

IMPACT OF SUPERVISOR SUPPORT ON EMPLOYEE LOYALTY-A STUDY OF IT COMPANIES IN INDIA

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ABSTRACT: In recent years, there is an alarming concern on certain actions and behaviours of supervisor, causing quite a distress to employees. The resultant effect is low morale, disturbed attitude among the employees which eventually leads to higher turnover, declining level of loyalty, faith and dedication among the employees. This will further significantly affect the organizations success and growth. Therefore, the need to consider the impact of supervisor support on employee loyalty. The purpose of this research study was to assess the impact of supervisor support on employee loyalty among the information technology professionals in India. A descriptive research approach was adopted and data collection was done through a structured questionnaire on a sample of 103 IT professionals across eight companies in Bangalore and Mysore region, Karnataka. The hypotheses of the study were tested by correlation and regression analysis. The outcome of the study revealed that there was a significant positive correlation between supervisory support and employee loyalty. It is therefore concluded that IT organisations need to encourage supervisors to improve on their people management skills than simply concentrating on technological aspects of the job.

Keywords: *Commitment, employee loyalty, information technology, supervisor support, turnover.*

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1. Introduction

According to Nasscom (n.d.) in India, information technology and business process outsourcing sector is experiencing the most momentous growth for the economy. Information Technology services are the fastest growing segment and account for exports of USD 40 billion. This industry has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. Professionals working in these IT companies in India have expertise in knowledge based skills and majority of them hold professional degrees. These professionals work individually, in groups, dispersed groups across borders on different time zones. They work for odd hours, longer hours and so also their expectations are varied compared to other industries. These are called Generation 'Y' employees who are highly aspiring, creative, risk takers and independent decision makers while deciding on their career moves. They constantly look to enhance and energize themselves through rewarding work experience intellectually, physically and emotionally. They look for a culture where they have supportive managers, congenial social environment, personal development and freedom to voice out their opinions. If these expectations are not met, they do not hesitate to switch their jobs. Employees depart organizations for a string of varied reasons stemming from his or her own personal choice in life events, work environment and work relationships. This kind of departure of critical employees will have a severe blow on the business economy of the company. The loss of employees involves the cost of hiring a new recruit, training costs, hard to replace knowledge workers, loss of time, delay or loss of projects or a complete shutdown of the business. This can erode the diversity of the existing talent. This has exposed organizations to greatest of great challenges to build loyalty in the remaining talent pool.

1.1. Employee loyalty

Employee loyalty refers to the psychological attachment of employees to their employer. It is the extent to which employees identify themselves with the organization's work ethics, objectives of the organization and contribute to the corporate performance. Employee loyalty is visible from the feelings, attitudes, positive behaviour and actions of employees. These loyal employees always prefer to choose the organizations interests and are willing to make personal sacrifices to a certain extent.

1.2 .Supervisor Support

In any organization, an employee interacts with his peers, supervisors and social groups. Among these work relationships, who matters him the most, is his immediate supervisor. A supervisor is an immediate authority to his or her sub-ordinate. Supervisors are termed differently in different companies. Some common terms used for supervisors are lead, manager, reporting manager and first-line manager. These supervisors have different levels of responsibilities. He is accountable for his team performance and also his individual performance. He needs to interact with employees on a regular basis and help them develop on the job skills. He also plays the role of a peacemaker when a conflict arises in the group. Thus, a strong relationship between supervisor and employee creates a healthy employee commitment and build loyalty.

1.3. Problem Statement

Organizations are making every effort to retain best employees but at the same time, they might be missing on the some intangible motivators altering the employee's attitude & behaviour towards work. What makes an employee to stay or quit the company? Do we blame the entire system or just few factors? Keeping this as a main objective, this paper is a representation of true facts of the relationship that exists between supervisor support and employee loyalty in IT companies in India.

Companies are on persistent quest to understand what makes an employee to stay happy and loyal while being employed. Research findings in the last few decades have proven that pay hikes cannot buy the happiness and employee's commitment. Instead, a lot of other factors like job satisfaction, career development opportunities, peer and managerial support lead to development of employee loyalty in the work place. Considerable research done in the past reveals that a satisfying relationship between supervisor and the employee can go a long way in increasing the trust and loyalty of the employees.

1.4. Objectives of the study

- To identify the influence of supervisor role on employee loyalty among IT professionals.
- To examine the relationship between supervisor support and employee loyalty.

- To identify the supporting factors of a supervisor that can influence employee loyalty.

2. Review of Literature

Past researchers have identified that employees do not quit their jobs but their bosses. The reason may be a weak rapport, failure on the manager part to understand employee needs, lack of communication, faith & trust, failure to recognize contributions and so on. All this friction can weaken the bond between the manager and employee. The resultant effect results in low morale, disturbed attitude and behaviour among the employees. This will in turn affect organizations' health and loyalty. If, unresolved by the management, employee's intention to quit the job becomes more and more evident. This is the point where an organization can lose critical employees to its competitors. Thus, a strong support from the supervisor helps to reduce burnout, employee's intention to quit the job and turnover rate (Kalliah & Beck 2003). Employees view their supervisor as an anchor to their emotional and on-the-job needs. They view him as a mentor or coach who can shape the future direction of their career and growth within the organization. Supervisors need to care for the employees more than just being a career tutor. This itself is an intangible incentive in motivating employees (Moses, 2005). Thus, taking a honest interest in employees can build loyalty in the organization.

A research study was conducted to examine the talent management practices of twenty eight companies in India. A sample of 4, 811 employees were surveyed to understand employee's attitudes towards their employer (Tymon et al., 2009). They identified four important factors within the control of employer can drive employee attitude to stay in the company. These four important factors i.e. professional development practices, performance management practices, the quality of supervision and the company's socially responsible posture. These four factors reflects in higher levels of satisfaction and pride with the organisation. As a result, employees will be more attached to the organization and are likely to stay.

Past research on perceived organizational support, indicates that supportive and caring treatment shown by the supervisor has a positive effect on employee commitment (Eisenberger et al., 1986). Gerstner and Day (1997) reported that high quality relationships between supervisors and their subordinates has a positive influence on work performance, work satisfaction, role clarity and organizational commitment. This reveals that care for employees can

promote organizational commitment and build loyalty. Thus, helping subordinates to grow and succeed, has a positive influence on improving and nurturing employee loyalty (Liden et al., 2008). An empirical research on full-time sales staff concluded that servant leadership behaviour improves an employees' adaptation to the organization thereby enhancing his organizational commitment, and thus reducing their turn-over intention (Jaramillo et al., 2009).

Mulki et al., (2006) in their studies on sales staff revealed that employees tend to quit when they are dissatisfied with their leaders and sense that their leaders cannot be trusted. This supports that those leaders who established harmonious relationship with their subordinates by involving and promoting in shaping their career development will result in improved organizational commitment and loyalty (Brashear et al., 2006).

A research study to analyze the relationship of servant leadership and employee loyalty with employee satisfaction as a mediating role was studied in china. The results showed that, in order to improve employee loyalty, the managers in addition to developing their servant leadership style should also give due consideration to the employee needs to increase their psychological satisfaction(Ding et al., 2012).

Thus, by all the past research studies and their findings, employee loyalty contributes to a greater competence, better business results, increased firm growth and reduced turnover. Loyal employees also enhance in creating positive image that the company has to its environment and outside stakeholders (Meyer and Allen, 1997)

3. Research Methodology

The purpose of this study is to understand the relationship that exists between supervisor support and employee loyalty.

3.1 Research Hypotheses

The following hypothesis was framed and evaluated with a significance level of 0.05.

H₀: There is no significant relationship between supervisor support and employee loyalty.

H_a: There is significant relationship between supervisor support and employee loyalty.

3.2 Instrumentation

This study was based on a descriptive survey design. A well-structured questionnaire was distributed to 103 IT professionals working in Bangalore & Mysore. This sample size was a representation from eight companies. The survey questionnaire was divided into three sections. The first section captured demographic information on gender, current designation with respect to organizational chart, total years of experience in IT industry and years of experience in current designation. The second section was a measure on supervision support and the third section was a measure on employee loyalty. All the items were measured on a five –point Likert scale ranging from 1 (“Strongly disagree”) to 5 (“Strongly agree”).

The reliability of the items was tested using Cronbach’s alpha as represented in Table 1. The alpha coefficient for the six items for supervisor support was 0.883 suggesting that the items had relatively strong internal consistency. The alpha co-efficient for employee loyalty resulted in a value of 0.667 suggesting an acceptable level of internal consistency in the responses. According to Nunnaly and Bernstein [14], a cronbach’s alpha value of >0.60 is considered acceptable and a value of >0.70 is considered as good

Table 1: Reliability statistics

Variable	Cronbach’s Alpha	Cronbach’s alpha based on standardized items	No. of Items
Supervisor Support	0.883	0.887	6
Employee Loyalty	0.667	0.664	3

3.3 Data Collection and Sample

Data was collected using both primary and secondary sources. Primary source was through a questionnaire survey. Secondary sources of data included journals, books, research articles, annual reports and references from internet. The respondents were selected through convenient sampling method. A structured questionnaire was administered to respondents by two methods. First method was by giving a hard copy of the questionnaire to the senior management and HR department of those companies who gave consent to conduct the survey. Second method was

through online survey portal .Respondents participation to this survey was completely voluntarily and anonymous. An e-mail invitation with a link to surveymonkey.com was shared.Through out the whole process, the respondents were assured and re-assured on protecting their identity and confidentiality.

Demographic profile from the 103 completed and valid questionnaire survey revealed that the sample’s population consisted of 54.4 percentages of employees in the entry level positions and 27.2 percentages in the mid-level of hierarchy. Responses from the male respondents were higher compared to the female respondents. Total years of experience in the IT industry did not vary much in percentages between 1-5yrs and 6-10yrs. Most of the respondents (73%) have served in their current role for a minimum of one year to a maximum of five years. The demographic statistics reveals that the study population were mature enough to understand the purpose of the survey and give an honest opinion of their own thought process while answering the survey.

Table: 2 Demographic profile of respondents (N=103)

Labels	Categories	Frequency	Percentage
Gender	Male	85	82.5
	Female	18	17.5
Hierarchical level with respect to organization chart	Software Engineer, Senior Software Engineer & Module lead.	56	54.4
	Technical Lead, Project Lead, Technical Architect & Associate Project Manager.	28	27.2
	Senior Project Manager, Group Project Manager, Senior Tech Architect, Account Manager, Program Manager and Delivery Manager.	19	18.4
Total experience in IT industry	1-5 yrs	40	38.8
	6-10 yrs	39	37.9
	11-15 yrs	19	18.4
	16-20 yrs	3	2.9
	>21 yrs	2	1.9

Number of years spent in the current hierarchical level	Less than 1 year	13	12.6
	1-5yrs	76	73.8
	6-10yrs	14	13.6

4. Results and Findings

The data was analysed using SPSS 16.0 .The results are represented in four parts.

- Descriptive statistics of the sample
- Cronbach's alpha and correlations of items for supervisor support,
- Cronbach's alpha and correlations of items for employee loyalty and lastly,
- Correlation and regression of total score of supervisor support and employee loyalty.

Descriptive Statistics

The descriptive statistics for all the variables is represented in Table 3. From the Table, it is inferred that all the variables are within the acceptable range of normality and low values of standard error of kurtosis and skewness indicates that the sampling error is very small .Hence, there is greater stability and these variables can be subjected to further analysis. One of the 103 cases was excluded from analysis for missing values .

Table 3: Descriptive Statistics

Variable	M	SD	Skewness	Std.Error of Skewness	Kurtosis	Std.Error of Kurtosis
You feel supported by the leadership of your reporting manager (SS1).	3.94	0.82	-0.84	0.23	1.134	0.47
Your manager encourages innovation, creativity in the work you do (SS2).	3.87	0.95	-0.56	0.23	-0.54	0.47
Your manager provides clear understanding of job priorities and performance expectations (SS3).	3.82	0.80	-0.61	0.23	0.83	0.47
Your manager has meaningful conversations wrt your strengths	3.77	0.90	-0.58	0.23	0.42	0.47

and weaknesses (SS4).						
Your manager creates an environment where team members can learn from their mistakes (SS5).	3.63	0.99	-0.31	0.23	-0.38	0.47
You are appreciated for a job well-done (SS6).	3.74	0.97	-1.07	0.23	1.29	0.47
A cordial working relationship with your manager has helped to continue your services with this company(EL1)	3.76	0.88	-0.63	0.23	0.62	0.47
You enjoy discussing positively about your organization with people outside the company. (EL2)	3.56	1.00	-0.67	0.23	0.31	0.47
You value work relationships more than a good salary. (EL3)	3.75	0.72	-0.24	0.23	-0.03	0.47

Table 4: Inter-item correlation matrix for supervisor support

	SS1	SS2	SS3	SS4	SS5	SS6
SS1	1.000					
SS2	.655	1.000				
SS3	.642	.693	1.000			
SS4	.708	.742	.641	1.000		
SS5	.589	.628	.629	.549	1.000	
SS6	.409	.354	.409	.461	.389	1.000

Inter-item correlation matrix for supervisor support as in Table 4, reveals that all the values are positive indicating a positive correlation among the six items measuring supervisor support.

Table 5: Scale statistics for supervisor support

Mean	Variance	SD	N of items
22.7549	18.821	4.3382	6

Table 6: Inter-item correlation matrix for employee loyalty

	EL1	EL2	EL3
EL1	1.000	.763	.202
EL2	.763	1.000	.163

	EL1	EL2	EL3
EL1	1.000	.763	.202
EL2	.763	1.000	.163
EL3	.202	.163	1.000

The inter-item correlation matrix for employee loyalty as in Table 6, also showed positive correlation among the three items measuring employee loyalty.

Table 7: Scale statistics for employee Loyalty

Mean	Variance	Std. Deviation	N of Items
11.0874	4.179	2.04415	3

Correlation and Regression Analysis

Pearson correlation and regression statistical test analysis was conducted and the results obtained are represented in Table 8, 9 and 10 respectively. According to Hair, Bush and Ortinau (2003), a higher value of correlation coefficient indicates a stronger level of association between independent and dependent variable. The correlation coefficient for the present study yielded a value of $r = 0.751$ which signifies a strong association between supervisor support and employee loyalty. The correlation is statistically significant with a p-value of less than 0.000. From the results, it can be inferred that when employees receive increased support from their supervisors, their intention to stay also increases. This in turn elevates the level of employee loyalty within the organization.

Table 8: Pearson correlations between supervisor support and employee loyalty.

		Employee Loyalty
Supervisor Support	Pearson Correlation(r)	.751**
	Sig. (2-tailed)	.000
	N	102

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

Regression test was conducted on a total score of supervisor support and employee loyalty. The 0.000 significance level of the regression model resulted in a lesser value than the significance

for the test (0.05). The results of regression analysis between independent and dependent variable is represented in the Table 9 and Table 10.

Table 9: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F Change	Sig.	Durbin-Watson
1	.769 ^a	.591	.570	1.33410	27.731	.000	1.825

- a. Predictors: (Constant), Gender, total IT experience, current designation, supervisor support and years spent in current hierarchical level.
- b. Dependent Variable: Employee Loyalty

Table 10: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.183	1.168		1.869	.065
	Current designation	.478	.257	.183	1.858	.066
	Total yrs of IT experience	-.182	.215	-.083	-.848	.398
	Supervisor support	.348	.032	.742	10.922	.000
	Gender	.618	.366	.114	1.689	.095
	Years spent in current hierarchical level	-.098	.282	-.025	-.348	.729

- a. Dependent variable: Employee loyalty

The regression coefficient ‘R’ resulted in a value of 0.769 (76.9%) indicating a positive correlation between the dependent and the independent variable. The effect size of the correlation is termed as co-efficient of determination and is represented as R-square, which can vary from 0 to 1.0. The ‘R²’ resulted in a value of 0.591 which means, approximately 59.1 % variance in employee loyalty is explained by the independent variable supervisor support. The F-test value of 27.731 is significant with a low p-value of 0.000 which is less than 0.05. The Durbin-Watson value of 1.825 is well within the acceptable range of 1.5 to 2.5. This means that there is no auto correlation of error. According to the regression coefficient ‘B’ value of 0.348 for supervisor support, we can explain that one percent increase in the level of supervisor support increases 34.8 % in the level of employee loyalty when all other variables are controlled. The ‘t’ test value is 10.922 significant at .000 level which is less than 0.05. Hence, the relationship is significant and the regression model is valid.

From the results of Table 8, 9 and 10, inference is drawn that supervisor support, the predictor variable is statistically significant with a p-value of 0.000. This means to say that, a low p-value of the predictor variable has a meaningful addition to the model as changes in the predictor value leads to changes in the response variable. This implies that the correlation between dependent variable and independent variable is statistical significant and the regression model is valid. Based on the above results, null hypothesis is not accepted and the alternate hypothesis is accepted. This concludes the research study that the level of supervisor support has a significant impact on the level of employee loyalty.

6. Conclusions

The outcomes of the research study show that there exists a significant positive relationship between the supervisor support received and employee loyalty. This draws to a conclusion that employees who receive a good support from their supervisors are more likely to be happy in their jobs, have a strong sense of affiliation to their jobs and develop confidence to continue their services for the success of their organizations. Therefore, supervisors of IT Companies in India should play a supportive role by giving proper direction on the job tasks, creating a positive bond among the team members, recognize innovative ideas of his team members, instil confidence and help employees build on their strengths. The human resource department and the management should also identify and impart necessary skills on to the supervisors on a need basis. All these collectively sums up to a cordial working relationship between the supervisor and the employees. This results in a greater psychological satisfaction among employees and they tend to value work relationships more than an attractive salary. They also enjoy discussing positively about their supervisor with outside sources and their intention to continue service with the organization becomes stronger and stronger. This certainly leads to road of employee loyalty. IT organisations in India need to promote a healthy work environment by identifying, hiring, retaining and training good supervisors who can bring a positive change in the work teams. Supervisors should be encouraged to evolve on their people management skills than simply concentrating on technological aspects of the job. It is thus concluded that employees having a trusting relationship with their supervisors are less likely to resign their jobs and this certainly result in enhanced levels of dedication and loyalty among the employees.

7. Limitations of the Study

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The sample size of the research study was limited to 103 samples. Due to this limitation on the sample size, the data obtained might not be a complete representation of entire population of IT professionals in India. The survey population was skewed more towards male population. The scope of the study was confined to two locations in India, one being Bangalore, the IT hub of India and the second location being, Mysore, where IT companies are slowly setting up their business operations. The study considered only the influence of supervisor support on employee loyalty. Supervisor support is one among the many variables like corporate culture, turnover intentions, job involvements, reward & recognition, compensation which can have which can have an impact on the degree of employee loyalty. In future, the researchers may study considering other variables and its influence on employee loyalty.

8. Future Research

In future, studies could focus on larger sample size from across different geographical locations. The present research study focused only on information technology sector. In any industry sector, supervisor plays a very key role and hence, further research can be extended to other business sectors as well. Job expectations required for IT professionals differ from the job expectations required for professionals in manufacturing or banking or whatever other industry. Accordingly, future research needs to identify which of the industry specific supportive traits of supervisors can result in increased loyalty among the employees.

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