

# A Study on Impact of Employee Loyalty on Performance of People Working In Sundaram Finance

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## ARTICLE INFO

### Article History:

Accepted: 01 April 2023

Published: 15 April 2023

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### Publication Issue

Volume 10, Issue 2

March-April-2023

### Page Number

693-699

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## ABSTRACT

Employees are the core of an organization and the success or failure of the organization is attributed to their performance. It is important that they are loyal to the organization and don't actively search for other alternative opportunities. Loyalty is a person's devotion or sentiment of attachment to a particular object, which may be another person or a group of persons, an idea, a duty, or a cause.

Loyalty is a strong tie that binds an employee to their employer, even when it may not be economically sound for them to stay there. It expresses itself in both thought and action and strives for the identification of the interests of the loyal person with those of the object. Organizations are increasingly dependent on the participation, commitment, and loyalty of their employees, especially in the context of economic tensions related to the 'psychological contract' between employers and employees. Loyalty can be defined as a relationship of trust, resistance to opportunistic behaviour faced with an outside job offer, significant length of service in the company, less inclination to search for outside job offers and a strong sense of belonging. It can also be combined with staying in the organization over the long term. Organizational longevity and performance are key factors that determine organizational performance

**Keywords:** Job Offer, Key Factors, Organizational Performance

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## I. INTRODUCTION

Employees are the core of an organization and the success or failure of the organization is attributed to their performance. It is important that they are loyal to the organization and don't actively search for other alternative opportunities. Loyalty is a person's

devotion or sentiment of attachment to a particular object, which may be another person or a group of persons, an idea, a duty, or a cause.

Loyalty is a strong tie that binds an employee to their employer, even when it may not be economically sound for them to stay there. It expresses itself in both thought and action and strives for the identification of

the interests of the loyal person with those of the object. Organizations are increasingly dependent on the participation, commitment, and loyalty of their employees, especially in the context of economic tensions related to the 'psychological contract' between employers and employees. Loyalty can be defined as a relationship of trust, resistance to opportunistic behaviour, significant length of service in the company, less inclination to search for outside job offers, a strong sense of belonging, or a feeling of belonging combined with staying in the organization over the long term. Organization is key to organizational longevity and performance.

## II. REVIEW OF LITERATURE

The study by Bakar (2013) and Men (2015) Employee loyalty imply that apart from factors that directly influenced loyalty there are also other factors that influence loyalty indirectly and therefore need to conduct studies which consider also moderating/mediating effects.

Oligo and Saudi (2011), note that employees need to be confident with their organization and this confidence can be build through reliability of the leadership. Trust in leader, support from the leader, and creating a blame-free are considered as components of psychological safety, a condition proposed by Kahn, which leads to employee loyalty. Study by Kahn (2011) suggested that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. It revealed that employees feel safe in work environments that are characterized by openness and supportiveness. Supportive environment according to Kahn (2011) allows members to experiment and to try new things and even fail without fear of consequences.

According to Ram and Prabhakar (2011), two variables that are likely to capture the essence of social support are perceived organization support and

perceived supervisor support. Perceived organizational support (POS) refers to the employees' beliefs that an organization values their contributions and cares about their well-being (Rhoades' and Eisenberger, 2002). Kahn (1990) asserts that the amount of support and care employees' perceive to receive from organization influences their psychological safety, and enables them to employ themselves without fear of negative consequences.

objective of the study

- To study the impact of employee loyalty on performance of people working in Sundaram finance
- To understand the loyalty of employee based on their performance.
- To study the factor influencing loyalty of employee.
- To study the procedure used in employee performance.

## III.NEED OF THE STUDY

- The employee loyalty is an integral part of an organization.
- It enables the employee to express formally their complaints over the management policies and practices.

## IV.SCOPE FOR THE STUDY

- It also identifies the employee's opinion towards the employee loyalty in the company.
- The effectiveness of the present employee loyalty will be analyzed and suitable measures to improve the same may be suggested.

Table showing Martial status of respondent

Particulars	Respondents	Percentage
Married	79	66
Unmarried	41	34
Total	120	100

Source: Primary data

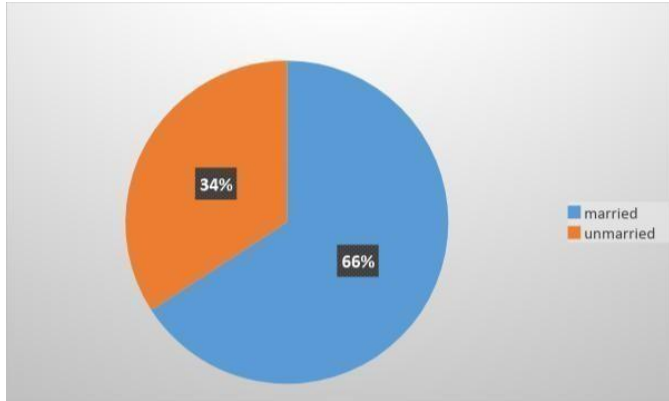


Chart showing Marital status of respondent  
Interpretation

From the above table it is interpreted that 66% are Married respondents, 34% are Unmarried respondents.  
Inference

Majority (66%) of the respondents are married

Table showing Qualification of respondent

Particulars	Respondents	Percentage
Diploma	17	14
UG	13	11
PG	70	58
Others	20	17
Total	120	100

Source: primary data

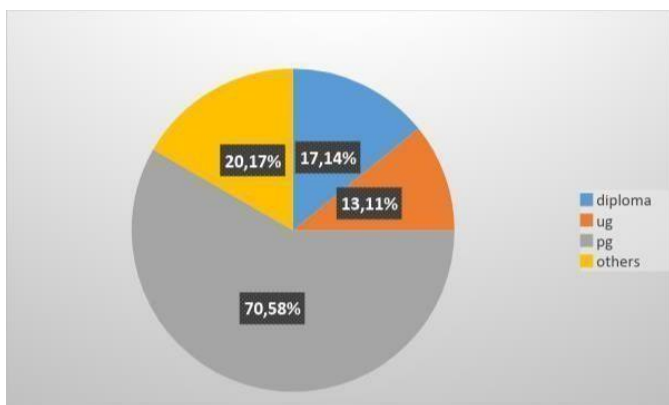


Chart showing Qualification of respondent

### Interpretation

From the above table it is interpreted that 14% are diploma and 11% are UG and 58% are PG and others 17% Inference

Majority (58%) of the respondents are PG.

### ANOVA

#### HYPOTHESIS:

HO (NULL HYPOTHESIS): There is no significant difference between age and induction program for new employees

H1 (ALTERNATE HYPOTHESIS): There is significant difference between age and induction program for new employees

#### INDEPENDENT SAMPLE T TEST

		ANOVA			
age					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	118.734	4	29.684	280.012	.000
Within Groups	12.191	115	.106		
Total	130.925	119			

P=0.000

#### Inference

Since the P value is  $0.00 < 0.05$ , then alternate hypothesis accepted and there is a difference between gender and appropriate recognition

	Levene's Test for Equality of Variances	t-test for Equality of Means
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	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	.780	.379	-18.470	118	.000	-1.887	.102	-2.089	-1.685
Equal variances not assumed			-18.125	101.167	.000	-1.887	.104	-2.093	-1.680

## V. SUGGESTIONS

Before giving the suggestions for improving employee loyalty, a list of suggestion given by the employees for improving employee loyalty are given below:

- ❖ The company following good health and safety measure in employees loyalty.
- ❖ The company should take steps in creating the awareness about the loyalty policies among employees.
- ❖ The management should concentrate on stress free programs and other relaxation programs techniques to revive the employees from stress.
- ❖ CORE (Compensation, Opportunity, Recognition, and Environment) strategy should be implemented to boost up the employee's to engage.
- ❖ Strength, Weakness, Opportunity, and analysis should be made to improve the efficiency of the employee to enhance in loyalty.

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**Cite this article as :**

Dr. M. Sudha Paulin, Anto Noel Sharan A, "A Study on Impact of Employee Loyalty on Performance of People Working In Sundaram Finance", International Journal of Scientific Research in Science and Technology (IJSRST), Online ISSN : 2395-602X, Print ISSN : 2395-6011, Volume 10 Issue 2, pp. 650-654, March-April 2023.

Journal URL : <https://ijsrst.com/IJSRST52310287>