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## EMPLOYEE LOYALTY IN MANUFACTURING INDUSTRIES: EMPIRICAL FINDINGS FROM MALAYSIA

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### Abstract:

This study examines the factors that influence employee loyalty in the manufacturing industry in Malaysia. The goal of this study is to determine the extent of employee loyalty in Integris (M) Sdn Bhd, as well as to determine the relationship between superiority, reward and compensation, working environment, and peer cooperation, all of which are independent variables that may influence employee loyalty, which is the dependent variable. Integris Sdn Bhd's total workforce is 300 people and the researchers used descriptive statistics and Pearson Correlation to analyze the findings, and the results show that there is a positive significant relationship between superior, reward and compensation, and working environment in terms of employee loyalty, but no such relationship exists between peer cooperation and employee loyalty. According to the study, employers, particularly in the manufacturing sector, should be more down to earth to foster excellent relationships and provide a platform for employees to express their thoughts. In future research, the study's scope may be expanded, and new approaches may be used to obtain varied results that reflect employee loyalty.

### Keywords:

Employee loyalty, Manufacturing, Superior, Rewards and Compensation, Working Environment.

## Introduction

High turnover is entailing a large investment in terms of interviewing, recruiting, selecting, and training and development for replacement, and is projected to cost 25% of an individual's entire yearly remuneration to replace a full-time worker (Singh, 2019). According to Ghani (2022) and Ariawan et al. (2023), human capital is a critical component that includes knowledge, education, skills, organisational loyalty, and employee motivation. Employees own their Knowledge, Skill, and Attitude (KSA), therefore when they leave a firm, they take their KSA with them, and the company's investment is gone. Employee loyalty was high when employees were devoted to working in the firm because it was exciting and fascinating. According to Talwar et al. (2017), the largest connection between compensation and benefit with employee loyalty was discovered, followed by environment, career advancement and job stability. Armstrong (2017) distinguished between monetary and non-monetary rewards while Pinca (2023) further explained more on monetary rewards include base pay, merit pay, incentives, commission, bonus, and healthy allowances packages, whereas non-monetary rewards include recognition, decision-making roles, promotion, flexible working hours, and company uniform. Employees are described by Purba (2017) having a high level of need and expectation for the organisation. Age, length of service, payroll work design, leadership style, job description, an organization's dealings with employees, promotion of position, training, and development, and recognition of the best employees' achievement are all factors that contribute to employee loyalty. Employee turnover in Malaysia climbed from 1.1 percent to 13.2 percent in 2014 and increased to 14.3 percent in 2015 with manufacturing industries suffering from high staff turnover (Chin, 2018). It is also aligned with Kossivi, Xu, & Kalgora (2016) and Chin (2018) further discussed that a high turnover rate might affect productivity and raise the organization's costs. Previous research by Perumal et al. (2018) has shown that working in the manufacturing industry contributes significantly to stress management issues, high turnover, and occupational injuries and accidents, all of which have an impact on the firm's long-term goals and objectives. The manufacturing business, which uses automation technology and high-tech machinists, requires highly certified and skilled workers, particularly operators who can operate high-tech machines and maintain equipment and machinery. The retention rate has decreased, and most employees are interested in leaving the firm within two years, with 36% presently compared to 29% in 2012 as reported by Chin (2018). 40 percent of Malaysian employees are unsatisfied or very dissatisfied with their present remuneration packages, with 52 percent actively seeking a new job and 67 percent citing compensation as their top reason for doing so (Chin, 2018). According to Hee & Ann (2019), high turnover rate forces the company to spend more money on recruiting, hiring, and training new personnel to replace those who have departed. The frequency of personnel shortages has an impact on production and performance while the high turnover rate of local employees is urging them to shift their interest in recruiting foreign workers because they have a lower chance of changing jobs (Ghani, 2022). According to the 2017 Randstad Employer Brand Research report, angry employees in Singapore and Hong Kong SAR had similar feelings, with roughly 38% preparing to leave. Employees in Malaysia were only slightly less eager to leave their jobs, with roughly 35% looking for new chances. According to the research, the cost of replacing a lost employee in terms of both time and money can be very significant ([www.randstad.com.my/hr-trends/employer-brand](http://www.randstad.com.my/hr-trends/employer-brand)) while the Employee Engagement Report (2019) shows that 43 percent of 25,000 employees across 20 industries would leave their jobs for a 10% wage raise and a better culture and the year of 2015 shows the end of employee loyalty figure was merely 23%. (<https://www.tinypulse.com>). Hence, the researchers aim to examine the extent of the employee's loyalty to the organisation. How important is the relationship between the factors influencing the employee loyalty especially in manufacturing industries in Malaysia? Perhaps by focusing Integris Kulim High

Tech in Kedah will mirror the phenomenon of employee loyalty among employees in Malaysian manufacturing industries.

### Literature Review

According to Hassan (2022) and Iqbal, Tufail, and Lodhi (2015), loyalty is defined as a person's devotion or sense of attachment to a certain thing, which could be another person or group of people, an ideal, a responsibility, or a cause. Factors impacting employee loyalty directly and indirectly through job satisfaction also explained by Khuong and Tien (2013) when the authors noted that traditionally, employee loyalty signified the ability to stay with the firm for a long time. It is founded on the idea that employee loyalty can be measured by the length of time an individual has worked for a firm or organisation. Employee loyalty is a psychological attachment or commitment to the organisation that emerges because of higher levels of pleasure including employees in healthcare services (Garg, Mahipalan & Sharma (2023). Employee loyalty attitudes foster a sense of dedication and affection for the organization's overall aims, such as increased productivity, efficiency, and a high-quality customer service focus. Employee dedication and loyalty are important variables for the sector because they provide high outputs as well as profitability and productivity according (Sharma and Punia (2018). Employees in the organisation are the primary competitive advantage and the most significant asset (Sari & Işık Tertemiz (2017). When an employee leaves an organisation, they will take the information they need with them. In theory, employee loyalty is critical to the organization's success and due to the high cost of recruiting, the business might save money if staff retention is strong (Sari & Işık Tertemiz, 2017). Other study by Murali, Poddar, and Seema (2017) further explained that loyalty is a deliberate commitment to further the best interests of one's employer, even when doing so against moral duties and loyalty is significant when employees believe they have no regrets about working for the organisation and consider it to be the best choice.

Employee loyalty is trigger factor to a company's success and due to the high cost of recruiting, the company may be able to save money if employee retention is high (Sari, 2017). Murali, Poddar, and Seema (2017) stated that loyalty is a deliberate commitment to further the best interests of one's employer, even when doing so goes against moral duties. Talwar (2017) also in the same findings shown the loyalty is important when employees believe they have no regrets about working for the company and believe it is the best option while Salleh, Samah, and Anwar (2017) found substantial results regarding the association between leader conduct and loyalty in a study and Gen Y believes their leaders have excellent communication skills and conduct, which may be a factor in employee loyalty. According to Hieu & Cham (2020), employees are more satisfied when their leaders are understanding, kind, always listen to their subordinates' thoughts, always keep their commitments, and congratulate them when they do a good job. The employee organisation relationship study shows the significant on supervisory support while middle managers in China, both employee organisation relations and supervisory support in generating trust. As a result, the importance of formal structure and social processes in fostering employee trust in the company is reinforced (Ann et al. (2008). Despite the low pay, these supervisors may establish trust in their organisations by feeling valued and optimistic about themselves. Zangmo & Chhetri (2022) concluded that supervisory and organisational support has a favourable impact on an employee's performance. A supervisor's involvement in their subordinates is critical, and they must constantly be available to supervise and offer the necessary information to finish a task. Employees can accomplish a good job and receive reinforcement for a job well done, (Edem et al., 2017), since direct supervisors distribute resources and act as advocates for employees. The results shows that relationship with

supervisors at work revealed that 49.4 percent of respondents have a strong relationship with their superior at work, with 12.6 percent having a very strong relationship. It can be concluded that there is a significant supervisor connected with the desire to remain. Direct cash rewards, indirect payments in the form of employee benefits, and incentives were incorporated in Ghani (2022) to encourage employees to strive for higher levels of productivity. Employee rewards are important, since they leave a long-term effect on employees and continue to validate their perceptions that their employer values them. Employee retention is influenced by employee compensation, work happiness, and human resource policy and the incentive system and remuneration are seen as the core of the business to motivate individual success and staff retention (Ghani, 2022). Furthermore, empirical research on the link between performance-related compensation and organisational performance has consistently demonstrated a favourable correlation (Appiah- Kontor & Asamoah, 2019). The findings of the survey of 150 respondents were quite useful in establishing the link between remuneration and incentive packages and the intention of an employer to leave. According to Jackson (2014), Tanzania's work has a high rate of turnover due to poor compensation and perks while other study shows that employees who are disloyal are unmotivated, unsatisfied, and underpaid and it's triggered to employee retention for any organization's competitiveness (Lee et al. (2023). It also further discussed by Kullab and Kassim (2017) that compensation and rewards given to employees that appear as a benefit and enhance productivity and designed to encourage knowledge-sharing behaviours. According to Gabriel et al. (2022) in the talent retention in Malaysia manufacturing industry, monetary compensation includes overtime pay, sales commissions, year-end bonuses, and profit sharing, while non-monetary compensation includes company-paid housing, company-paid car, and stock options in some cases. The correlation coefficient of 0.82686 supports a positive correlation coefficient and a positive significant association between remuneration) and talent retention. As a result, when salary rises in this direction, talent retention rises as well. Reward and benefits as the basic to fulfil employees' needs with monetary and non-monetary rewards to establish an exciting workplace when the study had 155 respondents, and the regression model revealed that reward, training, and working conditions account for 81.9 percent of employee loyalty.

According to Talwar et al. (2017), a proper work environment is viewed as a healthy workplace, and it aids in the exploration of unique employee views regarding the workplace. The correlation between working environment coefficient values and employee loyalty may be inferred from the sample size of 100 respondents. In Ho Chi Minh City, Vietnam, Khuong and Tien (2013) investigated the factors impacting employee loyalty directly and indirectly through job satisfaction among bank employees. The study included 201 employees from 11 banks and the findings demonstrated the importance and coefficient of the working environment, as well as the impact of working conditions on employee loyalty. Job satisfaction is influenced by the organisation that gives ease of doing work, a comfortable and refreshing environment, a safe workplace, and the level of noise. Bhatt & Sharma (2019) discovered a link between the working environment and employee loyalty, as well as the inclusion of fair remuneration in the workplace environment, which promotes employee job happiness while Edem et al (2017) found that job environment is something that can influence employees to ensure their survival at their workplace. Most employees agree that poor workplace environment elements such as noise level, ventilation, and temperature have a negative impact on their performance and productivity that might affect their loyalty (Pertiwi & Supartha, (2021). Sorn et al. (2023) further discussed on peer relationships are important in a thriving organisation because employees spend more time at work and invest more emotionally and professionally and if employee happiness and management trust are major indicators of employee satisfaction, its



influences employee loyalty. Trust and facilitates are the formation of workgroups quickly and empowers organisation to further develop. According to Pertiwi & Supartha (2021), there is a link between co-worker relationships and employee performance. This result is confirmed by Ghana (2022) which is results that a co-worker's relationship at the same hierarchical level plays a critical role in enhancing employee performance and job satisfaction. According to Bhati (2017), an employee feels safe and insecure at work because of peer relationships and the key social relationship at work. According to Chauhan (2023), training and development have a favourable impact on employee retention and loyalty. Employee Training was a major predictor of staff retention at Equity Bank of Kenya, which is found it at a 5% level of significance. Hai and Bang (2022) investigated the impact of training and development on employee loyalty. Training is a procedural method for studying and developing to improve individual, team, and organisational effectiveness, whereas development is an activity for acquiring new knowledge or skills for personal growth. According to Jun et al., (2006), training allows employees to broaden their knowledge and talents in order to be more efficient. According to the findings, there are huge benefits to training and development and employee loyalty. Gelencsér (2023) found that employees believe training improves their productivity and has a positive impact on the organization's performance while Imna and Hassan (2015) discovered that three human resource activities, such as career development, reward and recognition, and health and safety, have a favourable and significant impact on employee retention, but that neither training nor performance appraisal have a significant impact.

### **Research Methodology**

The researchers used a quantitative survey to test the hypotheses in order to determine the determinants of employee loyalty. Individuals who work for Integris (M) Sdn. Bhd. in both indirect and direct labour are used as the study's unit of analysis. Employee data from Integris (M) Sdn Bhd was obtained for this study from the Human Resources Department. Out of 300 employees, 50 respondents were chosen using Roscoe's (1975) Rule of Thumb to calculate sample size. A cluster sample is obtained by splitting the population into sections or clusters, then selecting one or more clusters and employing all members of the clusters as sample members. 'A 'cross-sectional survey' is a study in which data is collected only once, perhaps over the course of a few days, weeks, or months, to answer research questions (Sekaran & Bougie, 2016). The researchers used a set of questionnaires that were delivered to Integris (M) Sdn Bhd personnel as respondents and distributed through self-administering. The questionnaire was printed in both Malaysian and English as the medium of communication. At Integris (M) Sdn Bhd, descriptive statistics and correlations were used to examine the relationship between superior, reward and remuneration, working environment, and peer collaboration with employee loyalty.

### **Findings**

#### ***Demographic Profile***

This part will classify the respondent's demographic profile using descriptive statistics and frequency distribution via SPSS version 23 to determine the demographic profile. The study emphasised the respondents' six demographic factors, which include gender, age, marital status, educational background, income level, and duration of service. The gender of the respondents was male 54% and female 46%, according to the results. Meanwhile, the response rate for respondents aged 21 to 30 years old is 48%. It is followed by respondents aged 31 to 40 years old (42%), minority respondents aged 41 to 50 years old (8%), and respondents aged 51 years and older (2%). This study also looked at the respondents' marital status, which

revealed that 60% are married, 38% are single, and 2% are divorced. Furthermore, the poll yielded an indicator for educational background: 70% of respondents have a secondary education, 11% have a diploma, and 4% have a degree. In terms of the respondents' income levels, the result showed that a range of RM 1,500 to RM 2,500 is a significant percentage (84%), followed by a range of RM 2,501 to RM 3,500, which is 16%. The survey's final question is about length of service. According to the findings, 38% of respondents have served for 10 years or more, 32% have served for 3 to 5 years, 20% have served for 6 to 9 years, and 10% have served for 1 to 2 years.

### *The Extent of Employees' Loyalty*

Descriptive statistics were used to identify the elements that lead to employee loyalty at Kulim Integris. the descriptive analysis which the researcher has conducting to discover the amount of loyalty among respondents. The mean is also known as the arithmetic average; it is calculated by dividing the sum of the values by the total number of values. The standard deviation is a measure of how far a value deviates from the mean value. The minimum value is the smallest, while the maximum value is the greatest. The survey comprises of six (6) questions designed to demonstrate the dependent variable. The question asks for four answers: strongly disagrees, disagrees, agrees, and strongly agrees. n= 50 represents of respondents.

**Table 1: Descriptive Statistics of Loyalty**

	N	Minimum	Maximum	Mean	Std. Deviation
I am clearly understanding my roles at workplace	50	1.00	5.00	4.3200	.71257
I think my job interesting	50	2.00	5.00	4.1600	.58414
My job allows me to use a variety of skills	50	3.00	5.00	4.1600	.58414
I am committed when doing the job	50	3.00	5.00	4.3200	.51270
I am willing to do any task given	50	3.00	5.00	4.3400	.55733
Overall, I'm satisfied with my job	50	3.00	5.00	4.3000	.54398
Valid N (listwise)	50				

Based on the findings in Table 1, the researchers did a descriptive study to determine the level of loyalty among Entegris Kulim personnel. The total sample size (N) was 50. The standard deviation for the question is 0.71257, based on the first statement, "I am clearly understanding my roles" with a mean score of 4.3200, where the minimum answer is 1.00 and the maximum answer is 5.00. As a result, respondents firmly agree to demonstrate how content they are with their job duties at Entegris Kulim. The minimum and highest answers for the second statement, "I think my job is interesting," are 2.00 and 5.00, respectively, with a standard deviation of 0.58414. The researcher discovered that most respondents are content with their jobs, with a mean score of 4.1600. In advance, the third statement "My job allows me to use a variety of skills" had a mean score of 4.1600, with a minimum of 3.00 and a maximum of 5.00. 0.58414 is the standard deviation. Respondents answer negatively and strongly agree on the rating to demonstrate their expectations of Entegris Kulim's utilisation skills. With a mean score of 4.3200, the fourth statement "I am willing and committed when doing the job" was chosen. The lowest and maximum answers are 3.00 and 5.00, respectively and a standard deviation of 0.51270. As a result, respondents react strongly agree to demonstrate their satisfaction with

their work function at Entegris Kulim. The sixth statement, "I am willing to do any task assigned," has a mean score of 4.334. The minimum and highest answers are 3.00 and 5.00, respectively, with a standard deviation of 0.55733. As a result, the respondents are strongly responding to the strongly agree on rating and the minimum uncertainty rating. Most respondents were eager to complete the work as instructed. While the last statement, "Overall, I am satisfied with my job," with a minimum answer of 3.00 and a maximum answer of 5.00, as well as a given score mean of 4.300 and a standard deviation of 0.54398, indicated that most of the respondents were satisfied with the job task assigned. Thus, the descriptive analysis revealed that employee at Integris were high loyalty. Employees that are satisfied with their jobs are more likely to be loyal to the organization (Ghani, 2022) while Walker (2005) found that employees are more loyal when they feel their job is secure and safe.

### ***Pearson Correlation***

Pearson correlation is used to compute the linear association between two variables to investigate the strength and relationship of the study's variable constructs. In statistics, the Pearson correlation coefficient, often known as Pearson's  $r$ , is used to assess the strength of a linear relationship between two variables. There are various types of correlation coefficients. The linear correlation coefficient has a range of -1 to +1. If there is a strong positive linear relationship between the variables, the value of  $r$  will be approaching +1. If there is a significant negative linear relationship between the variables, the values of  $r$  will be closed to -1. Where there is no linear link, simply a weak relationship, or no relationship at all, the value of  $r$  is close to 0. In this study, correlation coefficient analysis was used to establish the existence and direction of the association between four independent factors that influenced employee loyalty.

**Table 2: Correlation between Superior and Employees' Loyalty**

		Loyalty	Superior
Loyalty	Pearson Correlation	1	.456**
	Sig. (2-tailed)		.001
	N	50	50
Superior	Pearson Correlation	.456**	1
	Sig. (2-tailed)	.001	
	N	50	50

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

Table 2 shows a correlation of  $r = 0.456$ , indicating a positive linear association at a modest level. There is a substantial association between superior and employee loyalty at Entegris ( $p = 0.001$ ,  $p < 0.01$ ). The alternative hypothesis ( $H_a$ ) is accepted as the analysis indicates an association between superior and employee loyalty at Entegris. As a result, superiority has emerged as one of the variables influencing employee loyalty at Entegris. Sinha & Sinha (2012) supported this finding, stating that positive relationships with top management can lead to increased organisational commitment. In a similar study conducted by Khuong and Tien (2013), the factors impacting employee loyalty directly and indirectly through job satisfaction among bank employees in Ho Chi Minh City, Vietnam.

**Table 3: Correlation between Reward and Compensation and Employees' Loyalty**

		Loyalty	Superior
Loyalty	Pearson Correlation	1	.539**
	Sig. (2-tailed)		.000
	N	50	50
Reward	Pearson Correlation	.539**	1
	Sig. (2-tailed)	.000	
	N	50	50

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

Table 3 shows a correlation of  $r = 0.539$ , indicating a positive linear association at a modest level. There is a substantial association between reward and remuneration and employee loyalty at Entegris ( $p = 0.000$ ,  $p < 0.01$ ). The alternative hypothesis ( $H_a$ ) is accepted as the analysis demonstrates a link between reward and remuneration and employee loyalty at Entegris. As a result, it demonstrates that reward and compensation have become one of the elements influencing employee loyalty at Entegris. This finding was reinforced by Asiedu-Appiah and Asamoah (2019) in the effect of human resource management strategies on employee retention: insights from the mining industry in Ghana. The incentive system and remuneration throughout the organisation to promote individual success and staff retention. Moreover, empirical studies on the relationship between performance-related compensation and organizational performance have generally indicated a positive significance as mentioned by Appiah, Kontor & Asamoah (2013).

**Table 4: Correlation between Working Environment and Employees' Loyalty**

		Loyalty	Superior
Loyalty	Pearson Correlation	1	.470**
	Sig. (2-tailed)		.001
	N	50	50
Environment	Pearson Correlation	.470**	1
	Sig. (2-tailed)	.001	
	N	50	50

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

Table 4 shows a correlation coefficient of  $r = 0.470$ , indicating a positive linear association at a moderate level. There is a substantial association between working environment and employee loyalty at Entegris Kulim ( $p = 0.001$  and  $p < 0.01$ , respectively). The alternative hypothesis ( $H_a$ ) is accepted as the analysis demonstrates a link between the working environment and employee loyalty at Entegris. As a result, reward and compensation have emerged as one of the variables influencing employee loyalty at Entegris. This finding is corroborated by Talwar et al. (2017), who identify a proper work environment as a healthy workplace, and it aids in the exploration of employees' individual perspectives of the workspace while Sharma (2019) discovered a link between the working environment and employee loyalty in the study Job satisfaction and employee loyalty.



**Table 5: Correlation between Peer Cooperation and Employees' Loyalty**

		Loyalty	Superior
Loyalty	Pearson Correlation	1	.215**
	Sig. (2-tailed)		.134
	N	50	50
PeerCooperation	Pearson Correlation	.215**	1
	Sig. (2-tailed)	.134	
	N	50	50

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

Table 5 shows a correlation of  $r = 0.215$ , indicating a negative linear relationship.  $p = 0.134$  and the  $p > 0.05$ , ergo there is no significant association between peer collaboration and employees' loyalty at Entegris. The null hypothesis  $H_0$  is accepted because the analysis reveals no relationship between peer collaboration and employee loyalty at Entegris. As a result, peer cooperation does not contribute to employee loyalty at Entegris. This finding contradicts a study by Zakaria (2019) which found that confidence in colleagues and trust in management are major predictors of employee happiness, influencing employee loyalty.

### **Multiple Linear Regression**

Multiple linear regression uses two or more independent variables to predict the value of a dependent variable. The distinction between the two is the number of independent variables. The researcher ran a multiple regression analysis to examine the most important factor leading to the loyalty of employees at Entegris. The study's results are reported in Table 6.

**Table 6: Multiple Regression Analysis between Variables and Employees' Loyalty**

<b>Model Summary</b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.585 <sup>a</sup>	.343	.284	2.09350

a. Predictors: (Constant), PeerCooperation, Superior, Reward, Environment

Based on Table 6: The value "R" is 0.585, which reflects the multiple correlation coefficient. "R" can be used to assess the accuracy of predicting the dependent variable, which in this example is motivation. The results reveal that the model's "Adjusted R" is 0.284, with a "R Square" value of 0.343, indicating a decent level of prediction. The "R Square" column shows the  $R^2$  value (also known as the coefficient of determination), which is the percentage of variance in the dependent variable that can be explained by the independent variables. The value of R Square was 0.343, and the independent variables explained 34.3%.

**Table 7: Multiple Regression Between A Dependent Variable And Independent Variable (IVS)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.396	4	28.849	7.032	.000 <sup>b</sup>
	Residual	184.604	45	4.102		
	Total	300.000	49			

a. Dependent Variable: Loyalty

b. Predictors: (Constant), PeerCooperation, Superior, Reward, Environment

The F-ratio in ANOVA Table 7 serves as a significant test for the entire regression. At  $\alpha = 0.00$ , the independent variables significantly predict the dependent variable, with  $F(4,45) = 7.032$ ,  $p = 0.000$  and  $p < 0.01$ .

**Table 8: Multiple Regression Between Dependent Variable and Independent Variables Coefficient<sup>a</sup>**

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	12.992	2.679		4.849	.000
	Superior	.129	.139	.139	.927	.359
	Reward	.273	.112	.384	2.436	.019
	Environment	.308	.148	.367	2.075	.044
	PeerCooperation	-.145	.088	-.268	-1.658	.104

a. Dependent Variable: Loyalty

For the coefficient row, as shown in Table 8, the analyzed standard coefficient Beta reward and compensation has a positive relationship with the most significant factor contributing to employee loyalty work, 0.384. Thus, between the dependent and independent variables, there is a good relationship and level of understanding among the respondents regarding employee loyalty.

### Discussions and Conclusion

All research objectives have been answered in order to know the relationship between superior, reward and remuneration, work environment, and peer collaboration on employee loyalty at manufacturing industries. According to the findings, there is a moderate relationship between the independent variables reward and compensation, superior, and working environment. Peer cooperation has no association with employee loyalty. As a result, only the hypotheses H1, H2, and H3 in this study were accepted. One probable explanation is that the employees are familiar with and understand their job responsibilities, which is one of the factors that lead to employee loyalty. Employee direct labour is referred to as human capital. Furthermore, the longer an individual works for a company, the more valuable they become as they complete value-added tasks and execute them. Employees' behaviour in the workplace influences their ability to do their tasks. The basic facilities and physical working conditions given, as well as the architecture of the workplace, ensure that employees feel safe carrying out tasks in the organisation. Most employees feel safe in the organization's working environment and can fulfil their job tasks. Some employees are dissatisfied with their working environment due to a congested area. The researchers indicate that supervisors should assist, encourage, and release

any potential direct labour to apply for any position that is suitable for their career advancement. Entegris also should improve the training department's function by providing labour with strength training in areas such as Yellow Belt Sigma, computer skills, team building, and leadership to foster new knowledge and skill base in functions outside of their area of specialisation. Aside from the requirement for broad knowledge, organisations must have structured training strategy planning, which ensures that employees who receive training have the skills, knowledge, and positive attitude to improve their performance in providing excellent services to the organisation and customers. Evaluation forms and task-specific training needs analyses are used to identify extra training and development opportunities for new and experienced employees. Based on the findings, there is a double standard in providing EIP (Entegris Incentive Programme) employees, with some of them receiving only 5% and the others receiving 10%. EIP (Employee Incentive Plan) should be distributed equitably to employees who have demonstrated great dedication, particularly operators, as they are the backbone of Entegris. Management should provide a reward, such as adequate cash, when the output is met to recognise the employee's commitment. As a result, these recommendations from employees' direct labour, rewards, and compensations should be reassessed every five years. For example, shift allowance, attendance allowance, medical coverage, dental treatment, and oil allowance should be proportionate to employees' cost of living. Furthermore, the base pay offered should correspond to the qualification. For example, the suggested starting salary for manufacturing specialists is RM1800 for diploma holders, particularly for employees conducted in the crucial line. The working environment is one of the most important aspects influencing employee loyalty at Entegris. Workers only require a humane work environment and motivation to work, such as providing chairs or standing to relieve fatigue after 12 hours of standing, an always-open breastfeeding room, a prayer room that is open 24 hours because operators take turns going out for prayers, and a lounge for employees who do not go to the canteen. In future studies, the breadth of characteristics that contribute to employee loyalty at Entegris can be expanded. This study focuses solely on outstanding performance, reward and remuneration, work environment, and peer collaboration. As a result, the researchers propose that future studies include other elements such as career growth, leadership effectiveness, relational creativity, training, development, and communication. The researchers also recommend that future studies conducted across larger regions and areas of industrial industries can generalise the findings. Finally, the researchers recommended that a combination of qualitative and quantitative methodologies, such as surveys and interviews, to gain a deeper understanding and conduct in-depth analyses of manufacturing industries.

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