communication is vital to the improvement of employee loyalty. Business

leaders and managers must implement every effective approach possible to ensure that effective communication is seen at all levels of the organisation's value chain and business unit.

2.4.2 Organisational Culture

Culture can be defined as combination of principles, sets, opinions, communications and explanation of behaviour that delivers guidance to the people (Awadh and Saad, 2013). The concept of employee management assists in improving business culture and is influenced by approaches, customs, and opinions that lead to strong communication between employees (Awadh and Saad, 2013). Organisational culture has been defined as arrays of common values and philosophies over time which yields behavioural models that are accepted in resolving problems (Ahmad, 2015). Organisational culture can also be defined as the informal design of beliefs, and customs that guide the way employees and groups inside the organisation cooperate via each other's and with external parties to the organisation (Aktas, Cicek and Kiyak, 2011). The organisation's interior atmosphere is characterized by its culture and is interpreted by the expectations and views of the leadership and management (Ahmad, 2015). Organisational culture has been identified as one of the vital factors that affect employee loyalty. The loyalty of employees depend on their understanding and mindfulness of the culture that advances the behaviour of the organisation (Awadh and Saad, 2013). The diverse qualities of culture has been organised on foundation of norms and attitudes which assist in distinguishing one organisation from another (Awadh and Saad, 2013). Another study indicates that organisational culture is known as normative glue, which helps to keep the entire organisation in oneness (Shahzad, Luqman, Khan and Lalarukh, 2012).

According to Ahmad (2012), the four traits of organisational culture are as follows;

- a. Involvement: Organisational cultures that are effective empower their people, form their organisations around teams, and grow employee proficiency at all levels. This type of trait makes senior management and employees to be dedicated to their work and therefore gives them an impression that they own a part of the organisation. This setting makes the employee feel that they have at

least some significant role to play in the decisions that impacts their work and that their work is directly linked to the objectives of the company (Ahmad, 2015). For example, companies like Facebook offer a unique company culture that have privileges like stock options, open office space, on-site laundry, collaboration and open communication that supports personal growth and learning (Patel, 2015). This kind of organisational culture makes the employee feel involved as a result of the culture and gives them a sense of ownership.

- b. Consistency: The culture of an organisation can be such that they have “strong” cultures that are highly consistent, properly coordinated, and well unified. Behaviour is embedded in a set of vital values, and business leaders and subordinates are trained at attaining agreement even when there are dissimilar opinions. This nature of consistency is a strong avenue for stability and in house integration that culminates into a common attitude and a great degree of conformity (Ahmad, 2015). A good example is the case of Twitter which has a strong collaboration and a set of teams with different mandates. The organisational culture is such that they disagree where necessary. They do not create schisms but try to always attain the central organisational goal (Patel, 2015).
- c. Adaptability: Organisations that are adaptable are compelled by their clientele, take threats, learn from their errors, have competence and understanding at generating transformations (Ahmad, 2015). Such businesses are constantly changing the system of operation so that they are improving the business’ combined capabilities to deliver value for their clientele (Ahmad, 2015).
- d. Mission: Mission is a clear sense of purpose and course that describes organisational goal and strategic intents. It also articulates a vision that demonstrates how the organisation look in the future (Ahmad, 2015). This trait of organisational culture is vital to break into new heights. When an organisation’s underlying mission is altered, it creates changes in other areas of the company’s culture (Ahmad, 2015).

For example, a good organisation culture is a company that is collaborative in nature and in its environment. According to Ahmad (2015), this type of collaboration should

be cultural in nature as it helps to recruit, retain, and encourage employees. This increases productivity; brings new products and services faster, increases customer satisfaction and loyalty (Ahmad, 2015). It is vital that the culture of any organisation incorporates the ability to work together, which is known as teamwork (Aktas et al., 2011). Teamwork combined with collaboration produces a stronger organisational culture that improves employee loyalty in an organisation (Ahmad, 2015). A good organisational culture also drive a foundation built on honesty and integrity, as the business leaders understand that it builds an environment of trust inside the organisation and with their customers (Ragain, 2013). Business leaders understand that the enthusiasm of their employees to abide by them coupled with customer patronization is guided by the degree of trust that their workers and customers perceive in them (Ragain, 2013). Organisational cultures also require a strong moral and ethical behaviour as an element of good culture. By moral and ethical behaviour, it implies the list of guidelines or codes of recognized values. These values rely on certain legal requirements which considers the outcome such decisions have on the social environment (Ragain, 2013).

Asides the organisational culture traits discussed above, there are different types of organisational cultures. According to Aktas, et al. (2011), the effects of each culture type is summarized as follows:

- a. Clan Culture: This is full of mutual values and common goals, an environment of oneness and mutual help, and the importance of empowerment. The leader is a mentor in this type of organisational culture and emphasis is laid on teamwork.
- b. Adhocracy Culture: This type of organisational culture is not set to last on a permanent basis but more of a temporary scenario. It provides more privilege for individuals to grow in their own way, as long as they are consistent with the organisational goals.
- c. Market Culture: This type or organisational structure majors on the transactions with the external atmosphere of the organisation, contrary to that of inside management. The organisation culture's objective is to make profits via market rivalry. The business environment creates an environment of achieving goals and thus creates less elasticity in personal connection. Most sales

organisations are typically guided by this type of culture as there are greater emphases on target achievement.

- d. Hierarchy Culture: This type of culture has distinct organisational culture, uniform rules and processes, strict regulation, and well defined tasks. This type of culture is easily observed via the dominance approach and style. In this type of environment, the basis for success is how well an employee can perform their duties appropriately based on the processes and also how the employees can uphold the firmness in the workplace.

Organisational culture is key as businesses attain improved competitive advantage through strong relations and formation of culture (Awadh and Saad, 2013). For example, a business that is innovation based builds its organisational culture around innovation and inventions. Hence, this drives the operation of the business and also affects the loyalty of employees. If an employee is innovation driven and the culture of the organisation is not, this will affect the motivation of the employee and thus reduce their loyalty to the organisation. Strong organisational culture is also known to be a driving force that improves the performance of employees. A strong organisational culture improves self-confidence and obligation to employees, decreases job pressure and mends the ethical behaviour of the employees (Shahzad et al., 2012). It is therefore safe to conclude that organisational culture has a constructive influence on employee loyalty. The right culture helps to maintain employees' motivation and improve their employee loyalty (Aktas et al., 2011).

2.4.3 Leadership

The significance of noble leadership in creating what is necessary for an organisation is recognised undeniably from business institutions to academic institutions (Wiza and Hlanganipai, 2014). Leadership is a subject with a wide appeal as most of the people are intentionally or unintentionally engaged in the route of being affected or not affecting others in the role of leadership (Wiza and Hlanganipai, 2014). Leadership can be defined as the ability to manage change as it creates direction, creating a vision of the future and then aligning followers by sharing this vision and motivating them to overcome the obstacles (Robbins, Judge, Odendaal, and Roodt 2009). The source of leadership in an organisation may be official, such as the scenario provided by the

ranking in many organisations. This is the case of many senior or executive managers in an organisation, as they step into such positions by appointment. Every organisation need strong leadership and management for maximum effectiveness, such leaders must be able to contest the status quo constructively and create a vision driven organisation that inspire workplace passion and commitment (Robbins et al., 2009). The degree to which employees of an organisation contribute in harnessing the human resources of the organisation largely hinges on how well the managers of the business comprehend and embrace suitable leadership style in executing their roles as managers, leaders and supervisors (Obiwuru, Okwu, Akpa and Nwankewere, 2011). This implies that the effectiveness in human resource mobilization, distribution, operation and enrichment of organisational performance relies, to a great extent, on leadership style among other vital factors (Obiwuru et al., 2011). It is important to note that the degree of satisfaction of employees with regards to leadership vary from one organisation to another (Obiwuru et al., 2011). According to Trevino and Brown (2004), it is difficult to establish which favours employee loyalty as there are varying views from one employee to another.

Leadership is acknowledged to occur in at every level of an organisation and usually comprises of varying administration tasks (Wiza and Hlanganipai, 2014). It is important that different styles of leaders be evaluated as it enables one to understand them and the ways they can be overcome in any organisation, so as to improve employee loyalty. Again, a business that is involved in manufacturing and sales of chemical products requires effective sales people in other to drive the revenues (Khuong et al., 2014). Hence, such sales force must be managed by good leadership in other to maintain motivation and increase employee loyalty. This is without doubt one of the gaps in a chemical speciality industry that needs to be closed in other to boost growth, revenue and market share. Leadership plays an important role in determining employee commitment and loyalty. A previous study also found that employees who are delighted with their line managers or leaders and are treasured by their management, exhibit more connection with their organisations (Bushra, Usman and Naveed, 2011). According to Bushra, et al. (2011), there are many diverse styles of leadership which includes toxic, servant, situational, transactional, autocratic, transformational, participative and democratic leadership. Under this leadership

section, toxic, autocratic, servant, transactional and transformational styles of leadership were reviewed. Leadership is also very vital as most employees are at the predictable level of perceptive moral development, which means that they are depending on leadership behaviours to form their own ethical behaviours (Trevino and Brown, 2004). This is usually known as ethical leadership as it is consistent with the social exchange perspective. According to Trevino and Brown (2004), ethical leaders are known to be dependable and they are also known to treat their employees or followers with care and fairness. Hence, they usually create social bonds with their assistants.

According to Khuong, Tung, and Trang (2014), employee loyalty is highly affected by varying leadership styles in many organisations today. There is a clear understanding that employee level of loyalty varies based on the leadership style in dominance within the organisation (Khuong et al., 2014). Toxic leadership is a type of leadership that carries a destructive, generally deliberate, frequent belittling or maltreatment of employees over a period of time (Robbins et al., 2009). Such leaders operate in atmosphere of toxicity such that fear and pressure appears to be the best approach for them in achieving organisational goals and effectiveness in the workplace. This type of leadership usually wear the sign of “I am the boss” approach thereby limiting workplace productivity and efficiency (Robbins et al., 2009). Such leadership possess similar behaviours like;

- Rudeness and abusive languages
- Destructive criticisms and lack of trust in employees
- Speaking unfriendly of employees and accusing them in open forums
- Unrealistic demands on the job
- Constant confusion and contradiction in instructions to employees
- Excluding employees from vital information and isolating them from various workplace activities

According to Robbins, et al. (2009), the outcome of toxic leadership in the workplace is that the organisation encounters decreased output, obligation and inspiration. A major drawback of toxic leadership is the loss of competent employees, who likely become

potential candidates for the organisations competitors (Robbins et al., 2009). Toxic leadership shares some similarities with autocratic leadership, although they are different. According to Khuong, et al. (2014), autocratic leadership signifies a leader that tends to maintain strong control over business or group's activities. They are known to centralize authority, which manifests in ways like dictating work approaches, making one-sided decisions, and restraining group colleague contribution (Khuong et al., 2014). This style of leadership is not good for an organisation as it reduces employee morals thereby decreasing their commitment and loyalty to the organisation.

Servant leadership exhibits a clear picture of the community's goals and gives clear understanding of tasks (Ding et al., 2012). They serve through care, help and reverence for employees by showing them how to carry out their task and also being hands on (Ding et al., 2012). This enables them to build trust with the employees making the employees want to stay with the company. On the contrary, transactional leadership is based on administrative authority and rightfulness within the organisation (Khuong et al., 2014). This style of leadership focuses on the execution of task, employee compliance and also depends on organisational rewards and punitive measures to influence employee commitment as well as performance (Khuong et al., 2014). Transactional style of leadership is important to achieve business goals and increase bottom line. However, employees do not always feel motivated because the nature of leadership is based on task completion and less on how they feel.

Transactional leadership majors more on transaction between the leader and the employees. The employees and followers implement according to the drive and leading of the leaders and their efforts are compensated by the leader (Riaz and Haider, 2010). The basis for the leadership is on compensation which can be bad like disciplinary action if employees do not conform or it can be positive like applause and appreciation when employees conform to the directive and direction as agreed by the leader in fulfilling certain targets (Riaz and Haider, 2010). It is said that transactional and transformational leadership have been noted to assist in the success of the organisation, even though it still depends on how they are applied by management and leadership (Riaz and Haider, 2010). Transactional leadership manifests both productive and remedial behaviours. This type of leadership style ensures the pathway

to achieving the goal is well understood by the employees, thereby removing possible obstacles in the system (Riaz and Haider, 2010).

Transformational leadership style stimulate groups by alluring to higher ideals and moral principles which can inspire employees to execute tasks beyond expectations and alter both individuals and business organisations (Khuong et al., 2014). Transformational leaders expedite new understandings by growing or changing awareness of matters. This style of leadership stimulates employees inspirationally, knowledgeably and influences positively their personal development (Khuong et al., 2014). By encouraging followers to pursue new ways of tackling challenges, transformational leaders inspire them to be more involved in their work, resulting in higher levels of organisational commitment and strong employee loyalty (Wiza and Hlanganipai, 2014). Each of the leadership styles identified has either positive or negative roles in the management of organisation. However, a combination of transformational and transactional leadership is beneficial to achieving organisational goal and maintaining a positive work environment (Khuong et al., 2014).

2.4.4 Mentoring and Coaching

Mentoring and coaching have developed into an important component of organisational development in recent years (Clutterbuck, 2011). Mentoring and coaching is normally put in place with a task of growing the company and its human capital to their maximum capability, thereby investing and developing the employee (Agwu and Luke, 2015). Mentoring and coaching process continuously recognizes employees' precise knowledge or skill gap relative to their workplace tasks (current or future) and organises in house coaching and mentoring programmes to fill the identified gaps (Agwu and Luke, 2015). Coaching is the process of assisting performance, education and growth of an employee. It also deals with an individualized training for particular skill development (Agwu and Luke, 2015). Again, coaching is said to be task oriented and it usually requires an expert or a coach who has the competency of developing such abilities. This is usually for a short while and is usually performance focused (Clutterbuck, 2011). Mentoring is a character association where one person the mentor offers help, direction, counsel, inspiration and backing to another, the mentee, in order to nurture career and specialised development (Agwu

and Luke, 2015). Ideally, mentoring is usually supposed to be long term although business organisation schedules it in such a way that it should be more beneficial for the employee and to ensure that they obtain their desired outcome from the mentoring exercise (Merrick, 2012). Mentoring and coaching demonstrates that the organisation values employees' capability building in achieving its mandate for productivity and efficiency. Although both are considered to be a key driving factor to employee loyalty, they actually achieve different aims on their own. The focus for mentoring is relationship based as it seeks to provide a conducive atmosphere where the protégé discusses some of the challenges that are inhibiting their career success (Clutterbuck, 2011).

Businesses can no longer be competitive unless they retain employees, inspire and support them to learn constantly (Agwu and Luke, 2015). Organisations must structure themselves in a dynamic human capital environment to maintain stronger employee loyalty by ensuring that they invest in their employees. It does not mean that privileged employees who receive such mentoring and coaching cannot exit the organisation, but the organisational rewards are enormous. In the current competitive global atmosphere, coaching and mentoring are deemed to be a vital aspect of new human resource practices, as they motivate employees to grow their commitment to the organisation thus guaranteeing improved managerial productivity and achievement (Agwu and Luke, 2015). Coaching and mentoring have straight influence on employee behaviour with regards to motivation, loyalty and fulfilment. When the coaching and mentoring programme is applied efficiently and the mentees are fulfilled with the coach, the mentees display greater job gratification, positive career behaviours and greater commitment to the organisation (Agwu and Luke, 2015). It provides employees with the communication network that will enable them to fulfil their personal and social needs.

Both principles are very vital for the growth and the success of corporations, develops talents and also instils confidence in the employees which demonstrates that the employers have a good future in mind for them (Merrick, 2012). Setting up mentoring and coaching programmes enables any business to achieve the short term and long term goals but more importantly helps to improve employee loyalty in organisations

(Merrick, 2012). According to Agwu and Luke (2015), mentoring and coaching make certain that employees are satisfactorily inspired to remain committed to the organisational activities. Mentoring and coaching as a source of human capital investment in employees will ensure that motivation for higher level employee loyalty is maintained in the organisation. Mentoring and coaching end up providing a sense of belonging for all the employees in an organisation and ensuring that they bring out their best for their employers in ensuring that the organisation remains efficient and productive (Agwu and Luke, 2015).

2.4.5 Performance Rewards

Performance rewards are significant instrument of exchange relationship between workers and employees. Performance rewards are crucial instruments to record performance and events in order to draw and maintain the most proficient employees and keep them contented and inspired (Nazir, Qun, Akhtar, Shafi and Nazir, 2015). Compensating worthy performance is very vital just as managing, encouraging and observing performance. Performance reward and appreciation policies can positively inspire good employee attitudes and retain top performing employees (Nazir et al., 2015). According to Saleem (2011), employees remain in an organisation due to the cost for exiting the company and the benefits to be part of the company. Hence, it is vital for the organisation to uphold the relationship with the workforce in ways which grow their devotion to the organisation (Saleem, 2011). Performance rewards also make extension of the service relationship because it generates the base for extraordinary stages of commitment, so companies need to cultivate tactics that contain financial incentives and rewards (Saleem, 2011). Employee loyalty decreases in the absence of equitable pay, appreciation and in training and developmental prospects (Yousaf, Latif, Aslam and Saddiqui, 2014).

Performance rewards in business organisations are categorized into two groups' financial and non-financial rewards. Employees expect these rewards for their services and efforts. Financial rewards are also known as extrinsic rewards and non-financial rewards are known as intrinsic rewards. Some examples of financial rewards are bonuses, insurance, promotions, pay, and allowances while the non-financial rewards include appreciation, commendation, showing emotions and care for the employee,

(Yousaf et al., 2014). According to Saleem (2011), paying market related salaries is one of the key indicators of a good performance reward and employees in chemical industries are highly motivated by receiving market related salaries. It is vital for an organisation to apply both types of rewards in their reward processes, as it motivates employees thereby increasing the willingness to work for such companies thus increasing employee loyalty (Yousaf et al., 2014). The significance of an inspired workforce cannot be underestimated in boosting the organisational performance.

Performance rewards create a healthy working atmosphere which nurtures a work based rapport between the line manager and employee, achieves training and growth requirements of staff and guarantees that job security stimulates employees (Yousaf et al., 2014). However, many employers have moved from the orthodox style of reward structure to a basis of performance, abilities and proficiency due to the international rivalry and environmental dynamics (Saleem, 2011). According to hierarchy of needs by Maslow, a person tends to satisfy another when his needs are satisfied, this implies that employees can go to greater lengths in satisfying their employers when their needs are met (Saleem, 2011). This means that the more their needs are satisfied, the more they likely exceed employers expectation and will be committed to more task and workplace responsibilities (Saleem, 2011).

Performance rewards must also be for the top level management. Lower employees in the organisation and businesses should introduce collective plans that address the entire performance needs of the organisation (Saleem, 2011). To ensure that there is proper performance rewards in an organisation and to avoid unfair practices, organisations now utilize the performance management system. The essential objective of performance management is to encourage and increase employee effectiveness (Condly, Clark and Stolovitch, 2003). It is a continuous process where managers and employee work together to plan, observe and assess an employee's goals and their total contribution to the organisation. Based on the evaluation, the employee is rewarded for that particular year. Usually, such reward is over and above the basic benefits like medical insurance, housing allowance, etc. depending on the organisation (Condly et al., 2003). A previous study revealed a high level of relationship between financial incentives and employee loyalty. According to Saleem

(2011), this implies that an increase in performance rewards like promotion and bonuses improves employee loyalty which raises the employee's performance and decreases turnover. This means that it is possible that company staff can only be loyal when their needs are met by senior management of the company. It is essential for companies to apply performance management system to enable them reach a consensus with their employees on an annual basis. This enables an organisation maintain transparency and fairness.

2.4.6 Employee Engagement

Human capital practitioners and academics have maintained that an engaged employee can generate competitive advantage and it is necessary for business leaders to recognize the phase of engagement in their organisation and put in place behavioural strategies that expedite full engagement (Crim and Seijts, 2006). Employee engagement measures the degree to which an employee is motivated to add to organisational success and is eager to apply careful effort to achieve organisational goals (Jolton, Tate and Shan, 2015). It describes and shows an emotive commitment that employees have with their employer and organisation. This drives them to go above and beyond in achieving organisational goals (Jolton et al., 2015). Employees are said to be engaged when they are fully involved in and are enthusiastic about their work (Crim and Seijts, 2006). Growing and maintaining high levels of customer retention relies on how well employees are engaged, as it can turn organisations into frontline businesses (Azzarello, 2012). Building and growing high level customers in any business is essential but rests on how well employees are engaged by their positivism about their employer (Azzarello, 2012). As the battle for loyal customers increases, it is been said that the most effective tool to use is engaged employees (Azzarello, 2012). It is believed that it is vital to measure employee engagement as there is a strong link between engagement, business outcomes and employee loyalty (Jolton et al., 2015). Engaged employees have strong effect on the business and operational output of the organisation. According to Crim and Seijts (2006), about 29 percent of employees are vigorously engaged in their roles at the workplace. 54 percent of employees are not engaged at all while 17 percent are aggressively disconnected. According to Jolton, et al. (2015), a study by PricewaterhouseCoopers (PWC) in 2015 showed that engagement levels

internationally have reduced marginally as at 2013. This study also showed that there is a direct correlation between increasing employee engagement and the intention of such employees to continue with the company.

Employee engagement is also of top business importance for senior executives. In the present economy, executives identify that an engaged workforce can increase innovation, output, and profit performance thereby reducing costs related to hiring and preservation in highly competitive markets (Hanif, 2013). To maintain the loyalty of employees, business leaders need to drive on how to improve on employee engagement in the workplace. Engaged employees drive themselves in line with the vision of leadership and managers, sometimes exceeding business targets (Hanif, 2013). They are also properly aligned to the goals and objectives of the organisation. Another indicator of good employee engagement is that the employees have formed a bond with their employers such that they only see the work environment as challenging and inspiring (Jolton et al., 2015). It is also important to know that there are few drivers that are important to increasing employee engagement. According to Jolton, et al. (2015), they include;

- Leadership Vision: Employees are confident that their organisational leadership is leading them in the right direction for future success. Employees also want to see trustworthiness in their management leadership.
- Respect and Fairness: This implies that employee engagement in an organisation increases when employees' are treated with respect notwithstanding their job description.
- Growth and Development: This means that the organisation supports and inspires employees' growth and improvement. This is usually measured by how their training needs are met by the company.
- Cooperation and Collaboration: This is a scenario where employees' work together for the common cause of an organisation's success. It also shows where team work is encouraged in the organisation. Engaged employees' want to feel that their organisation supports their inputs to provide excellence in their service.

For employees to give out their best at their workplace, dedicated approach to support engagement from the organisation must remain a key focus of the senior management and leadership team.

2.5 CONCLUSION

The chapter reviewed the literature on employee loyalty, factors that drive employee loyalty and the degree of impact by each factor. It started by providing an overview of employee loyalty and the speciality chemical industry. It also discussed different factors that affect employee loyalty ranging from effective communication, organisational culture, leadership, mentoring and coaching, performance rewards and employee engagement. Each of the factors were discussed as well as the extent to which they affect employees. The next chapter presents the research methodology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter presents the research approach and methods used to answer the research question. This chapter also evaluates the strengths and weaknesses related with the elected research tactic and technique. The research philosophies, design and procedure used for the collection of data was evaluated and discussed. The chapter also includes population and sample selection, questionnaire design, data collection strategy and ethical considerations. It also covered reliability and validity, administration of questionnaire, data analysis and conclusion.

3.2 RESEARCH OBJECTIVES

The objectives for the research are as follows:

- a) To establish the main factors that affect employee loyalty at ImproChem.
- b) To access the extent to which each of the factors affect employee loyalty.
- c) To recommend factors appropriate for sustainable employee loyalty in IC, as a speciality chemical industry.

3.3 RESEARCH PHILOSOPHY

Business research is carried out using two general tactics in gathering and giving feedback on information. According to Cooper and Schindler (2011), research philosophy is the overall approach followed by the study in exploring new knowledge. The two views of research philosophy are known as the positivism and phenomenological views, (Cooper and Schindler, 2011). The positivism philosophy approach was used for the study.

3.3.1 Positivism (Quantitative Research)

In a positivist study, research is focused on the approach to get to the truth. The positivist approach believes that the universe is guided by rules and laws of cause and effect (Cooper and Schindler, 2011). The key style of the positivist scholar is the experiment, which provides them the ability to evaluate a cause and the result of the cause relationships through observation (Sekaran and Bougie, 2013). A quantitative

study is usually used with a deductive approach where data is gathered to check a theory. In the positivist approach, hypothesis are developed and verified through the data analysis method to enable the scholar draw essential conclusions (Sekaran and Bougie, 2013). The study sought to establish the factors that affect employee loyalty in a speciality chemical industry and the extent of influence of each factor. The positivist style was considered more appropriate for this study.

3.3.2 Phenomenological (Qualitative Research)

The phenomenological approach upholds the view that the societal world is multidimensional and not readily streamlined using theories (Saunders, Lewis, and Thornhill 2012). This style of research argues that social sciences are different from natural sciences, and needs the comprehension of human behaviour instead of human science explanation (Saunders et al., 2012). In the study, the scholar adopted a compassionate position in order to comprehend the societal world from the viewpoint of the research subject (Saunders et al., 2012). A phenomenological approach usually employs the qualitative research approach in gathering data. The qualitative style uses a non-probability sampling technique which does not allow for generalization, this approach was not deemed economical in relation to time and cost, as a result of the geographical dispersion of day.

3.4 RESEARCH DESIGN

Research design can be defined as a plan for the gathering, evaluation and analysis of the collected data, in relation to the research questions for the study (Sekaran and Bougie, 2013). The areas of the research design includes exploratory study, descriptive study, comparative study and correlational study (Saunders et al., 2012). The study utilized descriptive study or statistics approach because it deals with collection of data that describes the features of a person or circumstances (Sekaran and Bougie, 2013). Descriptive statistics offer simple reviews regarding the samples and the measures. They use a simplified approach in describing what the data represents and is mostly used to show quantitative explanations in a manageable way (William, 2006). They are used to shorten huge quantities of data in a more practical way (Saunders et al., 2012).

3.5 LOCATION OF THE STUDY

The study was conducted at ImproChem (Pty) Ltd covering the entire Sub-Saharan operation based in SA, Zimbabwe, Zambia, Kenya, Nigeria, Ghana and Senegal as shown in the map in Figure 1 below.



Figure 1: Participant's Distribution

The investigation concentrated on different departments and segments within the company which includes finance, customer service, energy division, middle market, mining, marketing, human capital, production, SHEQ, manufacturing, logistics and information technology.

3.6 POPULATION AND SAMPLE SELECTION

Population can be defined as the entire group of people that the researcher intends to examine or study. According to Sekaran and Bougie (2013), the target population must be distinct in terms of elements, geographical limits and time. The procedure used for the selection of respondents was random sampling. In this type of sampling, all the elements of the population have an equal opportunity of being selected as a subject (Sekaran and Bougie, 2013). The entire population of 395 employees were selected to participate in the survey. The respondents to the survey covered almost all the staff in the company ranging from individuals working in remote areas in Africa, on customer sites, production site and administrative offices. A good number of supervisors, line managers, middle management and senior management participated in the survey.

Each of the employees is a contributor to the employee loyalty analysis of the organisation.

3.7 STRATEGY FOR DATA COLLECTION

There are usually two types of data available during data collection. They are divided into primary data and secondary data. Primary data are information collected first hand by the researcher while secondary data are obtained by others on behalf of the researcher (Gauri and Gronhaug, 2002). A primary data collection approach was used for the study. The strategies for data collection ensured a neutral approach and covered these areas;

- Protection of respondent's privacy
- Confidentiality of data
- No mandatory obligation to participate in the survey
- Opportunity for every employee to participate from junior staff to senior management

The study considered the pros and cons of different data collection approach. Email questionnaire distribution was selected because of IC employees' geographical location across Sub-Saharan Africa. Email questionnaire distribution was also used as most of the sales staff and analysts were based at customer sites and a good number of the other employees were based at IC's regional offices. Self-administered questionnaire was considered as it usually increases the response rate but was not used. The reason was because of the large geographical area to be covered. Senior management approved employees to use 10 minutes of their time to participate and complete the survey during work period.

The following approaches were used for data collection:

- 1) Senior management were notified towards the end of February 2015, of the intention to conduct the survey on employee loyalty. One of the executive directors was appointed to manage the communication with the researcher for the entire process. The initial plan was to conduct the survey on only sales team but it was observed that employee loyalty affects all the parts of the

organisation. Hence, it was necessary to conduct the survey on the entire organisation.

- 2) The questionnaire was then constructed and distributed electronically via email. The questionnaire also included a consent form to ensure that respondent's anonymity was upheld. Their responses were kept confidential as the researcher's intention was not to release the feedback to the employer. The choice to participate or not to participate was also made clear to the respondents, such that they had the freedom to withdraw from the participation without any penalty or consequence.

3.8 PILOT STUDY

A pilot study is a small version of the full study conducted before the intended study or in preparation of the complete study (Payne, 2013). The procedure may be more limited in a pilot study and it can help the researcher to work out some of the procedural buys even though you know it is not likely to add anything new to the main study. According to Payne (2013), some of the reasons to employ a pilot study before implementing the main study include;

- a. To test the research process and protocol usually referred to as feasibility studies because the pilot study tests how possible the design is in reality.
- b. To identify variables of interest and decide how to operationalize each one.
- c. To test an intervention strategy and identify the components that are most important to the facilitation of the intervention.
- d. To test the efficacy of the research instruments and check the reaction of the participants in the research. For example, it can check if the questions are misleading.
- e. To estimate statistical parameters for later analyses.

A pilot study was conducted by sending out an email with the link to an online questionnaire to 10 respondents, who were part of that sample that will participate in the research. All the ten respondents did not encounter problems regarding the questionnaire, as they managed to complete within reasonable time. Hence, no alterations were made to the original questionnaire.

3.9 QUESTIONNAIRE DESIGN

The questionnaire consisted of two parts. The first part of the questionnaire contains the biographical data of the respondents while the second part contained research questions.

3.9.1 Construction of the Instrument

The questionnaire was made up of closed ended questions, which reduced the propensity of misunderstanding the feedback. The second part containing research questions were divided into six areas ranging from effective communication, organisational structure, leadership, mentoring and coaching, performance rewards and employee engagement. The starting page of the questionnaire had an informed consent from the participants to maintain voluntariness and choice of response. These research questions were divided into two questions under each employee loyalty factor under study. The first question was to establish the factor as a contributor to employee loyalty while the second question was to test the extent to which employees are influenced by each factor that drives employee loyalty in the organisation. The Likert Scale was used as a data collection instrument. It was used because it is usually designed to evaluate how strongly subjects agree or disagree with statements on a five-point scale (Sekaran and Bougie, 2013). The option “Neutral” was used to cater for respondents that decided not to participate or was perplexed by the question or statement. The options on the questionnaire were presented to the respondents to select their choicest answers that communicated their emotions most accurately about the statement.

3.9.2 Administration of Questionnaires

The questionnaires were administered electronically by email due to the wider geographical area. QuestionPro was utilized to distribute the questionnaire via employee email list. As it was difficult to include 395 emails, a link from QuestionPro was sent to all participants and was administered by the selected executive director via the support of the executive secretary electronically. The questionnaire was distributed on the 13 April 2016 and the respondents had 17 days to respond. A weekly reminder was sent to motivate and inspire the respondents to complete the

survey. They were also informed of the freedom to participate in the survey or exit at any time. The respondents' feedback was kept confidential throughout the study as the researcher's intention was not to release the feedbacks to the employer, but to communicate outcomes and recommendations. Based on the Likert scale used, the respondents had a scale of 1 to 5 to respond to each question.

3.9.3 Ethical Considerations

Ethical considerations are very vital in research as they promote the research objectives like knowledge, truth, and evasion of inaccuracies (Resnik, 2015). It is expected that the researcher should maintain decent ethical conduct during the research process. Ethics in research denotes certain rules or expected norms of conduct while undergoing a research (Sekaran and Bougie, 2013). Ethical consideration is essential as it permeates each stage of the research process like information or data collection thorough questionnaire, data review, reporting and dissemination of conclusions (Sekaran and Bougie, 2013). In course of the design of the questionnaires, caution was exercised to ensure that appropriateness of the wording was correctly used as it relates to the nature of findings it might reveal. The researcher supplied respondents with a clear understanding regarding the goal of the study and motivated them to reach the researcher with any question where necessary regarding the study. The researcher also ensured that the respondents' responded willingly with no coercion and the researcher did not ask for names and employee numbers of the respondents to maintain confidentiality and anonymity.

3.10 RELIABILITY AND VALIDITY

The reliability of a measure shows the degree to which it is error free and therefore ensures consistency in measurement over time and through items in the research instrument (Sekaran and Bougie, 2013). It is also defined as the steadiness and stability of the results regardless of the repetition of the experiment (Golafshani, 2003). Validity is a check of how good an instrument that was created measures the specific concept it is proposed to measure (Sekaran and Bougie, 2013). Both reliability and validity are very important drivers in quantitative research. According to Sekaran and Bougie (2013), validity checks if the right concept was measured while reliability

monitors steadiness and stability of measurement. The greatest extent of steadiness demonstrates the highest grade of reliability. There are various concerns of validity that exists which could give rise to accuracy of data issues, numerical tests and outcomes. According to Sekaran and Bougie (2013), validity concerns are internal, external, content, criterion and construct related. For reliability, stability of measures can also be monitored by test-retest and parallel-form reliability while internal consistency of measures can be evaluated using inter-item consistency and split-half reliability approach (Sekaran and Bougie, 2013). The questionnaire was distributed to the whole population of 395 respondents to eradicate selection and potential sample bias in the survey. Testing partiality was also removed during the piloting of the questionnaire. To exclude bias in the analysis, SPSS and QuestionPro were used, as the data analysis is free of researcher's interference.

3.11 DATA ANALYSIS

The use of quantitative approach in analysing information leads to greater credibility of the research findings (Abeyasekera, 2011). Quantitative data assessment necessitates a breakdown to check and test the research questions. The method to be used depends on the type and volume of analysis to be carried out. There are various methods of data analysis that could be used; nevertheless, due to restricted access, quantitative data evaluation was done by the SPSS version for Windows. It was important to examine the nature of relationship between dependent and independent variables. Therefore demographic information like gender, age range, and work experience were considered in the first section of the questionnaire.

After the completion of the survey from respondents on QuestionPro, data was downloaded into Ms Excel and then exported to SPSS program (originally, Statistical Package for the Social Sciences and now called Statistical Product and Service Solutions) to finalize the data analysis. Descriptive statistics such as the frequency distribution, mean and standard deviation were conducted to summarize the data. Pie charts were used to present a pictorial view of frequencies. A pie chart displays data as a percentage of the whole; they are visually appealing but are good on few categories. In cases where there were more categories, bar charts were used. The use of bar charts and pie charts was a better option for age analysis, which had six

categories. Descriptive measures like mode and mean were used to summarize the outcome from the data. To measure the statistical significance, a p-value of <0.05 was accepted as a valid measure.

3.12 CONCLUSION

The research methodology used for the study was outlined in this chapter. The researcher opted to use quantitative data collection approach for the research due to the benefits of the quantitative data-collection style. The whole population was selected as the sample size and the questionnaire was utilized as the survey instrument. The survey population for the study was IC staff across Sub-Saharan Africa. The design of the questionnaire was aligned to meet the research objectives. The piloting of the questionnaire was done to certify that the questions were clear and understandable before they were administered. QuestionPro survey tool was utilized to administer the questionnaire. This was of great benefit as it allowed the researcher to suitably analyse the data using SPSS software, which is interlinked to QuestionPro. The next chapter presents the results and discussion.

CHAPTER FOUR

RESULTS, INTERPRETATION AND DISCUSSION OF FINDINGS

4.0 INTRODUCTION

The previous chapter highlighted the various aspects of research method for the study. This chapter deals with the presentation of the results of the primary data that were collected and analysed. These analyses are represented by tables, bar charts and pie charts. In addition, the results were discussed, analysed and linked to the literature as reviewed in the literature review section. The arrangement of this chapter covers the demographic profiles, factors affecting employee loyalty in a speciality chemical industry and the extent of impact for each of the factors.

4.1 SURVEY STATISTICAL REPORT

Table 1 below shows that a total of 156 respondents completed the self-administered questionnaire, out of a total of 395 questionnaires that were given out. The response rate based on the completed questionnaires was therefore 39%. According to Sekaran and Bougie (2013), the response rate of 30% is considered to be adequate. This demonstrates that the response rate of 39% from the study was a huge success.

Table 1: Summary Report of the Survey

DESCRIPTION	COUNT
Number of respondents	395
Number of respondents who started the questionnaire	199
Number of respondents who completed the questionnaire	156
Drop-outs	43
Participation rate	78%
Completion rate	39%
Average time taken to complete the questionnaire	7 minutes

4.2 DEMOGRAPHIC

The demographic variables are presented in this section. This includes the respondents gender, age group, race, years of service, educational qualification, job grading, business division and region.

4.2.1 Gender

The gender composition of IC is presented by the Figure below.

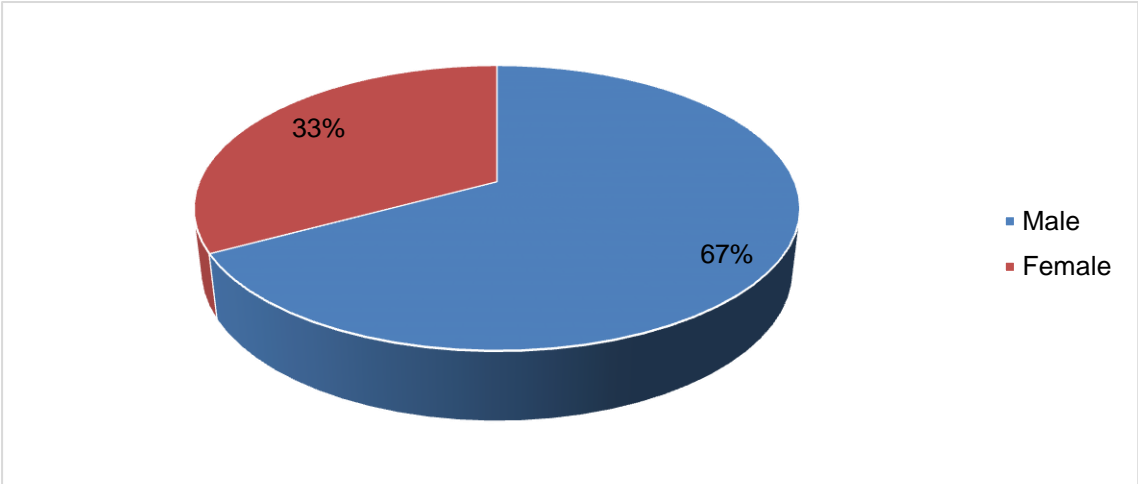


Figure 2: Gender of Respondents

Figure 2 above showed that out of the 155 respondents, 67% were male while the other 33% were female.

4.2.2 Age Group

The age distribution of IC is presented by the Figure below.

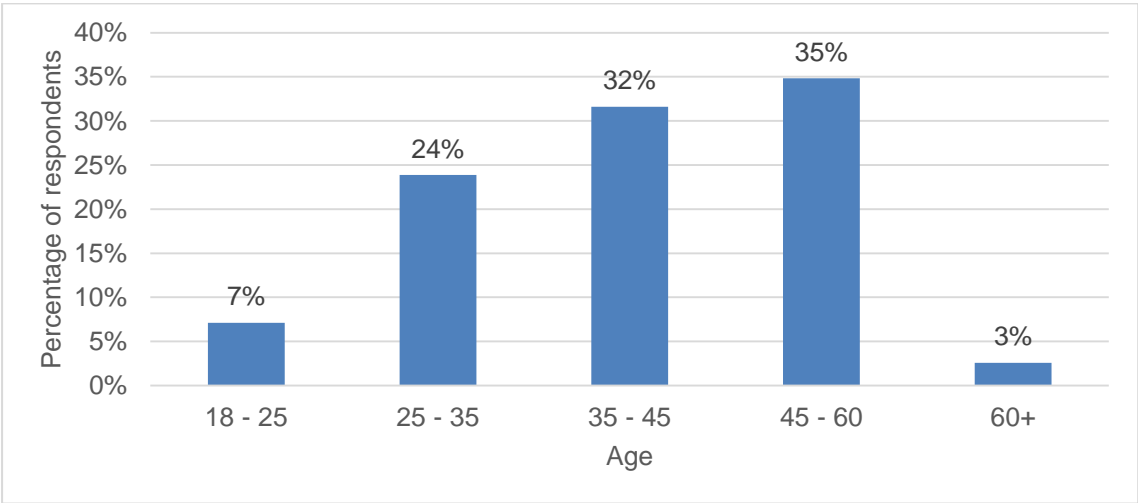


Figure 3: Age Group

Figure 3 above shows that 7% of the respondents were aged between 18 and 25 years, 24% were between 25 and 35 years, 32% were 35 to 45 years old while 38% were between 45 years and above.

4.2.3 Respondent Race

Figure below presents the race distribution of the respondents in the sample.

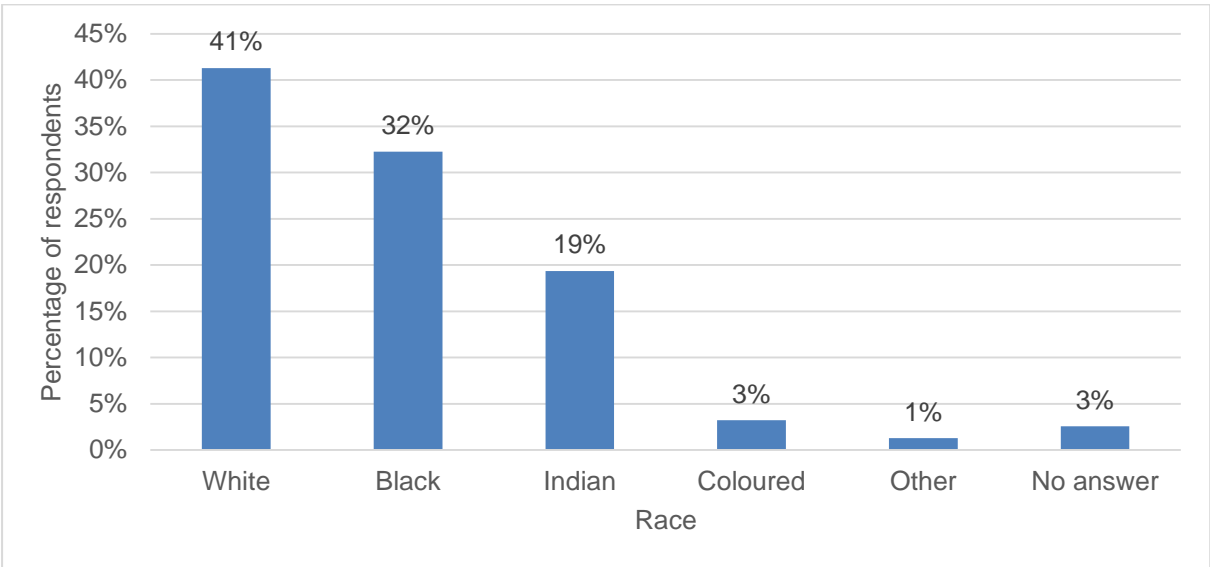


Figure 4: Respondent's Race

Figure 4 above showed that the sample was made up of 41% Whites, 32% Blacks, 19% Indian and 3% Coloured. There was a proportion of 3% that did not indicate their race while another 1% indicated that they were other race.

4.2.4 Respondent Years of Service

The pie chart below in Figure 4.4 presents the years of service that the respondents had been with IC.

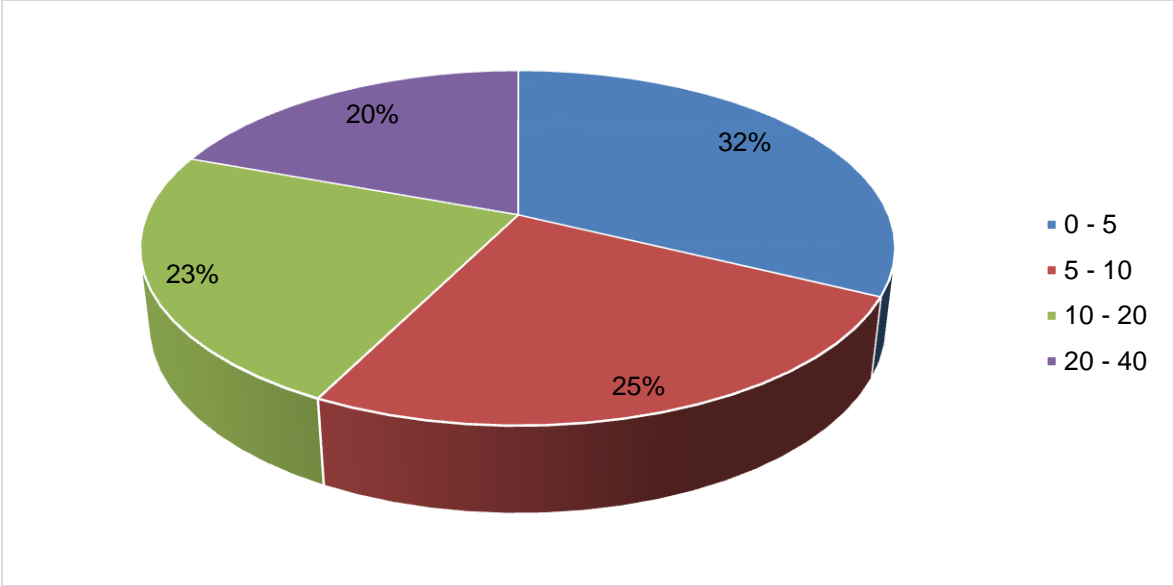


Figure 5: Respondent Years of Service

Figure 5 showed that close to one in every three respondents (32%) had been with IC for 0 to 5 years, one in every four (25%) had been with IC for 5 to 10 years, 10 to 20 years (23%) and 20% had been with IC for 20 to 40 years.

4.2.5 Highest Qualification

Figure 6 below presents the highest educational qualification of the respondents.

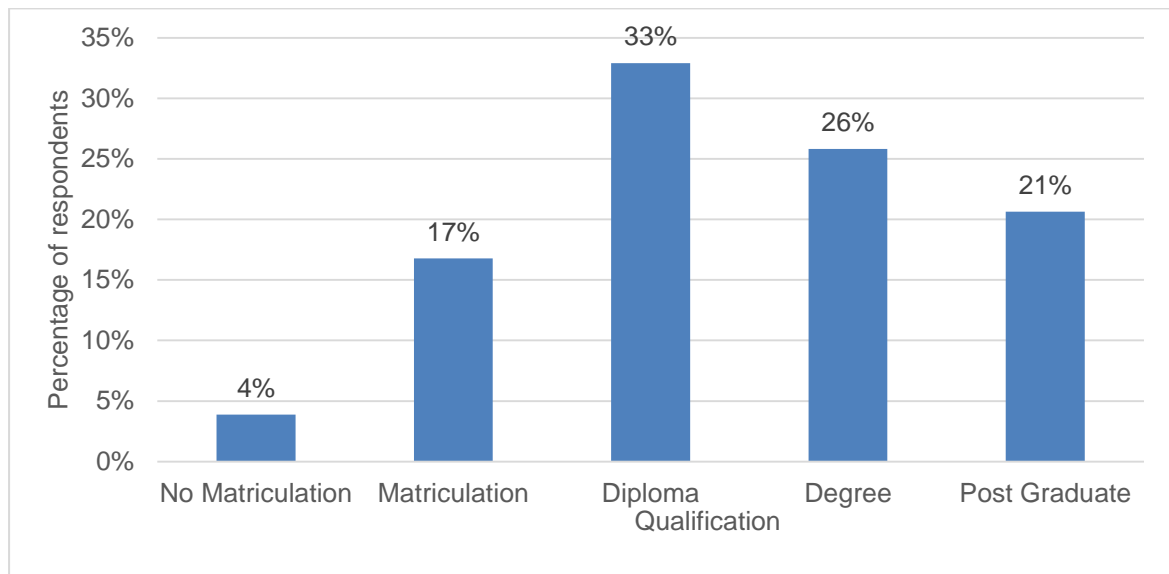


Figure 6: Highest Qualification

Figure 6 above, only 4 % of the respondents had no Matric, 17% had Matric, 33% Diplomas while another 47% had at least one degree.

4.2.6 Job Grading

The job grading of the employees in the sample is presented in the bar graph in Figure 7 below.

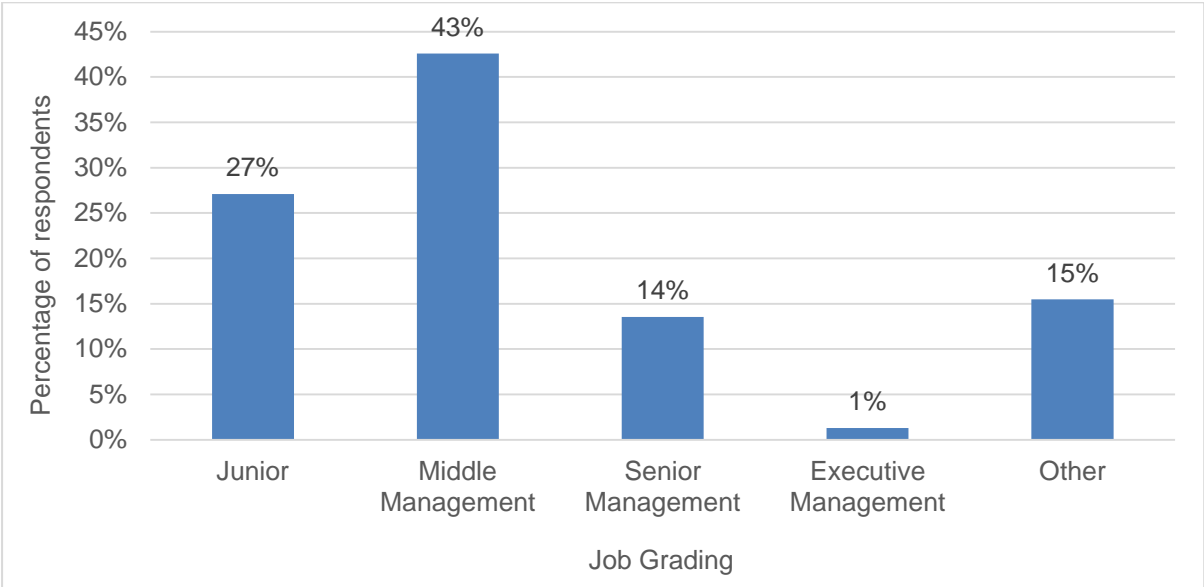


Figure 7: Job Grading

From the Figure 7 above, middle management (43%) had the highest representation in the sample followed by junior employees (27%). Executive management (1%) as expected was the least represented in the sample.

4.2.7 Business Division and Region

Figure 8 below presents the regions that the employees of IC in the sample can be classified under.

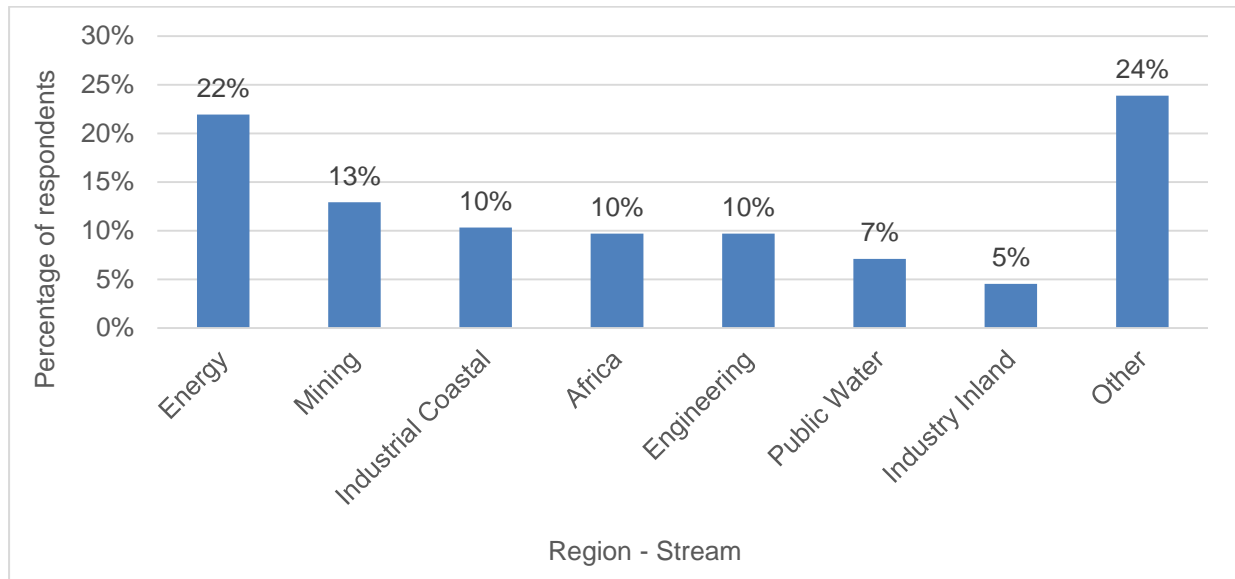


Figure 8: Business Division and Region

Figure 8 above presents business division and regions which were Energy (22%), Mining (13%), Industrial Coastal (10%), and Engineering (10%). The rest of the regions were also shown in Figure 4.7.

4.3 MEASUREMENT SCALE AND SAMPLE T-TEST

There were two main dimensions namely;

- a) Factors that affect employee loyalty and
- b) The extent to which the main factors affect employee loyalty.

These two dimensions were each assessed using six constructs namely; Effective Communication, Organisational Culture, Leadership, Mentoring, and Coaching, Performance Rewards and Employee Engagement. The constructs were each in turn measured using 2 statements and a 5 –point Likert scale where 1 infers strongly disagree and 5 means strongly agree. The analyses were conducted by calculating the mean for each statement within the constructs and the distribution of the ratings are presented on bar graphs.

One sample t-test was conducted to assess whether the employees agreed with the statements. The analyses were made against the mid-point of the scale (3). A mean value significantly higher than three ($p\text{-value} < 0.05$) indicates that the employees significantly agreed with the statement while a $p\text{-value}$ greater than 0.05 is an indication that the employees strongly disagreed with the statement.

4.4 FACTORS AFFECTING EMPLOYEE LOYALTY

This section presents information related to factors affecting employee loyalty in the chemical industry. The main objective of this section was to establish the factors that affect employee loyalty in a speciality chemical industry. To establish the factors, a total of 12 specific questions were asked in order to collect data related to these questions. Each of the 12 questions was presented on a diagram which was either a bar chart or pie chart.

4.4.1 Effective Communication

The results as represented by Table 2 showed that that the employees significantly agreed that effective communication from their supervisor improves their loyalty to their employer (mean = 4.18, $p\text{-value} = 0.000$) and that their employer should dedicate more time in coaching supervisors on effective communication (mean = 4.21, $p\text{-value} = 0.000$). The p values for both questions were also less than 0.05, which implied that the respondents significantly agreed to the statement.

Table 2: Effective Communication Statistics

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
Effective Communication from my supervisor improves my loyalty to my employer	155	4.18	.983	14.946	0.000
My employer should dedicate more time in coaching supervisors on effective communication	155	4.21	.798	18.932	0.000

Question 1: Effective communication from my supervisor improves my loyalty to my employer.

The response distribution for question 1 is shown by Figure 9 below.

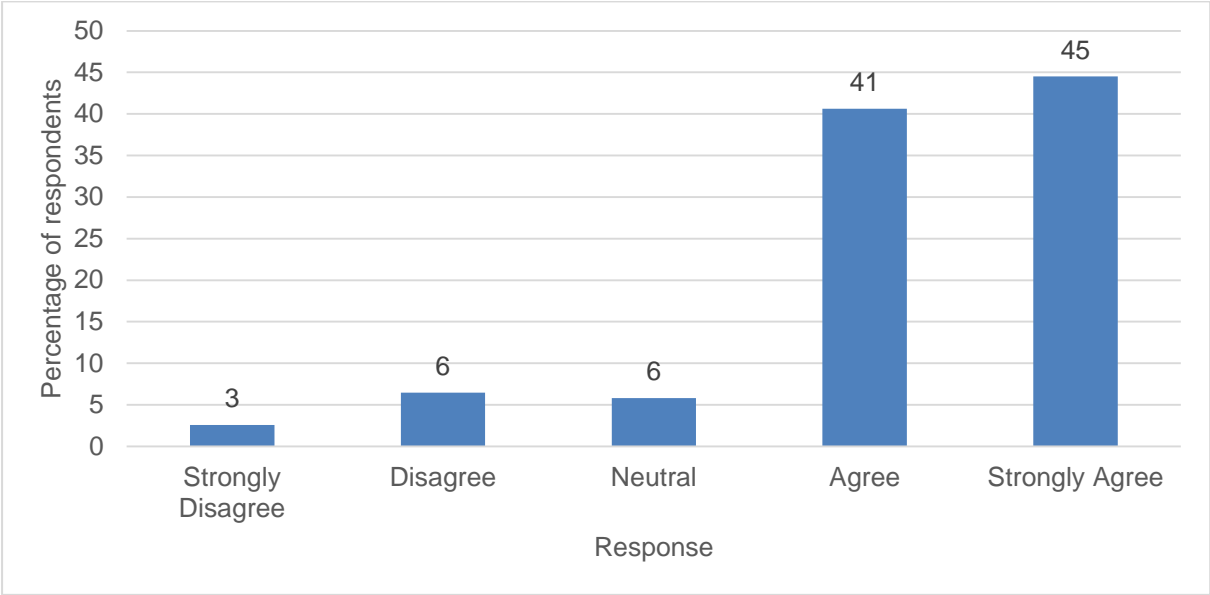


Figure 9: Effective Communication from my supervisor improves my loyalty to my employer

Question 1 of the study concentrated on establishing whether an effective communication from a supervisor improves the employees' loyalty to the employer. The Figure 9 above presents results from the data that was gathered to answer question 1. From the distribution of the response above, a proportion of 86% agreed that effective communication from their supervisor improves their loyalty to their employer. A total of 9% disagreed with the statement while 6% remained neutral to the question. From the response of question 1 presented by Figure 9, there was a strong agreement that effective communication affects employees' loyalty to the employer. It also showed that there was a strong desire by employees for management to dedicate more time for training on effective communication. According to Willie (2013), line managers and supervisors are strongly encouraged to maintain effective communication as it affects employees' loyalty to their employers. Willie (2013) opined that line managers are highly encouraged to maintain effective communication to avoid such errors that could cost the organisation greatly.

Question 2: My employer should dedicate more time in coaching supervisors on effective communication.

The response of the respondents on Question 2 is shown by Figure 10 below.

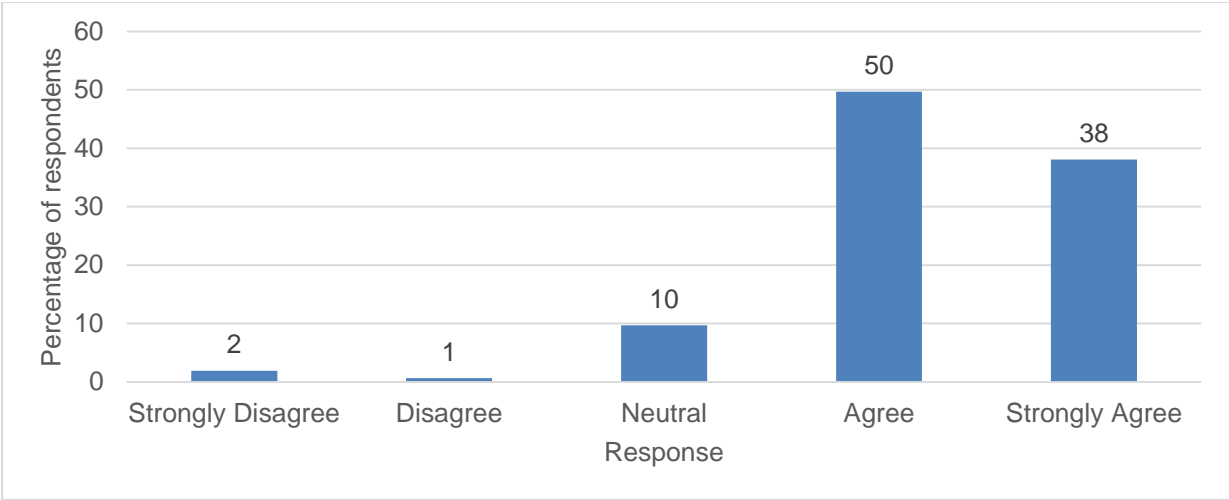


Figure 10: My employer should dedicate more time in coaching supervisors on effective communication

From the distribution of the response to Question 2 on Figure 10 above, it can be noted that a proportion of 88% agreed that their employer should dedicate more time in coaching supervisors on effective communication. A total of 3% disagreed with the statement while only 10% remained neutral to the statement. According to Mayfield and Mayfield (2002), leadership should encourage the driving of effective communication through the supervisors in the organisation. Nwagbara, et al. (2013) argue that many organisations operate in a mode where communication is not open, friendly and engaging; thus implying that managers and supervisors should be coached on communication in the work place. The 88% response of the respondents agreed that more time should be spent on guiding their supervisors on communication.

4.4.2 Organisational Culture

In this section, organisational culture is identified as a factor affecting employee loyalty. The results as shown in Table 3 below showed that that the employees significantly agreed that their employer's organisational culture improves their loyalty as an employee (mean = 3.65, p-value = 0.000) and that their employer should have clearly established core values, including business ethics and principles to guide their

behaviour (mean = 4.19, p-value = 0.000). The p values for both questions were also less than 0.05, which implied that the respondents significantly agreed to the statement.

Table 3: Organisational Culture Statistics

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
I feel my employer's organisational culture improves my loyalty as an employee	155	3.65	.924	8.693	0.000
My employer has clearly established core values, including business ethics principles to guide behaviour	155	4.19	.851	17.363	0.000

Question 3: I feel my employer’s organisation culture improves my loyalty as an employee.

The response distribution for Question 3 is shown by Figure 11 below.

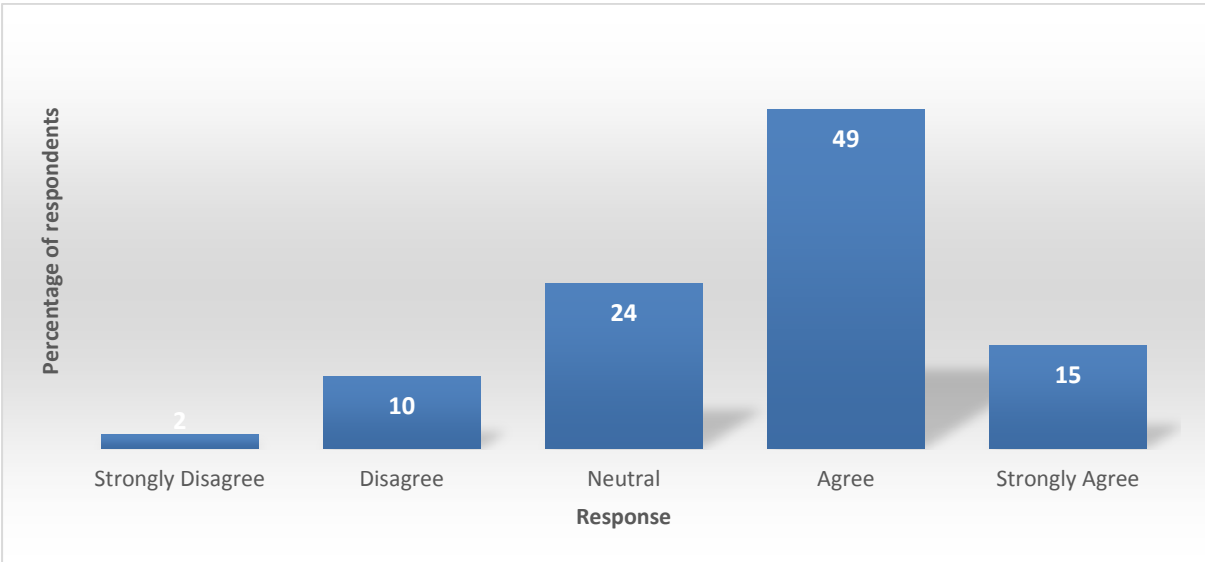


Figure 11: I feel my employer's organisational culture improves my loyalty as an employee

Question 3 sought to establish if employer’s culture improved loyalty. From the Figure 11 above, a proportion of 64% agreed that their employer’s organisational culture

improves their loyalty, 12% disagreed with the statement while 24% remained neutral to the statement which implies they were not aware or chose not to respond. According to Awadh and Saad (2013), organisational culture is one of the core factors that affect employee loyalty which was in line with the feedback from the respondents. Ahmad (2015) also supports that organisational culture is a vital factor that affects employee loyalty and is in agreement with the response of the respondents as shown in Figure 11.

Question 4: My employer has clearly established core values, including business ethics and principles, to guide behaviour.

The response of the respondents to Question 4 is shown by Figure 12 below.

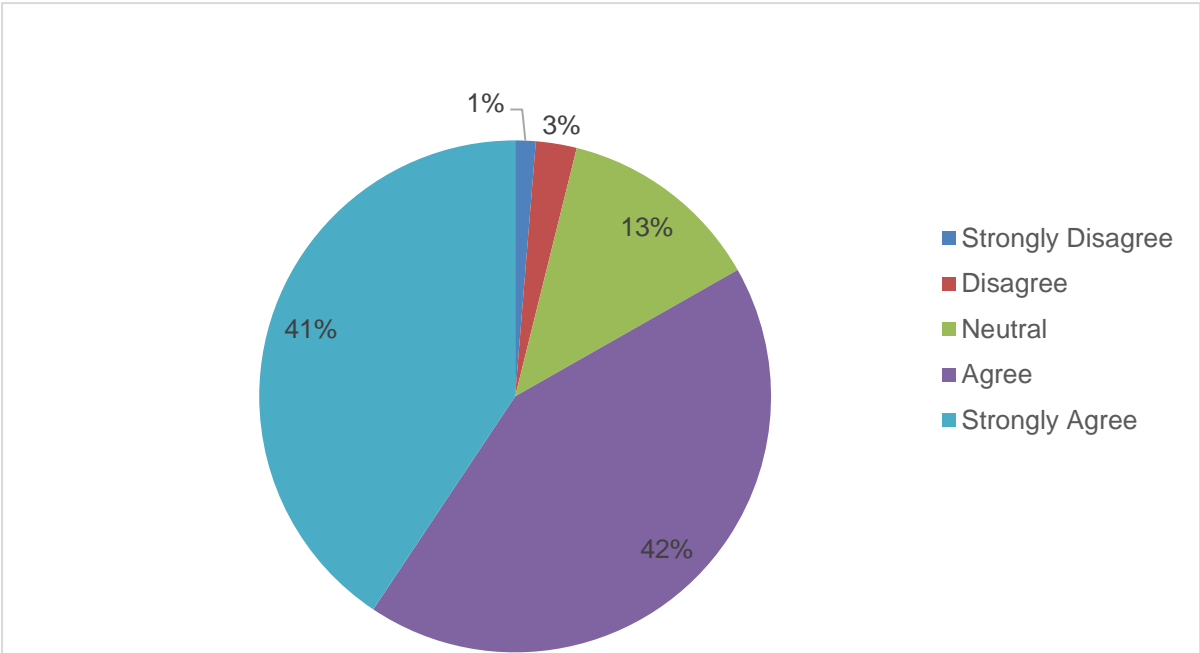


Figure 12: My employer has clearly established core values, including business ethics and principles, to guide behaviour

Question 4 sought to establish if employers had core values. From the Figure 12 below, a proportion of 83% agreed that there is clearly established core values, including business ethics principles, to guide behaviour, 4% disagreed with the statement while 13% remained neutral to the statement which implies they were not aware or they chose not to respond. According to Awadh and Saad (2013),

organisational culture is one of the core factors that affect employee loyalty which was in line to the feedback from the respondents. Awadh and Saad (2013) also show that employees need to understand the organisation’s goals and core values in a clear manner. The above feedback established that organisational culture is a vital factor that affects employee loyalty.

4.4.3 Leadership

The results from Table 4 below shows that that the employees significantly agreed that their employer leadership styles improves their loyalty as an employee (mean = 3.95, p-value = 0.000) since the p-value was less than 0.05. They however disagreed with the statement that they are satisfied with the leadership style at their workplace (mean = 3.14, p-value = 0.051) since the p-value was greater than 0.05. The p values for both questions were also less than 0.05, which implied that the respondents significantly agreed to the statement.

Table 4: Leadership Statistics

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
Employer leadership styles improve my loyalty as an employee	155	3.95	.952	12.402	0.000
I am satisfied with the leadership style at my workplace	155	3.14	1.072	1.649	0.051

Question 5: Employer leadership styles improve my loyalty as an employee.

The distribution of the responses to Question 5 is shown by Figure 13 below.

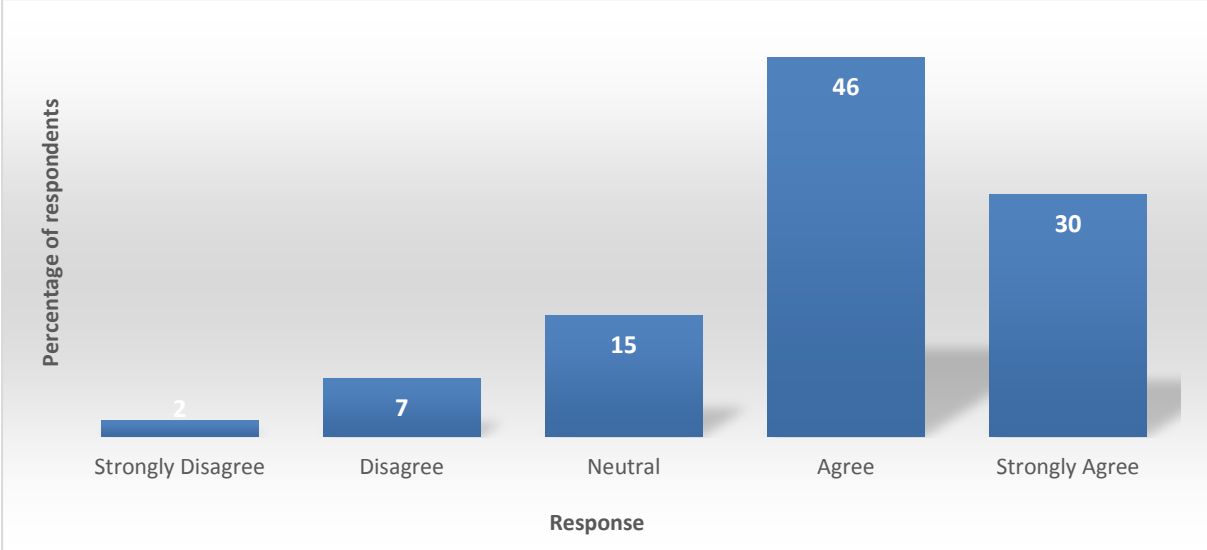


Figure 13: Employer leadership styles improve my loyalty as an employee

Question 5 of the study concentrated on establishing whether employer’s leadership styles improved employee loyalty. From the Figure 13 above, a proportion of 76% agreed that employer leadership styles improved their loyalty as an employee, 9% disagreed with the statement while 15% remained neutral to the statement which implies that they were not aware or intentionally did not respond. According to Khuong, et al. (2014), it was noted that the leadership styles within an organisation affect levels of employee loyalty exhibited by each employee. The response of IC respondents to this question agrees with the impact of leadership styles on employee loyalty.

Question 6: I am satisfied with the leadership style at my workplace.

The distribution of the responses to Question 6 is shown by Figure 14 below.

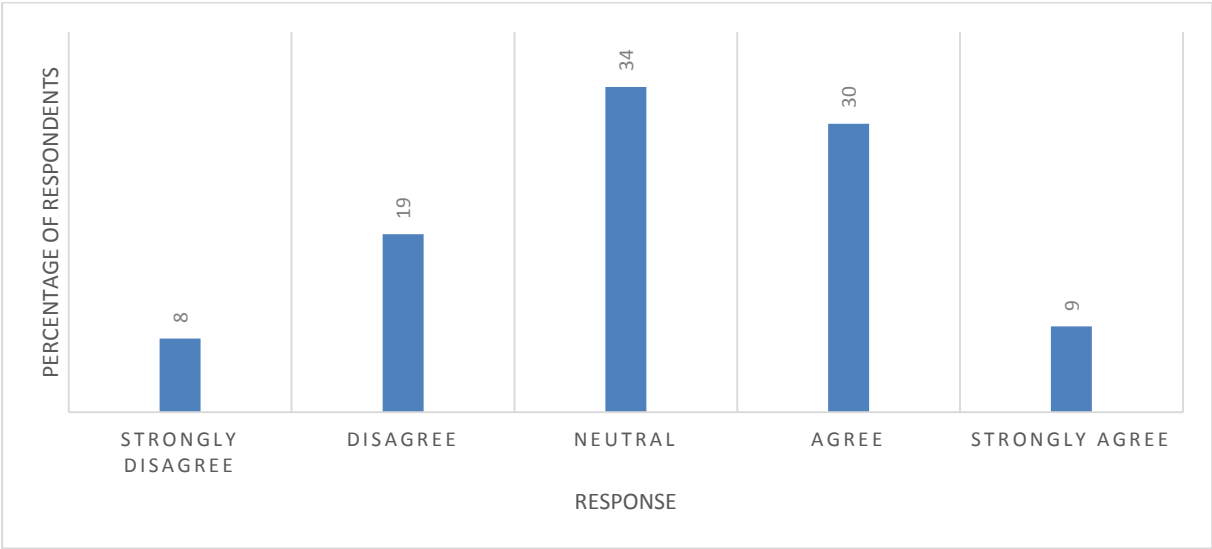


Figure 14: I am satisfied with the leadership style at my workplace

Question 6 of the study focused on establishing if an employee was satisfied with the leadership style at their workplace. From the Figure 14 above, a proportion of 39% agreed, 27% disagreed with the statement while 34% remained neutral to the statement which implied that they were not aware or did not want to respond. From figure 14, there was a big disagreement to the question as the response of the respondents varied significantly. This shows that IC employees have different perceptions on the leadership styles at IC. According to Trevino and Brown (2004), it is difficult to establish what can satisfy a particular employee from another. The spread of the response to the question revealed that as human beings, they had different views due to personal differences and perspectives. This was quite concerning and therefore requires the management of IC to pay closer attention to the response of the employees to the question.

4.4.4 Mentoring and Coaching

This section sought to establish if mentoring and coaching affect employee loyalty. The results from the Table 5 showed that the employees significantly agreed that mentoring and coaching improves the loyalty of employees at their workplace (mean =

4.19, p-value = 0.000) and that their employer is investing in training, coaching and empowering employees (mean = 3.74, p-value = 0.000). The p values for both questions were less than 0.05, which implied that the respondents significantly agreed to the statement.

Table 5: Mentoring and Coaching Statistics

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
Mentoring and Coaching improves the loyalty of employees at my workplace	155	4.19	.861	17.256	0.000
My employer is investing in training, coaching and empowering employees	155	3.74	1.026	8.923	0.000

Question 7: Mentoring and Coaching improves the loyalty of employees at my workplace.

The distribution of the responses to Question 7 is shown by Figure 15 below.

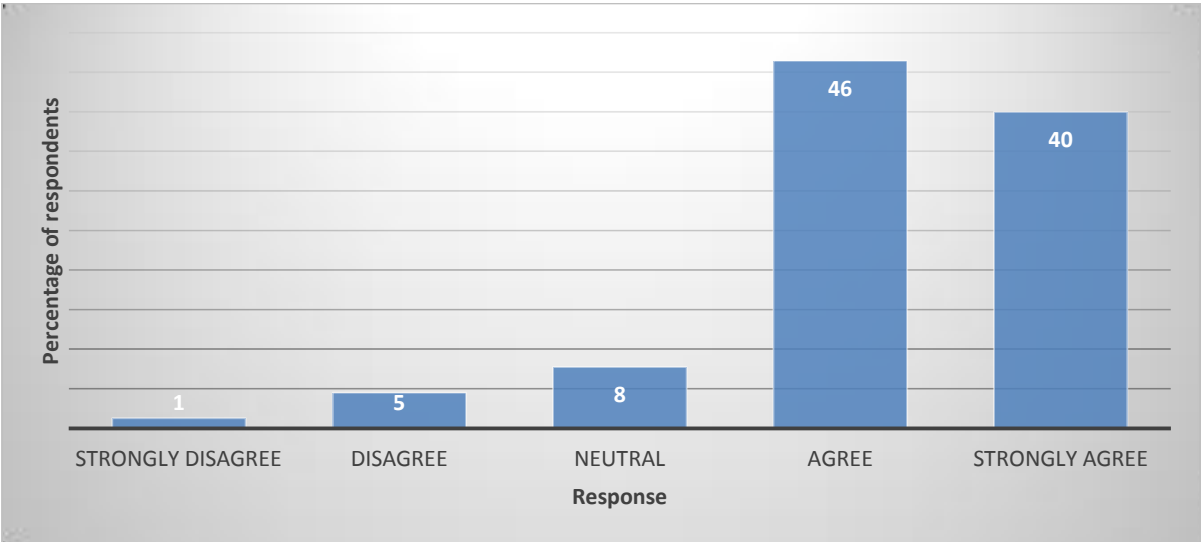


Figure 15: Mentoring and Coaching improves the loyalty of employees at my workplace.

Mentoring and coaching is an important factor to employee loyalty within any organisation. Question 7 from the study focused on establishing whether mentoring and coaching improved the loyalty of employees in the workplace. From the Figure 15

above, a high proportion of 86% agreed to the statement, 6% disagreed while 8% remained neutral to the statement which implies that they were not aware or chose not to respond. According to Clutterbuck (2011), mentoring and coaching improves employee loyalty in the organisation. Merrick (2012) argues that mentoring and coaching shows that the organisation values employee’s capability building in achieving their mandate for productivity and efficiency. This shows that mentoring and coaching improved the loyalty of employees based on 86% response of the respondents to the question.

Question 8: My employer is investing in training, coaching and empowering employees.

The distribution of the responses to Question 8 is shown by Figure 16 below.

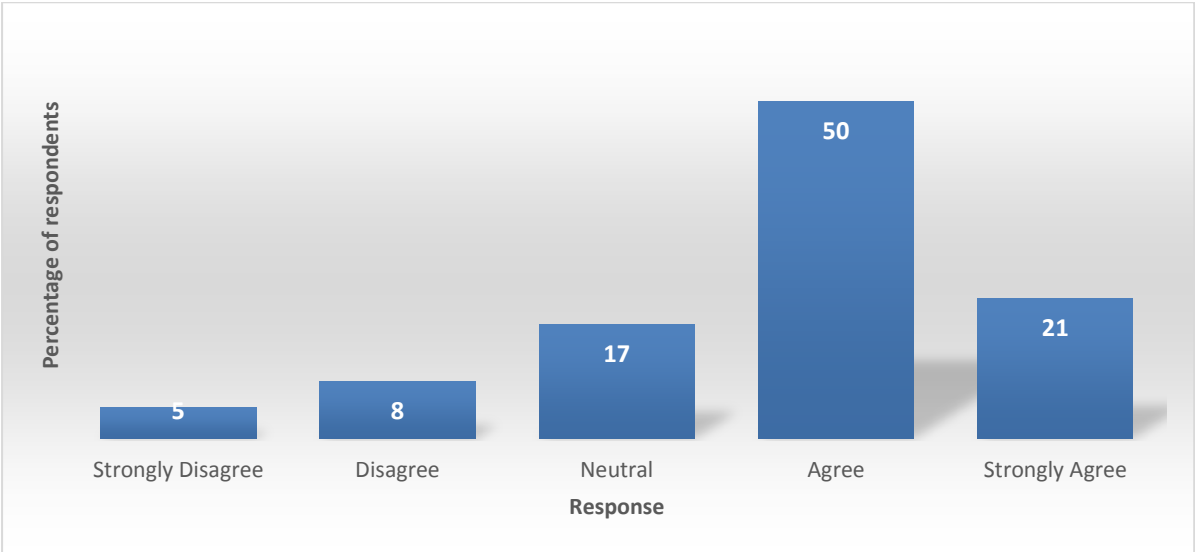


Figure 16: My employer is investing in training, coaching and empowering employees

Question 8 of the study focused on establishing whether the employer invested in training, coaching and employee empowerment. From the Figure 16 above, a high proportion of 71% agreed to the statement, 13% disagreed while 17% remained neutral to the statement which implied they were not aware or chose not to respond. According to Agwu and Luke (2015), when organisation invests in the development of the employees, it is obvious they want their employees to be better. This ultimately improves the company’s bottom line and in addition makes the employee to grow in

their field. Lack of coaching and mentoring have a direct influence on employees' behaviour with regards to motivation, loyalty and fulfilment (Agwu and Luke, 2015). The response to question 8 showed that IC is investing significantly into training and development and those actions are visible to the employees.

4.4.5 Performance Rewards

This section sought to establish the impact of performance rewards on employee loyalty. The Table 6 showed that employees significantly agreed that their personal motivation as an employee improves by performance rewards from their employer (mean = 3.91, p-value = 0.000) since the p-value was less than 0.05. They however disagreed with the statement that their employer has a good employee retention strategy through performance rewards (mean = 2.92, p-value = 0.856) since the p-value was greater than 0.05.

Table 6: Performance Rewards Statistics

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
My personal motivation as an employee improves by performance rewards from my employer	155	3.91	1.022	11.086	0.000
My employer has a good employee retention strategy through performance rewards	155	2.92	.980	-1.065	0.856

Question 9: My personal motivation as an employee improves my performance rewards from my employer.

The response of the respondents to Question 9 is shown by Figure 17 below.

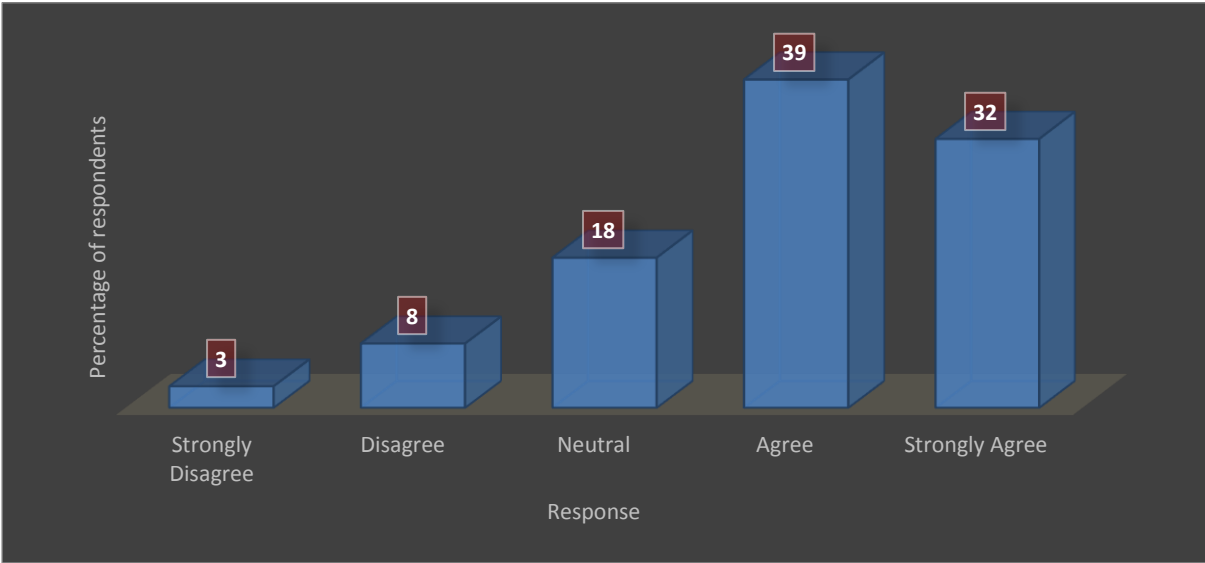


Figure 17: My personal motivation as an employee is improved by performance rewards from my employer

Performance rewards is a strong motivator towards improving employee loyalty. Question 9 from the study concentrated on establishing if employees’ personal motivation was improved by performance rewards from the employer. From figure 17 above, a proportion of 71% agreed to the statement, 11% disagreed while 18% remained neutral to the statement which implies that they were not aware or did not want to respond. From Figure 4.16, a significant number of IC employees agree that performance reward improve their personal motivation. It is believed from previous studies that employee loyalty decreases in the absence of performance rewards (Yousaf et al., 2014). The response of the respondents to the questions showed that performance rewards motivates the employee and affect employee loyalty.

Question 10: My employer has a good employee retention strategy.

The response of the respondents to Question 10 is shown by Figure 18 below.

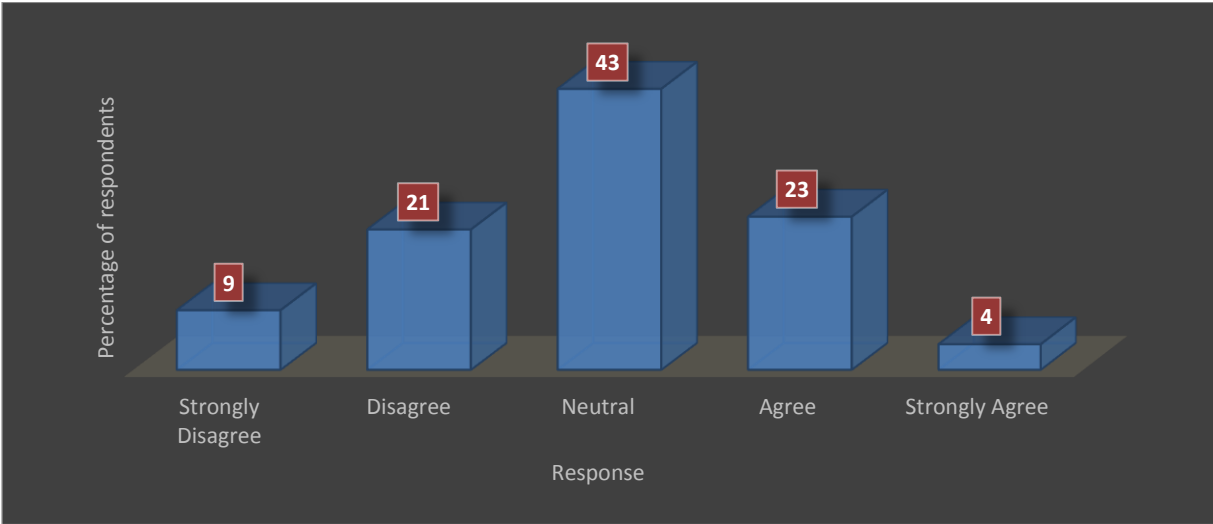


Figure 18: My employer have a good employee retention strategy through performance rewards

Question 10 of the study focused on establishing whether the employer had a good employee retention strategy through performance rewards. From the figure 18 above, a poor proportion of 27% agreed to the statement, 30% disagreed while a high proportion of 43% remained neutral to the statement which implies they were not aware or intentionally did not respond. Performance reward is also used by some organisations as an employee retention tool (Saleem, 2011). On the contrary, the response of the respondents revealed that employees do not perceive IC’s performance rewards as a good retention strategy. This could imply that they feel the company should review other avenues for retention or that they are not fully aligned to IC’s retention strategy.

4.4.6 Employee Engagement

This section sought to establish if employee engagement was a vital factor that affects employee loyalty. The results as shown below by Table 7 indicates that the employees significantly agreed that they have a strong enthusiasm about their employment and their employer (mean = 3.74, p-value = 0.000) and that they feel positive about their job and their employer (mean = 3.79, p-value = 0.000). This is true because both p values were less than 0.05.

Table 7: Employee Engagement

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
I have strong enthusiasm about my employment and my employer	155	3.74	.828	11.151	0.000
I feel positive about my job and my employer	155	3.79	.837	11.703	0.000

Question 11: I have a strong enthusiasm about my employment and my employer.

The response of respondents to Question 11 is shown below by Figure 19 below.

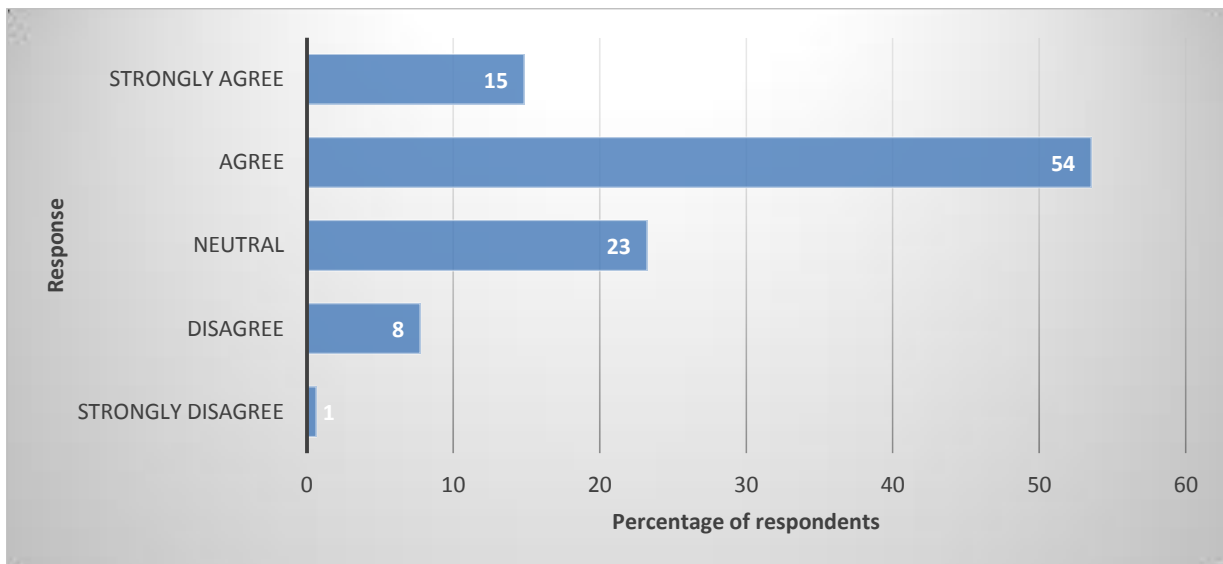


Figure 19: I have strong enthusiasm about my employment and my employer

Question 11 of the study focused on establishing the strength of enthusiasm of the respondents to the employer and their employments. From the Figure 19 above, a proportion of 69% agreed to the statement, 9% disagreed while 23% remained neutral to the statement which implies they were not aware or chose not to respond. According to Crim and Seijts (2006), employee enthusiasm about their work is a strong indicator of how engaged they are to their employee. Engaged employees inwardly drive themselves with excitement in line with the vision of the organisation to achieve

the expected outcome (Hanif, 2013). From the response of the respondents, it was clear that 69% agreed to the statement.

Question 12: I feel positive about my job and my employer.

The response of respondents to Question 12 is shown below by Figure 20.

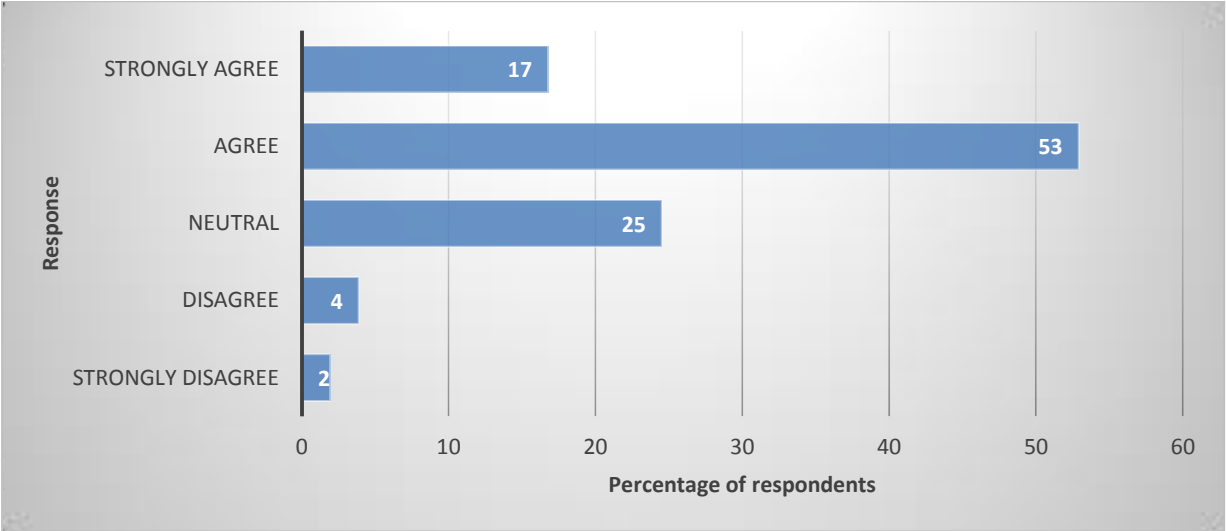


Figure 20: I feel positive about my job and my employer

Question 12 of the study focused on establishing the strength of enthusiasm of the respondents to the employer and their employments. From the Figure 20 above, a proportion of 70% agreed to the statement, 6% disagreed while 25% remained neutral to the statement which implies they were not aware or chose not to respond. Building and growing high level customers in any business is essential but rests on how well employees are engaged by their positivism about their employer (Azzarello, 2012). As the battle for loyal customers grows, it is been said that the most effective tool to use is the best engaged employees (Azzarello, 2012). The response of the respondents to both questions shows there is a positive correlation between the employee engagement and employee loyalty in IC. The 70% agreement to the statement in figure 20 above showed that a higher percentage of respondents felt positive about their job with IC.

4.5 ACCESSING THE EXTENT TO WHICH THE FACTORS AFFECT EMPLOYEE LOYALTY

This section presents information related to the extent to which factors identified above, affects employee loyalty in a speciality chemical industry which is the second objective of the study. The main objective of this section was to understand the degree and extent to which the factors affect employee loyalty. To understand this, a total of 12 specific questions were asked in order to collect data related to these questions. Each of the 12 questions were represented by a diagram which was either a bar chart or pie chart.

4.5.1 Effective Communication

This section sought to assess the extent to which effective communication affects employee loyalty within IC. The Table 8 below shows that IC employees agreed significantly that they were satisfied with the level of positive communication at their workplace (mean = 3.19, p-value = 0.010) and that there is an "open door policy" with regards to communication at their workplace (mean = 3.60, p-value = 0.000) since the p-values were less than 0.05.

Table 8: Effective Communication Statistics 2

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
I am satisfied with the level of positive communication at my workplace	155	3.19	.992	2.348	0.010
There is an "open door policy" with regards to communication at my workplace	155	3.60	.930	8.032	0.000

Question 13: I am satisfied with the level of positive communication at my workplace.

The response of the respondents to Question 13 is shown below by Figure 21 below.

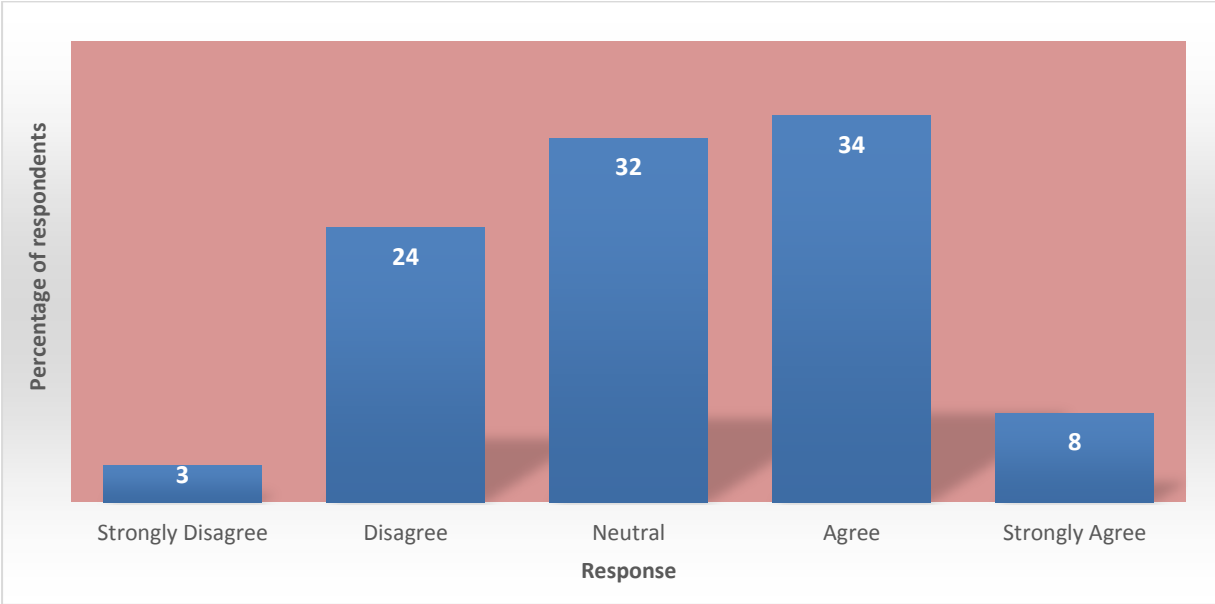


Figure 21: I am satisfied with the level of positive communication at my workplace

Question 13 of the study assessed if the respondents were satisfied with the level of positive communication at IC. From the Figure 21 above, a proportion of 42% agreed to the statement, 27% disagreed while 32% remained neutral to the statement which implies they were not aware or chose not to respond. According to Mayfield and Mayfield (2002), the leader’s communication is seen as a bridge to the workers loyalty. This means that if there is good communication from the leader, it increases the trust employees have in their leader, thereby improving employee loyalty. The response of the respondents from question 13 showed that a good number of IC employees were satisfied with the degree of positive communication in the organisation.

Question 14: There is an “open door policy” with regards to communication at my workplace.

The response of the respondents to Question 14 is shown below by Figure 22 below.

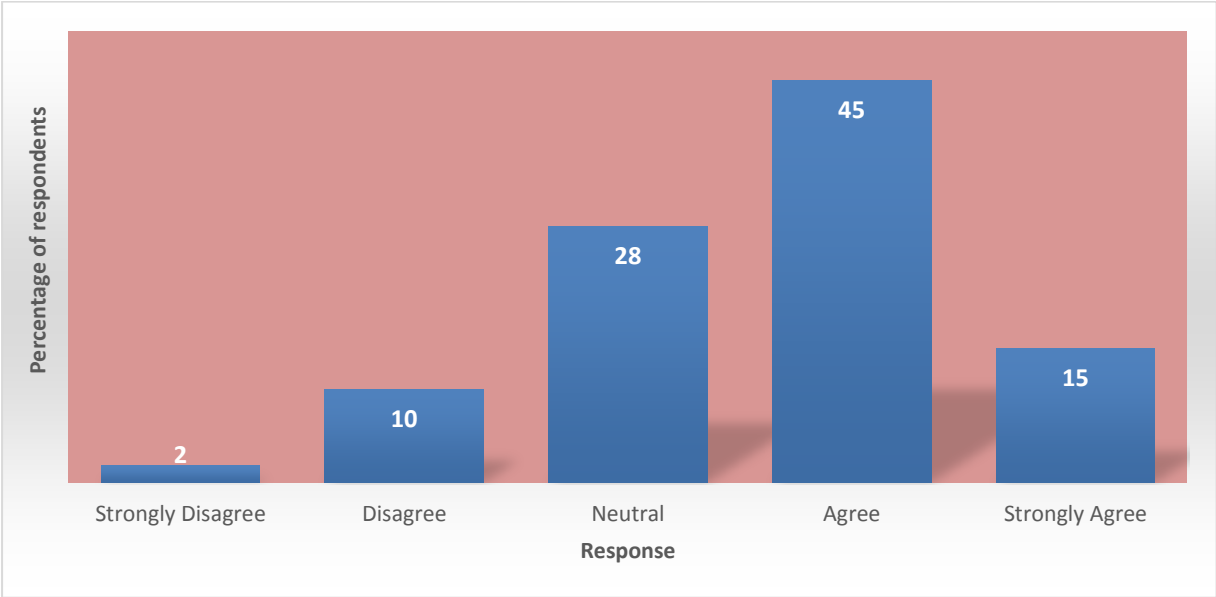


Figure 22: There is an "open door policy" with regards to communication at my workplace

Question 14 of the study assessed the response of employees to check if there was an “open door policy” with regards to communication at IC. From the Figure 22 above, a proportion of 60% agreed to the statement, 12% disagreed while 28% remained neutral to the statement which implies they were not aware or chose not to respond. An open door policy creates a forum and access for employees to communicate to a manager without worrying or fear about triggering any trouble (Arthur, 2013). A major benefit of employing an open door policy is that it supports elimination of tales and chatters in the workplace (Arthur, 2013). A total of 42% agreed that there is an open door policy within the organisation and that it was good for IC, as it helped to improve their employee loyalty in the organisation. However, more time should be given to a total of 27% that disagreed with the statement as it is possible that they do not perceive the need for an open door policy in the organisation.

4.5.2 Organisational Culture

This section sought to assess the extent of impact that organisational culture have on employee loyalty. Table 9 below shows that the respondents agreed significantly that the culture at their workplace encourages trust and honesty (mean = 3.55, p-value = 0.000) and that they feel their employer encourages teamwork and collaboration (mean = 3.70, p-value = 0.000). This is also true because the p values for both questions were less than 0.05.

Table 9: Organisational Culture 2

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
The culture at my workplace encourages trust and honesty	155	3.55	1.027	6.649	0.000
I feel my employer encourages teamwork and collaboration	155	3.70	1.001	8.745	0.000

Question 15: The culture at my workplace encourages trust and honesty.

The response of the respondents to Question 15 is shown by Figure 23 below.

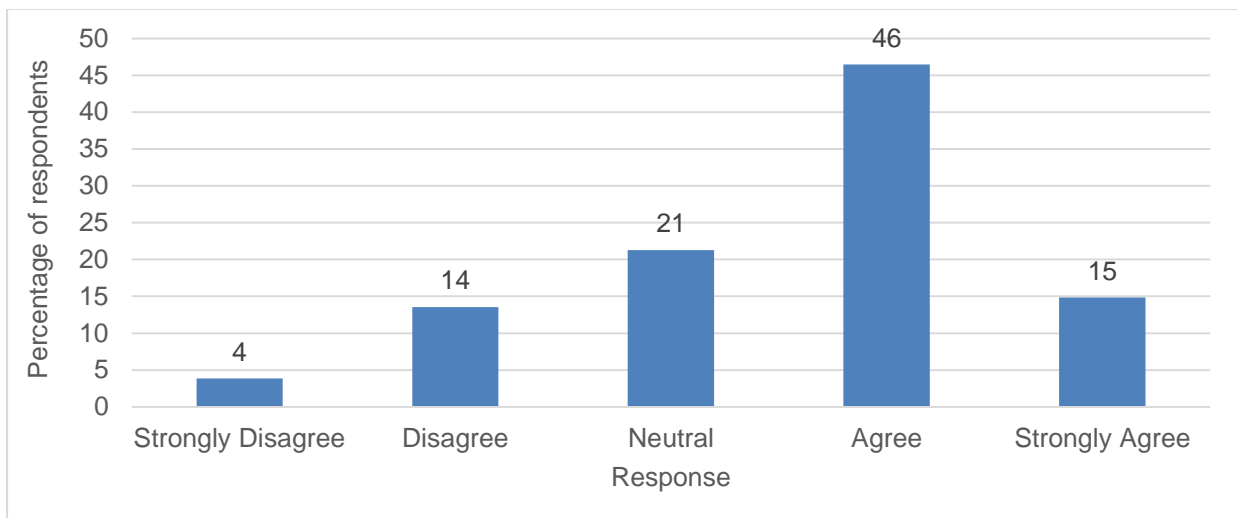


Figure 23: The culture at my workplace encourages trust and honesty

Question 15 of the study assessed the degree to which workplace culture encourages trust and honesty in the organisation. From the Figure 23 above, a proportion of 71% agreed to the statement, 18% disagreed while 21% remained neutral to the statement which implies they were not aware or did not want to respond. A good organisational culture drives a foundation built on honesty and integrity, as the business leaders understand that this builds an environment of trust inside the organisation and with their customers (Ragain, 2013). The response of the respondents to question 15 showed that IC employees concur to the fact that their workplace culture encourages truth and honesty.

Question 16: I feel my employer encourages teamwork and collaboration.

The response of the respondents to Question 16 is shown by Figure 24 below.

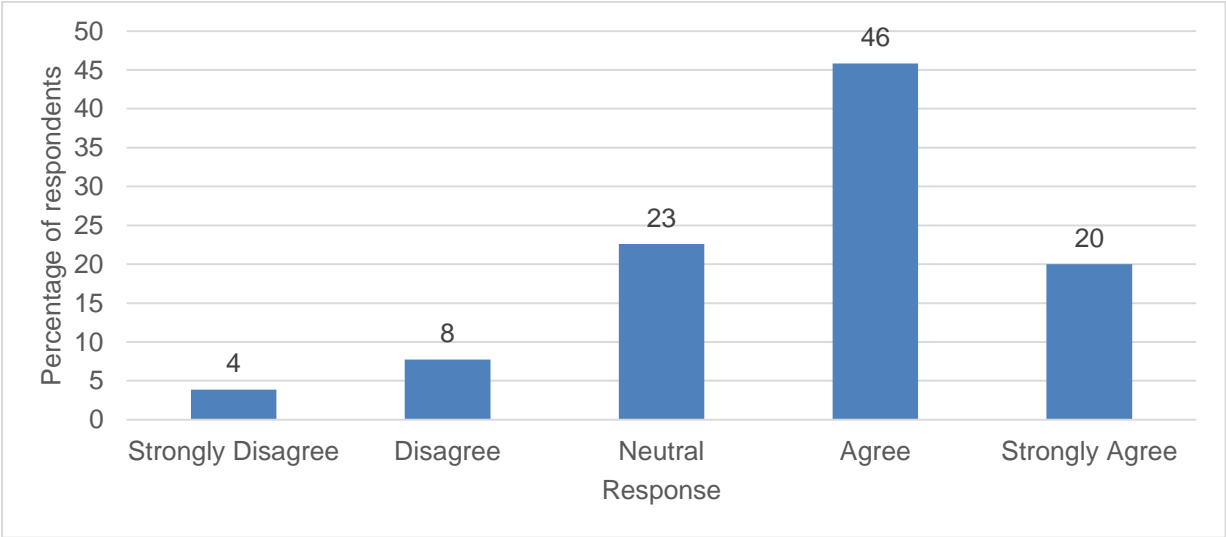


Figure 24: I feel my employer encourages teamwork and collaboration

From the Figure 24 above, a proportion of 66% agreed to the statement, 12% disagreed while 23% remained neutral to the statement which implies they were not aware or did not want to respond. For example, a good organisational culture is a company that is collaborative in nature and in its environment. According to Ahmad (2015), collaboration should be part of the organisational culture in nature as it helps to recruit, retain, and encourage employees. The culture of any organisation also incorporate the ability to work together, which is known as teamwork (Aktas et al., 2011). Teamwork combined with collaboration produces a stronger organisational culture that improves employee loyalty in an organisation (Ahmad, 2015). The degree

of agreement also showed that there is teamwork and collaboration within the organisation.

4.5.3 Leadership

This section sought to assess the impact of leadership to loyalty in IC. The Table 10 below shows that employees significantly agreed that their employer's leadership style should be more transformational and servant leadership (mean = 3.57, p-value = 0.000) since the p-value was less than 0.05. They however disagreed with the statement that there is an autocratic style of leadership at their workplace and that their managers do not consider employee's suggestions (mean = 3.01, p-value = 0.442) since the p-value was greater than 0.05.

Table 10: Leadership Part 2

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
There is autocratic style of leadership at my workplace and managers do not consider employees suggestions	155	3.01	1.093	.147	0.442
My employer's leadership style should be more transformational and servant leadership	155	3.57	.897	7.876	0.000

Question 17: There is autocratic style of leadership at my workplace and managers do not consider employees suggestions.

The response of the respondents to Question 17 is shown by Figure 25 below.

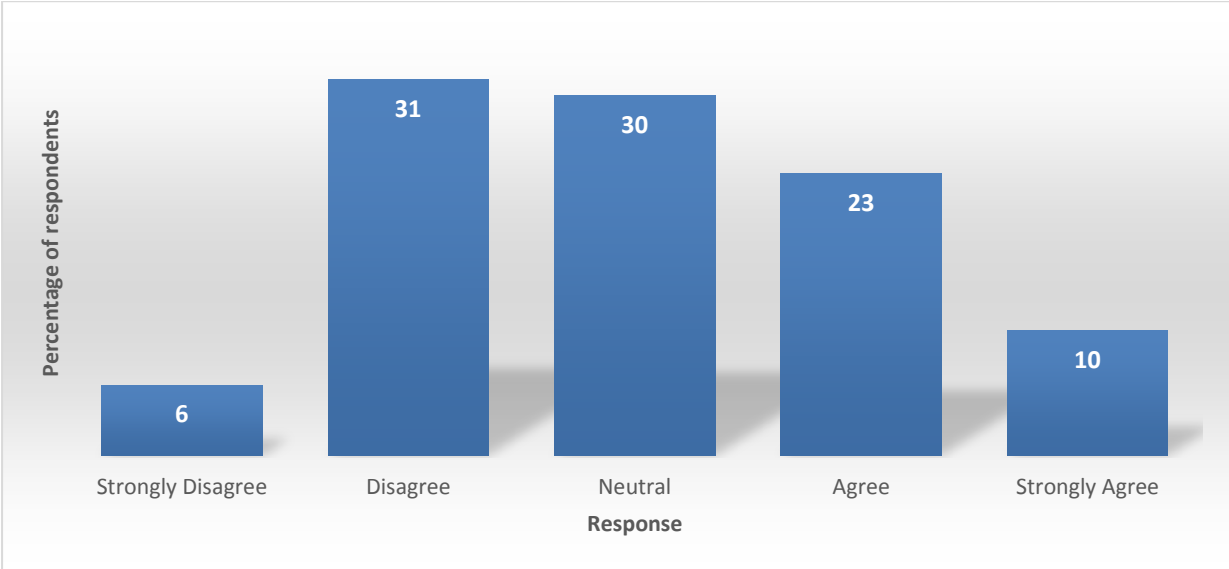


Figure 25: There is autocratic style of leadership at my workplace and managers do not consider employees suggestions

Question 17 of the study assessed if the respondents agreed that there was an autocratic style of leadership at IC workplace and if their managers do not consider employees suggestions. From the Figure 25 above, a low proportion of 33% agreed to the statement, 37% disagreed while 30% remained neutral to the statement which implies they were not aware or chose not to respond. According to Khuong, et al. (2014), autocratic leadership signifies a leader that tends to maintain strong control over a business or a group’s activities. They are known to centralize authority, which manifests in ways like dictating work approaches, making one-sided decisions, and restraining group colleague contribution (Khuong et al., 2014). This style of leadership is not good for an organisation as it reduces employee morals, thereby decreasing their commitment and loyalty to organisations. The feedback from Figure 25 showed that the respondents disagreed that there was autocratic style of leadership in the workplace which is a good indication of good leadership in the organisation.

Question 18: My employer’s leadership style should be more of a transformational and servant leadership style.

The response of the respondents to Question 18 is shown by Figure 26 below.

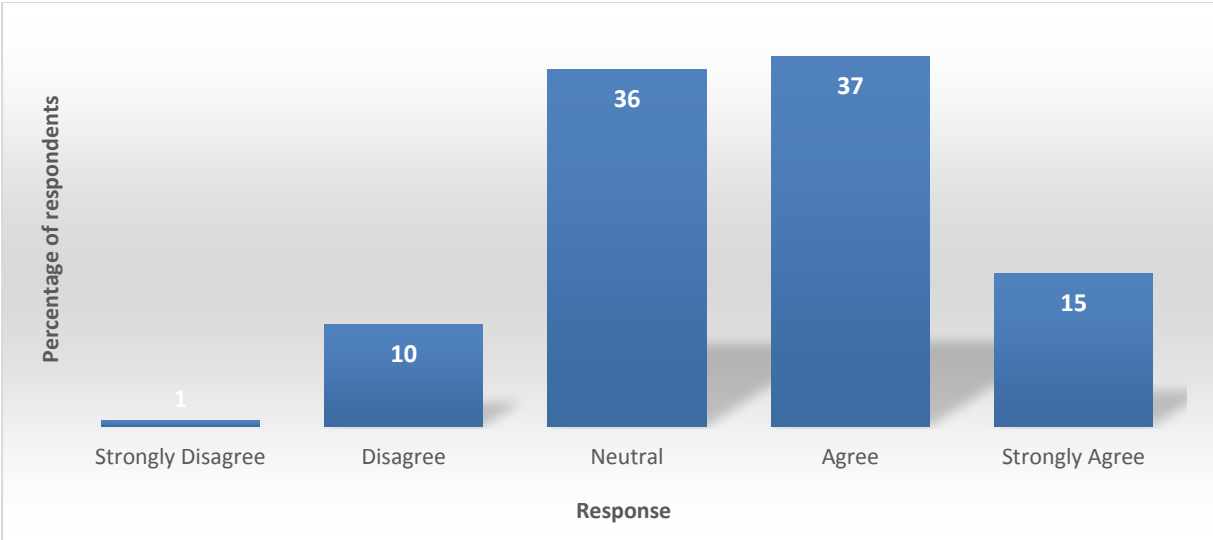


Figure 26: My employer's leadership style should be more transformational and servant leadership

Question 18 of the study assessed if employer’s leadership style should be more of a transformational and servant leadership style. From the Figure 26 above, a proportion of proportion of 52% agreed to the statement, 11% disagreed while 36% remained neutral to the statement which implies they were not aware or chose not to respond. However, Figure 26 showed that respondents wanted more of transformational and servant leadership style in the organisation. Servant leadership exhibits a clear picture of the community’s goals and gives clear understanding of tasks (Ding et al., 2012). They serve through care, help and reverence for employees by showing them how to carry out their task and also being hands on (Ding et al., 2012). This enables them to build trust with the employees making the employees want to stay with the company. Transformational leadership style is good as it stimulates groups by alluring to higher ideals and moral principles which can inspire employees to execute tasks beyond expectations and alter both individuals and business organisations (Khuong et al., 2014). Transformational leaders expedite new understandings by growing or changing awareness of matters. This style of leadership stimulates employees inspirationally, knowledgeably and influences positively their personal development (Khuong et al.,

2014). The response to Question 18 from Figure 26 shows the IC employees desired more of transformational and servant leadership.

4.5.4 Mentoring and Coaching

This section sought to assess the extent of impact monitoring and coaching had on IC’s employee loyalty. From the Table 11 below, the respondents disagreed with the statement that the mentoring and coaching is excellent (mean = 3.03, p-value = 0.339) since the p-value was greater than 0.05 and also shows that employees significantly agreed that the mentoring and coaching programmes at their workplace are very relevant to their development (mean = 3.25, p-value = 0.002) since the p-value was less than 0.05.

Table 11: Mentoring and Coaching Statistics 2

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
There is excellent mentoring and coaching at my workplace	155	3.03	.963	.417	0.339
The mentoring and coaching programmes are very relevant to my development	155	3.25	1.071	2.850	0.002

Question 19: There is excellent mentoring and coaching at my workplace.

The response of the respondents to Question 19 is shown by Figure 27 below.

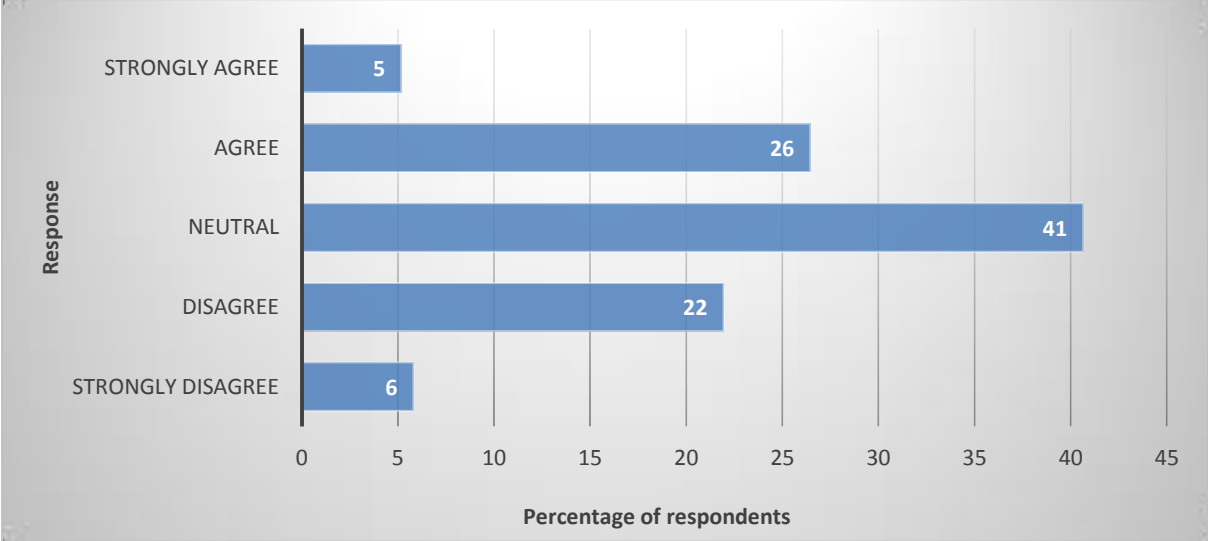


Figure 27: There is excellent mentoring and coaching at my workplace

Question 19 of the study assessed if there was excellent mentoring and coaching at my workplace. From the Figure 27 above, a proportion of 31% agreed to the statement, 28% disagreed while 41% remained neutral to the statement which implies they were not aware or did not want to respond. Mentoring and coaching demonstrates that the organisation values employees' capability building in achieving its mandate for productivity and efficiency (Clutterbuck, 2011). The absence of mentoring and coaching in any organisation suggests that there is no plan for employee future, thus increasing lack of employee loyalty (Merrick, 2012). IC respondents' response to question 20 shows that employees value mentoring and coaching as it relates to their development. From their distribution in the Figure 27 above, they do not feel that there is an excellent mentoring and coaching in the organisation, inferring that there is more room for improvement by management.

Question 20: The mentoring and coaching programmes are very relevant to my development.

The response of the respondents to Question 20 is shown by Figure 28 below.

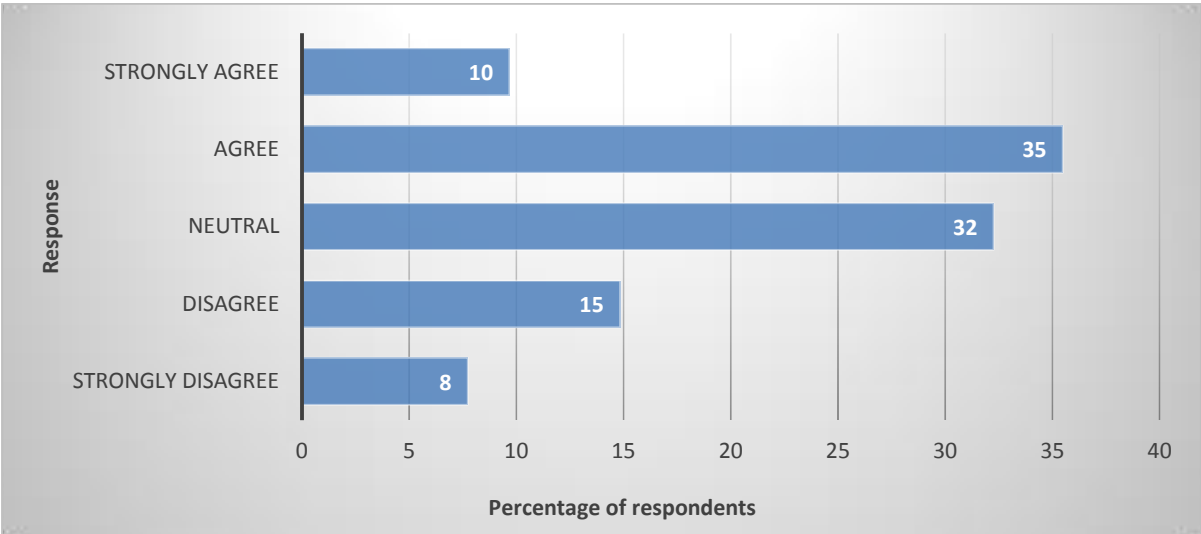


Figure 28: The mentoring and coaching programmes are very relevant to my development

Question 20 of the study assessed if the mentoring and coaching programmes were very relevant to employees' development. From the Figure 28 above, a proportion of 45% agreed to the statement, 23% disagreed while 32% remained neutral to the statement which implies they were not aware or chose not to respond. IC respondents' response to question 20 shows that employee's value mentoring and coaching as it is necessary for their development. It is also true as mentoring and coaching are the best avenues of providing sustenance to individuals in accomplishing their personal goals, development, increasing their potentials and capitalizing on their strengths to improve organisational performance (Agwu and Luke, 2015). The total of 45% response agreed to the statement and showed the extent to which mentoring and coaching affect employee loyalty.

4.5.5 Performance Rewards

This section sought to understand the level of impact performance rewards on employee loyalty. From the Table 12 below, the results on performance revealed that the employee significantly agreed that their employer recognized employee achievements and rewarded them accordingly (mean = 3.26, p-value = 0.002) since the p-value was less than 0.05, but however disagreed with the statement that their employer pays market related salaries (mean = 2.76, p-value = 0.999) since the p-value was greater than 0.05.

Table 12: Performance Rewards Statistics 2

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
My employer pays market related salaries	155	2.74	1.012	-3.175	0.999
My employer recognize employee achievements and reward them accordingly	155	3.26	1.086	2.958	0.002

Question 21: My employer pays market related salaries.

The feedback of the respondents to Question 21 is shown by Figure 29 below.

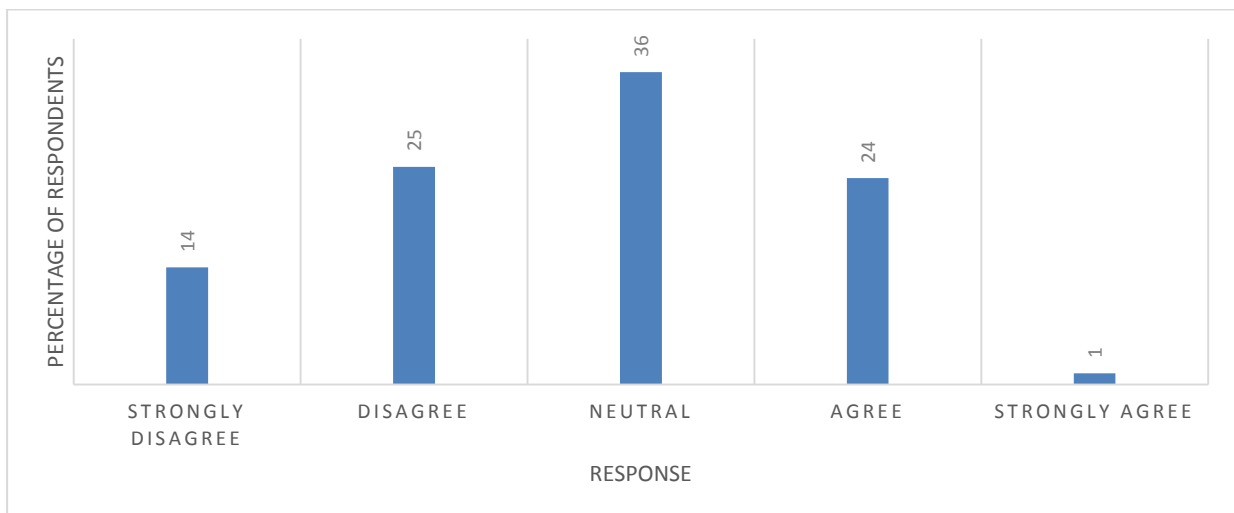


Figure 29: My employer pays market related salaries

From the Figure 29 above, a small proportion of 25% agreed to the statement, 39% disagreed while 36% remained neutral to the statement which implies they were not

aware or chose not to respond. From the Figure 29, it is clear that IC employees are in disagreement that their employer pay market related salaries. Market related salary is a key component for performance rewards. According to Saleem (2011), paying market related salaries is one of the key indicators of a good performance reward and employees in chemical industries are highly motivated by receiving market related salaries.

Question 22: My employer recognizes employee achievements and rewards them accordingly.

The feedback of the respondents to Question 22 is shown by Figure 30 below.

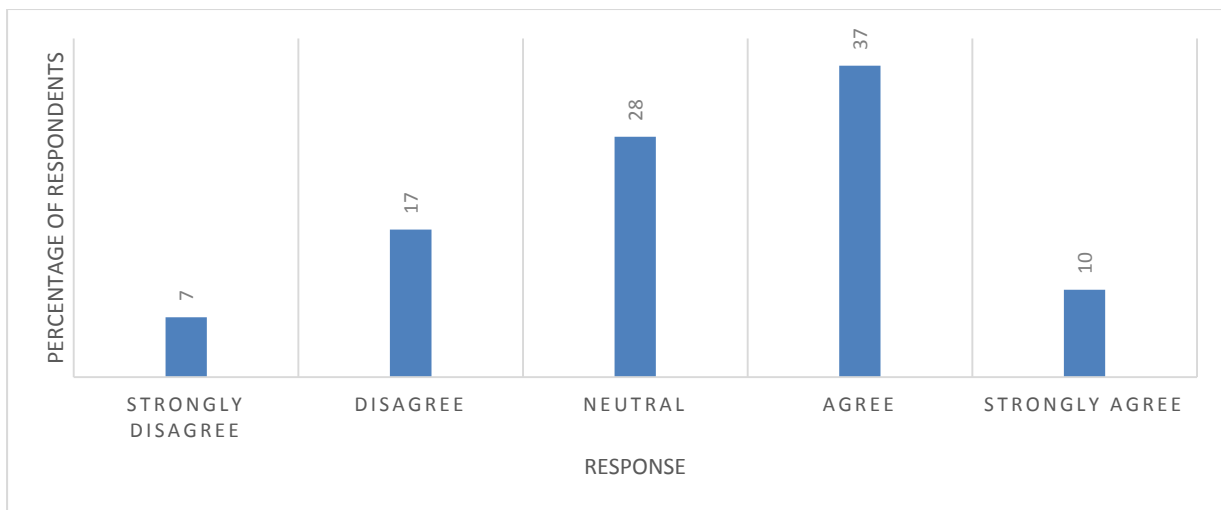


Figure 30: My employer recognizes employee achievements and rewards them accordingly

From the Figure 30 above, a proportion of 47% agreed to the statement, 24% disagreed while 28% remained neutral to the statement which implies they were not aware or intentionally did not respond. According to hierarchy of needs by Maslow, a person can satisfy another when his needs are met, this implies that an employee can go to greater lengths in satisfying their employers when their needs are met (Saleem, 2011). This means that the more their needs are met, the more they exceed employers expectation and be committed to more task and workplace responsibilities (Saleem, 2011). From the response on Figure 30, IC employees were in agreement that IC recognizes employee achievements and rewards them accordingly. It is good for any organisation to recognize employee achievements by corresponding reward which is vital to maintaining employee loyalty.

4.5.6 Employee Engagement

This section sought to assess the impact of employee engagement as a factor that affects employee loyalty. From the Table 13 below, it can be observed that IC employees agreed significantly that their work environment is positively challenging, stimulating and rewarding (mean = 3.59, p-value = 0.000) and that they were always excited to go "above and beyond" for their employer with regards to their duties as employees (mean = 3.95, p-value = 0.000). The p-value further indicates that respondents agreed to the question.

Table 13: Employee Engagement Statistics 2

One-Sample Statistics				One-Sample Test against the mid-point of the scale (3)	
	N	Mean	Std. Deviation	t	P-value (1-tailed)
I feel my work environment is positively challenging, stimulating and rewarding	155	3.59	.820	8.913	0.000
I am always excited to go "above and beyond" for my employer in respect to my duties as an employee	155	3.95	.917	12.872	0.000

Question 23: I feel my work environment is positively challenging, stimulating and rewarding.

The response of the respondents to Question 23 is shown by Figure 31 below.

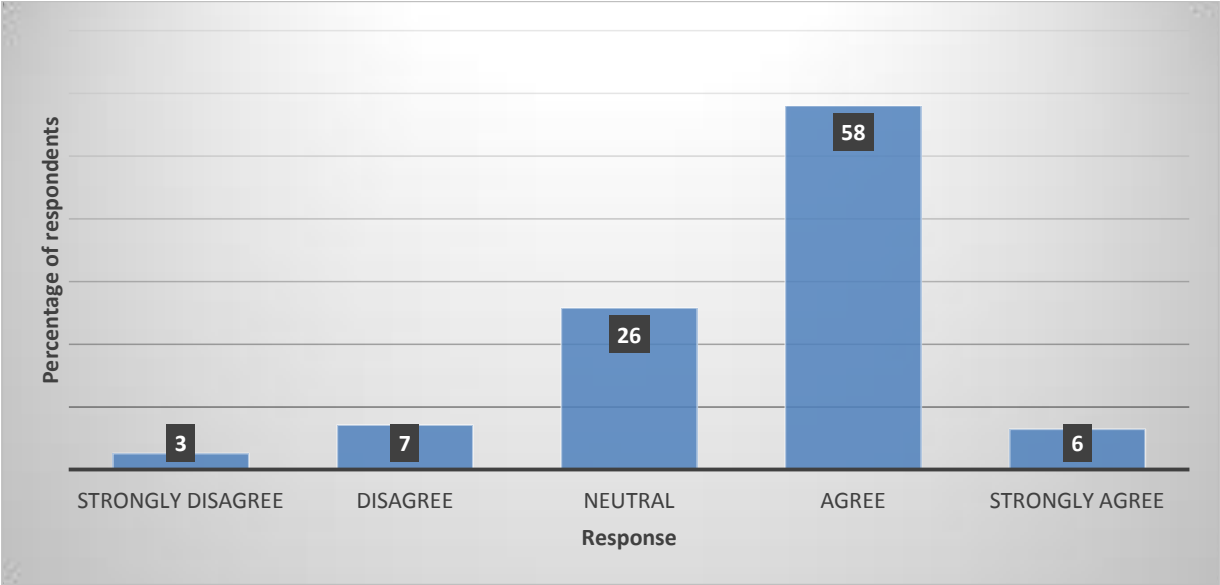


Figure 31: I feel my work environment is positively challenging, stimulating and rewarding

Question 23 of the study assessed if IC’s employee feel that their work environment is positively challenging, stimulating and rewarding. From the Figure 31 above, a proportion of 64% agreed to the statement, 10% disagreed while 26% remained neutral to the statement which implies they were not aware or chose not to respond. According to Jolton, et al. (2015), a positive direction of employee engagement is the bond with the business environment that is inspiring and challenging for the employer. This theory was in line with the response from the primary data, as a total of 64% agreed that their work environment is positively challenging, stimulating and rewarding as IC employees.

Question 24: I am always excited to go “above and beyond” for my employer in respect to my duties as an employee.

The response of the respondents to Question 24 is shown by Figure 32 below.

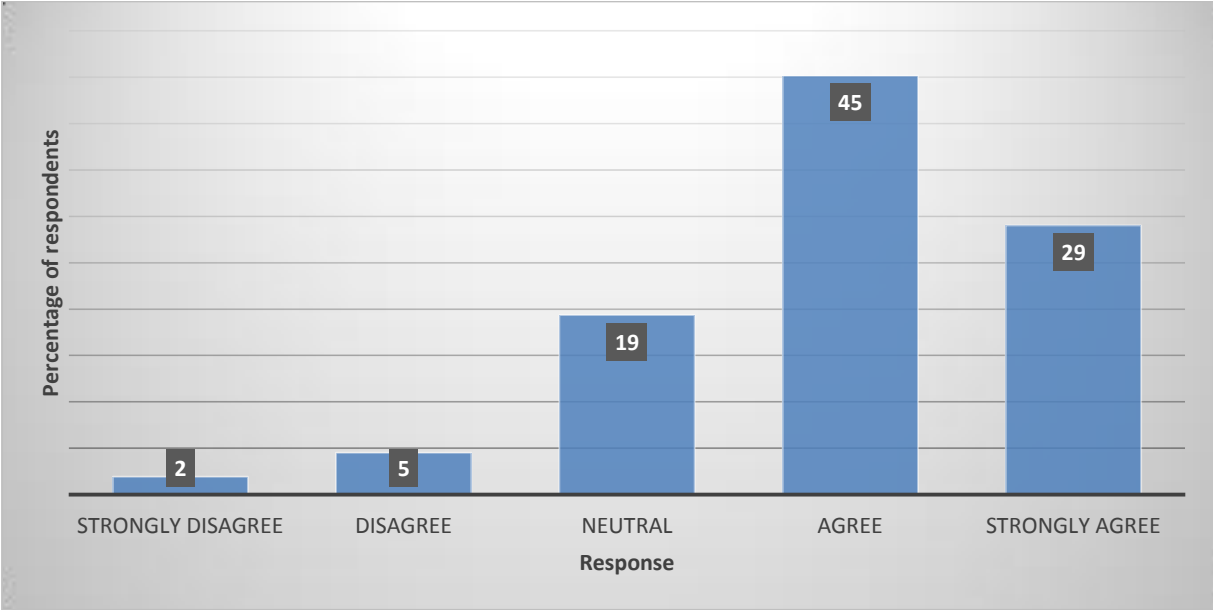


Figure 32: I am always excited to go "above and beyond" for my employer in respect to my duties as an employee

From the Figure 32 above, a significant proportion of 74% of IC employees agreed to the statement, 7% disagreed while 19% maintained neutrality to the statement which implies they were not aware or chose not to respond. Above and Beyond is one of the culture words within AECI group of which IC is a subsidiary. This means to achieve and exceed the goals of the organisation. The response of the respondents shows that employees are so excited to deliver over and above the requirement as employees of the organisation. IC management must continue to maintain improved employee engagement in their speciality chemical industry.

4.6 CONCLUSION

Chapter four showed the results and outcomes from the study. These outcomes were evaluated and discussed in relation to the literature reviewed in chapter two. The study was successful in identifying the factors that affected employee loyalty in IC and also established that these factors played a key role in a speciality chemical industry. The outcomes provided the extent to which the identified factors affected a speciality chemical industry. The next chapter presents conclusions and recommendation to management on how to advance employee loyalty in the organisation.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

The previous chapter provided the results and outcomes from the study. It also evaluated and discussed them in relation to the literature reviewed in chapter two. In this final chapter, the conclusions and recommendations of the study are presented in a view to respond to the main aims of the study and the research questions. This chapter covers the findings and the deductions from the study. It also shows the recommendations and opportunities for further study. The following aims guided the study from the start until the final presentation;

- a) To establish the main factors that affect employee loyalty in the workplace.
- b) To access the extent to which each of the factors affect employee loyalty in a speciality chemical industry.
- c) To recommend factors appropriate for sustainable employee loyalty in a speciality chemical industry.

5.1 FINDINGS FROM THE STUDY

This section of the study is in two parts which are findings from literature and findings from the study.

5.1.1 Findings from literature

The review of the literature concentrated on the two main objectives of the study which are;

- Establishing factors that affect employee loyalty
- The extent to which each of the factors affect employee loyalty

From the literature review of the study, the factors that affect employee loyalty in a workplace were reviewed. Some of the factors reviewed were effective communication, organisational culture, leadership, mentoring and coaching, performance rewards and employee engagement. It was clearly understood that effective communication increases employee loyalty and commitment to the organisation. The literature showed that employee loyalty is best communicated when

communication is clear at all levels of the organisation. The importance of having an open door policy was also reviewed and how effective communication is improved by the policy. Effective communication should be adopted by business leaders and managers as it was seen that it drives employee loyalty and commitment in the organisation.

The literature revealed clearly the importance of organisational culture and how it creates beliefs and builds norms in any organisation. Several traits of organisational culture were reviewed and the necessity of having a culture that is built on trust, honesty and collaboration were also highlighted. It explained that organisational culture is key for businesses to attain improved competitive advantage and employee performance.

The significance of noble leadership in creating the future and way forward in any organisation was discussed. The literature emphasized the negative impact of autocratic style of leadership as well as toxic leadership. The literature strongly identified the benefits of combining transformational, transactional and servant leadership in improving employee loyalty in any organisation. It revealed that employee loyalty thrives and grows in an environment free of toxicity and autocratic style of leadership. It further showed that an environment of positivism would be an outcome of a servant and transformational leadership.

Mentoring and coaching have developed into an important component of organisational growth in recent years. The literature indicated the benefits of mentoring and coaching in employee development. It further discussed that investment such as training an employee was vital and a strong driver of employee loyalty. It did acknowledge that there was no guarantee in retaining trained employees but that the pay back with regards to employee loyalty was worth it and far better. The literature showed that mentoring and coaching was a vital source of personal inspiration and motivation for employees, thus stating the obvious that excluding mentoring and coaching could demotivate employees.

The literature demonstrated that performance reward was a strong motivator and driver for employee loyalty. It indicated that employees would likely work for an organisation that rewards their employees, instead of organisations that do not pay

attention to performance rewards. The literature revealed that both aspects of performance rewards which are financial and non-financial rewards should be utilized in businesses to improve employee loyalty.

The benefits of employee engagement were outlined from the literature. The literature showed that engaged employees are highly motivated and work in line with organisational goals and objectives with delivery as their top priority. The literature revealed that enthusiastic spirit was necessary for an engaged employee and that clarity of company's vision to the employee is very vital.

5.1.2 Findings from primary data

The findings from the data are presented under the objectives as headings.

Objectives 1: To establish the factors that affect employee loyalty

Under this objective, the findings showed that the respondents agree that the factors investigated upon, affected employee loyalty in a speciality chemical industry IC. The primary data revealed that effective communication from supervisors improved employee loyalty and further reinforced the need for management to dedicate more time in coaching supervisors on the need of effective communication.

It also established that organisational culture improved employee loyalty and that IC had clearly established core values to guide behaviour in the organisation.

The primary data strongly revealed that leadership styles improved employee loyalty and demonstrated that IC employees were satisfied with the leadership in the organisation.

It was also established from the primary data that mentoring and coaching improved employee loyalty at IC and that the management invested in training, coaching and employee empowerment.

Findings from the primary data also established that performance reward improved IC's employee motivation. However, a good number of the employees disagreed when asked about the company's retention strategy.

IC employees also showed that their enthusiasm about their employment and their employer was quite strong. They agreed that they felt positive about their jobs and the

company. This established the necessity of employee engagement as a driver for employee loyalty.

Objectives 2: To access the extent to which the factors affects employee loyalty

Under this objective, the findings showed the responses of respondents from the primary data and the extent the factors reviewed affected employee loyalty in the organisation.

Effective communication affected employee loyalty within IC as the primary data indicated employee satisfaction to communication in the company. The feedback on open door policy showed how beneficial employee loyalty is to IC, such that they had improved communication in the organisation using the policy. The finding from literature revealed that open door policy made employees calmer to raise their concerns to line managers, but that some guide must be implemented to avoid it being abused.

In relation to organisational culture, there was strong culture of trust and honesty in IC based on the primary data. A total of 76% of the respondents showed that management encouraged teamwork and collaboration. A good organisational culture encourages employee loyalty and the response showed the extent to which organisational culture was viewed by IC employees.

A total of 37% disagreed to the statement that there was autocratic style of leadership in the organisation which pointed out that autocratic style should be discouraged in the organisation. IC employees believed that leadership style within the organisation should be more of a transformational and servant leadership. Comparing to literature indicated that transformational and servant leadership was mostly preferred by employees in other organisations.

Findings from primary data showed that there was excellent monitoring and coaching in IC, although a good number of employees disagreed with the statement. The employees further confirmed that mentoring and coaching were very relevant to their development. This was in line with the theory that suggested that absence of mentoring and coaching was an indication that there was no plan for employees' future (Merrick, 2012a).

Findings from the primary data showed that a small proportion of 25% agreed that IC pay market related salaries while a total of 39% disagreed. However, an improved total of 47% agreed that their rewards for employee achievements were much better.

Employees indicated that their work environment was positively challenging, stimulating and rewarding. A total of 74% revealed that they were excited to go above and beyond for the organisation with regards to their duties as employees.

5.2 STUDY CONCLUSIONS

The following conclusions can be drawn from the study:

- Managerial ability to effectively communicate plays a key role towards ensuring employee loyalty.
- Organisational culture is a vital requirement to maintain and improve employee loyalty in IC.
- It is also clear that IC employees understood the role of ethics as a key to strong organisational culture.
- IC employees are still not strongly convinced on the performance reward strategy in the organisation.
- Salaries play a key role in ensuring employee loyalty.
- The employees desired more of transformational and servant leadership, pointing out that autocratic leadership should be discouraged in the organisation.
- There was strong enthusiasm and positivism from IC employees to their employer.
- Although a good number of employees agreed that excellent mentoring and coaching existed in the organisation, a significant number disagreed with the statement.

There was a positive correlation between the observations from both the literature and the primary data of the study. Some disagreements were also seen on the findings from literature compared to those from primary data. Overall, the factors investigated upon showed that they had established influence on employee loyalty of speciality

chemical industry. The response to the second objectives helped in accessing the extent to which the questions asked in relation to the factors used affected employee loyalty.

5.3 RECOMMENDATIONS

A list of recommendations based on the conclusion can be made:

- It is recommended that IC management should pay a closer attention to the established factors as they are seen to affect employees in a speciality chemical industry. IC management should from time to time get feedback from their employees' with regards to these factors. This will help them understand how the organization is affected by these factors and employ leadership approach to minimize their effects on employee loyalty.
- IC management should organise more training on effective communication and fill the possible communication gap in any department of the organisation.
- The disagreement of IC employees to the question on retention strategy in relation to performance rewards was quite concerning. It appeared some of the respondents were not comfortable in revealing their response on the questions relating to retention strategy. IC management should pay more attention to their business retention strategy and go extra length to ensure it is properly understood by employees and that concerns are strategically addressed.
- More focus should be given to monitoring and coaching in IC. Objectives for mentoring and coaching should be defined with leadership and management support. IC should select the right mentoring programme manager and team leaders. Flexibility should be integrated into the mentoring and coaching and a win-win style should be employed. IC should utilise a global best practice style for mentoring and coaching. Mentoring and coaching programmes should be monitored and tracked at all levels of the organization. It should also be a mentoring and coaching programme that is well aligned with IC's business model.
- IC management should review the competitiveness of their salary to employees through strategic and business based human resource management.

- The organisational culture of trust, honesty and collaboration should be maintained in the organisation. For example, a culture with open communication between leadership and employees' will encourage trust and honesty. Practices like "open door policy" should not be merely slogans, but should be implemented at all levels in the organization. Creating reward or commendation systems for good collaboration and teamwork is also essential.

5.4 SCOPE FOR FURTHER STUDY

The study focused more on a speciality chemical industry like IC. It is suggested that further research should explore other chemical and manufacturing industries in SA. Again, there are possible additional factors that could be investigated upon, to establish if they affect employee loyalty and to understand their extent of impact.

5.5 CONCLUSION

In this chapter, the conclusions and recommendation were presented based on the study goals drawn from chapter one of the study. This research sought to study employee loyalty in a speciality chemical industry using IC as a case study. Considering the findings, conclusions and recommendations from the study, it was a successful endeavour as the study objectives were met.

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UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP
Researcher: Gabriel Chukwuka
Supervisor: Dr. Emmanuel Mutambara
8-April 2016

Dear Respondent,

This research forms part of my MBA studies at the Graduate School of Business, University of KwaZulu-Natal. An official application at the Ethical Committee of the University of KwaZulu-Natal was done with the following reference number HSS/0205/016M.

The topic for this research is “**The Study of employee loyalty in a South African speciality chemical industry**”. The aim of this study is to evaluate the factors that affect employee loyalty in a speciality chemical industry, to test the responses of employees to list of questions that indicates measures of employee loyalty and to recommend factors appropriate for sustainable employee loyalty in a speciality chemical industry. Your participation will contribute towards to the pool of knowledge for better understanding of these concepts as well as the possible influence each concept might have on the other.

The success of this research depends largely on the count of participants fully completing this survey. Your participation is therefore of uttermost importance. I assure you that all collected information will remain confidential and that your participation will remain anonymous. The results from this survey will only be used for research purposes.

With the completion and submitting of the questionnaire, you are giving your consent to the researcher that the information provided on the questionnaire may be used for research purposes. The questionnaire will take approximately **15-20 minutes** to complete. In case of any questions, kindly contact me at 0834493428 or mail me at gabriel.chukwuka@improchem.co.za

Thank you for your anticipated participation.

Kind Regards,

Gabriel Chukwuka

Demographic Information

1. Gender

Male		Female
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2. Age

18 – 25	25 – 35	35 – 45	45 – 60	60+
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3. Race

Black	White	Coloured	Indian	Offering
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4. Years of service with your current employer

0 - 5	5-10	10-20	20-40	40+
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5. Highest Qualification

No Matriculation	Matriculation	Diploma	Degree	Post Graduate
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6. Job Grading

Junior	Middle Management	Senior Management	Executive Management	Other
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7. Region- Stream

Industry Inland	Mining	Industrial Coastal	Public Water	Africa	Energy	Engineering	Other
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8. Region Department

Mpumalanga & Swaziland	Gauteng MM	Gauteng Energy	Gauteng, Lesotho & free State	Dustawaya	Gold, North Cape	Platinum North West	Fochville Mining
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Business Development	West Coast	KwaZulu-Natal Energy	KwaZulu-Natal MM	Western Cape MM	Western Cape Energy	Laboratory	Manufacturing & Logistics
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IT	Finance & Customer Service	Human Resources	Export	Blendtech Local	West Africa	East Africa	Central Africa
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Marketing	Finance	Human Resources	SADC	Fabrication	Other		
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ESTABLISHING THE MAIN FACTORS THAT AFFECT EMPLOYEE LOYALTY

Effective Communication

9. Effective communication from my supervisor improves my loyalty to my employer.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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10. My employer should dedicate more time in coaching supervisors on effective communication.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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Organizational Culture

11. I feel my employer's organizational culture improves my loyalty as an employee.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

12. My employer has clearly established core values, including business ethics principles, to guide behaviour.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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Leadership

13. Employer leadership styles improve my loyalty as an employee.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

14. I am satisfied with the leadership style at my workplace.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

Mentoring and Coaching

15. Mentoring and coaching improves the loyalty of employees at my workplace.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

16. My employer is investing in training, coaching and empowering employees.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

Performance Rewards

17. My personal motivation as an employee improves my performance rewards from my employer.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

18. My employer has a good employee retention strategy through performance rewards.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

Employee Engagement

19. I have a strong enthusiasm about my employment and my employer.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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20. I feel positive about my job and my employer.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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ACCESSING THE EXTENT TO WHICH THE MAIN FACTORS AFFECT EMPLOYEE LOYALTY.

Effective Communication

21. I am satisfied with the level of communication at my workplace.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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22. There is an “open door policy” with regards to communication at my workplace.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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Organizational Culture

23. The culture of my employer encourages truth and honesty.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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24. I feel my employer encourages teamwork and collaboration.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

Leadership

25. There is autocratic style of leadership at my workplace and managers do not consider employees suggestions.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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26. My employer’s leadership style should be more transformational and servant leadership.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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Mentoring and Coaching

27. There is excellent mentoring and coaching system at my workplace.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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28. The mentoring and coaching programmes are very relevant to my development.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

Performance Rewards

29. My employer pays market related salaries.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

30. My employer recognizes employee achievements and rewards them accordingly.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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Employee Engagement

31. I feel my work environment is positively challenging, stimulating and rewarding.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------

32. I am always excited to go "above and beyond" for my employer in respect to my duties as an employee.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------