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The triad of job satisfaction, work engagement and employee loyalty – The interplay among the concepts
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Abstract

Job satisfaction, work engagement and employee loyalty are popular human resource (HR) concepts that significantly contribute to individual and organizational performance. While they have been widely studied, their interplay was rarely explored. Therefore, a field study was conducted on the sample of 567 employees from a large-sized Croatian organization. We have examined the interaction among job satisfaction, work engagement and employee loyalty. The correlation analysis revealed significant positive relationships between explored HR concepts. Single and multiple regressions showed that job satisfaction is a significant predictor of work engagement, while work engagement strongly predicts employee loyalty. Furthermore, a mediation analysis confirmed that work engagement mediates the relationship between job satisfaction and employee loyalty.

Key words
job satisfaction, work engagement, employee loyalty, Croatia, mediation analysis

JEL classification
M5
1 Introduction

Organizations achieve strategic goals through workforce efforts. Employees, with their knowledge, skills and abilities represent a key determinant of the future success. However, today, more than ever, organizations need as well their employees to be satisfied at their jobs (e.g., Bruck, Allen & Spector, 2002; Turkyilmaz et al., 2011), physically and emotionally engaged with their work (e.g., Bakker & Leiter, 2010 after Agarwal, 2014b; Gruman & Saks, 2011), and loyal/committed to their companies (Duboff & Heaton, 1999; Ibrahim & Al Falasi, 2014). Such workplace behaviours make eventually employees happier and more productive.

Numerous antecedents of job satisfaction, work engagement and employee loyalty as outcome variables have been recognized in the literature. However, we still lack a better understanding of the interplay among three aforementioned important human resource (HR) outcomes. While some authors argue that the three are not separate constructs (e.g., Macey & Schneider, 2008; Newman & Harrison, 2008), other provide arguments that work engagement differs from well-known concepts such as job satisfaction and employee loyalty (e.g., Barnes & Collier, 2013; Hallberg & Schaufeli, 2006; Schaufeli & Bakker, 2004). Moreover, scholars disagree which of the constructs are “the causes” (antecedents, drivers) and which are “the effects” (consequences, outputs) of an individual behaviour at work. Obviously, a further investigation of the relationship among job satisfaction, work engagement and employee loyalty is needed.

We decided to examine the relationship between the three critical HR outcomes at the individual level. A field survey research has been conducted within a large-sized Croatian organization. Both direct and indirect interaction effects have been measured in order to determine the underlying nature of work performance mechanisms.

The paper is structured as follows. After the introduction, a theoretical background is developed. Definitions of job satisfaction, work engagement and employee loyalty are presented, and followed by an overview of the existing knowledge about their interplay leading to our theoretical assumptions which have been formulated through four hypotheses. Next, the research methodology is described and main results are provided. Finally, research findings are elaborated further, and concluding remarks are offered.

2 Theoretical background and hypotheses development

2.1 Job satisfaction, work engagement and employee loyalty defined

Job satisfaction refers to “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience” (Locke, 1976). Job satisfaction is the extent to which people like or dislike their jobs (Spector, 1997 after Bruck, Allen & Spector, 2002) which depends on the extent a person’s work environment fulfils his or her expectations, needs, values or personal characteristics (Abraham, 2012a; Turkyilmaz et al., 2011). As a multidimensional variable, it involves different aspects or facets of one’s job, such as job characteristics, relationships with coworkers, relationships with supervisors, team work, pay and rewards, promotion opportunities, working conditions, communication (see Turkyilmaz et al., 2011). Acknowledged consequences of job satisfaction are for example higher employee morale and hence job performance, lower absenteeism and turnover intentions, higher employee loyalty, greater customer satisfaction, and higher productivity/profitability and growth (see Abraham, 2012a; Harter & Schmidt, 2002; Silvestro, 2002; Spector 1994 after Brunetto et al., 2012; Turkyilmaz et al., 2011).

Work (or employee) engagement is defined as harnessing of organization members’ selves to their work roles by employing and expressing themselves physically, cognitively, and emotionally during performance efforts (Kahn, 1990). It is a persistent, positive affective-cognitive state of fulfilment in employees characterized by vigor, dedication, and absorption (Schaufeli, Martinez et al., 2002;
Schaufeli, Salanova et al., 2002). Work engagement could also be understood as a ‘passion for work’ (Truss, 2009 after Abraham, 2012a), the enthusiasm someone feels towards his/her job (Guy & Newman, 2013), and a willingness to go the extra mile (Bakker & Hakanen, 2013) and invest not only hands and head, but as well a heart (Ashforth & Humphrey, 1995). Potential benefits of engaged workforce are numerous. Engaged employees create value to the organization in terms of greater job performance (Chughtai & Buckley, 2011; Gruman & Saks, 2011; Wefald & Downey, 2009), more creative and proactive thinking (Bakker & Demerouti, 2008; Park et al., 2013), more innovative work behaviour (Agarwal, 2014a, 2014b; Agarwal et al., 2012), reduced absenteeism and turnover (Brunetto et al., 2012; Høigaa, Giske & Sundsli, 2012; Ibrahim & Al Falasi, 2014), more committed/loyal employees (Biswas & Bhatnagar, 2013; Schaufeli & Bakker, 2004), organizational citizenship behaviour (Saks, 2006; Schaufeli et al., 2006 after Chughtai & Buckley, 2011); higher career satisfaction (Timms & Brough, 2013), higher life satisfaction (Bakker et al., 2014; Karatepe & Karadas, 2015), fewer safety incidents (Harter et al., 2002 after Abraham, 2012a), higher customer satisfaction and loyalty because of better customer service (Harter et al., 2002 after Banihani, Lewis & Syed, 2013; Slanova et al., 2005 after Chughtai & Buckley, 2011), higher productivity (Abraham, 2012a; Harter et al., 2002 after Banihani, Lewis & Syed, 2013), and increased profitability (Greenberg, 2015; Xanthopoulou et al., 2007 after Agarwal et al., 2012).

Employee loyalty could be defined as a psychological inclination, a “feeling” of identification with, an attachment or a commitment to the organization (Guillon & Cezanne, 2014). It is an observable workplace phenomenon materialized in staying in the organization over the long term that encompasses a little tendency to seek or examine outside job offers (Guillon & Cezanne, 2014). Loyalty integrates as well a strong desire to continue membership of an organization (Turkyilmaz et al., 2011), living and standing up to the vision and values of the organization (Davis, 2015; Durking, 2007), investing high levels of efforts for the sake of the organization (Becker, Randal & Riegel, 1995 after Turkyilmaz et al., 2011), or even a willingness to work late (Guillon & Cezanne, 2014). Companies clearly understand that loyal employees make them solid and profitable and that happy but disgruntled (thus, disloyal) employees have the opposite effect (Durkin, 2007). The employee loyalty has been proven to create value for organizations (Guillon & Cezanne, 2014) through higher levels of effort and contribution provided, better product quality, better service, higher levels of consumer satisfaction, increased profits, greater shareholder value, increased organizational reputation, and lower turnover rates/costs (see Davis, 2015; Durkin, 2007; Duboff & Heaton, 1999; Guillon & Cezanne, 2014; Ibrahim & Al Falasi, 2014; Silvestro, 2002). On the other side, a lack of loyalty can clearly be detrimental and result in loss of trust, inefficient work, higher absenteeism and turnover (Davis, 2015).

2.2 The relationship between job satisfaction, work engagement and employee loyalty

Previous research revealed that job satisfaction and work engagement are positively and highly related constructs (e.g., Abraham, 2012b; Wefald & Downey, 2009). Although some authors argue against viewing engagement as a new construct (e.g., Macey & Schneider, 2008; Newman & Harrison, 2008; Saks, 2008), the majority of scholars believe job satisfaction and work engagement are distinct concepts (e.g., Alarcon & Lyons, 2011; Barnes & Collier, 2013; Wefald & Downey, 2009). Nevertheless, their causal relationship is not straightforward. For instance, some authors provide arguments that higher levels of job satisfaction are a positive outcome of work engagement (e.g., Biswas & Bhatnagar, 2013; Caesens, Stinglhamber & Luypaert, 2014; Høigaa, Giske & Sundsli, 2012; Karatepe & Karadas, 2015; Moura, Orgambidez-Ramos & Gonçalves, 2014). For example, based on their empirical evidence, Biswas and Bhatnagar (2013) argue that engaged employees experience a pleasurable emotional state at work, and as a result they are more satisfied with their job. On the other hand, we know that job satisfaction may not always result in productivity (Abraham, 2012a), while engagement seems to be a reliable predictor of job performance (Chughtai & Buckley, 2011). Such differences are a result of a different nature of the constructs. While job satisfaction is a passive and affective state, work engagement represents an active and content state (e.g., Abraham, 2012b; Alarcon & Lyons, 2011). Thus, work engagement potentially could be enhanced through satisfied employees (Abraham, 2012a, 2012b). Such an assumption implies that job satisfaction is the
antecedent of work engagement (e.g., Alarcon & Lyons, 2011; Barnes & Collier, 2013; Brunetto et al., 2012; Schaufeli & Bakker, 2004). As temporal precedence is a good predictor of cause-effect relationships, similar to Yalalibik et al. (2013) we believe that job satisfaction represents an antecedent of work engagement. Thus, given the centrality of satisfaction to engagement (Warr & Inceoglu, 2012), we propose the following hypothesis:

**H1. Job satisfaction positively influences work engagement.**

Empirical evidences demonstrate a strong positive correlation between job satisfaction and employee loyalty (e.g., Fletcher & Williams, 1996; Silvestro, 2002; Wu & Norman, 2006). Satisfied employees are more likely to stay longer in an organization and to refer the organization as a place of work to their acquaintances (Silvestro, 2002). On the other hand, low job satisfaction could cause employees to recede from their jobs, seek new jobs, or change their current jobs and careers (Turkyilmaz et al., 2011). Moreover, job satisfaction was found to be the antecedent of organizational loyalty of employees (e.g., Chang, Chiu & Chen, 2010; Soler 1998 after Turkyilmaz et al., 2011; Turkyilmaz et al., 2011). For instance, Jun et al. (2006) found that improved employee job satisfaction leads to a higher level of employees’ organizational loyalty. Assumingly, short-term experiences of job satisfaction could create a stable attitude to employee loyalty in a long run. Therefore, we presume that:

**H2. Job satisfaction positively influences employee loyalty.**

The link between work engagement and employee loyalty has been positive in general (e.g., Field & Buitendach, 2011; Ibrahim & Al Falasi, 2014; Schaufeli & Bakker, 2004). While several authors further discussed whether work engagement has a conceptual overlap with employee loyalty (e.g., Agarwal, 2014b; Alarcon & Lyons, 2011; Macey & Schneider, 2008), both theory and research have clearly demonstrated that work engagement is conceptually and empirically distinct from employee loyalty (e.g., Barnes & Collier, 2013; Hallberg & Schaufeli, 2006), and that work engagement fosters employee loyalty (e.g., Agarwal, 2014b; Bakker & Demerouti, 2008; Biswas & Bhatnagar, 2013; Brunetto et al., 2012; Field & Buitendach, 2011; Gruman & Saks, 2011; Moura, Orgambídez-Ramos & Gonçalves, 2014; Rice, 2015; Schaufeli & Bakker, 2004). The dominant view is that engaged employees intend to remain with the organization as opposed to seeking employment elsewhere (e.g. Abraham, 2012a; Sheridan, 2015). A high level of work engagement reflects not only a greater trust and loyal relationship between an individual and the organization (Biswas & Bhatnagar, 2013), but it is believed that loyalty can be built from the inside out by instituting an employee engagement process (Durkin, 2007). Consequently, our third hypothesis is as follows:

**H3. Work engagement positively influences employee loyalty.**

Finally, we need to move beyond studying bivariate relationships to examine three-way interactions. Although job satisfaction, work engagement and employee loyalty are different but positively related work outcomes that are often examined within the same research context, they are mostly addressed separately as different dependent variables. We have weak evidence regarding their possible causality. While work engagement has been recognized as an important antecedent of job performance (Rich, Lepine & Crawford, 2010) and organizational commitment (Saks, 2006), its mediating role in the relationship between job satisfaction and employee loyalty is still underresearched. However, the underlying premise of time or temporal orientation could offer an explanation. For instance, Locke (1976) posited that job satisfaction focuses on the individual whose temporal orientation is on the present and the past. On the other hand, employee loyalty is very often understood as a long-term challenge. It can be characterized by the intention to engage with the organization in a long term (Khuong & Tien, 2013), thus exploring the wider temporal framework than job satisfaction or work engagement (Chen, 2006). Specifically, while job satisfaction and work engagement are mainly focused on the employee attitude towards his/her job (short-term perspective), employee loyalty symbolizes the employee attitude towards the organization (long-term perspective). A different temporal orientation might explain why we might have a weak evidence of the relationship between
job satisfaction and employee loyalty (e.g., Padney & Khare, 2012). It may be so due to an intervening role of work engagement that initially translates short-term passive state (i.e. job satisfaction) into more active short-term state (work engagement) that eventually builds a long-term loyalty to an organization. Thus, we propose the following hypothesis:

\[ H4. \text{Work engagement mediates the relationship between job satisfaction and employee loyalty.} \]

3 Research methodology

3.1 Procedure and sample

The interplay among job satisfaction, work engagement and employee loyalty was explored through a field study in a large-sized Croatian organization using self-report measures. The introduced research design that investigates a single organization is not rare in the organizational behaviour field, as it eliminates numerous contextual influences. We decided to use self-reports of job satisfaction, work engagement and employee loyalty, which are more appropriate form of assessment than supervisor or peer ratings. Such practice is also widespread (e.g., Agarwal, 2014b; Bakker & Hakanen, 2013; Haigaard, Giske & Sundsli, 2012; Tadić, Bakker & Oerlemans, 2014), because an individual is the best person to report his or her own feelings (e.g., Agarwal, 2014b; Alarcon & Lyons, 2011).

The HRM department within a chosen organization coordinated the data collection process. The responsibility for the dissemination of questionnaires was transferred to line and staff managers (some decided to disseminate it electronically by e-mail while some preferred hard copies), while the collection of fulfilled questionnaires was done again by the HRM department in order to assure the confidentiality of responses.

Altogether 582 employees (16% of the total number of employees in the organization) participated voluntary in the survey. However, some questionnaires have been inadequately completed, so the final sample encountered 567 employees. The demographic profile of participants is presented in Table 1, disclosing the heterogeneity of sampled employees (corresponding to the present structure of employee population as the majority of the workforce is senior male employees with a high-school diploma) and the fact that some respondents were reluctant to retrieve their personal data.
Table 1. Demographic profile of respondents

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>438</td>
<td>77.2</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>90</td>
<td>15.9</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>39</td>
<td>6.9</td>
</tr>
<tr>
<td>Age</td>
<td>20-29</td>
<td>5</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>72</td>
<td>12.7</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>211</td>
<td>37.2</td>
</tr>
<tr>
<td></td>
<td>50-65</td>
<td>227</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>52</td>
<td>9.2</td>
</tr>
<tr>
<td>Educational level</td>
<td>Lower than high school</td>
<td>32</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td>429</td>
<td>75.7</td>
</tr>
<tr>
<td></td>
<td>Undergraduate degree</td>
<td>20</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Graduate degree</td>
<td>37</td>
<td>6.5</td>
</tr>
<tr>
<td></td>
<td>Postgraduate degree</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>48</td>
<td>8.5</td>
</tr>
<tr>
<td>Work experience</td>
<td>Less than 10 years</td>
<td>6</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>10 to 19 years</td>
<td>63</td>
<td>11.4</td>
</tr>
<tr>
<td></td>
<td>20 to 29 years</td>
<td>181</td>
<td>32.0</td>
</tr>
<tr>
<td></td>
<td>30 to 39 years</td>
<td>198</td>
<td>34.7</td>
</tr>
<tr>
<td></td>
<td>40 years and more</td>
<td>14</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>103</td>
<td>18.2</td>
</tr>
<tr>
<td>Organizational tenure</td>
<td>Less than 10 years</td>
<td>25</td>
<td>4.6</td>
</tr>
<tr>
<td></td>
<td>10 to 19 years</td>
<td>112</td>
<td>19.7</td>
</tr>
<tr>
<td></td>
<td>20 to 29 years</td>
<td>218</td>
<td>38.5</td>
</tr>
<tr>
<td></td>
<td>30 to 39 years</td>
<td>114</td>
<td>20.1</td>
</tr>
<tr>
<td></td>
<td>40 years and more</td>
<td>2</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Missing</td>
<td>96</td>
<td>16.9</td>
</tr>
</tbody>
</table>

3.2 Measures

Job satisfaction was measured with Spector’s Job Satisfaction Survey (JSS) (Spector, 1994 from JSS Page, 2011) which discloses total satisfaction as well as satisfaction with nine subscales (pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work and communication). It includes 36 items ($\alpha = 0.866$) which were scored on a six-point Likert-type scale (ranging from 1 “strongly disagree” to 6 “strongly agree”).

Work engagement was measured with MSPB Engagement Scale Questionnaire (U.S. Merit Systems Protection Board, 2012). The scale comprises 16 items ($\alpha = 0.897$) judged on a five-point Likert-type scale (ranging from 1 = “strongly disagree” to 5 “strongly agree”).

Employee loyalty was assessed using 19 items ($\alpha = 0.883$) from Meyer and Allen (1997). The participants could respond to each item using a five-point Likert-type scale (ranging from 1 “strongly disagree” to 5 “strongly agree”).

The final part of the questionnaire gathered five above revealed participants’ individual characteristics – gender, age, educational level, duration of service in work (work experience) and duration of service in the organization (organizational tenure).

3.3 Data analysis

Descriptive statistics analyses (absolute and relative frequencies, mean values and standard deviations) were used for determining participants’ characteristics and exploring the disaggregated values of three HR concepts’ levels. Next, the missing value analysis was conducted (as we had less than 10% of missing values left, we decided to replace missing values with a series mean), followed by scale reliability analyses that allowed us to compute aggregated variables for each of the three HR concepts.
computed. The relationship between job satisfaction, work engagement and employee loyalty was then analysed using Pearson correlation coefficients calculations. Finally, simple and multiple regression analyses were conducted, as well as a mediation analysis by using the IBM SPSS Statistics 23 software package.

4 Results

The correlation matrix shown in Table 2 exhibits that job satisfaction, work engagement and employee loyalty are significantly related concepts. While the relationship between job satisfaction and employee loyalty is of weak to medium strength (r = 0.422), the strength of the relationship between job satisfaction and work engagement is considerable (r = 0.672). Similar to the latter, work engagement and employee loyalty are also positively related concepts (r = 0.616).

### Table 2. Descriptive statistics and Pearson correlations between examined HR constructs

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Job satisfaction</td>
<td>3.46</td>
<td>0.59</td>
<td>(0.866)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Work engagement</td>
<td>3.47</td>
<td>0.69</td>
<td>0.672*</td>
<td>(0.897)</td>
</tr>
<tr>
<td>3</td>
<td>Employee loyalty</td>
<td>3.60</td>
<td>0.61</td>
<td>0.422*</td>
<td>0.616**</td>
</tr>
</tbody>
</table>

Note: Cronbach alphas are shown in the brackets on the diagonal.

*Correlation is significant at the 0.05 level (2-tailed)
**Correlation is significant at the 0.01 level (2-tailed)

In order to test the hypotheses, simple and multiple regression analyses were performed (Table 3). The analysis showed that job satisfaction accounted for 45.0% of the variation in work engagement, and 17.6% of the variation in employee loyalty. Job satisfaction has a significant and positive effect on both work engagement and employee loyalty (p < 0.01). It was found to be a strong predictor of work engagement (Model 1) and a medium predictor of employee loyalty (Model 2) thus supporting our first and second hypothesis, respectively. Work engagement was also found to have a significant and positive effect on employee loyalty (Model 3), thus confirming the third hypothesis.

### Table 3. Regression analysis with JS or/and WE as independent and WE and EL as dependent variables

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Work engagement</th>
<th>Employee loyalty</th>
<th>Employee loyalty</th>
<th>Employee loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
<td>Model 2</td>
<td>Model 3</td>
<td>Model 4</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.772**</td>
<td>0.127</td>
<td>0.451*</td>
<td>0.451</td>
</tr>
<tr>
<td>Work engagement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.542**</td>
</tr>
<tr>
<td>R²</td>
<td>0.451</td>
<td>0.178</td>
<td>0.379</td>
<td>0.379</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.450</td>
<td>0.176</td>
<td>0.378</td>
<td>0.377</td>
</tr>
<tr>
<td>F</td>
<td>464.096</td>
<td>122.231</td>
<td>344.721</td>
<td>172.148</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Note: ** p < 0.01

However, job satisfaction does not have a significant effect on employee loyalty when both job satisfaction and work engagement are introduced as independent variables (Model 4). This finding requires further analysis of interaction effects between variables. Therefore, we used the PROCESS macro 2.14 beta (Hayes, 2013) to examine whether work engagement mediated the relationship between job satisfaction and employee loyalty. The indirect effect of 0.4144 was measured meaning that two employees who differ by one unit in their reported job satisfaction are estimated to differ by 0.4144 units in their reported level of employee loyalty as a result of the tendency for those who are relatively more satisfied to feel more engaged, which in turn translates into greater employee loyalty.

The indirect effect outreached the direct effect size (c’ = 0.0155) which means that job satisfaction primarily influences employee loyalty indirectly through work engagement. The significance of the mediated (indirect) effect was initially confirmed by the Sobel test (z’ = 11.4418, p < 0.001). In addition, a 95% BC bootstrap confidence interval was entirely above zero (CI = 0.3286 to 0.5054) thus supporting our fourth hypothesis.
Figure 1. Mediation model results

Note: ** p < 0.01

5 Discussion and conclusions

This research study examined the relationship between three important HR concepts at the individual level. The research findings based on the large sample of employees from a single organization confirmed the intertwined nature of job satisfaction, work engagement and employee loyalty. While job satisfaction predicted both work engagement and employee loyalty, the latter relationship was somewhat weaker due to an intervening role of work engagement. In other words, work engagement has a mediating role in the relationship between job satisfaction and employee loyalty. Such results confirmed our assumption about the temporal orientation of the constructs. While both short-term states (job satisfaction and work engagement) lead to a long-term state (employee loyalty), a passive state construct (i.e. job satisfaction) seems to precede the active state construct (i.e. work engagement).

Our findings add to the existing organizational behaviour literature and offer a new light on the relationship between well-researched HR concepts. We showed that an HRM goal of having loyal workforce is highly dependent and strongly predictable by some other, more established affective states such as job satisfaction and work engagement. Those concepts represent a triangle of work outcomes that should be mutually aligned if organizations intend to have happier and more productive employees. Line managers should strive towards creating a work environment that makes their subordinates satisfied and engaged, which makes them loyal and devoted to the organization. Such a long-term employee support to organizational goals will certainly make a performance difference both at the individual, unit and organizational level.

As with any research there are study limitations that should be acknowledged for the benefit of future research efforts. Firstly, the study is limited to a single organization source data thereby questioning the generalizability of our findings. In the future, various organizational and industrial settings should be explored. Secondly, our study relies on self-reports, which might increase the risk of common method bias. However, studies exploring similar HR concepts and using the identical methodological approach revealed without the exception by means of different techniques (e.g., Harman’s one-factor test, post hoc CFA marker technique) that common method variance did not significantly influence their results (e.g., Agarwal et al., 2012; Brunetto et al., 2012; Caesens, Stinglhamber & Luypaert, 2014; Chughtai & Buckley, 2011; Moura, Orgambídez-Ramos & Gonçalves, 2014), which justifies our research concept. Finally, in order to get more fine-grained results, subdimensions of examined HR concepts should be investigated as well. Certain aspects or facets of job satisfaction, work engagement and/or employee loyalty could be more or less related. By conducting additional construct-related analyses, we could find some additional underlying mechanisms of workplace behaviour.
References


