



## The Relationship Between Employee Satisfaction and Loyalty: A Cross-Sectional Study in Oil and Natural Gas Industry

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### ABSTRACT

The global drop in oil and natural gas industry have had a significant impact on the Malaysian market and have potentially redirected Malaysia under a negative global spotlight. The layoff rate in oil and natural gas organizations have risen dramatically, this situation may affect the satisfaction level among employees and their loyalty in the respective oil and natural gas industry. The present study is aimed to determine the relationship between employee satisfaction and employee loyalty in Oil and Natural Gas Industry. Using simple random sampling technique 100 employees working in Oil and Natural Gas Industry were selected as respondents. Questionnaire was used for data collection. Results obtained showed that there is positive correlation between different components of employee satisfaction and employee loyalty. A notable variable that emerged in the analysis was compensation and benefits, while career development was least important that predisposed loyalty.

*Keywords:* Employee satisfaction; employee loyalty; career development; compensation and benefits; job security

### INTRODUCTION

The oil and natural gas industry is regarded as an industry that is encountering highly competitive challenges worldwide, and is currently undergoing mass and

rapid environmental alignment. In a recent study, Lee (2012) had stated that growth of the oil and natural gas industry relies upon the quality of the professional engineers and talented employees. According to Malaysian Employers Federation (2010), a high turnover rate reported by oil and natural gas industries worldwide thus implies employees' commitment. In Malaysia, the oil and natural gas industry is recognized as the one with most potential prospects towards the nation's economic growth, when compared to the other engineering industries (Abdullah, 2009).

### ARTICLE INFO

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e-ISSN: 2550-1623

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