



SCHOOL OF  
ECONOMICS AND  
MANAGEMENT

# **The enduring importance of employee loyalty**

Exploring the concept of employee loyalty in the context of a knowledge intensive organization

**by**

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# ABSTRACT

**Title:** The enduring importance of employee loyalty

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**Purpose:** The purpose of this study is to deepen the understanding of employee loyalty among knowledge workers.

**Theoretical perspective:** The theoretical foundation for this study is based on the concepts of social identification, employee commitment and loyalty as well as the moral aspects thereof presented by Coughlan (2005) and Schrag (2001).

**Methodology:** This research is conducted in a qualitative manner using an abductive approach, and is based on 12 semi-structured interviews.

**Contributions:** Our study contributes to literature on employee loyalty through its deep exploration of knowledge workers understanding of employee loyalty and connected work life experiences. This exploration contributes by problematizing how previous research has associated many unrelated aspects to employee loyalty, and by indicating how to progress theoretical conceptualizations of employee loyalty.

**Keywords:** Employee loyalty, employee commitment, knowledge workers, knowledge intensive organization, consultancy, social identification

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# 1 INTRODUCTION

## Background

The basic definition of an organization describes it as a group of people who work together in an organized way for a shared purpose (Cambridge Dictionary, 2021). Even this simple definition implies that the people are what constitutes the organization, and their behavior, attitudes, beliefs and perceptions shape the way in which organizations are configured. With this understanding, it is clear why aligning the behavior of employees can support the organization in achieving its goals and interests. The answer of how to reach this alignment is often connected to attaining a workforce that is loyal to the organization, as employee loyalty is generally considered to be the basis for harmonizing an individual's goals with the goals of the organization. The power of employee loyalty is recognized by organizations, which leads them to exert large efforts to develop structures that support employee loyalty. However, even though organizations claim to strive for building employee loyalty, there seems to be little general understanding of what the concept of employee loyalty actually means, and what it comprises. This lack of understanding makes it difficult to take concrete steps towards building a loyal workforce and consequently opens up a discussion on whether better conceptualizations could resolve this issue.

Improving the understanding of the concept of employee loyalty becomes even more important in present times, with a new generation of workers joining the labour market. It is now understood that this new generation has different expectations and attitudes towards work and employment in general, and it is crucial for the organizations to accommodate for these differences when aiming for developing a loyal workforce. One of the most pertinent aspects that differentiates the younger generation of workers is the shorter median job tenure in comparison to previous generations; it was revealed that employees of the younger generation have a median job tenure that is two-thirds shorter than the previous generations (Bureau of Labor Statistics, 2020). However, does this suggest that the younger generation of workers is less loyal than the older one? The current mainstream narrative, lead by authors such as Pink (2001), accentuates the rise of agent-free employment with surging freelance work and self-employment, in this context employee loyalty seems to have no place. In the past, staying with one company has been considered as a key aspect to look at in relation to employee loyalty. In

other words, the understanding was that a loyal employee stays with the organization for many years and through this perspective, one could argue that the new generation of workers is clearly less loyal to their employer. However, it seems reasonable to assume that the shift of attitudes towards employment has also influenced the understanding of employee loyalty as such and thus a new understanding of employee loyalty and connected behaviour is necessary.

Not only is a new generation of workers emerging into the labour market, but the nature of work in general has changed dramatically over the last decades. This change is connected to the general shift towards a society in which knowledge is crucial and where the importance of knowledge to work and economic activity is immense (Hislop, 2018). In the post-industrial environment, knowledge is highly valued and knowledge workers are the essential assets organizations need to be innovative and profitable (Hislop, 2018). As the relevance of knowledge workers for organizations and economies in general is on the rise, the importance of exploring employee loyalty in relation to this type of worker rises accordingly.

The knowledge workers interviewed in this study work in one of the Big Four accounting firms. The interviewees themselves describe that they work in an environment that has high turnover and overall a large number of employee movements. What is also important to note about their work environment is that a lot of the work is conducted on a project basis with varying clients. This means that both their connection to clients and internal relationships can be challenging to establish and develop. Moreover, the interviewees mainly work in smaller teams in certain departments of specific branches within The Company, which results in a limited ability to create or develop interpersonal relationships first with their team, second with their department, third with their branch and finally with other members of the organization. Employee loyalty appears to be especially important in such a dynamic environment with high turnover. It also seems especially difficult to develop employee loyalty as the employees may feel more disconnected from The Company due to the lesser consistency in the environment. This is also what makes The Company a beneficial organization to source empirical data, as it presents opportunities to discover what challenges and benefits may be associated with employee loyalty and indicate how it can be understood in this context.



## **Problematization**

A major issue in previous research is the lack of employees' perspectives on the concept of employee loyalty. Previous research provides a rather static perspective on the concept of employee loyalty, disregarding the importance of incorporating the understanding that employees hold on the subject. Employee loyalty as a social construct needs to be understood through the lenses of individuals who attribute meanings to this construct and thus influence its creation and recreation in social reality. The importance of employing the perspective of workers is even heightened as the knowledge workers' highly tacit knowledge makes them not as easily replaceable as other types of workers. Thus, the personal understanding of employee loyalty on an individual level becomes more important to consider. Another critical issue in previous research is the overlap and often interchangeable usage of the concepts of loyalty and commitment. Previous research has convoluted the two concepts and created a situation in which the respective value of the two concepts has been hollowed out by equating the two as one. However, some authors such as Schrag (2001) and Coughlan (2005) have attempted to differentiate employee loyalty from different conceptualizations of commitment, by considering the moral aspects and voluntary nature they associate with employee loyalty. The issue with Schrag (2001) and Coughlan's (2005) is that although they distinguish between commitment and employee loyalty by introducing moral values and ethical considerations they do not consider the modern environment a knowledge worker most often finds themselves in.

The aforementioned identified issues related to the previous research, together with the existing knowledge gap regarding the employee loyalty in the context of a knowledge intensive organization with a dynamic environment and high turnover, indicate that a further investigation into the topic is not only highly relevant but also imperative to broaden the comprehension of employee loyalty as a concept. Acknowledging this importance, the purpose of our study is to explore the concept of employee loyalty in the context of a knowledge intensive organization, by delving into the knowledge workers' understandings of loyalty and their associated experiences. As the previous research has overlooked these aspects we contend that it is necessary to revisit and discuss the relevance of previous research in this new context. By doing so, we aim to advance the understanding of employee loyalty and highlight the importance of accounting for multiple perspectives in research on these topics. To fulfill this purpose we pose the following research question,

How do knowledge workers in the consultancy industry experience and reflect upon employee loyalty?

In order to answer the posed research question, we conducted a qualitative study based on an interpretive research tradition. We collected empirical data through semi-structured interviews with knowledge workers of a multinational knowledge intensive organization belonging to the Big Four group of accounting companies, which we will only refer to as ‘The Company’ throughout the paper. Our study finds that employee loyalty as understood by our interviewees represents an intangible emotional sentiment towards the organization or people within, which results in certain behaviors and in some cases influences the willingness to remain a member of the organization. The specific behavioral outcome is dependent on the individual understandings of employee loyalty. Further, we found that the development of employee loyalty appears to progress in an incremental manner and that it can fluctuate over time. Furthermore, we highlight the ever-present importance of verbal communication expressed by our interviewees.

## **Disposition**

We begin our study by reviewing the previous research related to the topic of employee loyalty and commitment, focusing on the most prominent aspects that the existing literature covers. These include the most prevalent conceptualizations, antecedents and objects of employee loyalty as well as the relation of moral to the concept of employee loyalty. Next, we present the connection of social identification theory to employee loyalty and we also introduce the concept of a knowledge worker and explain its relevance for the subject of employee loyalty. This chapter ends with our critical reflections towards the previous research and identification of its potential limits that bound the understanding of employee loyalty.

In the following chapter, we provide an overview of the methodological approach employed to conduct the research. We first explain the philosophical groundings of our research based on the interpretive research tradition with social constructionism and then proceed with presenting the abductive research approach utilized in the study. Next, the data collection methods are presented, including the description of the used sampling method, a rationalization of the sample size based on the information power concept, and utilization of

the semi-structured interviewing technique. We end this chapter with a description of the data analysis process that we followed when analyzing the collected empirical material.

The chapter that follows focuses on the analysis of the collected empirical data, providing our interpretation of the narratives shared during the interviews. We divide this chapter into several sections, according to the emerged themes in relation to employee loyalty. We begin this chapter with interpretation of the interviewees' personal understandings of employee loyalty, following their narratives of perceptions and experiences from the workplace. Followingly, we focus on the effects of a context specific to The Company, which appear to reflect in interviewees' perceptions and understandings of employee loyalty. Next, we inspect the relation of specific behaviors and attitudes, namely high work efforts and staying with The Company, to employee loyalty and interpret certain motives behind these as potential signs signaling employee loyalty. In the following section, we present the interpretation of interviewees' perceptions of employee disloyalty, as this helps us to better understand the interrelated concept of employee loyalty. We end this chapter with a final section focused on the revealed importance of verbal communication and recognition for employee loyalty.

The discussion chapter is devoted to examination and elucidation of the discovered meanings the interviewees give to employee loyalty, and discussion of related emergent aspects. We also contrast our findings with the existing literature and emphasize the importance of including an employee perspective in research on employee loyalty. In the next section, we discuss the potential influences of the specific organizational context experienced at The Company has on the construction of meaning of employee loyalty. Furthermore, we scrutinize the connection between the social identification process and employee loyalty, demonstrating how complex this relationship appears to be. Lastly, we explore the discovered potential of employee loyalty to transcend the presumed boundaries of subunits and time of employment.

We conclude our study in the last chapter by providing an overview of the main findings and contribution of our study to the existing theory. We further present the implications of our findings for practitioners, and also point out the factors we apprehend as limiting to the conducted study. Lastly, we introduce suggestions for potential future research, which could in our opinion expand the understanding of the concept of employee loyalty.

## **2 LITERATURE REVIEW**

Before looking into previous research in the area of employee loyalty, it is necessary to address an underlying issue that emerges when studying the area. This is connected to different understandings of the concept and the ambiguity present within organizational studies on loyalty. Conceptualizations of loyalty by organizational researchers differ in the very basic notion of what it constitutes and also in the understanding of what types of loyalty exist and what the object of loyalty can be. Moreover, throughout the literature, employee loyalty very often overlaps with the concept of employee commitment and therefore it is important to review both concepts. The terms organizational loyalty and organizational commitment are also often used interchangeably in the literature and the concepts often become indistinguishable due to the incoherent and intertwined use of terminology.

This chapter is structured as follows. In the first section we present different takes on the concepts of employee loyalty and commitment that have been introduced by researchers. Subsequently, throughout this section we present aspects related to the previous conceptualizations of employee loyalty, namely the antecedents of employee loyalty, object of employee loyalty, morals in relation to employee loyalty and lastly, the different perspectives on disloyalty and non-loyalty. Next, we present the connection between social identification and employee loyalty as presented by the previous authors. Furthermore, we bring up the concept of knowledge worker and its relevance for the research of employee loyalty. In a final section, we summarize the chapter and describe our understanding of the presented material as a collective.

### **Employee loyalty and commitment**

One of the first approaches in conceptualization of organizational commitment was developed by Becker (1960) through his side-bet theory, which views commitment as a contract between employee and organization on the basis of an economic exchange behavior. He argues that the employee is inclined to remain a member of an organization because of previously made investments into the employment, which he refers to as side-bets. As Becker (1960) also notes, over time the investments accumulate, which results in an employee's disinclination to leave

the employment as the previously made side-bets would be lost if the individual was to leave the organization. This view therefore sees commitment as a continuation of action based on the perceived costs of leaving. Mowday, Steers and Porter (1979) proposed a different perspective, and approached organizational commitment as a psychological attachment rather than an economic contract between the two parties. They defined organizational commitment as “the relative strength of an individual's identification with and involvement in a particular organization“ (p. 226). In this perspective the commitment involves internalization of the values and goals of the organization; willingness to work extra hard on behalf of the organization and a strong desire to remain a member of the organization (Mowday, Steers & Porter, 1979).

Meyer and Allen (1991) acknowledged the existing difficulties connected to conceptualizing the organizational commitment and lack of consensus in the field and, building on the work of Becker (1960) and Mowday, Steers and Porter (1979) among others, developed their three-component model of commitment. The presented model constitutes the three main elements, namely affective commitment, continuance commitment and normative commitment. Affective commitment can be regarded as following Mowday, Steers and Porter's (1979) psychological attachment perspective, while continuance commitment draws on Becker's (1960) side-bets theory. Meyer and Allen (1991) expand the theoretical concept by adding a third element of normative commitment. Meyer and Allen (1991) see commitment as “a psychological state that (a) characterizes the employee's relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization.“ (p. 67). Meyer and Allen (1991) argue that the character of this psychological state differs based on what motivates it,

Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization. Employees with a strong affective commitment continue employment with the organization because they want to do so. Continuance commitment refers to an awareness of the costs associated with leaving the organization. Employees whose primary link to the organization is based on continuance commitment remain because they need to do so. Finally, normative commitment reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel that they ought to remain with the organization. (p.67)

The three components, as they note, should not be viewed as mutually exclusive as they can be experienced at the same time to various degrees. What seems to be a rather important addition to the theory is the normative commitment component, which brings into attention the moral aspect of the commitment that will be explored later in this chapter. The decision to remain in the organization thus also becomes a question of obligation (Meyer & Allen, 1991), apart from only resulting from positive emotional attachment or weighing the costs of leaving versus staying.

Another study that aims to resolve the issue of ambiguity was conducted by Mueller, Wallace and Price (1992) who mention different forms of employee commitment and argue that a clear distinction is needed and different features of the concepts need to be recognized. For Mueller, Wallace and Price (1992), employee commitment can take different forms corresponding with the object of loyalty, examples of such forms being organizational commitment, work commitment and career commitment. In their study the focus is predominantly placed on the organizational commitment area, where they identify two distinct concepts that prevail in the academic literature. Mueller, Wallace and Price (1992) label those as loyalty and intent to stay, with loyalty representing employee's "affective response to and identification with an organization based on sense of duty and responsibility" (p.213). Mueller, Wallace and Price (1992 citing Kalleberg & Berg, 1987) define loyalty as, "degree to which an employee identifies with the goals and values of the organization and is willing to exert effort to help it succeed" (p.214). Mueller, Wallace and Price (1992 citing Halaby, 1986) define the intent to stay as "employee's expected likelihood of remaining employed in the same organization" (p.214). They argue that the decision to stay comes as a result of the process of comparing the benefits of staying with the current organization versus the benefits emerging from joining a different employer. This presented conceptual differentiation between loyalty and intent to stay is similar to Meyer and Allen's (1991) distinction between affective commitment and continuance commitment, however the normative commitment element is placed under the term loyalty together with the affective commitment component.

### **Antecedents of employee loyalty**

Having introduced the various understandings of the concept of organizational loyalty and commitment, another related question arises. Whether we see commitment as a psychological

state of an individual or simply as an economic contract between the two involved parties, we need to ask what are the driving forces that influence the development and later affect the process of maintaining commitment. Researchers have examined multiple variables that come into play in the process, however a definite accord on the crucial factors is still lacking.

Angle and Perry (1983) propose distinction between two models of commitment development, which they refer to as member-based and organization-based. The organization-based model understands the development of commitment as resulting from the individual's perceptions of how they are treated by the organization, in other words, from their organizational experiences. Reciprocation is the key element present here, as individuals are more prone to develop commitment if they perceive that the organization is rewarding their efforts. The member-based model presumes that commitment develops as a result of actions and personal attributes of an individual, such as their previous behavior, age or education level (Angle & Perry, 1983). Angle and Lawson (1993), building on Angle and Perry (1983), further divide the member-based factors into two categories, dispositional factors and side-bets. While dispositional factors include personal traits, values and internal states; side-bets represent a mix of factors that can be considered as previous investments made by an individual, such as age, sex, salary, career level or tenure (Angle & Lawson, 1993). They also argue that whereas the organization-based factors influence the affective commitment only, the member-based factors affect the continuance commitment as well through the factors present in the side-bets category.

Another perspective on the antecedents of commitment is offered by Meyer and Allen (1991). In line with their three-component model of commitment, they divide the factors based on which of the commitment components it influences. The affective commitment, as Meyer and Allen (1991) note, is mostly influenced by three groups of factors, which are personal characteristics, organizational structure and work experience. When it comes to the continuance commitment, in line with Becker's (1960) side-bets concept, they suggest that anything that increases perceived costs can be viewed as a driving force for the continuance commitment. Meyer and Allen (1991 citing Scholl, 1980) suggest that normative commitment develops after an individual was provided with benefits in advance, such as paying college fees or job training. Providing these benefits results in the development of obligation that the individual feels towards the organization.

## **Object of employee loyalty**

When talking about employee commitment or loyalty, the object thereof naturally comes into question. Morrow (1983) points out the existing redundancy of work commitment definitions, and the existing overlap of the concepts. As she notes, researchers focus on different elements of commitment but they often use a generic label for the concept, such as organizational commitment or work commitment, while disregarding the divergence of concept formulations. To resolve this problem, she suggests that instead of using work commitment as a unidimensional generic concept label, it should be decomposed into multiple concepts of commitment, according to the work focus area. Morrow (1983) identifies five main foci of the commitment, namely values, job, career, organization and union.

In line with Morrow (1983), Reichers (1985) argues that the generic singular concept of organizational commitment does not fully reflect the complexity of an individual's commitment to an organisation. Instead, she advocates the notion of multiple-commitment approach that views organizational commitment as, “a collection of multiple commitments to various groups that comprise the organisation.” (p.469). This approach stems from the perspective that views commitment as a result of the identification process with a certain entity or group inside or outside of the organisation, such as co-workers, superiors, profession or union. The individuals can identify with multiple entities at the same time and the degree of commitment to the entities can vary, which can lead to potential conflicts (Reichers, 1985). The multiplicity is also noted by Schrag (2001) with regards to loyalties in and to an organization. Schrag (2001) highlights the latter in particular and states, “an employee’s loyalty to an organization is not necessarily reducible to loyalties to specifiable people in the organization. The object of loyalty can be the organization itself.” (p.44).

## **Loyalty and moral values**

One perspective on loyalty that can differentiate it from commitment, is adhering to the idea that loyalty exists beyond simply retaining in the organization or complying with basic expectations. It is often understood as a stronger sense of duty, a determination or passion to go greater lengths than the job description requires to benefit the organization. Schrag (2001) refers to a narrower definition of loyalty, based on fulfilling the contractual agreements, as minimalist



and pays greater attention to what he refers to as loyalty in a richer sense. In this extended richer definition there is a condition of going above and beyond what can be demanded. The issue of overlap and ambiguity in the definitions of loyalty and commitment is also emphasized by Coughlan (2005) who states that “it seems the concept of loyalty is still not sufficiently understood by organizational scholars.” (p.43), and suggests “that measures of turnover and commitment are inadequate substitutes for measures of loyalty.” (p.53). Furthermore, he draws on literature from the fields of psychology, management and business ethics to argue that the issues with definitions and measurements for loyalty, along with it being indistinguishable from commitment, leads to contradictory findings in terms of loyalty’s presence, antecedents and outcomes (Coughlan, 2005 citing Boroff & Lewin, 1997, Dooley & Fryxell, 1999, Niehoff, Moorman, Blakely & Fullet 2001, Reichheld, 1996, Rusbult, Farrell, Rogers & Mainous 1988, Stroh & Reilly, 1997, Sweetman, 2001, Chen, Tsui & Farh, 2002, Olson- Buchanan & Boswell, 2002, Pina e Cunha, 2002, Joseph, 2000, Mele, 2001, Schrag, 2001).

Schrag (2001) describes four elements of loyalty in the richer sense that are central to employee loyalty, namely well-wishing, identification, sacrifice, and reciprocity; stating that these, “involve a kind of commitment that can be offered by the employee but cannot be demanded or claimed as a duty by the organization.” (p.46). Well-wishing is described as a concern for the object’s interests and welfare that elicits the sense of something larger than oneself (Schrag, 2001). Schrag (2001) describes identification with an object of loyalty as generating loyalty through an investment, and a creation of boundaries between for example an organization that an individual belongs to and a competitor. He further explains that “a request to an employee with sufficiently high identification with a work group to work overtime for the sake of the group or project may appropriately be regarded as a shift from being morally permissible to being morally obligatory.” (Schrag, 2001, p.46). Furthermore, it is expected that the employee experiences greater identification as they gain more knowledge of the organization, which increases their power, and achieves a greater understanding of the organization’s mission. Schrag (2001) also discerns that the identification with the object enables one to allow the concern for the object's welfare to exceed the concern for oneself, thus making sacrifices for the short or long term benefit of the object. In an organizational context this can be exemplified with an employee who works extra long hours, or declines better job offers. It also enables the ranking of different loyalties which for example can create a situation where an employee may make the sacrifice of time with family for time at work as the loyalty to the organization exceeds that to the family. Finally, Schrag (2001) declares “an expectation of reciprocity of the well-

wishing - a mutual well-wishing between me and my object and an actual reciprocity.” (p.46). In this sense, it is likely necessary for the object to also reciprocate in order to sustain loyalty. However, the reciprocity does not necessarily need to contain tangible rewards but in order to sustain loyalty a recognition of well-wishing is necessary, and mutual well-wishing can be emancipatory. These four elements increase the reluctance to leave the organization (Schrag, 2001).

Coughlan (2005) instead highlights loyalty by providing three elements thereof that differentiate it from commitment, namely the voluntary nature, demand for ongoing adherence, and grounding in morality. These elements or facets of loyalty can be supported by the fairly recent works of philosophers according to Coughlan (2005, citing Oldenquist, 1982, Pettit, 1988). Coughlan (2005) proposes that, “loyalty is reflected in behavior that can be tied to an implicit promise, voluntarily made by an individual operating in a community of interdependent others, to adhere to universalizable moral principles in pursuit of individual and collective goals.” (pp.46-47). He also states that commitment is expected to be more connected to employee turnover (Coughlan, 2005). To address the issue of measurement with his new conceptualization, Coughlan (2005) also developed a six component scale system. The six components regard the congruence of moral among co-workers and whether that affects how ethical dilemmas are resolved at the workplace; the experienced loyalty as well as how interactions between employees are perceived and connected to morals.

In summary, Schrag’s (2001) perspective acknowledges a relational aspect, which depicts the loyal employee and the object thereof as emotionally connected in an inherently natural and human manner. This connection in turn creates a situation in which an employee is less likely to exit the company. The relational aspect is mentioned by Coughlan (2005) through his descriptions of shared values, how they are developed and persist in order to facilitate loyal behavior. Both authors highlight the fundamental aspect of choice, and its relevance is significant in the distinction between commitment and loyalty as it sets loyalty apart by representing voluntary behavior that is grounded in ethical considerations rather than merely performing the agreed-upon duties (see Schrag, 2001; Coughlan, 2005).

## **Loyalty, disloyalty and non-loyalty**

A deeper understanding of what employee loyalty is, can be achieved by considering what constitutes a disloyal employee or what should not be associated with either loyalty or disloyalty. By looking at disloyalty one can accentuate aspects of different author's definitions that would otherwise go unnoticed. Thus, to illuminate what otherwise may be neglected and the potentially noteworthy effects thereof, it is important to also consider what is not loyalty, and what can constitute disloyalty.

Hart and Thompson (2007) state that asymmetrical loyalties are often carelessly mislabeled as disloyalty. They explain that asymmetrical loyalties can be created as a result of different particular expectations in terms of content of loyalty. Furthermore, they mention a number of potentially competing (dis)loyalties, for example transactional, relational and ideological loyalties and later state that "what appears to be disloyalty may actually be misaligned types of loyalty between two parties to a relationship" (Hart & Thompson, 2007, p.311). Non-loyalty is specifically mentioned by among others Schrag (2001), who uses it to describe a member of an organization that lacks the four elements of loyalty, well-wishing, identification, sacrifice, and reciprocity, yet fulfills their job description and remains in the organization at the time. Such a member is neither loyal nor disloyal and can be considered non-loyal. Further, Schrag (2001) specifies that both disloyal and non-loyal employees may have nothing that disinclines them from leaving the organization. However, disloyal employees act deliberately against the organization or its members. Schrag (2001) states that, "Disloyalty involves leading others to expect they can count on your loyalty and then betraying that expectation." (p.48). He also problematizes how apparent acts of disloyalty can be mislabeled, and exemplifies with a violation of the trust of a supervisor who themselves are not acting in the organization's best interest. The act of violating the supervisor's trust should not be considered a disloyal one in this case, as the supervisor themselves are acting against the organization. Finally, Schrag (2001) states that leaving the organization may not necessarily be an act of disloyalty, unless the organization for example has made investments in the employee with the expectation or promise of long term commitment.

Alvesson (2000) also problematizes how an employee's decision to leave can affect the organization and how or what level of loyalty can be associated with it. He makes a distinction between non-loyalty, exemplifying with one individual leaving a non-senior position, and disloyalty, exemplifying with a complete work group leaving, taking clients and creating a

competing organization (Alvesson, 2000). Coughlan (2005) who highlights the conformity of shared values in his definition of loyalty, states that, "If individuals opt to ignore the community's principles in favor of other standards, they are said to be disloyal." (p.47), and concludes that by examining the behavior and attitudes of both the loyal and the disloyal members additional insights can be gained. Other authors consider the act of leaving the organization as the equivalent of disloyalty (Hirschman, 1970). Some neglect the aspect of disloyalty completely, and instead focus on a positivist view of loyalty and strive to promote certain approaches or demeanors that apparently increase or create loyalty in organizational members (Reichheld, 2001; Reichheld, 1993). This seemingly creates a situation in which a skewed or unfulfilling understanding and conceptualization of loyalty is allowed to remain, consequently resulting in the repetition or creation of propositions limited in sense and in scientific support.

## **Social identification process and loyalty**

Social identification theory, first developed in the works of social psychologists Tajfel (1978), and Tajfel and Turner (1979), seems to be very relevant for researching the concept of employee loyalty. This theory proposes the notion that through the process of social identification individuals assign their personal identity to a perceived group, such as for instance an organization, creating a social identity linked to the group. Organizational identification, as a form of social identification (Ashforth & Mael, 1989), is regarded as a psychological state, which mirrors the existing relationship between an employee and an organization (Edwards, 2005). As Edwards (2005) further states, through the organizational identification the goals of the organization and goals of an employee unite, resulting in the employee's motivation to work hard on behalf of the organization. As Edwards (2005 citing Ashforth & Mael, 1989, Cheney, 1983, Dutton all authors xx 1994, Elsbach, 1999, Rousseau, 1998, Van Dick, 2001, Van Knippenberg & Van Schie, 2000, Whetton & Godfrey, 1998) notes, organizational identification "increases the likelihood that staff will stay at the organization, be co-operative with other members, and that, when faced with choices, they will make decisions that are in the organization's strategic interest." (p.207). As evident, this expected outcome of organizational identification very much resonates with the previously introduced definitions of employee commitment and loyalty, and therefore can be considered when researching the concept.

Similarly, in Alvesson's (2000) view, loyalty is created through the process of identification with a certain social group. As he mentions, "at a high level of loyalty, the person gives priority to the needs of the employing company through seeing these as strongly overlapping with her own or even being altruistic and prepared to make sacrifices for the good of the organization" (p.1107). Employee loyalty to the organization as Alvesson (2000) notes, is attained by encouraging the adoption of social identities, which are associated with corporate membership. He further notes that in large organizations with multiple subunits present, the singular identity associated with organization as whole is difficult to form. Instead, individuals create various unit-specific social identities connected to different categories within the organization (Alvesson, 2000). Alvesson (2000) argues that the concurrent existence of different competing social identities can lead to conflicts of loyalty. For instance, it becomes a question if the individual identifies more with the organization, their profession or even the client. In a similar manner, Schrag (2001) notes that one's loyalty is generated through identification with an object. As he states, "We invest ourselves in the objects of our loyalties. ... Loyalty in this sense also allows us to sink roots and to draw boundaries between our group and others." (p.45). He further notes that this identification can result in one's willingness to put the interests of the object of loyalty above their own. As apparent, both Alvesson (2000) and Schrag (2001) directly connect employee loyalty to the process of social identification and regard it as the prime determinant of its creation.

## **Knowledge workers and loyalty**

As the business environment has developed, knowledge has become an essential asset to consider in post-industrial economies; organizations now need to regard knowledge and its effects to become and remain innovative and profitable (Hislop, 2018). The developing trend has been described as a transformation from the previous industrial economy to the new knowledge economy, in which companies rather focus on the accumulation and creation of new knowledge instead of manufacturing and tangible resources (Burton-Jones, 1999; Neef, 1999). This development, to increased importance of knowledge, has shifted companies, the characteristics of work, and society. Knowledge-intensive companies and its workers are now momentous aspects in the knowledge society (Neef, 1999). Alvesson (2000) defines a knowledge-intensive company as a company that produces qualified products or services and

further states that, “most work is said to be of an intellectual nature and where well-educated, qualified employees form the major part of the work force” (p.863).

One essential aspect of knowledge work is the knowledge workers. Research into the concept of knowledge workers have used varying definitions. Davenport (2008) defines knowledge workers as those, “with high degrees of expertise, education, or experience whose prime purpose involves the creation, distribution, or application of knowledge” (p.10). The distinctiveness of knowledge work, and workers, was highlighted by Alvesson (2000) who states that there is consensus on the need to manage this type of workforce differently with regards to the differentiating characteristics. Hislop (2018) outlines the characteristics of the knowledge workers as follows. Firstly, a typical knowledge worker is very highly qualified and needs to continually develop their knowledge. Secondly, the knowledge and skills of the knowledge worker are crucial to the organisational performance. Thirdly, the knowledge and skills possessed by the knowledge worker are usually highly tacit and difficult to codify. Fourthly, the knowledge and skills are scarce and valued in the labour markets, which makes it easy for knowledge workers to switch to other employers. Lastly, the tasks that knowledge workers perform are highly specialized in nature.

As the knowledge workers are crucial elements for the success of knowledge-intensive companies, attracting and retaining these workers has become of great importance. In the labour market, knowledge workers are regarded as scarce and are highly valued, which results in companies competing for the employees (Flood, Turner, Ramamoorthy & Pearson, 2001). As a result, such market conditions create a unique position for the knowledge workers, who can be highly selective when it comes to choosing an employer and also makes them more prone to mobility (Flood et al., 2001). In turn, organisations might experience difficulties with long-time retention of knowledge workers, which can be harmful for multiple reasons. Firstly, as Alvesson (2000) mentions, the knowledge, which knowledge workers possess and is vital for the organization is usually tacit and thus lost when the employee decides to leave the organization. Secondly, Hislop (2018) notes that knowledge workers often develop close relationships with the clients, therefore losing the employee can in turn lead to losing also the clients.

Alvesson (2000) argues that the key to the retention of these employees is building organizational loyalty. On this note, Flood et al. (2001) state that the tacit knowledge of the knowledge workers can only be utilized if the employees are committed to the organization and therefore willing to share and use their knowledge for the benefit of the organization. The

development of organizational loyalty and commitment therefore becomes central to the organization as it influences retention of the knowledge workers, as well as their work attitude and performance.

## **Summary**

Looking at the above presented literature that focuses on the conceptualizations of employee loyalty and commitment, the abundance of different understandings is evident. These numerous different and often overlapping definitions and perspectives result in a cloud surrounding and obscuring the concept of employee loyalty, which creates a hindrance to exploring the subject and can limit further development of research on the topic. Authors of the previous research often construct their own concepts of employee loyalty and apply these constructs when researching the social phenomenon. However, these preconceptions of what employee loyalty constitutes limit the understanding of employee loyalty as a social construct, as they frequently disregard the perspective of employees who are after all central to the concept. Even though we recognize the limitations connected to the approach of the previous works, it is nonetheless important to review those as they provide us with a general, yet bounded, understanding of the concept from a theoretical standpoint. This general understanding helps us to operationalize the concept while employing the pivotal, withal often neglected, aspect of employees' perspective.

### **3 METHODOLOGY**

In the following chapter, we present the methodological approach we have taken when conducting our research study. Firstly, we present the philosophical grounding of our research based on the interpretive research tradition of social constructionism. Thereafter, we provide reasoning behind the utilization of the research approach of abduction, in connection to the qualitative nature of the study. We proceed by presenting the data collection process, describing the snowball sampling method together with an evaluation of the utilized sample size based on the concept of information power. Followingly, the semi-structured interview technique, which was employed to collect empirical data is presented. Lastly, we provide a description of the analytical process that we performed when interpreting the collected empirical material, and a reflection on the utilized measures of improving the study's quality.

#### **Philosophical grounding**

As our research aim is to explore the experiences and understandings of employees, our study follows the interpretive traditions (Prasad, 2018), and the associated ontological assumption of social constructionism (Bryman & Bell, 2017; Prasad, 2018). Within the interpretive research traditions, the everyday lifeworld of individuals and how they make sense of social phenomena to create their reality, is the favored subject. This means that there can exist an infinite number of realities or personal interpretations. However, as Prasad explains, “our tendency is to resort to fewer but more commonly shared ones” (Prasad, 2018, p.16). Thus, our intention is to explore and interpret the lifeworld of our interviewees, both their personal subjective experiences and socially constructed realities, and the shared ones they take for granted. It is also necessary to consider that the interpretive traditions “also assert that these constructions are possible only because of our ability to attach meanings to objects, events, and interactions.” (Prasad, 2018, p.14). Therefore, a particular phenomenon is not only represented by objects, events, and interactions, but by the assigned meaning and interpretation as representing something more.

Although we did not adhere to the interpretive tradition of symbolic interactionism specifically (Prasad, 2018), some aspects thereof proved worthy to consider. We did not engage in the exploration of multiple realities present in a given situation associated with symbolic interactionism (Prasad, 2018), we did however research the multiple experiences of similar



mundane situations between different people in a team or organization. More importantly, emerging from our empirical material there were many reflections of the self and these seemingly influenced the meaning, and even the behaviour which was carried out. The interviewees' chosen self images were connected to the social role they took on at the time, e.g. a loyal employee, and that identity influenced their sense making of the associated expectations and behaviour. Thus, the concept of role-taking and identity central to symbolic interactionism were of interest to explore.

## **Research approach**

In order to explore different understandings of employee loyalty, we adopted a qualitative method of research (Bryman & Bell, 2017). The analysis of empirical material collected through our semi-structured interviews allowed us to achieve the depth commonly associated with qualitative studies. As the aim was to assist the ambiguous and sometimes contradictory field of research into employee loyalty a qualitative method with an abductive approach was beneficial.

Alvesson and Sköldbberg (2018) explains that abduction builds on deduction and induction by providing an element of reinterpretation of the interaction between theory and empirical material. The reflexive methodology, as advocated by Alvesson and Sköldbberg (2018), has similarities to the mixed methods approach suggested by Mitchell (2018), in the sense that both critically question both what is presupposed in traditional methods and the results one would find using such methods. Abductive reasoning according to Mitchell (2018), "follows a pragmatist perspective, taking incomplete (or 'messy') observations from experience and reality that may then lead to a best prediction of the truth, and perhaps even to a new theory." (p.105). Even though Mitchell (2018) states that the abductive approach is constructed to tackle the shortcomings of deductive and inductive approaches, he later clarifies the similarities between the approaches in their intentions to make logical inferences and construct theories (Mitchell, 2018).

What was particularly useful with our abductive approach was that it helped make sense of that which was empirically puzzling or surprising by applying a somewhat neglected way of reasoning in previous research into employee loyalty. Mitchell (2018) states that, "Abduction

is essentially a search for some meaningful rules that will offer a valid explanation, while removing what is surprising about the facts.” (p.105). This valid explanation is then used for, “Theory generation or modification; incorporating existing theory where appropriate, to build new theory or modify existing theory.” (Mitchell, 2018, p.105). Furthermore, Mitchell (2018) differentiates between inductive, deductive and abductive approaches by comparing their paths. Stating that deduction moves from general to specific, induction from specific to general, and that abduction “Generalise from the interactions between the specific and the general.” (Mitchell, 2018, p.105).

## **Data collection**

In the following section, we present the purposive sampling method used for selecting the respondents as well as the rationale behind selecting the particular organization and employees for our study. We also present how we assessed the adequateness of the sample size based on the concept of information power advocated by Malterud, Siersma and Guassora (2015). Furthermore, we explain our choice for utilizing the semi-structured interviewing method for data collection and provide a description of the interviewing process.

### **Sampling method and sample size**

In our study, the selection of the participants for the interviews was performed using a purposive sampling strategy, specifically the snowball sampling, as commonly done in qualitative research (Bryman and Bell, 2011). In purposive sampling, units of analysis are chosen purposely based on their relevance to understanding the studied social phenomenon (Bryman and Bell, 2011). As the purpose of our study is to explore the perspectives of knowledge workers, we first identified an organization that operates in the area of our interest. The selected organization, The Company, belongs to the group of internationally well-known accounting companies, often referred to as the Big Four. After selecting an organization suitable for the research, we then targeted potential interviewees that could provide us with insights relevant to the context our study is set in. Previous research (Robertson and Swan 2003; Empson, 2001; Morris 2001) has identified the occupation of consultants as knowledge

intensive work, and based on this, we targeted interviewees who work in the consulting service line of The Company. We have opted for a snowball sampling strategy, starting with approaching few potential interviewees recognized as relevant for the study, and consequently establishing contact with others through the initial interviewees. This strategy has proven itself as effective, as we were able to perform new interviews until a satisfactory number was achieved by reasoning based on the concept of information power advocated by Malterud, Siersma & Guassora (2015), as presented below.

In order to establish an adequate sample size for our study, we followed Malterud, Siersma & Guassora (2015), who advocate the concept of information power as useful when deciding for the appropriate sample size in qualitative research. The notion behind the concept is that with higher information power of the sample, fewer respondents are needed to develop new knowledge on the researched topic. Information power of the sample, as Malterud, Siersma & Guassora (2015) note, depends on “(a) the aim of the study, (b) sample specificity, (c) use of established theory, (d) quality of dialogue, and (e) analysis strategy“ (p. 2).

As Malterud, Siersma and Guassora (2015) note, with a broad topic researchers should aim for larger samples as the phenomenon is more comprehensive. On the other hand, narrow and specific area of interest requires a smaller sample because the interviews can provide access to sufficient information. We consider the aim of our study to be rather narrow as the focus is on a specific specific concept and is set within a rather narrow context of a consultancy industry. When it comes to the sample specificity, Malterud, Siersma and Guassora (2015) claim that a sample consisting of participants who share the same specific characteristics can benefit from a higher information power. However, they point out that a very specific sample could result in a little variation of experience among the participants, thus it is important to maintain some variation within the specific target group. Our sample comprises participants who can all be considered to belong to the group of knowledge workers, however their seniority, tenure and most importantly their personal experience and attitudes differ, thus our sample is specific for the aim of the study while still holding the required variation.

We support our study by taking into account multiple theories and perspectives related to the studied concept in order to enhance the information power of our sample. As Malterud, Siersma and Guassora (2015) note, this utilization of study-specific theories underpins the theoretical background of study and therefore strengthens the information power of the sample. Using the semi-structured interviewing method allows for in-depth and highly focused dialogues as by

asking follow-up questions, we could stem the direction to topics that provide us with useful insights. This further increased the information power as that also depends on the quality of dialogue (Malterud, Siersma and Guassora, 2015). Since we focus on participants from a single company, our study is designed as a case study, which allows us to use a smaller sample and still be able to gain in-depth relevant knowledge on the studied topic. As Malterud, Siersma and Guassora, 2015) note, this data analysis strategy requires a smaller sample size to provide sufficient information power. After taking into consideration the above-mentioned dimensions, we decided to work with a sample size of 12 interviews as this size seems sufficient for the purpose of our study. We provide a summary of the interviewed employees with the specifications of their position in The Company and their tenure in the Table 1 below.

<b>Name</b>	<b>Position</b>	<b>Tenure</b>
Anthon	Junior Consultant	8 months
Britta	Junior Consultant	1 month
Cecilia	Junior Consultant	10 months
Diana	Consultant	1 year 10 months
Erik	Senior Consultant	2 years 8 months
Fjodor	Senior Consultant	4 years 2 months
Gustav	Senior Consultant	3 years 10 months
Helene	Senior Consultant	4 years 4 months
Ivar	Senior Consultant	5 years 4 months
Jakob	Senior Consultant	6 years 3 months
Karolina	Senior Consultant	2 years 10 months
Leonard	Consultant	1 year 8 months

Table 1 - List of interviewees

## **Semi-structured interviews**

When it comes to the method of data collection, we opted for the semi-structured interviewing as the research we are conducting is of a qualitative nature. The semi-structured interview technique allows for a substantial flexibility when it comes to the interview process and provides the interviewees with enough space to present their views and understandings on the issues related to the researched concept (Bryman and Bell, 2011). In this type of interview, the researcher first develops a list of questions, which cover the topic of interest but are structured in a way that allows for openness in responses (Bryman and Bell, 2011).

The semi-structured interview guide was carefully prepared beforehand with the focus on specific topics in mind, but the possibility of follow-up questions enabled to adjust the direction of interviews in cases where a specific topic surfaced during the interview. This helped us to obtain rich and detailed answers, which enabled us to focus on specific issues that the interviewees regarded as important to mention. The interview guide was constructed with the aim to obtain relevant information to answer the research question, and comprised a set of 25 principal questions that were posed to each interviewee. As mentioned before, the follow-up questions were posed, corresponding to the interviewee's specific takes on the topic.

The interviews were conducted remotely using the Zoom software and were recorded for the purpose of the later transcription, which allowed us to analyze the data thoroughly. The interviewees were not provided with the questions before the interview but were informed about the aim of our study and the general topics connected to the research. Informing the respondents about the topics to be discussed should help them prepare for the discussion and consider the information that might be requested (Saunders and Lewis, 2012). We chose to not disclose the questions beforehand in order to gain natural responses that would not be scripted.

When it comes to the interviewing process itself, the interviews were held in a conversational and informal way in order to maintain the comfort of the interviewees. At the beginning of each interview, the interviewees were assured of complete anonymity and of a confidential way of handling the information they decide to disclose. As Saunders and Lewis (2012) note, taking part in an interview can be viewed as an intrusive process and interviewees might choose to not reveal sensitive information or to only provide a partial picture in order to keep a socially desirable image. Thus, we consider these statements of assurance as highly important since the research topic can be regarded as of a sensitive nature and guaranteeing anonymity might

lessen the response bias. Apart from that, the respondents were also asked for permission to have the interviews recorded and they were explained the reason for the recording. It is important to mention that the interviews were conducted in English, which is not the native language for neither any of the interviewees, nor the researchers. As Marschan-Piekkari and Reis (2004) note, the language skills of both researchers and interviewees affect the dynamics of the interviews and in order to collect valid and trustworthy data from non-English contexts a multilingual approach is necessary. We have ensured that this precondition was fulfilled as one of the researchers shares the native language with the interviewees. On average each interview lasted 30 minutes, with the shortest one lasting 24 minutes and the longest being 45 minutes long. Two interviewers were present at all of the interviews, one in a role of moderator and the other taking notes. The presence of both interviewers and dividing the roles allowed us to guide the direction of the interviews but at the same time also focus on and note down the non-verbal aspects of the conversation, such as interviewee's expressions, gestures or hesitations to answer. The interviews were subsequently transcribed from the recordings and additionally checked to ensure correctness.

## **Data analysis**

In order to regard the interviewee's voiced lifeworld (Kvale, 1997), it was important to begin by interpreting the interesting aspects of each interview, then collecting these to discover common themes by connecting the different interviews and focusing on the most prevalent or interesting themes. This description can be interpreted as a way of dealing with the anguish and justification of material used in qualitative research (Rennstam & Wästerfors, 2015). This meant that we were ready to, and to some extent required to, re-sort our material throughout this process which will be clarified below. The description of initiating the process of interpreting possible themes should not be understood as if the process of analysis is considered to simply be performed or done after the fact but rather as the analysis in its most elementary and unmistakable form takes place after the empirical material has been collected. Our analysis had naturally been ongoing since the first interview, in which we chose to ask certain follow up questions and request examples to certain stories; or as we identified, highlighted, differentiated and listed interesting aspects.

Nevertheless, through the process of collecting the empirical data and dealing with the material during and after the interviews were complete we mainly utilized the ideas of Rennstam and Wästerfors (2015), with some creative and useful adjustments specifically for our case. Rennstam and Wästerfors (2015) describes how researchers carrying out qualitative research can deal with empirical material and perform analytical work, to do this they describe the processes of sorting, reducing, and arguing. The process of sorting is a result of the analyst spending time with the material and becoming familiar with it in order to identify details and themes to deal with the extended material and achieve an overview (Rennstam & Wästerfors, 2015). This was done by identifying and highlighting particularly interesting segments in the analysis, as well as sorting different segments into themes and subthemes based on content and interpreted underlying perspectives. The latter allowed us to consider not only what is talked about, but also how it is talked about, and was especially useful for grasping the interviewees' understanding of loyalty. The sorting process proved beneficial when exploring both commonalities and differences between the interviewees, and allowed us to achieve an overview on both an interviewee level and across interviews as that allowed us to better interpret each of the individual perspectives and what they had in common across the board. The sorting process was not performed as definitive decisions, but rather to guide us through the abundance of material by creating guidelines for navigating the material, in line with Rennstam and Wästerfors (2015), "However, the way in which this sorting is to be carried out is not characterized by determinism, but rather by a great deal of openness." (p.69).

After an overview was achieved, the possible themes and categories were evaluated, reevaluated and sifted through, at this point the sorting process was at a stage when reducing the multitude of possible paths for analysis down to a workable assembly seemed beneficial. Rennstam and Wästerfors (2015) describes the reducing process as, "In short, the analyst is engaged in picking out and in detail analyzing a more manageable set of data without for that matter neglecting the overall picture." (p.141). The process involved us choosing what material not to use, and it was therefore important to be aware of what aspects were viewed in the periphery while another was focused on. Rennstam and Wästerfors (2015) state that all material cannot be used and that even less can be presented. This meant that we, to the best of our ability, upheld an awareness of the fact that our acts of omittance can affect the analytical process and the following results. Reducing can be accomplished in a number of ways and on a number of bases. The choices regarding category, sets of categories, combinations thereof, or other combinations of the empirical material for utilization in further analysis is a sensitive one, and

the researcher must carefully consider how these choices can aptly represent the empirical material (Rennstam & Wästerforst, 2015). We viewed empirical material as a set of boundaries in which we could interact with the material to develop the analysis in a trustworthy yet productive manner. Rennstam and Wästerfors (2015) mention an assortment of approaches for reduction, namely categorical reduction, illustrative reduction, and stories as a method for reduction as well as critical incidents and key incidents. The approaches utilized by us in this study will be presented below. It should also be noted that we benefited from revisiting the original empirical material, since it enabled us to review the different segments and their associated themes from different perspectives, as Rennstam and Wästerfors (2015) state, “Reductions are never definitive.” (p.123).

Categorical reduction is done by the researcher through choosing certain categories over others in order to illustrate detailed depictions expanding, or adding new explanations (Rennstam & Wästerfors, 2015). The bases on which one category is chosen over another can vary, certain of our identified themes or topics had previously been largely explored while others, although interesting, would be more prudently explored in a different study. Rennstam and Wästerfors (2015) explain,

It is worth noting that “reject” does not mean that these categories altogether lack any form of explanatory value. However it does mean that the analyst made relatively informed choices based on his impressions from this study, previous studies and his methodological approach. (p.113)

This allowed us to better understand the interviewees’ perspective on loyalty in organizations required us to interpret not only what was being said about the topic, but also what categories were connected, and which were not. It was also important to use categorical reduction in a way that enabled new or different perspectives to surface and be interpreted, as previous research had overlooked or neglected important aspects of loyalty. Thus, previous research repeatedly facilitated analyses that may not have been particularly relevant for the concept which possibly skewed definitions and connected effects to it without ruling out or exploring other explanations.



Stories can be used as a method of reduction by either identifying a story told within, or creating a story based on, the empirical material (Rennstam & Wästerfors, 2015). Stories were used as a reduction principle to single out focal points and allow us to perform a deeper analysis which facilitated a larger number of nuances or facets to surface (Rennstam & Wästerfors, 2015). This proved especially useful when analyzing the stories told about disloyalty, as this required a deeper analysis of the many aspects affecting the situation. Critical and key incidents pertain to organizing the material around particularly interesting and significant incidents that relate to the source of empirical material. Rennstam and Wästerfors (2015) state that, “Such dramatic events sharpen conditions in the field and thus almost seem to “give” the analyst a reduction principle.” (p.134). Critical incidents are described or presented by the source as revolutionary or critical. Rennstam and Wästerfors (2015) mention that,

“Neither critical incidents nor key incidents are self-explanatory. They represent a point of departure for an analysis (and perhaps more field work) and may thus represent a practical principle for reduction, since so much else is excluded (i.e., the things that cannot be related to the incident).” (p.140).

In that sense, the incidents we used to focus our analysis were either based on the interviewees acting as sources or in our interest or identified significance that created opportunities for further analysis. This process of reduction and further analysis was for example used in order to focus on the different incidents which appeared to shape each interviewee’s understanding of loyalty. It allowed us to a greater extent explore the interviewee’s perspectives, which in turn gave insights into the differences and commonalities between the interviewees.

Sorting and reducing is not enough according to Rennstam and Wästerfors (2015), who state that “The analyst also needs to say something.” (p.143). This is done through argumentation, our argumentation was developed through the analytical process with the sorting and reduction, although it reached its apex as we theorized based on the empirical data. Rennstam and Wästerfors (2015) state that “A crucial aspect of analytical work is theorizing” (p.178), and on top of this advice that everyone may be engaged in identifying and conceptualizing social phenomena. Thus any and all researchers should argue for their case and findings, to theorize is to argue one's own case and build theory by, “presenting an approach or concept, proposing a perspective, showing from which point of view something may and ought to be explained.” (Rennstam & Wästerfors, 2015, p.145).

As previously indicated, the analytical process is not to be likened with a train journey, following a straightforward track with predetermined stops along it, each with a distinctive activity that is only performed until the journey to the next stop begins. Thus, theorizing has been in the process during both the sorting and reduction processes, in our coding, labelling, categorization, choices regarding omittance (Rennstam & Wästerfors, 2015). However, at the later stages our explicit argumentation began to hone in on the ongoing theorization and we directed it to the previous research to unravel what our findings could help to discern for the concept of employee loyalty (Rennstam & Wästerfors, 2015). According to Rennstam and Wästerfors (2015), “Good theorizing, we would argue, is a result of the interplay between being creative and being systematic.” (p.149). The interplay between these two aspects are necessary to creatively develop new ideas while convincingly communicating and supporting those ideas.

## 4 FINDINGS

In the following chapter, we present the analysis of the empirical data we collected through interviews with knowledge workers in the consultancy field. Throughout the interviews, a large number of themes emerged and we focus on those that were most prevalent, or bore the highest relevance for interpreting the understandings of employee loyalty of knowledge workers. We direct our attention to stories and perceptions revealed by the interviewees in regard to employee loyalty, and interpret those in relation to the organizational context experienced by the employees of The Company. We analyze our empirical material both on an individual interviewee level, and on a collective level. By doing so, we provide a general picture of how the interviewees understand and construct their meaning of employee loyalty and the behavior associated with it. This in turn helps us better understand the phenomenon as it allows us to recognize and later discuss important aspects. For more detailed descriptions of individual interviewees, see Appendix 1.

### **Interviewees' understanding of loyalty**

The interviewees all presented distinguishable perspectives on employee loyalty, each providing a slightly different angle or outlook on the topic and thus revealing various aspects of relevance. However, there were also a considerable number of aspects that were present in most or all interviews. These common aspects were accompanied by overlapping sentiments towards certain aspects of, and about, the concept of employee loyalty. The commonalities will be presented and exemplified, and in the end of this subsection a clarification of how the interviewees in general understand employee loyalty will be provided. By exploring both the differing individual perspectives and what the interviewees seemingly agreed upon, we are able to achieve a greater depth in the analysis. As viewing different temporary sets of empirical data can provide opposing indications, which in turn can contest one another, this allows us to a greater extent become cognizant of the many aspects present.

The overarching aspects that the interviewees connect to employee loyalty are that loyal employees make an effort for the benefit of the organization and their colleagues. They are willing to sacrifice some of their own time and energy for the benefit of a colleague or The

Company, although they connect this to reciprocity and wish to be recognized for their actions. Anthon connects employee loyalty to effort by describing, "I think loyalty is, first thing is, you have to work hard when it is necessary, so that you don't leave the company in trouble". Another aspect of employee loyalty mentioned in multiple interviews is that a loyal employee should talk well about one's organization, or that disloyal employees talk negatively about their organization. Diana is very clear on this aspect as she describes,

"That [employee loyalty] would mean that I do not say anything bad about my firm in front of the clients, or in public on social media, that when there's a choice, when you should side with one thing or another, you know, or one firm or another, that would be when you choose your firm, because that's who employs you." (Diana)

The interviewees also generally perceive loyalty as gradually built, and fluctuating over time rather than being constant. Britta makes this clear as she considers her loyalty to The Company at the time she started working for them, stating that she could not have an opinion on loyalty at that point in time because it could not have existed, "No, because I couldn't have any opinion on that." She also describes her understanding further, "For me, being loyal means trust and trust always takes time to build." This aspect is also clear from Cecilia's experience with The Company, "I definitely was not feeling loyal to the company at the beginning, so it kind of built itself". The fluctuating level of loyalty is also depicted by Fjodor who states, "If I did not like a project, I was thinking about The Company like, screw that I am out of here because they do not care about your work life balance. They do not care about this and that." Followingly, he describes how that can change quickly, and exemplifies with a team building trip to another country that brings the loyalty back, Fjodor states, "I think it [loyalty] sort of oscillates around a certain level." Helene experienced an increasing loyalty to The Company, "The more time I spend with the company, the more I feel loyal to the company, because of everything it has done for me and I have done for them." The aspect of employee loyalty fluctuating over time is connected multiple times to interviewees considering other job offers. Fluctuating loyalty is described as occurring when the interviewees actively looked for other employment, yet considered themselves loyal. Multiple interviewees contend that this occurrence is unconnected to loyalty and explain this as a temporary dissatisfaction with their work or current situation in The Company. Cecilia explains, "I'm not going to shop around for another job when I'm working in my current one and feel happy about it." During the parts of the interviews when the interviewees consider the connection between employee loyalty and straying from The Company, many hesitate and it is a point when they often become slightly perplexed as they

realize the contradictory nature of their understanding of loyalty and how that can be connected to the context of employment at The Company. Many express that in one way or another they connect employee loyalty with staying at The Company, yet they perceive themselves as loyal even while they tend to stray from The Company, as will be further analyzed later in this chapter.

From the specific individual perspectives shared by our interviewees, we can interpret a more general understanding of the social phenomenon of employee loyalty. This general understanding of employee loyalty involves and revolves around something intangible, best described as an emotional or affectionate sentiment towards The Company and/or the people within. This positive sentiment induces a wish to help the organization or co-workers succeed by committing to high work efforts, sacrificing one's time, preserving a good image of the organization and generally acting in the organization's best interest. Moreover, in some cases the sentiment seems to be strong enough to influence an employee's decision to remain with the organization. The topics introduced in this subsection will be explored at greater depth with more empirical support in the following subsections. We will look at the relevance of different contextual elements in The Company, before moving on to the topics of work effort and retention that is commonly associated with employee loyalty.

## **Understanding the context at The Company**

In order to delve deeper into understandings of employee loyalty, it is important to first look at how the interviewees perceive the social environment within the company, its culture, nature of the work and also the organization itself. Taking into consideration the organizational context allows for better interpretation of the employees' understanding of loyalty as it directly shapes the construction of their perceptions and is the foundation for many of their stories. The Company belongs to the group of internationally well-known accounting companies, often referred to as the Big Four; and all the interviewees work in the consulting service line of the organization. The consultancy work itself has very specific characteristics, with consultants working very closely with a variety of clients, and their projects changing on a regular basis. With the variety of different projects, the nature of work becomes diverse and dynamic. Work in consultancy is generally considered to be high-paced and demanding by the interviewees, especially in relation to the working hours. In the following four subsections, we present an

analysis of the perceptions that the interviewees revealed in connection to The Company and their work along with our interpretations regarding the possible influence those perceptions have had on the understanding of employee loyalty.

### ***Brand perception***

One of the recurring aspects related to the organizational context of The Company, is the connection they make between The Company and the prestige of its brand. This is reflected in the statement of Helene, who recalls her time working for two separate offices of The Company and compares the two experiences,

“I wouldn't say back then I was so proud to be working for The Company. But here in the new country, I definitely am because I can feel that here, the impression of working for this company is that it is just a good company to work for.” (Helene)

It is apparent that others' opinion regarding the prestige and image of the brand is highly important for Helene. Another example of the importance of good image that The Company has is expressed by Karolina who summarizes the importance of The Company's brand well in her statement,

”We have colleagues, mostly younger ones, who were just coming and you can tell from day one that they just want to gain experience very quickly, maybe earn some money and then just move on to another job with the experience and with the you know, bullet point of The Company in their CV.” (Karolina)

From her statement it is apparent that simply having the name of The Company's name mentioned in the individual's resume is highly valued, which gives a clear account of how The Company brand is perceived by employees.

### ***Social environment***

When talking about The Company in general, the topic of interpersonal relationships and atmosphere present at the workplace emerged. For instance, Helene points out the very friendly atmosphere she experiences at the workplace by stating,

“it's a very friendly environment, with people on the same level as I am and even lower level. I feel like I've made so many friends over those years. Overall, the environment is super friendly, super informal.” (Helene)

It seems that there is a strong perception of the company having a social environment described as friendly and with informal relationships even across the hierarchical levels, which is highly appreciated by the employees. This informality is addressed by Cecilia who notes,

“The people are really nice there. In forensics, I can easily talk to any of the partners like if they were my friends and they always talk to me like to an equal. We built the relationship also because they are really keen on knowing the assistants and knowing pretty much everybody in their team, in their department“ (Cecilia)

Especially important is the feeling that Cecilia expresses about being treated like an equal, as this may lead to developing the feeling of trust and being respected. The respect is a crucial aspect for Cecilia, required in return for her loyalty, “I just want to be respected. I want to be not undermined.” The informal relationships at the workplace also support open communication as Gustav notes, “I work in a team like that, you can say your concerns, and you're not going to be punished for it. In matter of fact, I have a meeting with my superior today, about my concerns with some projects.“ Gustav regards open communication as a key factor in his explanation of employee loyalty,

“To me, it means first and foremost the communication between your superior and yourself, between your peers and yourself. And it's so important to work in an environment where communication is open minded, and you can share your opinion but you also have to listen to the other side.” (Gustav)

In this sense, the open communication reflects the presence of mutual respect at the workplace and can be seen as an antecedent for employee loyalty to Gustav and Cecilia. Ivar makes another interesting point, connecting loyalty to being open about the negative feelings towards the work, stating,

“Instead of saying everything is fine and then in two months, you quit the job, you say to your manager or superior, I don't feel comfortable here. I don't feel comfortable with this project. This could be a loyalty as well, like opening difficult conversations with your colleagues.” (Ivar)

Providing this kind of predictability to the employer is perceived as an act of loyalty, especially in the context of a company where leaving is considered standard behavior and is even expected; and it allows the employee to keep their self-perception of a loyal employee even if they ultimately decide to leave the company.

Interviewees mention particular efforts from The Company's side to strengthen social bonds between employees by providing team-buildings and socializing events and building a corporate culture that embraces a friendly informal atmosphere. The strong social bonds are perceived very positively, sometimes even as an act of care towards the employees from The Company's side. This feeling is best reflected in Cecilia's statement when answering a question whether The Company deserves her loyalty, "I would say yes, because they do a lot of things for me. Benefits are part of that, but also as I said before, the people are really nice there." It is apparent from this statement that Cecilia gives the credit for positive feelings stemming from good interpersonal relationships to The Company and perceives the friendly environment as an act of care provided by The Company.

However, the view of The Company as doing things for employees and caring about them is not shared with Helene who questions The Company's motive,

„At the end of the day, it's all about the money, right? It's not because they like you as a person. I mean, the top management may even not know that you exist. So is it because if you're good, you help to generate money, and if you left, they would have to pay the HR resources to hire and train someone new." (Helene)

This illustrates that even though the positive interpersonal relationships are very much appreciated by the employees, some of them perceive that The Company's main interest lies in generating profit and the employee care or loyalty building serves simply as a tool to achieve that interest.

Another important aspect, which interviewees mentioned multiple times is connected to the attributes of the social community in The Company, namely the age of its employees. For instance, Gustav describes the community as young and even compares it to university settings, "I see a parallel between a university and a consulting firm, because you go in and there are so many young people working." It is apparent that the fact that employees are of similar age allows for identification with the group to occur, which in turn reflects in the positive attitude towards the social community at the workplace and possibly also influences employees'



decision to stay with or leave the organization. The latter is demonstrated by Britta, who relates leaving her previous employer to the lack of personal connection with co-workers of different age, and compares it to the positive situation she experiences in the current employment,

“I can add that I left [the previous organization] because my co-workers weren’t in the age that would be similar to me. So we understood [each other], we had a mutual respect, everything was fine. But we couldn’t understand [each other] so well because we dealt with different problems. It was impossible to make friends with them.” (Britta)

### ***Environment with high employee fluctuation***

As also evident from the interviews, the employees are aware of the high fluctuation of employees in The Company and in consultancy itself as mentioned by Ivar stating,

“It's different in consulting, the rotation is huge. In the bigger team, where I work, where there are maybe a hundred people, I think that during five years, only maybe 20 or 15 have been there for a longer time than me.” (Ivar)

Leaving The Company is not only perceived as common but this behavior is also anticipated, as Ivar states, “I think they are used to it. It's nothing new in this type of business.” This fluctuation is perceived as connected with the age factor, as Erik explains, “The truth is that the turnover is highest at junior positions“. Similarly, Gustav states, “Later when you're entering your 30’s and you grow with the company, you understand that that team will be changed quite a lot, and there's big fluctuation.“ Moreover, the difference in the behaviour of younger generations of employees and previous generations is pointed out as Gustav further elaborates,

“The team in the consulting business doesn't stay for 30 years, like it was 30 years ago, when you had one job for 30 years and maybe this loyalty was different. Now you just change jobs every year, every two years.” (Gustav)

It is apparent that Gustav and other interviewees perceive that the understanding of employee loyalty has changed over the years. This change makes it even more important to redirect the focus from employee loyalty understood simply as willingness to stay in the company, to interpreting the behaviour of employees and their new understanding of loyalty. This new understanding rather relates employee loyalty to the behaviour that is demonstrated during the

time of employment, such as performing diligent work and preserving The Company's good brand.

The analysis showed that the decision to leave the organization is neither perceived as a question of employee's loyalty to the organization nor as an act of disloyalty, unless it directly harms the organization. This is supported by Britta who does not view leaving the company as not loyal, "I wouldn't say that these people are not loyal. They're loyal in moments, but you can lose loyalty very quickly." This statement, however, seems rather contradictory as on the one hand Britta perceives the change of employer as losing one's loyalty but on the other hand, she also claims that employee loyalty is reflected in the effort demonstrated during the time of employment. This shows that the topic of employee loyalty consists of many and sometimes contradictory aspects that are difficult for many interviewees to wrap their heads around.

### ***Long working hours***

When we asked interviewees about the efforts they make at work and willingness to work above contractual expectations, an interesting aspect of the company culture became apparent. Interviewees mention the implicit expectations perceptible in The Company to work overtime, sometimes even excessively long hours. This is best illustrated by Gustav's statement,

"I guess it comes with the environment that you are expected to work hard and you are expected to work longer hours. Sometimes it's not sustainable. If it's a long period of long working hours, then you can see it on the team." (Gustav)

It seems that Gustav apprehends the negative aspects of working overtime but accepts the expectation. Refusing to accept the social norm could lead to a negative social experience since nonconformity is often perceived as unacceptable according to the interviewees, and the member can become ostracized by the rest of the social group. Helene points out the perceived lack of choice in working overtime due to the existing unspoken expectations,

"I think in The Company it's expected that you are working overtime. So I don't know if you can say I didn't have to [work overtime], because basically I had to, it was the expectation. I can recall many situations, especially on my latest projects when I was working 16 hours a day sometimes." (Helene)

She further elaborates on the topic by stating, "I can't just close my computer at 7pm while the team, the other people are still working on the project. ... The main reason basically, that I'm working extra hours is because I care about what those people think of me." The acceptance of the expectations to work long hours seems to stem from, on one hand, identification with the team and organization itself through accepting the unwritten rules, which are accepted by the whole group. On the other hand, there appears to be an effort to maintain a certain positive social image within the group by following a behavior common to the majority, to avoid being labelled in a negative way, for instance as a lazy person. Such labelling is exemplified by Helene, who recalls situations, when individuals who refused to conform to the norm of working long hours were perceived by other employees in a negative way, stating "other people were saying things like that those people are lazy, stupid, not part of the team." The expectations of working overtime in this case had a direct impact on the social community in the workplace, on one hand affecting the relationships between the members, and on the other, influencing the conforming behaviour of those who wish to avoid the negative consequences.

Interestingly, the fact that employees are expected to work overtime does not seem to affect the overall positive attitude towards the work or organization. For instance, Gustav states,

"If you go through [tough] projects that you don't like, you obviously feel challenged, mad and very emotional. But then the day goes by, you sleep over it, and you realize that in the bigger picture, you're still learning something. And you're still somehow proud to be working for the team. It's our way and I feel proud." (Gustav)

In this case, the heavy workload seems to be perceived negatively at first but is later constructed as a learning opportunity and as a source of pride of being a member of a certain social group. We interpret this as a result of successful identification with the group, where each member makes an effort to help the group in achieving the common goal, while disregarding personal discomfort during the process.

# **The interrelationship of high work efforts and employee loyalty**

As apparent from the previous section, the nature of work in The Company is high paced and employees often exhibit major efforts to perform well. A question emerges about the motive of this high work effort, and we analyze whether this behavior could be considered employee loyalty or is better explained by different inducements unrelated to loyalty. Firstly, we analyse the cases where self interest comes into play as drivers for the high work effort; and subsequently those seemingly connected to employee loyalty built on different moral aspects. Cecilia reveals her motives for extra effort when stating,

“There's lots of competition, because always in summer during August, September, lots of people come into the company to do audit. So, you really have to make a difference, I would say, you have to really step up. Sometimes I worked crazy hours till one in the morning because I wanted it to be perfect. I was trying to do my best to not be like the other people, so that the seniors could see me in a better way and give me higher feedbacks.” (Cecilia)

We interpret the fact that Cecilia mentions the possibility of being given a higher feedback for her large efforts as self-interest. This self-interest is even more pronounced when she further clarifies, “Based on these feedbacks, I would expect some bonuses, of course, and I expect them to be quite high, because I feel like I've done a good job.” Similarly, Anthon clarifies his motive for his decision to work on multiple projects simultaneously and working overtime, “we're gonna have bonuses during the summer. So, you know, I want to have good performance and good reviews so that I would have a higher bonus.” These two examples show that the personal gain, in this case financial, serves as an inducement for high work effort. Self-interest as a main driver for work effort is also pointed out by Britta, who states,

“for example today and I worked all day and I shouldn't be working at all ... I'm on a project that is starting right now and I'm responsible for the smooth start of the whole project, so it was in my personal aim to work and do everything in time.” (Britta)

The personal interest in delivering good results as mentioned here further supports our understanding that in many cases the employee anticipates personal gain from their good behavior and this gain is interpreted as a main driver for their work efforts. The above presented

examples of extra work efforts resulting from pursuing one's self-interests show that high work effort should not be automatically equated with employee loyalty without considering the motives behind the effort.

### **Interpersonal relationships increasing work effort**

However, high work effort is not always driven by personal gain as apparent from the following excerpts. In many cases, the interviewees connected their high efforts and dedication to the positive personal relationships they have built with their co-workers. For instance, Anthon recalls his previous employment experience,

"I knew that if someone who is basically my friend or maybe not even friend, but someone I can talk to, if he comes to me and asks me to do something, I'm more willing to say yes, even though I just want to go home or I don't have time, but I'm going to find it somehow." (Anthon)

Similarly, Britta, explains that her willingness to devote extra time in order to help out a colleague varies depending on the relationship, "Yeah, that's that depends on the relationship. ... My willingness to help my friends is much much bigger than my willingness to help someone who I don't know." Leonard also connects his willingness to sacrifice his time to the nature of the relationship he has with the co-workers,

"When I see that someone within my team is struggling with something and I know I can give a bit of guidance, then I will always voluntarily do it. But if this is a person that I'm not really attached to, then I would probably not [help]." (Leonard)

These statements show that high work effort, whether in the form of working overtime or simply working harder, can result from the willingness to act in a selfless manner and make sacrifices for others, and we interpret these as examples of employee loyalty. The presence of an affectionate connection between the co-workers enables the interpretation of additional efforts as a form of employee loyalty, either on an individual level or as a loyalty to the team. The concern for others is demonstrated in Jakob's statement, "I think it [the relationship] is additional motivation [to work harder], when you don't do the work, your friends will have to do it and they will need to stay late." In contrast to previously described motives for high work

effort, which are driven by expectations of gaining certain personal benefits, we interpret the behavior based on affectionate sentiment and interrelated willingness to make sacrifices as employee loyalty.

The above mentioned affectionate sentiment towards the organization is connected to the identification of an individual with a certain social group, whether it is the company as a whole or its subunits. In many cases, the willingness of an employee to work more than is contractually expected stems from a feeling that they are part of something bigger than themselves and from sharing a common goal and sense of responsibility for the group that they identify with. This is well illustrated by Fjodor's statement,

“One of the reasons that you work overtime or that you work you know, harder is probably not that you want to appear like that you are better than everyone else but rather not leaving the team behind. Because you know, everyone in that team or almost everyone will work overtime if needed.” (Fjodor)

This excerpt shows Fjodor's strong identification with his team and the interrelated sense of responsibility for the team's results. Anthon provides a similar picture through describing his understanding of employee loyalty,

“I guess that means that if the company is in trouble, I don't know, if we are working on a project, and it's really heavy on some days, I'm not gonna leave at six, for example, but I'm going to stay there, and I'm going to work. So that we could finish the project successfully, and the company will not get in trouble.” (Anthon)

Anthon's concern for The Company's success appears to be the main driver for his above expected work effort, and we interpret this concern as a result of identification with The Company's goals. Identification with a certain group allows the individual to pursue a larger cause and therefore perceive their work as meaningful. For instance, Jakob notes, “[As a junior] I still saw the purpose, like I knew I was doing something that might help someone and if not, it will help the group“. He further elaborates on this, explaining the connection between his high work effort and the feeling of participation in a bigger cause,

“The effort you give is something that the group, that the firm is able to give you back, maybe not money-wise from the start, but through being part of something bigger, which is great, I think.” (Jakob)

As apparent, seeing the larger purpose of one's work in many cases serves as an impetus for committing to high work effort, which can be interpreted as a manifestation of employee loyalty. Leonard best describes this when revealing his motives to take on additional work and responsibilities in relation to his wish to help The Company, "I was searching internally, what are all available business development projects within my company, because I want to help this company to be better." In Leonard's case, the desire to help improve The Company is rooted in his strong identification with the organization and his actions reflect the positive sentiment he holds towards The Company. It seems reasonable to interpret his actions as employee loyalty as they are based on an affectionate sentiment and are selfless of nature. Interestingly, the motive of being part of something bigger can be connected not only to the company or team, but also to external parties such as clients, as demonstrated by Karolina's statement,

"That's the rewarding thing, you know, to finish the project, and to know that the client is happy. That's, that's the rewarding thing, that I always have in mind when I have to do the extra job." (Karolina)

## **Reciprocity and recognition**

Another emerging incentive for additional work effort and dedication is connected to the expected reciprocity from one's object of loyalty. This reciprocity does not refer to contractual compensation such as salary or previously agreed upon benefits, but rather the concern for each other's welfare, or simply signs of appreciation of the behavior interpreted as employee loyalty. The monetary compensation or reward, even if present, does not seem to play a big role in the appreciation of individual's effort as Leonard explains,

"They [The Company] give an award to an employee that did something extra, in addition to the work that is expected from you to be developed. It can be monetary, or it can be a gift that has a monetary value, so it's also tangible. But this is not the reason why most of the people are doing it. Most of the people do it to get this positive feedback, someone telling them, yes, you have done it really good and you helped us, you made our company better. This is more valuable for me than small financial compensation. If someone tells me 'Yes, you really helped our team to be better in this area and we really appreciate it', then I feel that my work matters." (Leonard)

The importance of appreciation for high work effort is well depicted by Fjodor, who states,

“I expect at least like words you know, thank you words. I just want to know that it is not automatic that I'm going to be staying late because it's just expected right? I just want to know that it is actually being appreciated.” (Fjodor)

In a similar manner, Helene delivers her opinion on the need for appreciation of the work,

“I expect that people would appreciate it. If I work extra hours, if I do a good job, I don't necessarily expect promotion or anything like that but at least I expect the managers to recognize it. And to say, like, you've done a good job, and we appreciate you working extra hours.” (Helene)

These statements show that even though the employees are aware of the expectations to work overtime, they still require acknowledgement for complying with such expectations. If the need for reciprocity is not fulfilled, the willingness to perform can easily be lost, as apparent from Ivar's statement, “If they [The Company] would treat me, like in a bad way, then I think that my performance would be very much related to it.” The required reciprocity can also be understood in terms of mutual attentiveness to the other party's best interest. In other words, the employee may want to reward the organization by providing extra performance, if they feel that the organization is also acting in their best interest. This is exemplified by Ivar, who states,

“So well, they [The Company] deserve some loyalty. It's more like, they want to work with me. They want to maybe educate me, they want to make me more experienced. So yeah, that's why I want to put some extra effort for their benefit as well.” (Ivar)

Similarly, Diana explains why The Company deserves her loyalty by stating,

“Because they really care. Every quarter, I guess, there's a huge survey and they're asking us, you know, what's wrong? What can be better? Through asking questions, or trying to do something about it, you know, they're trying to act on what they've heard from the employees. And that's what I really value because they're really trying to improve, they're really trying to make it easier for us.” (Diana)

Showing a concern about the well-being of the employees and possibly resolving the issues they face, in turn influences how the employee perceives the company and elicits a positive foundation for employee loyalty.



As apparent from this section, employee's high work efforts should not be automatically interpreted as employee loyalty in every case, but the motives behind can help identify it. From the stories and descriptions provided during the interviews, it seems like a distinction needs to be made between a high effort behaviour that lacks the affectionate sentiment towards the organization or co-workers and simply serves one's personal interests; and a high effort that stems from the intangible positive feelings that guide the individual to make sacrifices, share common goals and responsibilities, and pursue the best interests of the organization. Based on the general understanding of employee loyalty revealed by the interviewees, we interpret the latter behaviour as a manifestation of employee loyalty.

## **The interrelationship of retention and employee loyalty**

Staying with an organization does not necessarily signify loyalty, although staying with an organization can be an indicator of a loyal employee. From the empirical material collected in this study it is apparent that the question of retention is in one way or another connected to employee loyalty. However, how that connection exists and under what circumstances loyalty is or is not present is a much more contested, ambiguous and complicated question. The interviewees all, by some means, consider the matter of retention in connection to employee loyalty and, as previously mentioned, many are perplexed by how this aspect of loyalty is present within their context at The Company. To delve deeper into the question of retention and its implications on loyalty and vice versa, this subsection will firstly pertain to retention as a result of avoiding change. Secondly, interpret how affectionate relationships have affected retention in our empirical material.

### **Avoiding change**

Throughout the interviews, stories about personal experiences of oneself or others leaving or staying with an organization were told, and connected to a number of different reasons seemingly unrelated to employee loyalty. One of those stories was told by Anthon who joined The Company in order to pursue a career in finance, and even though other better offers were available in other fields, he chose to work for The Company. Currently, he is not pleased with

his employer nor his work and although he considers working for other organizations, he explains that, "I don't have many other options, especially here in Prague." (Anthon). Thus, his decision to stay would be more appropriately considered as disloyalty or rather non-loyalty than loyalty, as his feelings towards The Company and the sentiment behind his choice can be interpreted as creating an unfavorable situation for both parties. Another aspect that is interpreted from several interviewees' experiences is connected to job security, as they express that leaving The Company would place them in an uncomfortable position filled with change and uncertainty. Britta describes that,

"Right now I know what to expect. I know the work and I know the colleagues, and it's a safe environment, or that you have security, this probably the right word. It's not always secure, because you don't know what happens and so on. But, yes, they [those who leave] have to make this big step towards an unexpected or an unknown." (Britta)

The aspect of avoiding change is depicted in the following excerpts from the interview with Ivar in which he suggests that it is easier to stay than to leave,

"That's what I'm trying to say. When the environment is fine. When you still have a feeling that you can educate yourself within the job, that it's not too boring. You meet new people, you get a chance to work with new clients, etc, then I think it's quite easy [to stay]." (Ivar)

It is evident from Ivar's descriptions of loyalty and his experiences, that according to him employee loyalty has a lot to do with staying in the same organization. However, from his experiences and stories it is also apparent that this is not the full picture. In the above excerpt he describes how it is easy to stay with The Company, and later on he describes that the reason for this is that he has not had other offers luring him away. Thus, what The Company is doing to retain Ivar is mostly unconnected to loyalty, and rather about providing him with interesting work in an acceptable environment. What The Company is doing is also combined with the fortunate circumstances of Ivar's reluctance towards change, "I'm quite like this, I don't like changes, change of work is a huge change." (Ivar), and that other organizations are seemingly unaware that Ivar is willing to leave The Company if this means less hours of work or a better salary is offered. The distaste for change is also something that is keeping Karolina at The Company,

“I think that I'm the kind of the person that is quite, I would say, I'm flexible, but not to very big life changes, like changing jobs, that's definitely something that I would need to have a very good reason for.” (Karolina)

The occurrence of an aversion to change, and especially to leaving an organization, is interesting as it creates opportunities for organizations to achieve higher levels of employee retention with relatively little effort. However, it also suggests that high retention rates does not equal high employee loyalty, and careful consideration is needed when analyzing either of the two topics in order to distinguish between appropriate and inappropriate insights.

### **Retention for co-workers**

There were also many contemplative descriptions of past choices and present reasons for staying with an organization that signaled loyalty to people from previous work experiences, colleagues and or teams at The Company and The Company itself. Anthon, who does not feel loyal to The Company, describes a situation from work at another organization,

“But then, you know, I was really really happy there, I really liked my teammates, and also basically the majority of the office. So I decided to stay there because I just wanted to be with them.” (Anthon)

The previously mentioned need for social contact in order to retain Anthon is clearly conveyed by his recollection of the past experiences. The contrast between the sentiment he describes towards experiences at his previous employment and his current one suggest that employee loyalty and retention are closely related. However, in order to discern if the effect of employee loyalty is present, and whether or not that effect is substantial enough to be worth considering is another issue, Anthon did after all leave his previous employment and is currently, although unhappily, still with The Company. Fjodor also depicts a closeness to his co-workers and team as significant when considering whether to stay with or leave The Company. He describes a situation in which he was offered to work at another organization and the reason that made him decline,

“You have all this experience, we're gonna pay you like, 20%, 30% more than you're currently getting, and you're gonna get this and that, and you will have options to go

abroad, whatever, you know. And I was at the cusp of almost saying, Yes, but I didn't, because I liked the team and the people very much.” (Fjodor)

From this excerpt it is clear that something intangible kept Fjodor at The Company. It is interesting that his reasons for staying are connected to loyalty as he has described that his loyalty, “sort of oscillates around a certain level.” (Fjodor). It is worth considering then how relevant the timing of a job offer is for retention, as this fluctuation of loyalty described by multiple interviewees could, in theory, determine the outcome of said offer and thus on a bigger scale possibly the employee retention rates. The importance of connecting with your co-workers on a more intimate level is also highlighted by Helene,

“As I said, my colleagues were basically my friends back in Prague, and if I was thinking about leaving, it would definitely be one of the things that I would consider the most. Like, I would lose those people.” (Helene)

Ivar also points out that people are the most important aspect to him, “I'm not staying because of the workload, or the project scopes, and not just for the people, that's not exactly true, but people are in the first place.” His statement also shows that although people and the connection between colleagues are highly relevant for retention, it is not the only factor of relevance.

It seems then that loyalty does affect retention, although there are plenty of other reasons for employees to remain in the organization. From the sentimental descriptions of happiness at current and previous employment, it also seems that loyalty is something stronger, more fundamental and sometimes longer lasting than a contractual employment. Furthermore, from our interpretation it seems that only considering employee loyalty during the time of employment and disregarding the ex-employees' loyalty may be unwise. It may be unwise considering that our interviewees describe how certain behavior associated with employee loyalty that can influence an organization is a type of behavior and influence over the organization is still possible after an employee leaves the organization. Thus, ex-employees can affect the organization in many similar ways to current employees.

## Exploring the understanding of employee disloyalty

Closely related to the concept of employee loyalty stands the one of disloyalty. Disloyalty sometimes seems to be erroneously interpreted as the opposite of loyalty, however, as became apparent from the interviews, the perception of employee disloyalty is grounded on a different basis than employee loyalty. As described in the previous sections, employee loyalty is often perceived through actions that an individual performs for the benefit of the object of loyalty. The perception of employee disloyalty on the other hand, does not stem from the lack of such actions but rather from engaging in activities that go against the best interests of the organization, or deceive it.

Multiple interviewees provide their examples of disloyal behaviour in relation to harmful behavior, for instance Erik who recalls a past experience,

“There is a possibility for us to take a longer vacation after some years of working in the company and one colleague used this opportunity but instead of going for the vacation, he set up his own company and he took the client contact [information], so this can be consider to be disloyalty“ (Erik)

On a similar note, Fjodor depicts his understanding of disloyalty through an example of the behaviour of his previous manager,

“he decided to leave the company, and start his own startup basically, doing the same thing [as The Company] and he basically, you know, stole resources from that team. And, on top of that he started sort of luring people from The Company to his own.” (Fjodor)

These examples directly connect disloyalty to causing harm to the organization by misusing one’s position and access to internal resources, such as contact information or clients. A connected yet slightly different type of harmful behaviour perceived as disloyalty is described by Britta, who mentions public disclosure of information in her perception of a disloyal employee, “[Disloyal employees] break agreements, or they speak publicly about things they shouldn't speak about at all.” Closely related to this example is the one of Cecilia, who describes a disloyal employee as a person who “would talk in a bad way to his friends or potential clients about the company, he would undermine the company“. Harming the good name of the brand is also mentioned by Helene, when asked about her perception of disloyal behavior,

“So for example, now, I can't imagine going to, you know, my friends or my former colleagues or some other people and start talking bad about The Company. Because then it would mean for me that I'm not loyal.” (Helene)

Moving on to retention, when it comes to perception of disloyalty in connection to retention the interviewees present rather contradictory opinions on the subject. Cecilia, for instance, perceives the active search for other job opportunities as an act of disloyalty, stating, “disloyal employee would certainly be, as I would say, with one foot outside of the company always, he or she would shop around for another job.” This perception is similar to Erik's, who notes that exit can be considered disloyalty if it involves an employee's active engagement in changing employment, stating “it depends on the reason, whether they were the ones looking for the offer or they just have been offered.” Ivar relates short-time employment to disloyalty but it is the aspect of dishonesty about one's intentions to leave, which in his opinion constitutes disloyalty,

“It [disloyalty] could be like short working experiences. They [new employees] come to The Company and they find out after, I don't know, three, four months, this isn't for me. But they don't give you the signals and other people keep investing their time and energy to them. And then they're like screw this, I don't want to do this, this is way too boring for me. And then I would say this could be disloyalty.” (Ivar)

Karolina, on the other hand, offers a different perspective on disloyalty and exit, and makes a distinction between non-loyalty and disloyalty by stating,

“being not loyal means that you just switch jobs more easily than someone else and to be really, really disloyal resonates with me with some, you know, even maybe illegal behavior in a company's name, like performing some activities that are not in the company's interest.” (Karolina)

These statements show that disloyalty and loyalty are not perceived as two opposite sides on a spectrum, as the lack of one's loyalty does not directly imply disloyalty as such. Not feeling particularly loyal to the organization, and thus not displaying the related behaviour can be rather understood as a state of non-loyalty.

## **Importance of verbal communication and recognition**

Every interviewee without exception mentioned, highlighted, or illustrated the importance of verbal communication and recognition for employee loyalty. Followingly we present a number of examples and their connection to the interviewee's understanding of employee loyalty. Britta highlights the importance of communicating recognition and connects this to respect,

“Loyalty is also about mutual respect, employee recognition, that your work is recognized. And you see, I like to know the impact of my work, and [that] you're respected by your colleagues, by managers” (Britta)

The aspect of verbal communication is explicitly pointed out by Diana who states that verbal affirmations or recognition of employees could be improved to increase employee loyalty, “They [superiors] could recognize the work of the employees verbally a little bit more”. Moreover, she experiences that her colleagues' communication is enhancing her time at the workplace, “You don't work all the time. I mean, you talk to those people and you laugh a bit. And so you know, it's kind of making the workforce enjoyable.” When Fjodor shares his perspective on what The Company does to increase loyalty he states “we have, like team calls. And, you know, we just ramble with about, you know, whatever”. Helene interestingly expressed the need for verbal communication in connection to employee loyalty from another angle, as she states “I like this topic [employee loyalty] that you guys have. I mean, I think it's very important to talk about it.” It is not only that verbal communication is integral in employee loyalty, Helene also feels that it is something that needs to be talked about. How verbal communication can be seen as an act of employee loyalty is described by Ivar, “This could be a loyalty as well, like opening difficult conversations with your colleagues.” Jakob depicts how verbal communication is a big part of how his previous team stays connected, the team he still feels a very strong loyalty to,

“Before the COVID, we were trying to meet like once per two months for a beer and to talk and it was nice. I hope we will do it again very soon. We have some new babies in the group and would be nice to talk about it.” (Jakob)

Although this statement is not connected to his current employment, it is still interesting to consider how close bonds of employee loyalty can extend beyond the time of employment and how these also can be connected to verbal communication. Karolina explicitly highlights the

importance of recognition, “I definitely expect to be recognized, not only for my loyalty, of course, for my, you know, work results”. The importance of communication and recognition is highlighted by every interviewee in our study, and interestingly they put forth different aspects indicating how this is integrated with employee loyalty for all of them, yet experienced in an individual manner. This would suggest that there is no one way to beneficially show recognition or use verbal communication. It is rather more important to understand the employee’s needs, and structure communication in a way that enables them to accurately receive the information they need. This is also something that is apparent from the interviewees’ stories and suggestions for what can be done to improve or increase employee loyalty, as the preferences of the employees differ and are individually constructed. Furthermore, our interpretation from the interviews is that the interviewees’ expressed needs or preferences are connected to their previous experiences and understanding of loyalty. This suggests that it is beneficial to collect information from an employee’s past, in order to develop an idea of their understanding and preferences when it comes to employee loyalty, if the ambition is to intentionally affect employee loyalty, or develop relationships that apparently increases the employees’ well-being and likelihood of satisfaction at work. It should also be noted that the interviewees mainly focused on or described informal communication in a positive light.



## 5 DISCUSSION

In previous research employee loyalty has been studied from different perspectives and the understanding largely varies, making the concept rather ambiguous and hard to define. However, what much of the previous research has in common, is that it predefined what employee loyalty is and what behavior is to be associated with it. Commonly, the associated behaviour was considered to be connected to one's tenure and/or the effort an individual makes to help the organization. With focus on aspects such as tenure, the importance of employee loyalty could be regarded as less and less important nowadays, as the employees generally stray from committing to an organization. Indeed, it is often mentioned in the literature, by authors such as Pink (2001), that employees are no longer interested in regular agency employment but opt for other forms, such as freelance or self-employment. In contrast to such a perspective, we argue that the concept of employee loyalty is still very relevant, although its meaning has changed. It is evident that employees still wish to be loyal, even though it may constitute a different behaviour than was previously attributed to loyalty. This is because employee loyalty is perceived as a positive conception, and individuals naturally aspire to associate themselves with what they consider as positive. Conversely, individuals tend to avoid behavior that they regard as generally negative. Even though employee loyalty is universally considered a positive attribute by our interviewees, a particular meaning of employee loyalty is attributed by each individual, according to their interpretation and sense making of social phenomena. This particular meaning then guides the individual in their actions, demonstrating a behavior that they associate with loyalty. It therefore seems improper to impose a universal meaning to the concept of employee loyalty as it is the employees' understanding that influences how employee loyalty is constructed. Thus, employee loyalty needs to be explored through the perspective of individuals and in specific contexts, as this appreciates the construction of meanings assigned to employee loyalty. Through this exploration of their understanding we can to a greater extent discern what the behavior of people in The Company means.

In the beginning of this chapter, we discuss the meanings the interviewees give to employee loyalty, and the roles they take according to those meanings, which in turn results in certain behavior they associate with loyal employees. In the following section, we point at the insufficiencies in previous research that attempted to conceptualize employee loyalty. Through this, we highlight the importance of taking into consideration the meanings attributed to

employee loyalty, because as our analysis has shown, what is considered loyal employee behaviour by research, is not always consistent with the social constructions of loyal employee behavior according to our empirical material. Next, we discuss the relevance of organizational context in relation to the construction of one's understanding of employee loyalty, as it is the context that affects the way the individuals interpret the social reality. Furthermore, we connect the construction of employee loyalty to social identification and explore the complex interrelation of the two concepts, as our findings do not simply coincide with the causal relationship described by previous research (see e.g. Alvesson, 2000; Schrag, 2001). Lastly, we consider the potential of employee loyalty to transcend the boundaries of both organizational subunits and employment duration.

## **Meanings and aspects of employee loyalty**

It is clear from our analysis that employee loyalty is understood differently, experienced in different ways, connected to different behavior, and associated with varying expectations. However, what connects those individual perspectives is the general meaning assigned to employee loyalty, understood as an intangible emotional sentiment towards the organization or people within, which motivates a specific behavior and in some cases influences the intent to remain a member of the organization. What is interesting to reflect upon, is the incremental development of this sentiment, cultivated through mainly minor actions of individuals. How individuals within the organization or the organization itself acts is interpreted by the affected parties and their perceptions of the actions seem to then determine the outcomes for employee loyalty. Thus, how colleagues, or perhaps more importantly, superiors and managers behave on a daily basis is more important than company-wide policies, which are perceived as generally ineffective. In other words, it is one's demeanor combined with the interpretations thereof by other parties, that to a greater extent determines the effects on employee loyalty. It appears then, that this reasoning could also be utilized to construct a pattern of behavior that affects an individual's satisfaction and well-being as well as employee loyalty to a colleague or subunit; and by extension or association possibly to the organization, which will be further discussed in the subsection Loyalty transcending subunit boundaries. It should also be noted that this incremental process can both increase and decrease the level of loyalty to varying extent according to our findings. This means that the fluctuation of employee loyalty can be imperative

with regards to for example retention, if an employee is in a temporary loyalty slump while receiving another job offer.

An important aspect to consider according to all of our interviewees were that of verbal communication and recognition. Although this finding may seem rather mundane in comparison to other more intricate or fundamental aspects, it may have more substantial implications than expected. There are two main reasons to argue for the relevance of this, and both of those reasons are connected to the degree of presence of verbal communication. The degree of presence is interpreted from two aspects here, it has both been present in all of the conducted interviews, and is also continuously present in the worklife of our interviewees. The matter of verbal communication as an aspect of employee loyalty thus seems exceedingly important to consider, especially when also regarding the incremental nature of development associated with employee loyalty. These together suggest that there may be immense value to what seems like minuscule actions.

What we also find interesting, is the construction of the meaning assigned to employee disloyalty, as this concept is often regarded as inverse to employee loyalty. However, our findings suggest that employee loyalty and disloyalty need to be considered as two separate concepts. However, each individual has their own perception of what does and does not represent disloyalty and even those understandings often become inconsistent as their construction is highly dependent on the situational context. This leads us to an understanding that from a theoretical standpoint, the concept of employee disloyalty cannot simply be viewed as a supplementary concept to employee loyalty and researched in a derivative fashion. Therefore, if one intends to explore one of the two concepts, it should be done independently, while still recognizing the existing interrelationship between the two concepts.

## **Findings in relation to previous research**

When researching employee loyalty and commitment, previous authors have focused on different aspects that according to them best characterize the concept. The difference is mostly visible through looking at the approach the authors take when considering the measurement of employee loyalty. In Becker's (1960) perspective on employee commitment, the focus is placed on the individual's willingness to retain in the organization due to previously made investments

in the organization. This approach focuses on the continuation of action, in this case employment, and tenure becomes a reasonable unit for measuring this commitment. Our analysis, however, shows that simply looking at employee tenure seems rather insufficient when measuring or assessing employee loyalty, due to the fact that in some cases the motives behind continuation of employment can be based on a number of different reasons other than the emotional sentiment towards the organization otherwise associated with employee loyalty.

Meyer and Allen (1991) see commitment as “a psychological state that (a) characterizes the employee’s relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization.” (p. 67). Their approach puts emphasis on inspecting the nature of one’s attitude that in turn results in remaining a member of an organization. Even though the authors take into account that commitment also results in a work-related behaviour other than turnover, the main focus is still on how the employee commitment influences tenure. In the Meyer and Allen’s (1991) model, tenure is seen as a form of commitment, disregarding the motive behind it. As aforementioned, an employee's tenure does not always indicate employee loyalty as there are a large number of unrelated reasons for extended employment. Therefore, we regard the conceptualization of Meyer and Allen’s (1991) as rather insufficient in regards to understanding of employee loyalty.

Mowday, Steers and Porter (1979) approached organizational commitment as a psychological attachment, which leads an individual to work extra hard on behalf of the organization and elicits a strong desire to remain a member of the organization. This perspective focuses largely on the attitude of an individual, which binds them to the organization and they see commitment as involving “an active relationship with the organization such that individuals are willing to give something of themselves in order to contribute to the organization’s well being.” (p. 226). The attention here is placed on the affective response of an individual stemming from an identification with the organization; a response, as for instance high work effort. Mowday, Steers and Porter’s (1979) perspective resonates with the understandings of loyalty interpreted from our interviewees, as it involves the aspects of psychological attachment that induce high work effort and a will to stay with the organization. If we were to follow this perspective, it would seem reasonable to consider both tenure and high work effort of an employee as signs of high employee loyalty. Although our analysis has identified multiple cases of high work effort, the reasons for committing to such effort were not related to a psychological state or attachment to the organization, but rather resulted from personal self-interest. The analysis shows that work

effort and dedication does not automatically signify employee loyalty, although loyalty may induce such behaviour.

The interviewees' understanding of employee loyalty is close to Schrag's (2001) perspective, in which he advocates understanding of loyalty in a richer sense, with loyalty conditioned by employees' willingness to go above and beyond what can be demanded. In this understanding of employee loyalty, the related behavior is motivated by elements of well-wishing, identification, sacrifice, and reciprocity (Schrag, 2001). Through an interpretation of the interviewees' perceptions of loyalty, we have recognized that the above mentioned elements in various forms constitute the basic understandings of employee loyalty. However, the presence of those moral aspects in relation to loyal behavior largely differs from person to person as it is based on the individual understanding of employee loyalty. Our analysis shows that if one's intention is to research and understand employee loyalty, it is crucial to take into account the motives behind employee behavior and recognize the moral aspects that constitute employee loyalty as well as the employees' sense making. Considering these aspects allows for distinguishing between employee loyalty and behaviour that resembles it but lacks the affection central for employee loyalty. Moreover, we need to take into consideration the individual's perception of what 'being loyal' is, as it is possible that one manifests behavior based on the aforementioned moral aspects but does not consider this behaviour as a sign of loyalty to the object.

## **Organizational context in relation to construction of understanding**

Throughout the analysis of the empirical data, it became evident that the organizational context plays a big role in the construction of employees' understandings of employee loyalty. The context seems to shape one's perception of what behaviour is considered as loyal, which in turn influences their actions. Moreover, the context also has an impact on the development of employee loyalty, since different aspects of the organization's settings can through affecting identification process either support one's loyalty or inhibit it. In this section, we will discuss the contextual elements that were identified as particularly important for the construction of

interviewees' understanding of employee loyalty and we will discuss what implications can be associated with those elements.

### ***Perception of the company brand***

Firstly, the perception of The Company's brand emerged as highly relevant, as it defines how the employees regard their status as an employee of The Company. Interviewees themselves regard The Company as a prestigious employer but more importantly, they assume that it is also perceived as prestigious by others. On the one hand, we infer that this assumption might enhance one's identification with the organization, as the individual wishes to be associated with the brand they believe is perceived by others as highly esteemed and reputable. With the assumption that one's identification with the organization causes employee loyalty to increase (Alvesson, 2000), the prestige of The Company can be viewed as a highly influential determinant for employee loyalty. On the other hand, if we consider that an employee only wishes to stay with The Company to preserve the social status the employment yields, it is questionable if we can interpret continued employment as employee loyalty. This is because the sole motive behind an employee's behaviour, from this perspective, is maintaining one's positive social image, without the presence of any affectionate sentiment to neither the organization nor the people within. Therefore, it is difficult to conclude whether the positive perception of The Company's brand directly affects employee's loyalty, but it seems reasonable to consider the possibility of its potential impact.

### ***Similarity of individuals within group***

Another prominent aspect that was mentioned in relation to the organizational context is the age of people working for The Company. It is important to note that our interviewees are all relatively young, mostly in their late 20s, and their narratives show that most of their co-workers are of a similar age as well. The fact that work teams mostly comprise people of a similar age is perceived positively by the interviewees as they report easier social bonding. This creates an opportunity for developing stronger interpersonal relationships at the workplace with a positive emotional attachment to the co-workers. Multiple interviewees perceive the importance of social bonds as crucial in their understanding of employee loyalty and relate the loyal behavior to the actions they execute for the benefit of people they feel attached to. In some cases, the

existing age difference has influenced the decision to leave previous employers as the individuals did not identify with colleagues on a personal level. It is evident that the similarity of individuals, in this case their age, influences the relationships at the workplace, which in turn may impact the development of one's loyalty.

### ***Pleasant social environment***

The interpersonal relationships and the social environment experienced at The Company in general seems to be one of the most important aspects of the interviewees' understanding of employee loyalty. The analysis of interviewees' statements shows that they often interpret loyalty as expressed through actions and attitudes towards specific individuals or teams, rather than relating it to The Company as a whole or the brand. In many cases, the basis of the loyalty appears to be the emotional bond developed with other co-workers and the interrelated identification with the team they all belong to. This identification leads the individual to act in the best interest of the team and to develop a feeling of responsibility for achieving the common goals, manifested for instance in a form of high work effort. Moreover, the positive personal relationships at the workplace can be the motive to remain a member of the organization as the individual wants to preserve the positive experience stemming from the good relationships. Conversely, the stories shared by our interviewees also showed that a negative experience with social environment or simply just lack of strong social bonds in the organization can be the impetus for the employee's decision to leave the organization. The strong emphasis the interviewees placed on interpersonal relationships when discussing loyal employee behavior suggests that researching employee loyalty towards an organization as whole might be an insufficient approach and the focus should instead be placed on the loyalty developed through interpersonal bonds. This would also enable the perspective of employee loyalty to the organization through association to be observed, if expectations created between individuals or groups of individuals extend from the specific subunits to the whole organization.

### ***Attitudes towards exit***

Another aspect that seems to affect the understanding of employee loyalty is the high rotation of employees, which is perceived as normal both within the industry and The Company itself. The fact that it is very common for employees to leave The Company after a short time of

employment can influence how employees perceive leaving the company. The perception of exit can be interpreted as without any negative connotations, possibly due to the fact that it is happening frequently and is considered to be normal or even expected behaviour. With no negative associations connected to exiting, it becomes easier for the employee to leave the company as they do not need to feel guilty, or judged by their co-workers for their decision to leave. The concept of employee loyalty in the context of The Company may therefore be better understood through the behavior that employees display during the time of employment at the organization, rather than by their willingness to stay for longer periods of time. The intent to remain a member of an organization is sometimes a factor for defining employee loyalty, but even when present, intent to stay does not play a crucial role in interviewee's perceptions of employee loyalty. If the employees' understanding of loyalty disregards the intent to stay as a key aspect, the relevance of tenure as an indicator of employee loyalty becomes questionable. However, a number of interviewees mention that a higher willingness to stay coincides with employee loyalty, which would suggest that there is a connection to retention, although derivative.

### ***Expectations of high effort***

One final aspect to consider in relation to the organizational context is the existing implicit and sometimes explicit expectations of exerting extra work efforts. All of the interviewees recalled multiple occasions when their work effort could be considered as beyond the contractual agreement, but they perceive this as standard for The Company. The interviews showed that employees are aware of existing expectations of working overtime or with extra effort, and even though they regard this aspect as challenging, it does not affect their overall sentiment towards the work or The Company in a negative way. The question emerges whether these high work efforts should be considered a sign of employee loyalty, towards either the team or The Company, or simply as fulfilling expectations common in the organization. If we consider that the existing expectations stem from the ingrained common work habits displayed within the group, it seems reasonable to assume that an individual would also commit to these expectations by adopting the same work patterns as the group they identify with. The decision to follow the common group behavior is very well explicable, as not committing to the expected behavior could be perceived negatively by the other members, resulting in a negative social experience for the individual. Some of the interviewees regard their high work effort as related to their



loyalty to The Company, however, even those who do not consider themselves loyal confirmed that they exert high work efforts beyond the contractual agreement. It is interesting to consider this aspect through the perspective of Schrag (2001), who notes that aspects constituting loyalty “involve a kind of commitment that can be offered by the employee but cannot be demanded or claimed as a duty by the organization.” (p.46). To the question whether the existing expectation to exert higher work effort should be considered as claiming a duty, he further notes, “a request to an employee with sufficiently high identification with a work group to work overtime for the sake of the group or project may appropriately be regarded as a shift from being morally permissible to being morally obligatory.” (Schrag, 2001, p.46). In this view, committing to the expectation of working overtime should not be regarded as a sign of employee loyalty, as the organization implicitly requests the behavior and the nature of the decision is not entirely voluntary. The voluntary nature of employee loyalty is also highlighted by Coughlan (2005), who states that in order to consider certain behavior as loyal, it needs to be voluntary.

Furthermore, it seems reasonable to also take into consideration the perception of the existing expectations of high effort from a different point of view. That is, even though all of the interviewees confirmed that the high work efforts are expected in The Company, the individual perception on the extent of how much extra work is expected may differ, as the implicit expectations are not clearly set. Therefore, what one may consider as showing loyalty by exceeding the expectations, does not necessarily have to be considered as an act of loyalty by others who may perceive the expectations as greater. This would also mean that one’s perception of the expectations determines how much effort is needed to exceed these, and thus what is necessary to do to perceive oneself as a loyal employee. It can also be worth considering whether or not the interviewees would exert this extra effort and work overtime to the current extent if the implicit expectations within The Company were lower. This is something that seems highly unlikely according to our empirical material. However, it may also be the case that the interviewees’ efforts would exceed these hypothetically lower implicit expectations, in a similar manner to how they are possibly exceeding the current implicit expectations.

## **Social identification and employee loyalty**

The analysis indicated strongly that the matter of social identity was intertwined or associated with employee loyalty. One of the authors connecting the two topics is Alvesson (2000). To

him the two are connected by loyalty being created through a process of identifying with a specific social group, resulting in sacrifices made on the basis of overlapping needs between the employee and the organization, or for altruistic reasons. Alvesson's (2000) reasoning on social identity and loyalty is interesting as our findings on the one hand can be seen to support his reasoning through the perspective of mutual benefits of the organization and the individual, or the sacrifices evident in our case. On the other hand, our interviewees showed a noteworthy number of differences in their understanding of employee loyalty, although the general interpretation of the interviewees would suggest a rather high level of loyalty. This can be seen as contradictory, as it is possible to reason that the perception of employee loyalty could facilitate substantial effects on behaviour that influence aspects of work life perceived as important. In other words, the lack of congruence between the interviewees understanding of employee loyalty suggests that their behaviour, representing their perspective, could result in behaviour limiting social identification. The question then is, how does the process of social identification ensue to generate employee loyalty, as the multiple understandings of what loyalty constitutes can create a barrier to social identity and consequently employee loyalty. If so, the question that arises is whether one's understanding of employee loyalty homogenizes as the social identification progresses, which would suggest that one's perception of behaviour associated with employee loyalty then can be an important factor for social identity. Thus, the two concepts could more appropriately be seen as intertwined and determinants for one another's development. Another reasoning on social identification that highlights issues of the seemingly oversimplified relationship between retention and employee loyalty, is when regarding retention unrelated to employee loyalty. Although our analysis has shown that retention in itself should not always be perceived as employee loyalty, it is possible that the continued employment associated with retention enables the individual's social identification to progress. This would, according to Alvesson (2000), result in a higher level of employee loyalty. Building on this, the retention that at first glance may seem to represent employee loyalty, could instead be considered as an antecedent of employee loyalty. This reasoning also illustrates the convoluted conceptualizations of employee loyalty, as there are many interconnected aspects to consider.

## **Transcending loyalty**

Our analysis has indicated that to conceptualize employee loyalty as something static or rigidly bound is inaccurate as both the employee loyalty and its associated effects or influence can transcend their assumed boundaries. In the two following subsections we will first discuss how employee loyalty can evolve and transcend subunit boundaries. Second, we discuss how employee loyalty in different forms can transcend the temporal boundaries of employment.

### **Loyalty transcending subunit boundaries**

Multiple interviewees stated that they were more willing to give assistance to colleagues they had a closer relationship with, and that they were more likely to make sacrifices in such relationships. As mentioned in the literature review, Alvesson (2000) states that the social identification process is difficult to develop on an organizational level and that different subunits instead develop specific identities to which one can associate. This is interesting because multiple interviewees seemed to be constructing their expectations on colleagues in different parts of the organization based on their positive or negative experiences within their teams, or subunits. To clarify, the individuals with a positive experience in their team within The Company assumed and expected that other parts of The Company would behave in a similarly positive manner. Thus, they created expectations or assumptions about The Company that appeared to create a situation in which they became loyal to The Company by association. The creation of one's understanding of loyalty and the congruence between the social identification with the team constructed an idealistic view of The Company, to which they then could become loyal, subsequently making the competing loyalties expressed by Alvesson (2000) a less relevant issue. This could suggest that although the social identification process is difficult to achieve on an organizational level, the subunit's social identity and the associated expected behaviour carries beyond the boundaries of the subunit.

### **Loyalty transcending boundaries of employment duration**

Loyalty is also shown to be able to transcend the employment duration. From the interview with Jakob we found that his object of loyalty appeared to transform or pass on to another, and that the employee loyalty he experienced appeared to transcend the duration of his

employment. Jakob's story depicts that although his object of loyalty at the time was the previous team that functioned as one, he remained with The Company after the rest of the team moved on. This is relevant as he stated that they were not loyal to The Company but to each other. However, he still expresses a rather positive attitude towards The Company, which suggests that his previous experiences has enabled him to develop expectations of possible new connections and attachments within and to The Company. This in turn suggests that the concept of employee loyalty needs to be explored on a broader scale, and that attention can be beneficially shown to ex-employee behaviour, as this can affect an organization in a similar way to employee behavior. This further emphasises the limitations of simply looking at the concept within set boundaries such as duration of employment, and it seems beneficial to instead investigate how extensive the effects of employee loyalty are on an organization. Furthermore, this would also assist in discerning what aspects of loyalty are worthy consideration in certain contexts, as these largely overlooked effects can have greater influence in specific contexts. To exemplify, if the turnover is higher in an organization, this results in a greater number of ex-employees who talk about and therefore affect the organization's brand. If the ex-employees still feel loyal to the previous organization and associate speaking well about an organization as loyalty, this could have a positive effect on the organization even after they leave.

From above discussions on different aspects of employee loyalty, social identification, and the many perceptions of the social phenomena, the indications are that employee loyalty still is an important concept to consider. It seemingly gives greater insight into the behaviors and attitudes of individuals and groups of individuals in organizations, allowing for a more appropriate theorization on related matters. The discussion has also allowed the empirical material to speak for practical implications for employee loyalty, although it should be noted that these are highly related to the context present at The Company. From our discussion it seems that the concept of employee loyalty has previously been observed and conceptualized in a much too bounded manner. The boundaries placed on the concept of employee loyalty appear to have convoluted the different effects, associated concepts, as well as potential practical implications. Context, sense making and social construction is essential to consider when regarding the concept of employee loyalty.

# 6 CONCLUSION

The purpose of our study was to explore the concept of employee loyalty in the context of a knowledge intensive organization, by delving into the knowledge workers' understandings of loyalty and their associated experiences. By doing so, we aspired to fill a knowledge gap in the existing literature connected to a lack of employees' perspective on the subject. In order to do so, we aimed to answer the following research question:

How do knowledge workers in the consultancy industry experience and reflect upon employee loyalty?

## **Empirical findings**

Our first empirical finding was that interviewees had different understandings of loyalty, and that although these constructions of the phenomena differed in some sense they were still compatible. We found that these understandings were largely dependent on their perception of the context, and how they made sense of the social phenomena connected to their understanding of loyalty. The context at The Company was generally perceived in a very positive manner and we found that the interviewees had many rich social experiences at their workplace.

Our second finding was that these positively perceived social environments created many powerful interpersonal relationships both between co-workers, and to their team. We also found indications that these positive or negative social experiences created expectations of The Company, expectations on which loyal behavior could be built.

Our third finding was that the previously well-explored aspects of retention and work effort had an interrelationship with employee loyalty. However, we also found multiple ways in which these aspects could be unconnected to loyalty. This means that although the interrelationships between employee loyalty, and retention and or work effort is interesting, it is neither a sufficient measurement for loyalty nor a simple or straightforward causal relationship.

Our fourth finding was that disloyalty is experienced and understood in many different ways. The interviewees' stories of experiences with disloyalty showed that they had different outlooks

on the concept and that these were also interrelated to their understanding of employee loyalty in many different ways.

Our fifth and final finding was that the interviewees all emphasized the importance of verbal communication and recognition for their well-being, satisfaction with work, and employee loyalty. The prevalence of this finding speaks to its importance for the interviewees, and indicates that with the context present at The Company this is something that needs to be taken seriously.

## **Theoretical contributions**

Previous research has attempted to define employee loyalty in different ways, constructing different, though often overlapping conceptualizations and measurements. However, in their conceptualizations the authors seldom considered the perspective of the employees, who are ultimately central to the social phenomenon of employee loyalty. Through our study, we expand the knowledge in this field by providing insights on employee loyalty through exploration of meanings assigned to it by employees, namely knowledge workers. The specific context of a knowledge intensive organization with especially high turnover of employees enriches the body of research, as it provides insights into an industry where the presence and relevance of employee loyalty is contested. Furthermore, we show that employee loyalty in the theoretical viewpoint should be researched separately from the related, yet distinct, phenomenon of employee disloyalty, as the meanings of the two are constructed on a different basis, with different aspects in focus.

## **Practical implications**

The practical implications of our findings are context specific but may serve as inspiration for organizational practitioners in similar context, if they manage to account for the possibly many contextual differences. What appears to be the most noteworthy practical implication is the value attributed to verbal communication, and recognition of co-workers and employees. This is considered the most noteworthy as it is ever present in daily organizational life, and

can be developed or improved with relatively little investment. What we would like to suggest is that individuals to a greater extent realize the value of their everyday interactions. It is apparent how this can be beneficially utilized to affect both employee loyalty to one another, and to the organization.

Another practical implication to consider for The Company and others in a relevantly similar context, is that because of the high turnover rate and generally low tenure one may benefit from considering other aspects than employee loyalty. This is especially true if the intention of developing loyalty is to retain employees for a longer period of time, as our findings have shown that there are many other reasons for retention that may prove easier to develop or implement. However, we also found that developing employee loyalty can seemingly be initiated using the verbal communication or recognition mentioned above. This is through the effects of reciprocity, as the desire to reciprocate can be introduced by initiating a mutually beneficial relationship and grow through an act interpreted as helpful, such as assistance to complete a work task, or as establishing the social identification of an employee through clear verbal recognition. The reciprocity or loyal employee behavior can then be considered as stemming from an intentionally structured engagement.

## **Limitations**

Setting our research into the context of one specific organization in one specific industry limits the generalizability of our findings. Even though it provides deep insights into the specific organization, we recognize that different aspects, such as organizational culture, specific occupation or financial remuneration, can come into play in different organizations and industries, affecting the understanding of employee loyalty. Moreover, that fact that our interviewees were a culturally homogenous group may limit the generalizability of our findings as well, since we believe that culture also plays a role in one's sense-making process. Also, the utilization of snowball sampling technique has its limitations, as it often results in a homogeneous sample due to the fact that the initially selected interviewees are most likely to identify others who are similar to themselves (Saunders and Lewis, 2012).

## **Future research**

We have identified several aspects, which we deem beneficial to investigate further in relation to employee loyalty. We propose that future research on the topic of employee loyalty first can focus on the fluctuating nature of employee loyalty identified in our study, as this may bring additional insights into how organizations can influence employee behavior in order to stimulate desired behavior. Secondly, we propose researching how employee loyalty transcends when employees leave the organization, as the behavior of ex-employees can influence the previous employer in a considerable way, with many similarities to employee loyalty. Thirdly, we suggest that studies, with direct focus on the relationship between verbal communication and employee loyalty would benefit the research field, as we have found a prevalent connection between the two aspects. Finally, we suggest that the concept of employee disloyalty is explored in its own right, rather than as a derivative topic of employee loyalty. It seems that this would benefit theory on both topics as it could more clearly display the two concepts interrelation.



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# APPENDIX

## Individual perspectives of employee loyalty

### Anton

In Anton's case it is noteworthy that he does not consider himself a loyal employee and that this is due to a dissatisfaction with the organization, stating, "I basically don't have any reason to stay". Lacking the social aspects he desires, Anton states that if he had a more integrative team he, "wouldn't have that feeling that I want to go elsewhere." Another important reason for Anton's dissatisfaction is the broken trust from being promised a fast track to a senior position and being overlooked when the opportunity arose.

### Britta

As Britta has only worked in the organization for a few weeks, she is hesitant about her ability to speak about loyalty to The Company. To Britta, loyalty is largely about trust and to her understanding, this is not something that can immediately be achieved, "People usually do not trust everything the very first second, they have to gain some experience to make judgments." She also states, "Loyalty means that you want to stay with the company", although leaving the organization is not necessarily an act of an employee that is not loyal, which she also connects to the temporal aspect "I wouldn't say that these people are not loyal. They're loyal in moments, but you can lose loyalty very quickly."

### Cecilia

Cecilia notes the need to be happy in order to be loyal multiple times, and adds that a loyal employee also talks nicely about their company and their job, even during conversations with friends. Reciprocity can be interpreted as an important aspect to her as she considers The Company deserving of her loyalty based on her understanding that the company also provides for her, "Because they do a lot of things for me." One aspect that is especially important to build Cecilia's loyalty is social interaction, she considers social events as influential over loyalty and is more willing to assist friends.

### Diana

To Diana, employee loyalty revolves largely around the attitude towards one's organization that one presents. She exemplifies this with a previous experience in which a colleague's conversation with a friend in public included information that should not be disclosed and was overheard, "He was talking to his friend, of course, but somehow that conversation got to the client and that was, that was really bad." The situation resulted in big problems and Diana associates this type of behavior with someone who is not loyal. She further perceives it as important to side with the employing organization. Although she considers herself a loyal employee she has considered leaving the organization, "Well, in the autumn, as I said, that was the bad period. That was just, I mean, I don't see [it] like that now. So I can't really describe what was the main reason for wanting to leave back then."

### **Erik**

A loyal employee to Erik is mainly someone who acknowledges personal differences and states that, "It is the people that makes employees loyal." The aspect of relationships and a closeness among colleagues are also prevalent in Erik's understanding of how loyalty is built within The Company; with regards to team building he states "These things reinforce the cohesion and therefore we can also say that loyalty is certainly present." He also considers himself loyal because he does not run away from problems, enjoys the work and environment. Erik is also one of the interviewees who does not consider dissatisfied employees leaving the organization as disloyal, in his view the departing employee is disloyal if they steal contacts or clients.

### **Fjodor**

Fjodor perceives a loyal employee as someone who does not betray one's team and organization by pursuing similar work at a different employer simply to get a higher salary. He refers to one's current team as the home team and states, "I think it's mainly the people factor that you are loyal to, the people that you are working with, and not loyalty to the brand or the company itself." This is also accentuated in his fond descriptions of informal interactions with his co-workers and how he finds it difficult to consider actions to increase loyalty in situations of distance work. Reciprocity is also interpreted as important to Fjodor who repeatedly mentioned the appreciation for receiving vouchers for food, as well as other acts and displays of acknowledgement for the employees.

### **Gustav**

Gustav highlights the aspect of relationships and communication when contemplating different aspects of loyalty, “To me, it means first and foremost the communication between your superior and yourself, between your peers and yourself.” Gustav repeatedly highlights the importance of recognizing personal differences and states, “They [companies] need to take each employee as a one, and not as a group of homogeneous people, because everybody is different, asking for different things”. To explain why he considers himself a loyal employee, Gustav refers to the past few months in which several challenging and exhausting projects were completed successfully. Although he considers himself a loyal employee he states that, “I try not to take it like something is black or white, I try to look into a gray area as well.” and explains that he would consider better job offers but would not use these to coerce The Company for personal gain.

### **Helene**

According to Helene, loyalty is about what you do and how you behave rather than staying with the organization, “It’s more about the way I am acting while I am still with The Company”. The reciprocity is also highlighted multiple times, “If I work extra hours, if I do a good job, I don't necessarily expect promotion or anything like that but at least I expect the managers to recognize it.”, and “If I can see that The Company invests in me, in terms of training, in terms of benefits, in terms of some, I don't know, like, team buildings, stuff like that, then I would say it definitely supports my loyalty to the firm.” Helene also highlights that reciprocity is a relevant aspect when speaking about things The Company could improve, as she mentions that the large amount of overtime is not explicitly compensated, which is also a reason for her considering other opportunities.

### **Ivar**

In Ivar’s understanding of loyalty the aspect of retention is highly relevant as he explains,

“Well, I don't know, maybe the easiest answer is to stay as long as possible. Delivering, not high quality outputs, but I would say average work that is expected from you, maybe something extra. But being professional every day, for a longer time. And also, like, trustworthy, that you keep your word. So I don't know, maybe loyalty could be also that you say, I'm not satisfied here. Instead of saying, everything is fine”

Ivar's hesitancy about his initial description allows him to develop further and realize that the perplexing concoction of behavior that constitutes loyalty is sometimes contradictory. It is clear that to him emphasis is put on staying with the organization, while making some kind of effort, as well as honesty and trustworthiness. Ivar also chooses to highlight these aspects as the result of a seemingly incremental process, "It's more about like, day to day work, I would say, how do you feel delivering the projects, how comfortable you feel in your relationship with your counselor or your manager or your partner, et cetera". It is also clear that employee loyalty is connected to something emotional and is experienced by each individual, according to Ivar's understanding.

### **Jakob**

When Jakob describes loyalty, he mentions that loyalty to one another is to, "act as one with a common goal." This is interpreted as a closeness between the people who are acting towards a common goal. He also describes that this is something his previous team did, to whom he felt very close, "we had to be truly close, close relationships. We were not loyal to The Company, we were loyal to our boss, to the team. I think if we moved from The Company to any other firm, we would be the same group doing the same things with the same collaboration." Jakob is no longer working with this close team as many of them have moved on, and this is also the reason he states for previously having considered moving on as well.

### **Karolina**

Karolina connects employee loyalty to loyalty in other regards, "I think I have the same approach towards loyalty in all aspects of life." and later continues, "I believe that my employer does what they say to us, and I believe them and in them, and I'm committed to stay and help the firm to overcome these things.". She further states that she perceives The Company to have two different types of people,

"I think that there are two different types of people in our firm. That will be people who are coming to The Company simply [to] gain experience right out of school, and they know that they just want to stay for a couple of years and just gain experience and then leave and use the experience in different companies. Because the work sometimes can be quite tough and demanding. Then there are people who are really engaged within the company, and they are those people who build the company and stay for, I don't know, 10 or 15 years and just grow within the company." Furthermore, she also describes that



it is fully possible for both types to be loyal employees, although the former lack the long term commitment.

## **Leonard**

The description of loyalty Leonard gives is rather well structured and it appears as if he has reflected around the concept previously during his business studies,

“How I perceive loyalty, for me, it is the connection to an entity. So it can be a company or a person, it's a connection of one subject to another subject, without reasons that can be easily described. So you have obvious reasons, I like Norway, because there are high mountains, I like my company because there are interesting projects going on, very tangible reasons. But then you have some emotional reasons or something that is difficult to describe, but you sort of feel it and that's where that's what is my perception of loyalty, if you have this connection to another subject, that is more based on emotional reasons, then you are loyal also, to this second subject. In this setting, it would be my company.”

He later highlights that this is his perception and that he believes everyone can have different perceptions of loyalty. As he develops on the topic, he depicts that his personal and work life are not completely separate, and to him this means that the emotional aspects are prevalent even in working relationships.