IS EMPLOYEE LOYALTY RESEARCH LIVING IN THE SHADOWS?

CONSOLIDATING FINDINGS INTO A FUTURE RESEARCH AGENDA

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ABSTRACT

Employee loyalty is of practical interest for team leaders and organizations as it is assumed to have an impact on both, effectiveness and performance. Consequently, it has been researched for decades. However, partly because of unresolved overlaps with the competing concept of organizational commitment, solid knowledge regarding determinants, processes, and consequences is difficult to discern. In light of the fact that a review of the employee loyalty literature is missing so far, this paper aims at providing a systematic stock-taking of relevant studies and their findings in order to identify research gaps and interesting future research opportunities. Among others our findings suggest to avoid using organizational commitment and employee loyalty as synonyms, but to distinguish clearly between them. There is a need to differentiate between reference objects of loyalty (e.g., a person, a team, the firm). Additionally, there is a need for exploring interdependencies and more sophisticated cause-effect chains between different antecedence and outcomes. We further identify an apparent negligence of loyalty research at the group or team level as well as with regard to processes that foster or erode loyalty building. This paper contributes to advancing our knowledge about a very relevant phenomenon, through consolidating previous research and directing future research efforts.

Keywords: Employee loyalty, organizational commitment, literature review, antecedents, outcomes
INTRODUCTION

Loyalty as a social psychological phenomenon deeply embedded in human and organizational behavior is tentatively understood as faithfulness or devotion to an individual, a team, or an organization in the case of individual incentives to defect or to desert. Loyalty or disloyalty is of relevance and often debated for instance with regard to sports teams, military services, political parties, faculties, or employers at large. Professional sports are a good example due to broad media coverage. While fans are frequently loyal to ‘their’ club even during times of failure, they deplore disloyalty and greed for money among players as in the case of Shaquille O’Neal or Fernando Torres (Russell, 2011). For a couple of reasons loyalty is of interest for management practitioners and scholars, too. On the one hand, employee loyalty is expected by supervisors and organizations in return for inducements delivered (Simon, 1976), e.g., salary, promotion opportunities or other incentives. Consequently, disloyalty is perceived as a break of the explicit or implicit exchange contract. On the other hand, employee loyalty may not be in the best interest of an organization, if for example the employee is not disclosing unethical behavior because s/he feels committed to a ‘code of honor’ or the company is in a need to increase its employee turnover. Apparently, there is a trade-off between the economic benefits of employee loyalty and its associated costs.

Given its importance for leaders and organizations, the concept of employee loyalty has been addressed in various conceptualizations by many researchers from different disciplines, such as management (e.g. Brown et al, 2011; Niehoff et al., 2001; Reichheld, 1996), psychology (e.g. Chen, 2001; Chen et al., 2002; Cunha, 2002) and business ethics (e.g. Larmer, 1992; Mele, 2001; Vandekerckhov & Commers, 2004). Rather independently a closely related concept, organizational commitment, has found similar research interest (e.g. Meyer & Allen, 1991;
Wiener, 1982). However, despite their similar nature, there has been almost no integration across the disciplines in studies of loyalty and commitment, partly because a review of the employee loyalty literature is missing. Hence, there are many open questions and future research opportunities that call for exploration. Beside primarily conceptual papers, researchers from different disciplines have especially examined antecedents (e.g. Cunha, 2002; Davis-Blake et al., 2003) and outcomes (e.g. Chen, 2001; Brown et al., 2011) of employee loyalty. Again, due to the lack of a review that identifies and systematizes approaches, methodologies, and findings of previous studies one has to assume at least partly research overlaps and contradicting results. Quality and generalizability of findings provided by previous research seemingly suffer from a variety of definitions of loyalty, which make it difficult to compare previous findings regarding antecedents and outcomes of employee loyalty. Consequently, Minton (1992) already called for a more concerted effort to understand the loyalty construct, as well as its antecedents and consequences. In the light of reviews of the organizational commitment literature (e.g. Cohen, 2007; Meyer & Allen, 1991; Reichers, 1985), it comes as a surprise that a topical and systematic literature review on employee loyalty, which also considers possible overlaps and differences with the concept of organizational commitment, is lacking.

To fill this gap and allow for identifying promising research directions, theoretical and methodological approaches that advance the field the objective of this study is to systematically review the relevant literature on employee loyalty. We apply an integrative framework of employee loyalty to systematically classify the large body of existing studies, to discuss antecedents and outcomes of employee loyalty and to compare theory-based expectations and actual empirical findings. Finally, we highlight current shortcomings in the employee loyalty research and describe promising future research streams.
RESEARCH FINDINGS ON EMPLOYEE LOYALTY

Literature Search

Applying widely acknowledged review practices several complementary literature retrieval procedures have been employed to identify studies that focus on employee loyalty (cf. Figure 1). First, we conducted a digital database research within the bibliographic databases EBSCO and JSTOR to identify high quality research published in peer-reviewed scholarly journals. In order to single out relevant studies, we used several keywords. The keywords were connected by Boolean operators and applied to titles, abstracts and full texts. After eliminating duplicates the starting sample embraced 177 studies of which 103 studies had to be excluded based on a case by case analysis of titles and abstracts as they did not to primarily focus on employee loyalty or were not published in English. The remaining 74 studies have been read thoroughly to elaborate into their research focus and findings. Thereby, only those studies were considered which essentially addressed loyalty in the organizational context excluding studies addressing loyalty to customers, family, union or home country. As a result 47 key studies on employee loyalty have been identified that focus on conceptualization issues or on antecedents and outcomes of employee loyalty.

As already mentioned, a comprehensive review of the employee loyalty literature has to compare approaches, methods, and findings with the related concept of organizational commitment especially as they sometimes considered to constituting synonyms (Coughlan, 2005: p. 44). Therefore, reviews of the organizational commitment literature have been searched for. Overall, we identified five literature reviews (Cohen, 2007; Randall, 1987; Reichers, 1985; Wagner, 2007; Zangaro, 2001) as well as a couple of frequently cited key studies on organizational commitment (e.g. Meyer & Allen, 1991; Wiener, 1982).
Conceptual Framework

In order to systematize and compare the different studies and respective definitions, approaches, and variables that represent previous research, a conceptual framework has been developed and applied (Figure 2). It is proposed to differentiate studies that highlight certain conditions and characteristics that influence the emergence of employee loyalty (antecedents) from studies that focus on the loyalty–performance linkage (outcome). Based on a brief screening of the respective literature it is further proposed to differentiate three reference objects, i.e. individuals (e.g. the boss), working teams, and the organization at large (e.g., the employing firm). While we did not find studies that elaborate into processes of loyalty building or erosion, we found a broad scholarly research stream of publications that predominantly discuss different
aspects of employee loyalty such as definitions, conceptual and methodological approaches and/or propose an own perspective or model (conceptualization), which we integrated in the proposed framework, too.

**Definitions and conceptualizations of employee loyalty**

The literature on employee loyalty offers a variety of definitions and conceptualizations of loyalty that show certain overlaps with research on organizational commitment. Therefore, it seems to be necessary to compare definitions and conceptualizations of both constructs.

Due to the fact that research on organizational commitment had already developed different definitions, approaches, and conceptualizations the first review paper had been published in a reputed management journal in the mid 1980ties (Reichers, 1985) followed by others. According to these reviews research on organizational commitment can be distinguished into three different
approaches or “schools”: (I) the attitudinal approach (attachment, involvement, and identification), (II) the normative approach (obligation), and (III) the behavioral approach (side-bets). It will be used, on the one hand, to align the most relevant studies and, on the other hand, to compare it with employee loyalty concepts (Table 1).
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<td><strong>II. Normative Approach</strong></td>
<td><strong>Obligation</strong></td>
<td>OC is defined as &quot;an employees feeling of obligation to remain with the organization&quot; (Allen &amp; Meyer 1990, p. 1)</td>
<td>Cohen, 2007</td>
<td>EL is defined as &quot;demonstrating unreserved dedication&quot; (Chen et al. 2002, p. 341)</td>
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<td>OC is defined as &quot;the totality of internalized normative pressures to act in a way that meets organizational interests&quot; (Wiener 1982, p. 418)</td>
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<td><strong>Dedication</strong></td>
<td>OC is defined as &quot;member dedication to system survival&quot; (Buchanan 1974, p. 534)</td>
<td>Reichers, 1985</td>
<td>EL is the “wholehearted devotion to an object” (Schrag 2001, p. 43)</td>
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<td>III. Behavioral</td>
<td>Side-Bets</td>
<td>OC is &quot;a function of the rewards and costs associated with organizational membership&quot; (Reichers 1985, p. 468)</td>
<td>Becker, 1960</td>
<td>EL is &quot;a strong tie that binds an employee to his company even when it may not be economically sounds for him to stay&quot; (Logan 1984, p. 150)</td>
<td>Alvesson, 2000</td>
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<td>Behavioral</td>
<td>Limited Opportunism</td>
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<td>Blau &amp; Boal, 1987</td>
<td>EL is &quot;an implicit promise from a subordinate not to bring harm to the executive&quot; (Butler 1991, p. 646)</td>
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<td>Cohen, 2007</td>
<td>EL is &quot;to sacrifice one's self-interest for the supervisor&quot; (Chen et al. 2002, p. 341)</td>
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<td>OC is defined as &quot;the costs that an employee associates with leaving the organization&quot; (Allen &amp; Meyer 1990, p. 1)</td>
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Table 1: Comparison between definitions of Organizational commitment and Employee Loyalty (continued)
The seminal work in the field of organizational commitment published by Porter, Steers, Mowday and Boulian (1974) in the Journal of Applied Psychology has been frequently characterized as an attitudinal approach (Zangaro, 2001). Organizational commitment is accordingly defined as an attitude (Cohen, 2007) that becomes manifest in “a positive individual orientation toward the organization” (Blau & Boal 1987: 290) that leads to “an affective or emotional attachment to the organization” (Allen & Meyer, 1990: 2). Similarly, one of the earliest works on employee loyalty defines it as a form of “special attachment” which employees feel to their organization (Hirschman, 1970). Hirschman’s model of exit, voice and loyalty represents the first conceptualization of loyalty (Graham & Keeley, 1992) that characterized loyalty as an attitude, which significantly influences employee’s decision about using voice or exit (Withey & Cooper, 1992). It is noteworthy that Hirschman’s reference object is the organization and not the supervisor or team.

According to Porter and his colleagues (1974) the attitudinal approach has to be further differentiated regarding both, involvement and identification of committed employees. First, “the relative strength of an individual’s involvement in a particular organization” (Mowday et al. 1979: 226) is seen as an important element of organizational commitment, which results in a “willingness to exert considerable effort on behalf of the organization” (Porter et al. 1974: 604). Similarly, identification defined as “a state in which an employee identifies with a particular organization” (Blau & Boal 1987: 290) proposes that employees develop a strong belief in their company’s goals and values (Mowday et al., 1979), which subsequently leads to organizational commitment. With reference to employee loyalty many definitions also emphasize the relevance of identification with multiple foci, i.e. reference objects (Boroff & Lewin, 1997) as well as
congruence with their values and goals (Chen, 2001). For example, Ali et al. (1997) point out that loyalty is characterized by “an affiliation to sustain shared values” (p. 261). Additionally, Chen et al. (2002) definition of employee loyalty explicitly includes the identification with the respective supervisor, internalization of values, and willingness to exert extra efforts.

The attitudinal approach and particularly its three key elements, i.e. attachment, involvement and identification, that have been frequently applied within the organizational commitment research is reflected by similar definitions and conceptualizations in the employee loyalty literature (e.g. Boroff & Lewin, 1997; Rousseau, 1990, Powers, 2000). However, regarding the behavioral and the normative approach or school we identified significant differences.

According to the review article by Cohen (2007) the conceptualization of organizational commitment used for instance in the work of Wiener (1982) has to be characterized as a normative approach. Wiener (1982) argued that previous definitions of organizational commitment, especially identification with and acceptance of organizational values, constitute a normative control over individual behavior. Accordingly, Wiener (1982) defined organizational commitment as “the totality of internalized normative pressures to act in a way that meets organizational interests” (p. 418) and consequently included normative processes in her research framework. The normative approach assumes that the willingness of employees to show commitment to the employer is to a higher extent influenced by socialization processes or general working ethics than by day-to-day working experiences of an individual (Meyer & Allen, 1997). Hence, deeply rooted general values and attitudes induce an obligation among committed employees to put forth effort on the job and stay with the organization (Cohen, 2007; Wagner, 2007). In contrast, there is no definition of employee loyalty, which explicitly includes such an obligation.
Following appraisals by Reichers (1985) and Zangaro (2001) the broader concept of organizational commitment embraces a form of dedication, too, leading to a pledge of committed employees “… to sustaining the well-being of the organization” (Buchanan 1974: 534). Such a dedication of members to work for the survival of the organization, however, is not based on voluntary and altruistic motives but personal investments and sacrifices are done either because of past or prospected future rewards (Buchanan 1974). Contrasting this view of organizational commitment as a cost-benefit rationale, definitions of loyalty and loyal employees emphasize “unreserved dedication” (Chen et al. 2002: 341) or “wholehearted devotion” (Schrag 2001: 43) towards their company or supervisor. The first authors, however, has stressed the point that such an ‘altruistic’ dedication is he result of socialization processes and national cultures referring especially to the Chinese culture, which is characterized by a high level of relationship-orientation, sensitivity to the individual social role and compliance with the Confucian social order (Chen et al., 2002). Hence, Chinese individuals, who perceive or define their role as inferior (e.g., subordinate employees) exhibit, full dedication to their respective supervisor (Chen, et al., 2002) thereby, living up cultural expectations and norms. Moreover, the authors conclude that the organizational commitment concept is somewhat inappropriate for the cultural context of China as Chinese people show commitment or loyalty to a person and not to an impersonal organization at large due their relationship-oriented culture.

In summary, there are differences between the concept of organizational commitment and employer loyalty with regard to the normative approach. While organizational commitment emphasizes the fact that committed organizational members feel obliged such a precondition is not mentioned in the context of employer loyalty. Dedication turns out to be a key element of
Both concepts, however, while commitment research stresses expedience, loyalty research assumes voluntariness.

Finally, the behavioral perspective of organizational commitment can be traced back to the side-bet theory (Becker, 1960). It considers organizational commitment as an individual behavior (Zangaro, 2001) and defines it as “… a function of the rewards and costs associated with organizational membership.” (Reichers 1985: 468). It is argued that investments made by employees with regard to the employing organization (e.g., friendship-ties with colleagues, firm-specific knowledge, entitlement to a pension) will lead to and enforce organizational commitment and staff retention (Cohen, 2007). Individual costs-benefit considerations dominate the behavioral approach - the accumulation of organization-specific investments makes it too costly for employees to exit (Blau & Boal, 1987) and individuals become committed because they need to (Meyer & Allen, 1991).

While the employee loyalty literature occasionally mentions costs-benefit rationales, it is, however, predominantly used to highlight that loyal employees waive their self-interest (Chen et al., 2002; Dooley & Fryxell, 1999) and give priority to the needs and interests of the employer (Alvesson, 2000). In the same vein, it is argued that loyal employees show lower tendency of opportunism (Alvesson, 2000; Dooley & Fryxell, 1999) and will for instance remain with their employer despite strong economic incentives to leave (Logan, 1984; Reichheld, 1996). Moreover, loyal employees promise explicitly or implicitly “not to bring harm” to their company, executives or peers (Butler, 1991: 646). Consequently, loyal employees are unlikely to complain about changes in the organization (Niehoff et al., 2001) and will defend it against criticism expressed by outsiders (Turnley & Feldman, 1999). Loyal employees tend to show pride for the organization and engage in positive word-of-mouth recommendations about the company even in
situations they are personally not convinced about the quality of their employer’s services and products (Ali et al., 1993; Niehoff et al., 2001).

Hence, one has to state that the concepts of organizational commitment and employer loyalty show significant differences with regard to the behavioral approach.

Overall, the comparison of the two concepts, i.e. organizational commitment and employee loyalty, shows commonalities, especially if basically attitudes are regarded (attitudinal approach/perspective). However, with regard to the normative and behavioral approach one has to state striking differences. Particularly, employee loyalty is predominantly considered as free of individual feelings to be obliged, of individual cost-benefit calculations and nonvoluntary dedication, whereas these characteristics frequently show up with current descriptions of organizational commitment. Hence, it is worthwhile to review the research literature on employee loyalty and its approaches, methods, measures and findings independently.

**Findings Regarding Antecedents of Employee Loyalty**

Many studies on employee loyalty have examined to what extent different factors lead to, foster or erode loyalty. According to the proposed framework the respective findings are subsumed under the three distinct reference objects, i.e. individual, group and organizational characteristics.

**Individual characteristics.** Attitudes and behaviors of employees regarding loyalty are affected by individual characteristics or personal traits (Coughlan, 2005). Previous research has also highlighted that the individual belief in a psychological contract held between them and their employer affects loyalty (Rousseau, 1990). Furthermore, individual perceptions, for example of work-related situations or organizational processes (e.g. Vishnumurty, 2009), as well as
satisfaction with occupational issues (e.g. Rusbult et al., 1988) seem to have an influence on employee loyalty. Finally, various studies investigate how the relationship between leader and subordinate enhances or inhibits employee loyalty (e.g. Caldwell & Canuto-Carranco, 2010).

**Personal traits.** For various reasons, firms are interested to select and recruit employees, who have a high propensity to be loyal (Coughlan, 2005). Empirical results suggest that employees with a high level of employee relationship proneness, which is characterized as an important personal variable, are more likely to become advocates of the company and/or refuse attractive job offers from alternative employers (Bloemer & Odekerken-Schröder, 2006). Employee relationship proneness is described as an individual, intrinsic propensity to engage in a relationship with the employer (De Wulf et al., 2001).

The article authored by Lee et al. (2012) examines the relationship among emotional intelligence, organizational loyalty and quality of customer service. Applying Salovey and Mayer’s (1990: 189) definition of emotional intelligence i.e. “… the ability to monitor one’s own and others’ feelings” (p.189) to the airline industry Lee et al. (2012) empirically prove that flight attendants with a high level of emotional intelligence tend to be more loyal to the organization and are more successful in dealing with customers.

**Psychological contract.** Researchers focusing on employee loyalty have argued and empirically tested that the concept of a psychological contract defined as “individual beliefs in reciprocal obligations between employees and employers.” (Denise Rousseau, 1990: 389) is helpful in explain employee loyalty, too. In most cases, informal psychological contracts are established in the course of recruiting expectations and early organizational experiences (Turnley & Feldman, 1999). Violating it from the perspective of the employee often leads to negative
consequences regarding organizational climate, trust and job satisfaction (Rousseau, 1995). Breaching the psychological contract more specifically has been proved to erode loyalty and supportive behaviors (Turnley & Feldman, 1999; Turnley & Feldman, 2000; Ng & Feldman, 2009). However, generalizability of these findings is challenged by studies that highlight the moderating impact of the cultural context. Ali et al. (1993), for example, have shown that the link between psychological contract and loyalty is significantly influenced by cultures that show a high score in individualism such as USA or Canada.

**Individual perception.** Other studies focusing on employee loyalty propose that the self-perception of employees affects the emergence and persistence of loyalty, too. For example, Berntson et al. (2010) asked white-collar workers to assess their own individual employability. Individuals, who perceived themselves as highly employable showed a significant lower level of loyalty. Consequently, they show a higher probability to leave their employer in the case of emerging external opportunities. Similarly, other scholars have acknowledged the relationship between employability and loyalty to the organization (Farell, 1983; Rusbult et al., 1988). However, these findings have to be interpreted with caution. If employee loyalty is measured through employee turnover data, of course there will be a statistical correlation between employability and loyalty.

Related studies examined the impact of individual perceptions of occupational situations or organizational processes on employee loyalty. Among service employees Vishnumurty (2009) for example reported a high positive correlation between the perception of a health-promoting workplace and loyalty of service employees. For the same industry, a significant and positive link between perceived empowerment and employee loyalty has been found (Fulford & Enz, 1995).
Satisfaction. Another antecedent of loyalty that has been consistently tested to affect loyalty positively is individual job satisfaction (Farell & Rusbult, 1992; Rusbult et al., 1988). Job satisfaction itself, however, is the result of many factors and moderators. For this reason, various empirical studies investigate the interplay between working relations or organizational aspects and satisfaction or employee loyalty. Regarding working relationships Matzler & Renzel (2006) demonstrate that trust in the management as well as trust in peers has a direct impact on employee satisfaction and subsequently influences employee loyalty positively. Beyond the influence of working relations, Borzaga and Tortia (2006) investigated the impact of process-related aspects (e.g. professional development, decision-making autonomy), extrinsic aspects (e.g. working hours, job security) as well as economic aspects (e.g. mix of incentives, wage) on worker satisfaction and consequently loyalty. According to their studies and, thus, challenging the results of Matzler and Renzel (2006), work relationship had a weaker impact on satisfaction while process- and economic-related aspects strongly influence satisfaction and thereby positively affect loyalty (Borzaga & Tortia, 2006). Arsić et al. (2012), Chang et al. (2010) and Jun et al. (2006) conducted empirical studies regarding possible systematic linkages between total quality management practices, satisfaction and employee loyalty. They found that employee empowerment, job evaluation, teamwork, leadership as well as compensation are significant positive predictors of employee satisfaction and subsequently employee loyalty. Additionally, Kearney et al. (2012) suggested that the physical work environment (e.g. internal design, light, music) not only has an impact on purchase decision but also influences employee’s job satisfaction. Satisfaction in the job results in turn in a higher level of employee retention and loyalty. Their large-scale survey among sales clerk in the grocery retail sector supported this hypothesis (Kearney et al., 2012).
Leadership. Besides individual perception and satisfaction research on important antecedents of employee loyalty addressed various aspects of leadership. One reason is that loyalty is more often related to a leader than to an impersonal organization at large. For example, Cunha (2002) investigated the impact of different leadership behavior on loyalty. Through personal interviews that revealed which behaviors and practices employees associated with good and dysfunctional leadership he finds that the skill of the leader to intensely communicate and to involve employees in daily work plays an important role to gain loyalty (Cunha, 2002). In addition, Reilly et al. (1993) have shown that even in times of economic turbulence and organizational change a frequent and honest communication between leader and subordinates helps to avoid a drop of the employee loyalty level. In particular, communication of supervisors about organizational goals and various ways to contribute and achieve them (i.e., path-goal theory) is recognized as being crucial in promoting loyalty (Anderson & Martin, 1995; Brown et al., 2011). According to Locke’s goal setting theory there is empirical evidence that challenging goals and stressors were positive related to employee loyalty, too (Haar, 2006; Hollebeeck & Haar, 2012). With regard to target achievement Si and Li (2012) demonstrate that managers who devote more time in providing their employees with feedback and in identifying areas for individual improvement achieve higher level of loyalty. Similarly, Kantsperger and Kunz (2005) revealed a positive relationship between an employee-oriented management style and employee loyalty. Supervisors with a high employee orientation consider the needs of their subordinates and provide them with detailed feedback (Kantsperger & Kunz, 2005).

Leaders who provide “… subordinates with protection, support, and opportunities for sense making …” (Cunha, 2002, p. 490) are more likely to achieve and maintain loyalty among their subordinates. In contrast, inferior leadership practices such as lack of attention to human
competencies or to individual needs (Cunha, 2002) or treating organizational members like means rather than ends (Caldwell & Canuto-Carranco, 2010) have been characterized by employees as examples for dysfunctional leaders that erode loyalty. Leaders that appear to put their interests first and over that of their subordinates create an atmosphere of distrust and “organizational terrorism” which destroys an employee’s willingness to be loyal. Similarly, Kumar and Shekhar (2012) argue that so called dictatorial management styles hinder loyalty.

**Group characteristics.** Triggered by critics arguing that “satisfaction is simply not enough” to enhance employee loyalty and profit (Drizin and Schneider, 2004: 43) further antecedents like group composition and group processes have been investigated (Coughlan, 2005).

**Group size.** It has been argued that companies may foster loyalty by keeping groups and teams rather small (Reichheld, 2001). For instance, small teams provide a clear and comprehensible distribution and assignment of tasks and every team member knows his/her particular and vital role. Consequently, trust building within the group is facilitated (Reichheld, 2001), which has a positive impact on employee loyalty (Brown et al., 2011; Gill, 2011; Niehoff et al., 2001). Other advantages of specialized small groups such as increased customer orientation, improved customer relationships as well as customer loyalty will also influence employee loyalty (Reichheld, 2001).

**Group composition.** Similar to group or team cohesion (Casey-Campbell & Martens, 2009) the number and especially the characteristics of organizational group members have an impact on employee loyalty. A couple of research articles address blended workforces and examine the influence of temporary or free-agent workers working side-by-side with full-time employees on the loyalty of the later (e.g., Davis-Blake et al., 2003). They found that the loyalty of full-time
employees drops significantly in the presence of temporary co-workers, which they attribute to the following reasons: First, temporary workers often increase the size of a working group and require temporarily adaptations to an otherwise clear and stable team structure which subsequently impedes trust building among team members and leaders (Reichheld, 2001). Second, managers tend to delegate more responsibilities and tasks (e.g., staff training and supervision of temporary peers) unto to the permanently employed staff. The possible empowerment effect on employee loyalty is overcompensated by a perceived violation of the psychological contract, because full-time employees are not rewarded for this additional workload. Finally, it has been argued that temporary workers increase the competitive pressure leading to feelings of job insecurity among full-time employees (Geary, 1992), which has been proved to be a reliable predictor for the erosion of employee loyalty (Berntson et al., 2010).

Organizational characteristics. Research on antecedents of employee loyalty has highlighted the importance of organizational characteristics regarding the development and degree of employee loyalty. As a result of the comprehensive review it is proposed to classify extant research under organizational culture as well as organizational structure and practices.

Organizational culture. The existing organizational culture apparently plays a major role in increasing respectively in altering employee loyalty (Kumar & Shekhar, 2012; Cunha, 2002). For instance, Kumar and Shekhar (2012) found that employees who experience a culture of healthy and fruitful relationships with colleagues, superiors and the management exhibit are interested in remaining with the company. Furthermore, Cunha (2002) argued that a culture, which emphasizes a collaborative and family spirit and therefore creates a workplace, “… where friendships that go beyond professional relationships are made” (Cunha, 2002, p. 491) will promote employee loyalty. Especially within the cultural context of China, a familial climate has
been recognized as an influential factor in shaping and explaining employees’ behavior, motivation and performance (Jen et al., 2012). Chinese employees who experience a family-like atmosphere at the workplace exhibit a high level of loyalty to their supervisor triggered by social identification (Jen et al., 2012). Similarly, Alvesson (2000) has shown that strong positive corporate social identities as well as strong social relations among peers are important predictors of employee loyalty.

**Organizational structure and practices.** While authors have identified a positive link between certain human resource (HR) methods and the emergence of loyalty (e.g. Brown et al., 2011), the impact of structural determinants on loyalty has been rather neglected so far (Cunha, 2002).

The case study of Cunha (2002) suggests that the so-called minimal structure type of organization fosters loyalty among employees. ‘Minimal structure’ is defined as applying coordination measures without constraining employees, i.e. without limiting their discretion (Kamoche & Cunha, 2001). It can be applied to any formal structural type, i.e. functional, multidivisional, and matrix (Cunha, 2002). Similarly, organizational structures that offer a great amount of flexibility and autonomy with regard to the way employees fulfill their tasks has been proved to enhance employee loyalty, too (Kumar & Shekhar, 2012; Naus et al., 2007).

Besides organizational structure, HR practices in general, such as employee participation, have been identified to be important antecedents for creating a committed and loyal workforce (Cotton et al., 1988). On the one hand, companies can foster employee participation through involving employees in decision-making processes (Cassar, 1999). Empirical results from Brown et al. (2011) support the positive influence of corporate decision making on the development of employee loyalty. On the other hand, employee participation and loyalty can be stimulated by
Empowerment (Niehoff et al., 2001). Empowerment and participative decision-making constitute the common ground for a democratic managing approach (Niehoff et al., 2001), but empowerment furthermore includes managerial practices that share power, control and authority with employees (Conger, 1989; Conger & Kanungo, 1988). Several empirical studies across different industries found a significant positive correlation between empowerment and loyalty (e.g. service industry: Fulford & Enz (1995); health care: Koberg et al. (1999); federal government facility: Niehoff et al., 2001).

Furthermore, aspects of the formal, recorded contract of employment, which are frequently negotiated between the department of human resource management and the prospective employee, have been found to impact loyalty as well. It is pointed out that certain contractual issues are the most important factor to create loyal employee (Eskildsen & Nüssler, 2000). This applies in particular for attractive compensation schemes (e.g. competitive pay, bonus programs) and for career development issues (Eskildsen & Nüssler, (2000), De Vos & Meganck (2007)) found a positive correlation of employee loyalty with career development opportunities, but in contrast to Eskildsen and Nüssler they indicate a negligible influence of financial rewards.

Apparently, managerial practices on the corporate level such as empowerment or fair contracts are reciprocated by a higher degree of loyalty. In accordance, for instance, with early considerations by March and Simon (1976) these practices accompanying credit of trust exerted by the organizations are returned by employees through increased personal and organizational trust (Bennis & Nanus, 1985; Gilbert & Tang, 1998) and subsequently through acts of loyalty (Niehoff et al., 2001). Thus, several studies have proven organizational trust to be a key influential factor on employee loyalty (Brown et al., 2011; Gill, 2011; Niehoff et al., 2001).
In the light of these findings it does not come as a surprise that downsizing or M&A activities, which erode trust in supervisors, top-management and the organization at large, have been found to affect loyalty negatively (Robinson et al., 1994; Niehoff et al., 2001, Stroh & Reilly, 1997a; Turnley & Feldman, 1999). It has been argued that downsizing is frequently perceived by employees as a violation of their psychological contract (Turnley & Feldman, 1999, Turnley & Feldman, 2000; Ng and Feldman, 2009). Breaching the psychological contract leads to a lower level of organizational trust (Turnley & Feldman, 1999), and will also harm loyalty (Niehoff et al., 2001). A possible opportunity to avoid this loss of organizational trust and loyalty is to respond to the concerns that have been raised by employees during the M&A process in an empathic and supportive manner (Goleman, 1998). Consequently, Chun (2009) investigates employee’s emotional responses after a merger and demonstrates that organizational empathy and conscientiousness were strongly correlated with employee loyalty.

To summarize, the previous results regarding antecedents show a significant preponderance of research that focused on the individual and organizational level. Particularly, individual satisfaction as well as leadership behavior positively affect employee loyalty and have been thoroughly researched. Regarding the organizational level a close linkage between management practices like employee empowerment as well as career development opportunities and loyalty has been proven. In contrast, antecedents with regard to the group level have largely been neglected.

Findings Regarding Outcomes of Employee Loyalty

Individual outcomes. Loyalty seemingly plays an important role in many contexts of social and organizational behavior and affects employees in carrying out their jobs and tasks (Stroh & Reilly, 1997a) and making decisions regarding behavioral alternatives (Coughlan, 2005). On the
one hand, previous research shows that loyalty influences the probability, extent and the way employees complain about specific problems (e.g. Olson-Buchanan & Boswell, 2002). On the other hand, studies revealed significant relationships between loyalty and employee’s satisfaction and performance (e.g. Chen, 2001).

**Grievance behavior.** Extant research has shown mixed or even contradicting results with regard to complaining or grievance behavior of loyal employees. In his seminal work, Hirschman (1970) proposed that employees respond to deterioration and specific problems basically through two means, i.e. voice or exit. The latter includes employee’s choice to leave the organization, whereas voice focuses on addressing and enunciate problems, injustices, and shortcomings. He further predicted that loyal employees will choose voice rather than exit in responding to situations of an individual decision problem that involves the interests of the organization, too. A similar line of reasoning is used in more recent studies (e.g. Hoffman 2006, Allen & Tüselmann, 2009). Referring to qualitative data, Hoffman (2006: 163) describes “the ironic value of loyalty” through illustrating that high loyalty levels may soften employee turnover problems at the cost of rising formal or informal grievance. Thus, employee loyalty appears to be Janus-faced, it may solve as well as create problems for supervisors. Yet, findings of another empirical study indicate that loyal employees respond to individual decision and behavioral dilemma to “by suffering in silence” (Boroff & Lewin, 1997, p. 50). Finally, grievance behavior has been investigated using two groups of loyal and less loyal employees (Olson-Buchanan & Boswell, 2002). The authors find that loyal employees address possible problems directly and talk to involved supervisors or peers, whereas less loyal employees prefer formal grievance or look for affirmative relief outside the company.
**Satisfaction.** Individual satisfaction with the job, the working place, supervisor, or organization on the one hand leads to employee loyalty. However, on the other hand, there is empirical evidence for the reverse relationship, too, i.e. employee loyalty leads to a higher degree of satisfaction. Chen (2001), for instance, found a positive relationship between supervisor loyalty and job satisfaction among Chinese employees. Thus, satisfaction appears to be an important outcome of employee loyalty.

**Individual performance and effort.** Loyal employees are expected to show extra efforts in the workplace and, hence, should be more productive (Chen et al., 1998). In accordance with this assumption, loyal employees showed a higher individual performance (Ali et al., 1993). Similarly, Chen et al. (2002) investigated the relationship between loyalty to supervisors and employee performance. Their empirical results suggest that loyal employees not only show a high in-role performance, but exhibit a higher extra-role performance than less loyal employees, too. In the Chinese context Wong et al. (2002) also proved that loyalty to supervisor is significantly and positive related to employees’ job performance.

**Group outcomes.** One may expect that loyalty whether directed towards a leader, a team, or an organization will impact outcomes at the group or team level (e.g., team satisfaction, team productivity, team performance), too. Previous research, however, provides only scant insights, as to the best of our knowledge there are just two published studies which are investigating the impact of loyalty on group performance (James & Cropanzano, 1994) and on the decision-making process within a group (Dooley & Fryxell, 1999).

**Group performance.** Similar to the individual level, a high degree of loyalty towards the working group should be a positive predictor of individual willingness to contribute to team success.
Three experimental studies by James and Cropanzano (1994) supported the prediction, that group member with a high level of loyalty are more likely to exert effort on behalf of their teams and therefore enhance group performance. Moreover, loyal individuals should generally have positive attitudes and behaviors (word-of-mouth recommendations, voluntary participation in extra-job activities) with regard to their group (James & Cropanzano, 1994).

**Decision quality.** Aiming at dissolving the confusion about the role of dissent and consensus in strategic decision-making, Dooley and Fryxell (1999) interviewed members of strategic decision-making teams working in the health care industry. The authors proposed that loyalty affects team member’s critical assessment of dissent during the strategic decision making process. Their results show that team members, who belong to a group with a high level of loyalty, evaluate dissent positive, which had a positive impact on decision quality, too.

**Organizational outcomes.** The willingness of loyal employees on the individual level to show extra efforts as well as a higher level of employee satisfaction should affect the outcomes, i.e. productivity or performance of the organization at large. Not surprisingly, a few research studies examined the influence of employee loyalty on both, customer satisfaction (e.g. Kumar & Shekhar, 2012) and organizational performance (e.g. Brown et al., 2011).

**Customer satisfaction.** Employee loyalty appears to be an important means for building and enhancing customer satisfaction (Drizin & Schneider, 2004). Kumar and Shekhar (2012) argue that loyal employees show extra efforts and excellent performance, which is recognized by customers and increases the perceived quality of performance of the organization, i.e. firm or team. Similarly, Reichheld (1993) postulates a positive relationship between employee loyalty and customer satisfaction. Generally, loyal employees are more willing to stay with the company
and therefore are more familiar with many customer satisfaction related issues, such as products, prices, business, and customer needs (Reichheld, 1993). Consequently, loyal employees are better able to build a long-term relationship and a bond of trust with their customer, which leads to a better service and therefore to a higher level of customer satisfaction (Reichheld, 1993). His line of argumentation found empirical support in different industries like grocery retail (Kearney et al., 2012) as well as service (Yee et al., 2010).

**Firm performance.** Extending the aforementioned argumentation, a high level of customer satisfaction, which is positively driven by high levels of employee loyalty, is a key driver of customer loyalty (Drizin & Schneider, 2004) that consequently enhances business growth and success (Kumar & Shekhar, 2012; Reichheld, 1993). However, prior research also provides evidence of a direct effect of employee loyalty on firm performance. Brown et al. (2011), who analyzed an extensive data set from the British Workplace and Employee Relations Survey (WERS), found that employee loyalty is positively associated with higher levels of labor productivity as well as financial performance.

Previous results suggest that the consequences to employee loyalty are particularly effective on the individual and organizational level. A loyal employee shows a continuous and outstanding individual performance (Chen et al., 2002). This behavior increases the likelihood of an excellent customer service (Yee et al., 2010) and finally enhances business success (Brown et al., 2011). In contrast, previous research gives limited insights into outcomes on the group level.
DISCUSSION AND FUTURE RESEARCH DIRECTIONS

Based on the systematic evaluation and analysis of the most relevant scholarly papers on employee loyalty, the following sections highlight shortcomings and important research gaps regarding (I) conceptualization; (II) antecedents, (III) outcomes of employee loyalty and (IV) the entire conceptual framework. Furthermore, the presentation of these shortcomings is aiming at elaborating possible and fruitful avenues for future research.

Research gaps regarding conceptualization. A fundamental problem – if not research gap – of the different, rather isolated studies on employee loyalty is the lack or often all too vague definition of employee loyalty in contrast to organizational commitment. As our review reveals, the literature on employee loyalty offers a multitude of definitions, which range from being very concise to rather broad (Coughlan, 2005) including affects and emotions, normative considerations and behavior (cf. Table 2). Due to this lack of consensus in the construct definition, it is increasingly difficult to determine exactly what is meant by loyalty and also to predict the presence or absence of loyalty in organizations. The problem of vague and partly conflicting definitions is further amplified by the synonymous use of loyalty and organizational commitment (Coughlan, 2005; Niehoff et al., 2001). Especially generalizability of results, especially with regard to identifying valid antecedents and outcomes of employee loyalty provided by authors that do not distinguish between the two concepts is in doubt (e.g. Atwater et al., 2000; Buchanan; 1974; Wong et al., 2002). Our review reveals an additional problem. Although some researchers (e.g. Bloemer & Odekerken-Schröder, 2006; Chen et al., 2002; Coughlan, 2005) provide a definition of employee loyalty which distinguishes it from organizational commitment, they (un)consciously include items, measures, and questions from widely-cited organizational commitment studies. As a consequence, it is difficult to synthesize...
previous results. These examples illustrate that it is necessary to develop a conceptual as well as a methodical discrimination of employee loyalty from organizational commitment.

The comprehensive comparison of both concepts presented earlier in this literature review shows that, although loyalty and commitment have much in common (cf. attitudinal approach), important differences are neglected and lost in the case they are perceived and treated as synonyms (cf. voluntary nature, limited opportunism). Hence, we call for a more meaningful and independent research on employee loyalty – including antecedents and outcomes – in contrast to the organizational commitment research. A clear definition of employee loyalty should trigger the development of specific theories, methods, and survey instruments, too. We thus propose:

Proposition 1: *Future research in the field of employee loyalty and organizational commitment will profit from explicitly defined conceptual foundations and methods used.*

Furthermore, our literature review illustrates that loyalty can evolve towards different reference objects in the organizational context, especially towards supervisor, group and organization (Coughlan, 2005). In contrast, the concept of organizational commitment reflects a desire, a need and an obligation to maintain employment in an organization (Meyer & Allen, 1991). Hence, organizational commitment includes only one reference object – the employing organization at large. Due to this difference, some authors (e.g. Chen, 2001) conclude that the organizational commitment concept is somewhat inappropriate for the cultural context of Asia. Collective and highly relationship-oriented societies focus on loyalty towards the respective supervisor rather than towards a more anonymous system like the organization (Chen et al., 2002).
It becomes apparent that studies, which focus on employee loyalty, consider each reference object separately (c.f. loyalty to supervisor: Jen et al., 2012; Wong et al., 2002; group loyalty: James & Cropanzano, 1994; loyalty to organization: Kumar & Shekhar, 2000; Matzler & Renzel, 2006). Additionally, most studies reviewed here address loyalty towards the organization but to the best of our knowledge no study investigates loyalty to several reference objects simultaneously, thus neglecting important interdependencies, too. An approach of particular research interest as well as of managerial relevance would be to measure and compare the loyalty level between different reference objects. Most likely different reference objects will have a moderating effect on each other or can lead to a subsequent reduction of loyalty towards one particular reference object. Thus, we propose:

Proposition 2: While the concept of employee loyalty offers fundamental managerial implications, more empirically-oriented research is needed to investigate the interplay between loyalties towards different reference objects.

Research gaps regarding antecedents. Generally knowledge about individual characteristics (e.g. relationship proneness, psychological contract), which increase the probability of loyal employee behavior, is helpful from the perspective of the recruiting and/or employing organization. Despite this practical relevance our literature review reveals that this research area is still in its infancy, i.e. in a pre-paradigmatic stage of development: Regarding individual loyalty propensity (Bloemer & Odekerken-Schröder, 2006) it is still unclear so far to which extent it is a personal trait or a socialized behavior. In order to gain a comprehensive understanding it would be helpful to test the linkage between loyalty propensity and real loyalty as well as to identify important moderators and contingencies, too. The same is true for the concept of a psychological contract proposed by Denise Rousseau (1990). Based on previous studies the questions arises, whether all employees refer to such a basically implicit concept in
the same way, how to operationalize and measure it in the light of its implicit character, and how to (re-)test its link to employee loyalty explicitly. Although there is empirical evidence that violations of the psychological contract lead to deterioration of employee loyalty (Turnley & Feldman, 1999) more research is needed to identify important determinants in various contexts. Therefore, we propose:

Proposition 3: More empirically-oriented research is needed to link the general literature on loyalty propensity, psychological contracts and its violations with the concept of employee loyalty in order to advance the scholarly knowledge about the influence of individual characteristics.

Furthermore, previous research on antecedents of employee loyalty has highlighted the importance of organizational characteristics regarding the development of employee loyalty. Based on our literature analysis one has to state that the majority of studies examined the impact of organizational culture and practice on employee loyalty. In particular it reveals that loyalty is positively affected by a family-like corporate culture (e.g. Jen et al., 2012) as well as by employee empowerment (e.g. Niehoff et al., 2001). In contrast, little is known about the effect of organizational structure on employee loyalty. Possible explanations for this shortcoming are the restriction of previous studies to knowledge-intensive firms (Cunha, 2002). Additionally, corporate culture, structural parameters as well as managerial practices have an impact on each other and subsequently influence loyalty. With exception of the study cited above (Cunha, 2002) such interdependencies are not investigated so far. Hence, there is an apparent need for a ground-laying framework regarding organizational characteristics as well as for future empirical research. Consequently, we propose:

Proposition 4: Additional theoretical and empirical research is needed to explore the interplay between antecedents on the organizational level and employee loyalty.
Research gaps regarding outcomes. The existing literature suggests that employee loyalty is a key success factor not only for companies (Stroh & Reilly, 1997a). Our literature review reveals that a few empirical studies (e.g. Wong et al., 2002) seem to be able to indicate that this assumption holds. It has been proved that loyal employees are characterized by a willingness to exert additional efforts (Ali et al., 1993) as well as by an excellent performance (Chen et al., 2002) on the individual level. Moreover, loyal employees are strongly involved in group activities and similarly assume responsibility for group’s achievement (James & Cropanzano, 1994). With reference to the organizational level the study authored by Brown et al. (2011) proves a positive relationship between employee loyalty and financial firm performance. The previous mentioned studies can surely be used as a starting point for future research regarding outcomes of employee loyalty. Furthermore, the reviewed studies demonstrate that positive consequences of employee loyalty are viewed in isolation. However, there is much evidence that these outcomes have an impact on each other (e.g. loyalty → individual performance → customer satisfaction → company success) although, to our best knowledge, there is no study that addresses these interdependencies in-depth. Therefore, we propose:

Proposition 5: More empirically-oriented research is needed to illustrate the positive financial consequences of employee loyalty as well as to investigate the interdependencies of previous outcomes.

Additionally, the scholarly literature –and many practitioners and laymen– generally assume that employee loyalty is always advantageous for organizations, teams, and employees (Reichheld, 1996). Consequently, previous research (e.g., Drizin & Schneider, 2004; Yee et al., 2010) has almost exclusively dealt with positive outcomes of employee loyalty. However, a recent contribution by Elegido (2013) takes an ethical point of view and argues why too much loyalty could also be of danger and disadvantage. Loyalty means identification with the current
employer so that the individual interests of an employee become more and more the same as the company’s interests. The potential hazard arises that an employee can become a “company man” to the extent that the company’s identity becomes fully his own. When the employee stops being an individual and sacrifices all self-interests, the capacity to think critically may be weakened or lost. This has an impact for all the reference objects already mentioned. Employees who are over-loyal to their supervisor may be observes illegal or unethical behavior (e.g. misuses of company funds, falsification of documents) of their respective supervisor. Due to their false understanding of loyalty employees not report this observation but rather conceal the unethical behavior of their supervisor. Within groups over-loyal members can lose their ability to criticize the group’s course of action. Furthermore, loyal group member may be show unwillingness to reconsider assumptions and therefore stuck in group-thinking which in return is linked to potential unethical behavior. Regarding the organizational level over-loyal employees might not uncover seriously harmful or even wrong company behaviors, decisions and investments. In the long term, this behavior of over-loyal employees can reduce the efficiency and success of the company (Sims, 1992). To foster future research and clarity especially on the negative consequences of loyalty, we propose:

Proposition 6: Future research should address possible negative consequences of employee loyalty in order to advance scholarly knowledge about an optimal loyalty level.

**Research gaps regarding a theoretical framework.** In the previous presentation of shortcomings and important research gaps studies on antecedents and outcomes were considered as separate areas of research. In the following section we present research avenues, which are related equally to both research streams as well as to their connection.
According to the present review, prior research concerning antecedents and outcomes has predominantly dealt with individual and organizational characteristics, while group characteristics have largely been neglected. Studies by Reichheld (2001), Davis-Blake et al. (2003), James and Cropanzano (1994) as well as Dooley and Fryxell (1999) are rare examples of research on this important conceptual level. However, one has to assume that employee loyalty is strongly impacted by determinants on the group level as for instance the directly observable behavior of colleagues that are confronted with loyalty decisions will most likely influence the decision of other group members as well (e.g. conformity, contagion). Furthermore, there is rich literature on success factors of group composition and team processes such as common value systems, distribution of status, power or role definitions that also highlights the impact on team member decision making and behavior. Thus, we propose:

**Proposition 7:** Future research needs to address group structures and processes as a key research field for advancing scholarly knowledge about antecedents as well as outcomes of employee loyalty.

Another shortcoming becomes apparent when comparing studies on antecedents with those that analyze outcomes. Only a few studies (e.g. Kearney et al., 2012; Lee et al., 2012) combine both fields and analyze progressively the complete process incipient from important factors that influence employee loyalty to economically relevant consequences triggered by loyal behavior. On the basis of these findings it would be of additional interest to develop theoretical models which consider the interplay between antecedents and outcomes in-depth. Referring to the empirical approaches applied from Cunha (2002) or Kumar and Shekhar (2000) case studies provides a first approach to gain new scientific insights. In the same vein, Miller and Friesen (1982) have argued that qualitative studies are often rich and exciting and can reveal deep insights into the complex and dynamic interplay.
Due to this previous negligible interlinkage between both research areas it is not surprising that for example satisfaction has been researched as antecedent (e.g. Matzler & Renzel, 2006; Chang et al., 2010) and as outcome (e.g. Chen, 2001) of employee loyalty. Accordingly, one has to conceptualize whether both constructs are linked in a continuous loop (satisfaction → loyalty → satisfaction) and therefore multiplying effects are to be expected. Like these examples illustrate it is necessary to elaborate more sophisticated cause-effects chains regarding the linking between antecedents and outcomes. However, this may require new conceptual and methodological approaches. Therefore, we propose:

Proposition 8: Additional research is needed to explore the interplay between antecedents and outcomes as well as to develop more sophisticated cause-effect chains in order to gain an integral understanding of employee loyalty.

Furthermore, the reviewed studies demonstrate a cultural impact in all three research streams, which are distinguished in our conceptual framework (c.f. antecedents, conceptualization, and outcomes). For example, Wong et al. (2002) argued that loyalty to supervisor is more appropriate conceptualization in the Asian setting because Chinese employees usually have a stronger sense of responsibility and loyalty towards people which they are in close relationship with. Apparently, there is a need to verify cultural based preferences of particular reference objects, especially in cultures that differ from China. In the same way, Chen et al. (1998) reported that loyalty to supervisor is more powerful in predicting relevant outcomes like in-role and extra-role performance of Chinese employees. Regarding antecedents, Ali et al. (1993) have shown that the linkage between the psychological contract and loyalty is significantly affected by cultures which can be described as highly individualistic. Given this ample evidence that the concept of loyalty is embedded in a cultural background (Kolditz, 2007), it is surprising that cross-cultural
comparisons have been largely neglected in the research streams regarding antecedents and outcomes. Hence, we propose:

**Proposition 9:** *Future research needs to investigate the influence of cultural background on the concept of employee loyalty especially based on cross-cultural comparisons of antecedents and outcomes.*

**CONCLUSION**

This paper aimed at providing a review of the state-of-the-art of research on employee loyalty based on a conceptual framework that may serve as a springboard for systematizing extant and future research on relevant conceptualizations, antecedents and outcomes of employee loyalty. As a result important research gaps, limitations, deficiencies, and inconsistencies became apparent. Although existing studies yield some valuable insights, many findings are still ambiguous and there are still research areas left that have not been sufficiently examined.

From our analysis, we conclude that the two concepts organizational commitment and employee loyalty shows commonalities, especially within the attitudinal approach, but also reveals categorical differences within the normative and behavioral approach. Particularly three key elements of employee loyalty, referred to as lack of obligation, voluntary dedication and limited opportunism tendency, distinguish it from existing explanations of organizational commitment. Future research has to critically discuss as well as empirically evaluate the provided delimitation of both concepts. Furthermore, our literature review reveals that no study so far paid attention to the process of loyalty building. Consequently, it remains vague whether loyalty immediately exist after joining the company or loyalty is build step by step in line with positive experience with the employer, supervisor and peers. Indications for future research on the process of loyalty building could be found in the comprehensive literature on employee trust and trust building (e.g. McCauley & Kuhnert, 1992; Perry & Mankin, 2004).
We also have identified that research concerning antecedents predominantly focuses on individual and organizational characteristics. However, previous studies fall short of providing clear insights into how factors emerge and mutually influence each other on the individual and organizational level and how they influence employee loyalty. Therefore research should systematize previously ascertained and possible antecedents of employee loyalty and should address more sophisticated cause-effect chains. Additionally, research concerning outcomes shows a strong emphasis to demonstrate a positive relationship between employee loyalty and performance. However, previous studies have missed to systematize previous outcomes and also to investigate their reciprocal influence. Furthermore, research on outcomes has rather neglected negative consequences of employee loyalty. Therefore, further research is needed to identify undesirable behavior which are connected with excessive loyalty.

Additionally, research has largely neglected antecedents and outcomes on the group-level. Addressing group structures and processes can offer promising avenues for future research. Closing this gap would preferably require the application of qualitative studies and case study based approaches.

Regarding theoretical foundation of previous loyalty studies it becomes apparent that a couple of them (e.g. Berntson et al., 2010; Boroff & Lewin, 1997; Davis-Blake et al., 2003; Farell & Rusbult, 1992) analyze Hirschman’s conceptualization of exit, voice, loyalty and neglect and therefore use his conceptualization as a theoretical framework for their empirical research. However, within these studies loyalty is researched together with the other possible responses (exit, voice, neglect) and particular with regard to mutual impact. Beside Hirschman’s model there are rare exceptions of studies which exclusively apply or develop a theoretical basis for their empirical investigations of employee loyalty. With regard to the individual-level some
authors use social exchange theory (e.g. Haar, 2006; Wong, 2002) especially to illustrate the influence of the psychological contract (e.g. Ng & Feldman, 2009; Niehoff et al., 2001; Turnely & Feldman, 2000) on employee loyalty. In addition, social information processing theory was used on the one hand from Chen (2001) to explain the relationship between supervisor loyalty and job satisfaction and on the other hand from Robinson et al. (1994) to research the effect of downsizing on employee loyalty. Only Brown et al. (2011) apply principal-agent-theory to elucidate especially interdependencies between employee loyalty and both, individual and firm performance. Apart from the above mentioned theories many authors of the reviewed studies refrain at all from defining and developing a theoretical basis for their research. Therefore, future research should put an emphasis on theory development, either by applying and adapting existing theories from related research fields or by theory building through using inductive research approaches. In this regard it might be worth to identify and include other theories to explain the antecedents and outcomes of loyalty as well as processes of loyalty emergence and erosion. With reference to individual antecedents cognitive dissonance theory may for instance provide new insights.

The underdeveloped theoretical base proves moreover that the research field of employee loyalty is still in its infancy stage of development. However, similar to other nascent research areas it comes as a surprise that previous studies predominantly use quantitative methods, especially surveys to provide insights into specific antecedents and outcomes of employee loyalty (e.g., Chen et al., 2002; Dooley & Fryxell, 1999; Matzler & Renzel, 2006). Only a few studies use qualitative approaches (e.g. Interviews: Hoffmann, 2006; Case studies: Cunha, 2002; Kumar & Shekhar, 2000) in order to enhance scientific knowledge on employee loyalty. Yet, if acceleration of theory building is necessary someone has to call for preceding research steps that
provide a deeper understanding of core concepts of employee loyalty. Among others, Parkhe (1993) has argued for more inductive, theory-generating and ideographic research and respective methodologies. Especially, in-depth case studies can provide insights into cause-effect chains between different antecedence and outcomes of employee loyalty. Furthermore, interviews could be appropriate to review key elements of previous employee loyalty conceptualizations. Additionally, surveys which are supplemented with realistic workplace scenarios could enhance scientific knowledge about both processes of loyalty building and negative consequences of excessive loyalty.

Similar to the lack of theoretical foundation and methodological variety the development of practical implications as well as recommendations for actions have been largely neglected in previous loyalty studies. However, the few exceptions must be critically questioned regarding their validity and generalizability. Due to various conceptualizations of employee loyalty as well as to the synonymous usage with organizational commitment a valid scientifically-based recommendation for practitioners is challenging. Nonetheless, employee loyalty is of important practical interest for team leaders and organizations. Hence, future research has to develop a common understanding of employee loyalty and therefore advance valid results for managerial application.

Finally, we present main limitations of our review. First of all, this review article is essentially a qualitative meta-analysis that integrates the findings of the current employee loyalty research on antecedents and outcomes. Due to the variety of individually tested factors that on the one hand leads to employee loyalty or on the other hand are consequences of employee loyalty make it impossible to realize an otherwise preferable empirical meta-analysis. Furthermore, there are other limitations of our study. First, reviews have to be selective with regard to the scholarly
contributions. Although grounding the review on articles published in top-ranked journals with an established peer-review system ensures high quality, relevant work published in working papers or book chapters may be neglected. Second, by applying a selection process based upon several screening procedure (cf. figure 1) and therefore focusing on studies which essentially addressed loyalty in the organizational context, we may additionally exclude other related studies. Third, we cannot eliminate the so-called "publication bias" that is a well-acknowledged problem of meta-analysis. This implies the risk of neglecting important findings and conclusions of studies that did not achieve empirically significant results and thus are not accepted for publication (Geyskens et al. 2009). However, all these limitations offer ground for future studies to challenge or to further support our findings.
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