

## Research Abstract

### A Study on Employee Loyalty towards The Organisation in Coimbatore Based Textile Industry

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Changes in Indian Industry have gained enormous momentum. Even then the people – human resources, the rising cost of human time, job disenchantment, making job fit for people, searching for more meaningful work experience, employee hostility and puzzling people problem, all these cannot be avoided. The harmonized era has arrived. The industrial society is rapidly becoming the human society. The age of consumerism and employeeism is here. The remainder of the century will be known as the people generation. The focus of planners, managers and social scientists will shift from machines buildings, economics and markets to people (Killan A Ray 1976). Once the focus has been shifted towards the people in the organisation it is a must to see to it that the people under consideration are able to be faithful and true to the organisation. The main objective of the study is to analyze the existing level of loyalty among the staff in textile industry and provide suggestions to the textile industry to enhance the level of loyalty. The study of employee loyalty towards the organisation is important for more than one reason. However, limited studies have been done so far on employee loyalty, particularly in India. This study highlights the concept of employee loyalty towards the organisation in textile industry in Coimbatore, known as “Manchester of South India”. A review of literature on various indicators of loyalty used by researches show that the most often repeated indicators are motivation, leadership, recognition, empowerment, involvement, rules and regulations, community approach and participation. These indicators were grouped accordingly into independent variables as Job Security, Commitment, Bonding, Career Development and Organisation Climate for finding their impact on employee loyalty. A theoretical model was also developed based on the five independent variables along with their indicators. In order to achieve the objective of the study, questionnaires were developed to collect the data and know the contribution of various independent variables on the existing level of loyalty. A proven questionnaire known as loyalty acid test was used to measure the existing level of loyalty among the employees. Sangeeth group of companies which has five mills in its fold and which possesses the characteristics of textile mills in Coimbatore district and a true

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representative samples for the Coimbatore district based textile mill was considered for the study. The study covers all the 165 staff working for the five mills of which 5 of the staff are factory managers in the respective mill.

To compare the level of loyalty among the staff in textile industry, a traditional industry with that of an industry which has undergone a change over a period of time, a few engineering organisations in Coimbatore were considered in this study. Moreover to ensure that a new generation industry when considered will give a better view, a few IT companies were also taken up for the study. In order to know the demographic facts of the respondents, simple percentage was used. By applying weighted mean it was found that in the Textile, Engineering and IT industry, bonding was given highest importance by the respondents, followed by commitment, out of the five independent variables considered for the study. The results of the acid test values indicate that the existing level of employee loyalty is high in the textile industry, followed by Engineering and IT industry respectively.

In order to find out the factors that influence the employee loyalty, correlation analysis was applied. The results indicate that job security and organisation climate have higher influence on the level of employee loyalty in Textile industry, whereas it is the organisation climate in Engineering and job security in IT industry respectively. Moreover the results of a correlation matrix shows that all the five factors considered for the study have significant inter correlation between them irrespective of the industry considered for the study. The regression analysis performed revealed that each and every

factor vary in their intensity in influencing the level of employee loyalty in all the three industry.

Multiple regression analysis which was used to know the extent of contribution of the five independent variables on the dependent variable which is the existing level of loyalty, shows that each and every independent variable contribute significantly to the existing level of loyalty in each and every individual mill considered for the study. This in turn is reflected in the overall value of the industry as well indicating that there may be certain other factors than those that have been considered which may be existing in the individual unit influencing the employee loyalty.

While analyzing the gap between the expectation of the management and the derived value of employee loyalty using t - test it was found that there exists insignificant difference in the level of loyalty between the derived and the expected in all the independent variables, and the expectation by the management in the level of loyalty than the derived level of loyalty is more in job security, commitment and bonding. Whereas in career development and organisation climate the derived level of loyalty is more than the expectation. Further analysis to find out the differences in the level of loyalty between the industry based on the five independent variables shows that there is a significant difference in the level of employee loyalty between the three industry, and in the textile industry the level of employee loyalty is more in the case of each and every independent variable analyzed.

In order to identify those factors that will enhance the employees loyalty towards the organisation, the respondents were asked to rank any five of the eighteen expectations listed in the questionnaire.

By applying weighted mean it was found that in the textile industry the employees have given top priority for job security, career development and organisation climate for which the indicators are job security, opportunity to improve knowledge and skill, comfortable physical conditions in place of work, perquisites, allowances and other benefits, challenge in job and salary irrespective of the demographic factors considered. An employee loyalty model for the textile industry has been developed. Understanding the indicators of the variables, and their influence on the employee loyalty on behalf of the organisation is essential for the performance and image of the organisation.

The outcome of the study has revealed that job security, organisation climate and career development are of utmost importance to the employees in the textile industry. This suggests that the management should focus their commitment in these key areas since it is true that employees loyalty starts with corporate commitment to employees. The economic benefits of employee loyalty will be of immense use to the textile industry which undergoes fluctuation in its survival, and in all this lies the possibility of winning employee loyalty towards the organisation, which perhaps is not such an outdated term after all.