

Socio-Psychological Factors Of Corporate Loyalty

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Abstract : The main goal of this study was to identify the impact of socio-psychological factors (region of residence, cultural values, tolerance level) on the level of corporate loyalty (PsyCap). The research was conducted under the 122 Ukrainian participants from 4 specific groups. There were used such methods as «Communicative tolerance», «Short tolerance index» and PsyCap. The results show that the manifestation of corporate loyalty is influenced by the mentality of employees - their region of residence, the system of values. Commitment to power, tradition, and security combined with benevolence ensure that employees hope for long-term cooperation with their organization and have a positive attitude both to each other and to customers in the sales department. Hedonism, stimulation and self-direction allow employees to experience optimism in their workplace. But such a parameter as staff's self-efficacy was ambiguous about value system. Achievements, self-direction and universalism expectedly increase the level of self-efficacy, but adherence to traditions, conformity and intention for security reduce the level of self-efficacy. Significantly increased loyalty of sales staff in the presence of a high level of communicative tolerance.

Index Terms : corporate loyalty, staff, employee, socio-psychological factors.

1. INTRODUCTION

The study of corporate loyalty has been actively developed in recent years in various countries. However, most of these studies are in the field of economics and management. They focus on corporate cultures and systems that can motivate staff and employees, but they do not analyze personal and socio-psychological factors that influence on manifestations of corporate loyalty. The aim of the research is to identify the impact of socio-psychological factors (region of residence, cultural values, tolerance level) on the level of corporate loyalty (PsyCap). There are many different points of view on workers' loyalty to the organization in both English and Ukrainian literature. First of all, to determine the subject field, it is necessary, to designate one of the most frequently encountered views on staff loyalty — a view in terms of security. According to this approach, employees are considered as potentially disloyal, and the main efforts are aimed at identifying and eliminating the prerequisites for disloyal behavior, which means causing conscious harm to the organization. Within the framework of the approach to loyalty as an attitude, foreign researchers consider various forms of loyalty. The most attention deserves affective loyalty as a form of psychological commitment to the organization.

Affective loyalty is generally seen as a set of strong positive attitudes toward the organization. The roots of the concept of affective loyalty are in the work of R. Kanter, whose definition of loyalty is as follows: «the willingness of social actors to give energy and be loyal to the organization», «addition of the emotional fund to the group», Kanter describes three types of loyalty: continuance, cohesion and control [21]. C. O'Reilly and J. Chatman [3] defined loyalty as a sense of pride in employees for their organization and their desire to join the organization. N. Allen and J. Meyer [8] based on the concept of R. Porter and his colleagues [9] defined affective loyalty as an emotional commitment to organization, identification and involvement in an organization that involves the division of goals and values of the organization, the willingness to apply additional efforts in the interests of the organization and to remain its member. In turn S. Jaros and J. Jermier [12] impugn such a definition, suggesting that the emotional component seems to be much less important than the willingness of employees to stay in the organization and willingness to exert efforts in its interests. It should be noted that identification with the goals and values of the organization is also not directly related to affective content. It seems more related to moral convictions - it is a cognitive rather than an emotional component. Therefore, they proposed their definition of affective loyalty as a degree in which person is psychologically tied to an organization with the help of feelings such as affection, warmth, affiliation, tenderness, happiness, pleasure, etc. The topic of joining people to the goals and values of the organization, their identity was the most important in study of organizational loyalty, but most researchers exploring this topic did not distinguish moral loyalty as terminology, for example, B. Buchanan [1], L. Porter [7], R. Steers [10] etc. It should be noted that moral loyalty is based on the internalization of norms and identification with organizational authority. The following form, which is described by a number of researchers, is normative loyalty as a sense of commitment to staying in the organization. Similarly, Y. Weiner and Y. Vardi [20] assert that loyalty to the organization comes from the «value of loyalty and debt towards the organization». Domestic researcher E. V. Dotsenko supports conception of J. Meyer and N. Allen [8]. He defines affection as a psychological state that characterizes the relationship between employees and organization; this state is associated with the employee's decision to continue

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membership in the organization. Another concept of loyalty, which eliminates the differences in approaches, belongs to R. Brown. In this case, internal (psychological) and external factors are highlighted, they are factors of circumstances. In the course of her research, B.A. Yasko [2] discovered the heuristic nature of the typological approach to the classification of organizational loyalty. In the analysis of empirical data, it was revealed that all types of loyalty are represented in the organization («Veteran», «Dreamer», «Heir», «Zombie»), determined their relationship and organizational and psychological value for the company. Diagnosis of the loyalty of a particular employee or the entire staff of the organization should be held taking into account the multidimensionality and dynamism of this phenomenon. An important place among the factors influencing the level of organizational loyalty and commitment of employees is taken by the personal qualities of employees, leadership style, interpersonal relationships in a team, corporate culture of the company, etc. T.V. Pozdnyakova [17] draws attention to the fact that loyalty is not always good. However, with a significant dominance of certain types of loyalty, a shift is observed, causing an imbalance and adversely affecting work. The hypertrophied development of vertical loyalty (effective loyalty or loyalty to the leadership) causes inhibition of the linear (process or participatory loyalty), and vice versa - excessive assessment of the interests of team may cause conflict with the management or go against the interests of company. A similar imbalance can be observed with the dominance of only personal or brand loyalty. Y. V. Berlizeva [19] offers an integral model of staff loyalty, namely: loyalty at the level of external attributes, loyalty at the level of actions and behavior, loyalty at the level of abilities, loyalty at the level of beliefs and at the level of identity. Thus, commitment is the «crown» of an integral loyalty model. This last emotional stage of transition from benevolent behavior (typical for the classical interpretation of the concept of loyalty) into a state of identification at the level of values and expectations. But the question, which exactly socio-psychological factors influence the level of corporate loyalty, remains insufficiently studied.

2 METHODS

The study involved 122 participants who belonged to four groups. The first two were residents of western Ukraine (Lviv and Lviv region): 54 participants, of whom 24 were stable employees of the sales departments at the advanced training courses, and 30 were students of the cross-master course at UCU who wanted to change jobs. The second group included immigrants from the Donetsk and Lugansk regions, who live in Kiev and the Kiev region, of whom 36 worked steadily in the sales departments of various companies and 32 studied at the Institute of Postgraduate Education to change jobs. All respondents voluntarily participated in the study and filled out blank versions of the methods. The following methods were used: «Communicative tolerance» by V. Bojko [18], «Short tolerance index» by G. Soldatova [5], PsyCap, which studies the following parameters:

- Self-efficacy as confidence and ability to take the necessary actions to achieve success in solving a difficult task.
- Optimism includes the creation of positive attitudes regarding the possibility of achieving success now and in the future.

- Hope means stubborn movement towards the goal and, if necessary, changing the route to achieve this goal.
- Psychological resistance implies the ability to return to the original state (or even better) after a person has encountered difficulties or problems.

Also, the S. Schwartz method «Value questionnaire» was used. He identifies 10 basic cultural values. We give a brief definition of motivational types according to their central purpose [11; 13; 14]):

- Power: social status, dominance over people and resources;
- Achievement: personal success according to social standards;
- Hedonism: pleasure or sensual joy;
- Stimulation: excitement and novelty;
- Self-Direction: independence of thought and action;
- Universalism: understanding, tolerance and protection of well-being of all people and nature;
- Benevolence: preservation and improvement of well-being of loved ones;
- Tradition: respect and responsibility for cultural and religious customs and ideas;
- Conformity: deterring actions and impulses that can harm others and do not match social expectations;
- Security: security and stability of society, relationships and yourself.

3 RESULTS AND DISCUSSION

There was a difference in the level of PsyCap between the working respondents and those who are in the process of changing their occupation (at the level of 0.05 by the criterion of Man-Whitney), differences between regions were at the level of trends, except for differences in the «optimism» criterion. These results are shown in Table 1.

Table 1. The average values of PsyCap, depending on job satisfaction and region

Groups	Self-efficacy	Optimism	Hope	Psychological resistance
Working (West)	15,2 +/-1,3	12,2 +/-1,6	11,2 +/- 0,9	14,9 +/-1,8
Working (East, Centre)	15,8 +/-0,9	14,3 +/-1,9	15,7 +/-0,7	15,5 +/-0,8
Retraining (West)	12,4 +/-2,4	11,3 +/-1,9	8,4 +/-1,6	11,2 +/-2,5
Retraining (East, Centre)	10,2 +/-1,8	13,1 +/-2,8	14,9 +/-3,1	10,5 +/-2,3

The level of corporate loyalty of stably working employees from the eastern part of Ukraine was significantly higher than of workers from Lviv. This can be explained by the conditions of the socio-economic situation in Ukraine: residents of the Western regions compare their wages with those in the European Union countries and this reduces their level of hope and optimism. Migrants from the occupied regions of Donetsk and Lugansk perceive stable employment in Kiev as career growth and have high rates on all PsyCap scales. The situation is different for those who receive a second education in order to change jobs and their type of activity as such. These respondents demonstrate an expected, average level of corporate loyalty, but the maximum differences among them

are revealed in the "hope" indicator. Immigrants perceive retraining as a chance of a social elevator, and residents of the western regions perceive it as evidence of their unsuccessfulness in the previous activity. A correlation was found between the level of tolerance (according to G. Soldatova [5]) and communicative tolerance and the PsyCap indicators of the sales department staff regardless of the region. Results are shown in Table 2.

Table 2. The connection between types of tolerance and PsyCap level. Note: *correlation on the level 0.05, **correlation on the level 0.01.

Groups		Self-efficacy	Optimism	Hope	Psychological resistance
Working	tolerance	0,06	-0,12	0,21	0,32*
	Communicative tolerance	0,38*	0,42*	0,45*	0,52**
Retraining	tolerance	0,16	-0,22	-0,18	0,25
	Communicative tolerance	0,28	0,17	0,31*	0,36*

The general level of tolerance as in the whole sample was associated with one indicator that is psychological resistance; we can assume the existence of two-way communication: a high level of tolerance to social groups and situations reduces psycho-emotional stress and increases satisfaction. The minimum was the connection between the level of tolerance and staff's self-efficacy. We can assume that in Ukrainian companies self-efficacy is often perceived as a victory in the competition. Tolerance, on the other hand, reduces motivation to compete with its employees. Communicative tolerance has a positive effect on all PsyCap's indicators of the sales staff, since it is ensuring their high productivity and lack of emotional burnout in the course of daily work with clients. Communicative tolerance affects much less indicators of people in the process of retraining. In general, it can be concluded that high communicative tolerance can be a criterion of a professional selection of sales staff, and other specialists can conduct training or coaching lessons aimed at improving tolerance. While studying the correlations between cultural value systems, job satisfaction and PsyCap, differences were found at the level of tendency depending on the region of Ukraine and the place of work. Representatives of the central and eastern regions have reliably (at the level of 0.05) dominated values: power, achievement and security. The last can be explained not only by regional characteristics, but also by the long-term effects of PTSD which is forced relocation to another region as a result of hostilities. Representatives of the western region noted the predominance of tradition and conformity. The level of hedonism, stimulation, self-direction, universalism and benevolence had no marked differences depending on the region. Differences were noted at the level of tendencies depending on professional activity: hedonism, stimulation and achievements were observed in sales force employees. The group, which was in the process of changing the profession, was dominated by universalism, benevolence and self-direction. The connection between PsyCap indicators and values is shown in Table 3 (for the entire sample of subjects).

Table 3. The connection between the level of adherence to values and the level of PsyCap (only correlations of a reliable level). Note: *correlation on the level 0.05, **correlation on the level 0.01.

Values by the method of Schwartz	Self-efficacy	Optimism	Hope	Psychological resistance
Power			0,38*	
Achievement	0,58**			
Hedonism		0,62**		0,37*
Stimulation		0,48*		
Self-Direction	0,65**	0,47*		
Universalism	0,37*			0,44*
Benevolence		0,39*	0,41*	0,47*
Tradition	-0,36*		0,55**	0,32*
Conformity	-0,41*		0,43*	
Security	-0,39*		0,46*	

The maximum level of influence on the manifestations of corporate loyalty has the value of benevolence, it is possible that this factor, which is closely related to communicative tolerance (0.67**), allows employees to have a positive attitude both to each other and to customers in the sales department. Hedonism, universalism and adherence to traditions also have a positive effect on the psychological stability of staff. Commitment to power, tradition, and security, combined with benevolence, ensure that employees hope for long-term cooperation with their organization. Hedonism, stimulation and self-direction allow employees to experience optimism in their workplace. But such a parameter as staff's self-efficacy was ambiguous about value system. Achievements, self-direction and universalism expectedly increase the level of self-efficacy, but adherence to traditions, conformity and intention for security reduce the level of self-efficacy. Based on the results of the research, it is possible to develop a system of personnel selection that is more inclined to corporate loyalty, which is especially important for sales departments. For these departments, staff turnover is a significant problem. The selection of personnel with a high level of communicative tolerance, focused on achievement, self-direction and universalism will create personal prerequisites for the formation of employee's corporate loyalty. The study was conducted only among employees of Ukrainian companies. It is advisable to conduct a cross-cultural survey on the connection between Schwartz cultural values and corporate loyalty in various countries and regions.

4 CONCLUSIONS

The manifestation of corporate loyalty is influenced by the mentality of employees - their region of residence, the system of values. Residents of the Western regions compare their wages with those in the European Union countries and this reduces their level of hope and optimism. Migrants from the occupied regions of Donetsk and Lugansk perceive stable employment in Kiev as career growth and have high rates on all PsyCap scales. Commitment to power, tradition, and security combined with benevolence ensure that employees hope for long-term cooperation with their organization and have a positive attitude both to each other and to customers in the sales department. Hedonism, stimulation and self-direction allow employees to experience optimism in their workplace. But such a parameter as staff's self-efficacy was ambiguous about value system. Achievements, self-direction and universalism expectedly increase the level of self-efficacy, but

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