Research Article

Organizational Identification, Self-Evaluation and Employee Loyalty Among Frontline Employees of Small and Medium-Sized Enterprises in China

*[a]Zeng Yan and [b]Shakirah Noor Azlan

[a&b]Postgraduate Graduate School, UCYP University, Kuantan, Malaysia
*Corresponding Author Email: sleadcheck123@gmail.com

Abstract
This study examines the intricate connections among organizational identity, organizational self-esteem, and employee loyalty within grassroots employees of small and medium-sized firms (SMEs) in Guangdong Province, China. In the contemporary organizational landscape, employee loyalty has emerged as a crucial factor for sustaining competitive advantage and achieving long-term success. This study seeks to examine the effects of organizational identity on behavioral loyalty, its effect on organizational self-esteem, and the mediating role of organizational self-esteem in the link between identification and loyalty. The research employed a quantitative approach, utilizing structured questionnaires to gather data from 632 grassroots employees at small and medium-sized enterprises (SMEs). The data underwent examination using descriptive statistics, correlation analysis, regression analysis, and mediation analysis to evaluate the offered hypotheses. The results indicated that organizational identity significantly enhances both attitudinal and behavioral loyalty, hence validating Hypothesis 1. Moreover, organizational identification was determined to be a strong predictor of organizational self-esteem, hence corroborating Hypothesis 2. The study indicated that organizational self-esteem has a favorable effect on employee loyalty, as stated in Hypothesis 3. Furthermore, organizational self-esteem was recognized as a mediator in the correlation between organizational identity and employee loyalty. Over the years, the relationship between employees and organizations has been central to management and organizational studies, with a growing recognition that fostering employee loyalty is essential for organizational effectiveness. The study elucidates the psychological factors underlying employee loyalty by affirming and expanding upon social identity theory and self-esteem theory. The research has practical implications for organizational leaders and HR professionals, highlighting the necessity of nurturing a robust corporate identity and developing organizational self-esteem to improve employee loyalty and retention. This study addresses a deficiency in current research by examining grassroots employees within a non-Western framework, providing insights that can enhance both scholarly investigation and worldwide organizational practices.
Keywords: Organizational Identification, Employee Loyalty, Small and Medium Enterprises, Organizational Esteem, Social Identification Theory.

1. Introduction
Employee loyalty, which encompasses behavioral dimensions, plays a pivotal role in shaping how employees interact with their organizations and contribute to organizational goals. Organizations increasingly realize that loyal employees are more likely to enhance workplace productivity, foster a positive organizational culture, and maintain a competitive edge. This study, therefore, focuses on grassroots employees in Guangdong Province, China, exploring how organizational identification and organizational self-esteem influence employee loyalty in this unique context.

In recent times, there has been a growing emphasis within organizational psychology and management on understanding the dynamics of employee loyalty, particularly in relation to grassroots employees. Employee loyalty is widely acknowledged as a key driver of organizational success, particularly in an environment marked by rapid change and intense competition. The research findings have consistently highlighted the importance of fostering loyalty among employees to ensure long-term sustainability and competitive

advantage. However, despite extensive studies on employee loyalty across different organizational settings, significant gaps in the literature remain, particularly concerning grassroots employees in Guangdong Province, China.

At the core of this study is the concept of organizational identification, which refers to the degree to which individuals perceive themselves as part of their organization (Ashforth and Mael, 1989; Eisenbeiss *et al.,* 2020). Substantial research has established the influential role of organizational identification in shaping employee attitudes and behaviors (Mael and Ashforth, 1992). Employees who strongly identify with their organizations typically exhibit higher levels of both attitudinal and behavioral loyalty (Eisenbeiss *et al.,* 2015; Steffens *et al.,* 2019). However, the underlying mechanisms through which organizational identification influences employee loyalty are not fully understood. While existing literature suggests a positive relationship between these variables, the specific factors that mediate or moderate this relationship have yet to be thoroughly investigated, thus presenting an opportunity for further exploration.

Another crucial factor in understanding employee loyalty is organizational self-esteem, a concept that has only recently begun to receive attention in the literature but has not yet been comprehensively integrated into studies on employee loyalty. Organizational self-esteem refers to an employee's self-assessment of their worth and value within the context of the organization (Bentein *et al.,* 2016). Emerging studies suggest that organizational self-esteem may serve as a mediating factor between organizational identification and various employee outcomes, including both attitudinal and behavioral loyalty (Steffens *et al.,* 2019). Employees who possess higher organizational self-esteem are more likely to demonstrate greater loyalty to their organizations. However, the specific dynamics of this relationship remain underexplored and warrant further investigation.

Despite these valuable insights, the literature on the relationship between organizational identification, organizational self-esteem, and employee loyalty remains fragmented. While much research examines these variables in isolation, there is a notable lack of integrated frameworks that bring them together.

2. Literature Review
2.1. Employee Loyalty (EL)
The dependent variable in this study is employee loyalty, which was examined in two critical dimensions: attitudinal loyalty and behavioral loyalty. Attitudinal loyalty pertains to the emotional attachment and commitment an employee feels toward their organization. This dimension was assessed using the organizational commitment scale developed by Allen and Meyer (1990), which measures the strength of employees' emotional and cognitive attachment to their organization. A modern concept of employee loyalty highlights an individual's psychological connection to their employer. It is often associated with the following key dimensions:

a) Attitudinal Loyalty: Attitudinal loyalty denotes the emotional relationship or connection an employee has with their organization. It is defined by affirmative attitudes, convictions, and dedication to the organization's values, mission, and objectives. Employees demonstrating attitudinal loyalty has a profound inclination to remain inside the firm and to fervently endorse its aims (Meyer and Herscovitch, 2019).

b) Behavioral Loyalty: Behavioral loyalty focuses on observable actions that reflect an employee's commitment. These actions may include factors such as tenure, attendance, productivity, and going beyond the minimum requirements of the job. It is the active demonstration of support for the organization's success and stability (O'Reilly and Chatman, 2019).

2.2. Organizational Identification
Organizational identification, in its essence, refers to the degree to which individuals see themselves as part of their organization, embracing its values, goals, and interests as their own (Mael and Ashforth, 1992). It represents the psychological connection between employees and their organizations, encompassing both cognitive and emotional dimensions (Dutton *et al.,* 1994).

The cognitive aspect of organizational identification involves how individuals categorize themselves in relation to their organization, recognizing a shared group identity. It implies the acknowledgment of a common group membership, recognizing the organization as part of the self-concept. The emotional dimension, on the other hand, comprises the affective attachment and emotional bond an employee forms

with the organization. This emotional connection often leads to positive feelings such as pride, loyalty, and commitment (van Dick *et al.,* 2021).

An essential aspect of the evolving definition of organizational identification is the recognition of its multifaceted nature. Identification is not a monolithic construct but consists of multiple dimensions that contribute to a holistic understanding. For instance, the multidimensional construct of organizational identification introduced by Pratt (1998) includes four key dimensions: centrality, in-relation, esteem, and distinctiveness.

a) Centrality: Centrality refers to the prominence of an individual's organizational identity in their overall self-concept. When organizational identity is central, it significantly influences an individual's self-definition.

b) In-Relation: This dimension relates to the sense of belongingness and interdependence between the individual and the organization. A strong in-relation dimension reflects a deep sense of connection with the organization.

c) Esteem: Esteem pertains to the self-esteem and positive feelings an individual derives from their association with the organization. A high esteem dimension signifies a positive self-association with the organization.

d) Distinctiveness: Distinctiveness involves perceiving the organization as unique compared to other organizations. A strong distinctiveness dimension implies that the organization holds a special place in the individual's self-identity.

With the evolving nature of work and the advent of technology, the definition of organizational identification has expanded to consider virtual organizations, temporary work arrangements, and remote work settings. Organizational identification is no longer confined to traditional, physically co-located organizations. Scholars have extended the concept to include the identification of individuals with their work teams, professional communities, and even brand communities (Riketta and van Dick, 2021). This adaptation highlights the relevance and applicability of organizational identification in contemporary and dynamic work environments.

2.3. Organizational Self-Esteem
Organizational self-esteem is closely related to other psychological constructs, such as self-efficacy, self-worth, and self-identity. It is shaped by various factors within the organizational environment, including feedback, recognition, the perceived significance of one's tasks, and the quality of interpersonal relationships (Martinez-Tur *et al.,* 2019). These elements collectively influence how employees perceive their value within the organization.

Understanding organizational self-esteem is essential for organizations, as it is linked to several important outcomes. High levels of organizational self-esteem have been associated with increased job satisfaction (Gómez-Jorge and Díaz-Garrido, 2023) and enhanced employee engagement (Martinez-Tur *et al.,* 2019). Employees who perceive themselves as valuable contributors to the organization are more likely to experience greater satisfaction and demonstrate higher levels of engagement. Additionally, organizational self-esteem plays a crucial mediating role in the relationship between organizational factors and key outcomes such as turnover intentions, absenteeism, and job performance.

Within the framework of this study, organizational self-esteem is posited as a mediating variable, specifically mediating the relationship between organizational identification and employee loyalty. The degree to which employees identify with their organization is likely to influence their organizational self-esteem. When employees strongly identify with the organization, they are more likely to see their contributions as significant, which, in turn, enhance their organizational self-esteem. This heightened self-esteem is expected to increase their loyalty toward the organization.

2.4. Hypotheses Development
Organizational identification (OI) is a fundamental construct with a strong theoretical foundation. According to social identity theory, individuals tend to define themselves through group memberships. Therefore, it is hypothesized that when grassroots employees identify strongly with their organization, it positively predicts their employee loyalty (EL). H1 has hypotheses:

H1: Organizational identification (OI) has a positive predictive effect on employees' loyalty (EL) among grassroots employees working in Chinese SMEs.

Recent studies have increasingly focused on how organizational self-esteem (OSE) contributes to employees' loyalty (EL), suggesting that employees who perceive themselves as valuable and effective within their workplace are more likely to develop a strong emotional attachment and commitment to their organization. Employees who recognize their worth within the organization tend to exhibit greater dedication and engagement (Chalofsky, 2019). A notable finding in this line of research is that organizational self-esteem (OSE) acts as a key motivator for employees. Those with higher levels of self-worth within the organizational context are often more attitudinally loyal. This manifests as stronger emotional bonds to the organization, higher job satisfaction, and a greater intention to stay within the company for the long term (Parker *et al.,* 2013). Based on this discussion, following hypothesis has been postulated.

H2: Organizational self-esteem mediates the relationship between organizational identification among grassroots employees and behavioral loyalty.

This hypothesis, based on self-esteem theory, asserts that organizational self-esteem has a beneficial effect on employee loyalty. Employees having a favorable self-concept in the corporate setting are more inclined to demonstrate increased loyalty (Meyer and Herscovitch, 2019). Hypotheses is developed:

H3: Organizational self-esteem among grassroots employees has a positive predictive effect on behavioral loyalty.
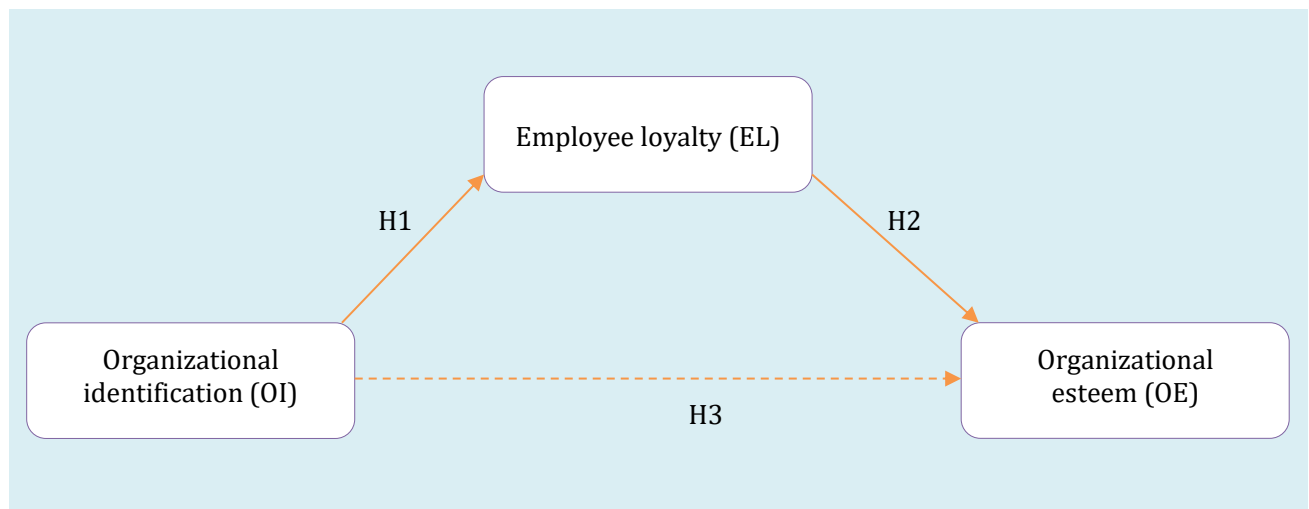
Figure 1. Conceptual framework.

3. Research Methodology

The methodology delineates a quantitative and logical research design, facilitating the examination of causal links among crucial factors. The data collection included closed-ended questionnaires based on established frameworks and theories, ensuring that these scales accurately assess the variables of interest. This study concentrated only on grassroots employees in Chinese SMEs located in Guangdong Province, highlighting the research's focus on this underrepresented demographic within organizational studies. The principal reason for choosing Guangdong Province is its substantial concentration of small and medium-sized enterprises (SMEs), which are vital for the region's industrial and economic advancement, rendering it one of China's most economically dynamic regions. However, SMEs in this region possess distinct organizational structures, cultural dynamics, and socioeconomic contexts that may influence the study's outcomes. The unique characteristics of SMEs in Guangdong Province, including their collectivist environment, informal human resource systems, and familial culture, significantly influence employee identity, self-esteem, and loyalty. These findings highlight the necessity of culturally sensitive HR practices and aid in contextualizing organizational behavior theories within non-Western SME contexts.

The initial phase of data collecting entailed the recruitment of participants. To ensure the sample appropriately reflects the research population, participants were chosen from various sectors and organizational contexts in the region via a stratified random selection method. The population of grassroots employees was classified into many subgroups according to industry sectors, including manufacturing,

services, and trade. This research conducted a thorough analysis of the statistical methodologies utilized, including Common Method Bias Test, Descriptive Variables Analysis, Correlation Analysis, and Multiple Regression Analysis. These techniques were carefully selected to ensure the validity and robustness of the study's results. Moreover, the employment of software tools like SPSS 28 and AMOS 27 is suggested, outlining their particular functions within the research framework.

The assessment of organisational identity (OI) employed the organisational identification scale, consisting of six items previously utilized by Mael and Ashforth (1992). Example statements are, "I take pride in informing others of my affiliation with this organization." I own a profound affiliation with this group. The achievements of this organization are my achievements. I experience a sense of affiliation with this group. Employees' loyalty (EL) has been assessed using the organizational commitment questionnaire, which incorporates nine previously utilized questions. Example statements were, "I would endorse this organization as an excellent workplace." I am prepared to exert additional effort to facilitate the organization's success. I possess a profound commitment to this institution. Finally, organizational self-esteem (OSE) has been assessed using the organizational-based self-esteem scale, which comprises 10 previously utilized questions, including the example item, "I count in this organization." I am regarded with seriousness in this organization. I believe I am a significant contributor to this group. I am entrusted to perform my duties effectively. A five-point Likert scale was employed, with "1" denoting "Strongly Disagree (SD)," "2" denoting "Disagree (D)," "3" denoting "Indifferent," "4" denoting "Agree (A)," and "5" denoting "Strongly Agree (SA)."

4. Results and Discussion

The gender distribution of the sample indicates that females constituted 60.4% (n = 382) of the total, and males represented 39.6% (n = 250).

4.1. Reliability Test

Table 1. Reliability test.

Scale name	Item	CITC	α if item deleted	Overall α coefficient
Organizational identity	Oi 1	0.560	0.834	0.846
	Oi 2	0.546	0.836	
	Oi 3	0.577	0.829	
	Oi 4	0.717	0.802	
	Oi 5	0.727	0.802	
	Oi 6	0.646	0.816	
Organizational self-esteem	OBSE 1	0.619	0.926	0.928
	OBSE 2	0.657	0.924	
	OBSE 3	0.737	0.920	
	OBSE 4	0.765	0.918	
	OBSE 5	0.805	0.916	
	OBSE 6	0.603	0.928	
	OBSE 7	0.828	0.915	
	OBSE 8	0.814	0.916	
	OBSE 9	0.755	0.919	
	OBSE 10	0.660	0.923	
Employee loyalty	Elt 1	0.671	0.820	0.891
	Elt 2	0.706	0.814	
	Elt 3	0.675	0.819	
	Elt 4	0.694	0.816	
	ELx 1	0.634	0.826	0.758
	ELx 2	0.527	0.841	
	ELx 3	0.380	0.863	

The reliability of the OI scale was evaluated using six items that gauge employees' attachment and identification with their organization. The scale achieved an overall Cronbach's Alpha (CA) of 0.846, signifying a high degree of internal consistency, as values exceeding 0.80 are typically considered acceptable in social science research (Cronbach, 1951). This indicates that the items within the OI scale cohesively

measure the construct of OI. A more granular analysis involved calculating the Corrected Item-Total Correlation (CITC) for each item. CITC values assess the relationship between individual items and the total scale score, providing insights into how well each item represents the overall construct. For the OI scale, all items demonstrated satisfactory CITC values ranging from 0.546 to 0.727.

Table 2. Common method bias test results.

Component	Initial eigenvalue value			Extracted loadings		
	Tot.	Var. %	Cum. %	Tot.	Var. %	Cum. %
1	16.324	37.962	37.962	16.324	37.962	37.962
2	4.239	9.859	47.821	4.239	9.859	47.821
3	2.307	5.365	53.185	2.307	5.365	53.185
4	1.992	4.633	57.819	1.992	4.633	57.819
5	1.519	3.533	61.352	1.519	3.533	61.352
6	1.293	3.006	64.358	1.293	3.006	64.358
7	1.142	2.655	67.014	1.142	2.655	67.014

Note: Initial Eigenvalue (Tot.): The eigenvalue of each component, indicating its contribution to the total variance. Initial Eigenvalue (Var. %): The percentage of the total variance explained by each component. Initial Eigenvalue (Cum. %): The cumulative percentage of variance explained by the components, starting from the first. Extracted Loadings (Tot.): The total squared loadings of the extracted factors, showing their contribution to the total variance. Extracted Loadings (Var. %): The percentage of total variance explained by the extracted factors. Extracted Loadings (Cum. %): The cumulative percentage of variance explained by the extracted factors, starting from the first.

The first critical statistic derived from the Harman's Single-Factor Test is the initial eigenvalue of each component. Eigenvalues are used in factor analysis to assess how much variance is explained by each factor. The first component extracted has an eigenvalue of 16.324, which explains 37.962% of the variance in the dataset. This is significant in understanding the degree to which a single factor dominates the variance. A commonly accepted threshold in behavioral science suggests that if a single factor explains more than 50% of the variance, CMB could be problematic. Here, the first factor accounts for less than 40% of the variance, which does not indicate a dominant influence of a single factor. Looking further into the extraction, the second factor explains an additional 9.859% of the variance, bringing the total variance explained to 47.821%. This continues to be well below the 50% threshold. The third factor explains 5.365%, bringing the cumulative variance explained to 53.185%. As each subsequent factor is extracted, the additional contribution to the variance diminishes, suggesting that multiple factors are involved in explaining the data structure. The fourth factor explains 4.633%, and subsequent factors continue to explain progressively smaller amounts of variance, with the seventh factor contributing 2.655%. In total, the seven factors extracted account for 67.014% of the variance in the data, with no single factor explaining more than 40% of the variance. This result strongly suggests that the data structure is not overly influenced by any single factor, thereby reducing concerns about CMB.

The outcomes of the Harman's Single-Factor Test presented in Table 1 reveal that Common Method Bias (CMB) is not a substantial concern in this investigation. Specifically, the first factor accounts for less than 40% of the variance, and the presence of multiple factors further supports the notion that the data structure is complex and reflects the true relationships among the OSE, AL, BL, and OI, rather than being skewed by a measurement artifact. If CMB were a significant issue, a dominant factor would explain more than 50% of the variance, or there would be an evident skew in the factor distribution. Since this was not observed, it can be concluded that the data are not significantly affected by CMB. The results suggest that the study's constructs are adequately represented by the data, and that the findings likely reflect the genuine relationships between OSE, AL, BL, and OI. The contribution of multiple factors to the variance strengthens the data's validity, indicating that the measurement model is robust. Furthermore, the Harman's Single-Factor Test results provide substantial evidence that CMB does not significantly distort the data, confirming that the extracted factors, each explaining a meaningful proportion of the variance, reflect the underlying constructs rather than being influenced by a single artifact. This validation supports the credibility of the subsequent analyses concerning the relationships between OSE, AL, BL, and OI.

In summary, based on the results from Harman's Single-Factor Test, it is clear that the dataset in this study is not significantly impacted by CMB.

4.2. Regression Analysis for Organizational Identification Predicting Attitudinal and Behavioral Employee Loyalty

Table 3. Regression analysis of organizational identification on employee loyalty.

Variable and dimension	Behavioral loyalty	
	M1	**M2**
(Control variables)		
Gender	0.102*	0.017
Age	0.172*	0.065
Marital status	0.012	0.017
Education level	0.035	0.072
Work experience	-0.097	-0.023
(Independent variable)		
Organizational identification		0.439***
(Model fit)		
R^2	0.034	0.208
$\triangle R^2$	0.018	0.192
F-value	2.153	13.490***
Note: *denotes P < 0.05, **denotes P < 0.01, ***denotes P < 0.001		

The regression analysis of behavioral loyalty (M1 and M2): Organizational identity serves as the independent variable of interest in the models, while a range of control variables-such as gender, age, marital status, education level, and job experience-are used to mitigate demographic effects on loyalty outcomes. The investigation examines the predictive capacity of organizational identity for dimensions of employee loyalty, focusing on both attitudinal and behavioral aspects. The models are enumerated as follows:

1) Model 1 (M1): Includes control variables predicting behavioral loyalty.

2) Model 2 (M2): Adds organizational identification to the model predicting behavioral loyalty.

The regression model for BL mirrors that of AL in many respects. In Model 1, which accounts for only the control variables, the R^2 value is 0.034, signifying that demographic factors explain only a minor portion of the variance in BL. Among these controls, age ($\beta = 0.172$, $p < 0.05$) stands out as a significant predictor, with older employees reporting higher levels of BL. Model 2, which incorporates OI as the independent variable, shows a significant increase in explanatory power, with the R^2 rising to 0.208. The introduction of OI brings a highly significant coefficient ($\beta = 0.439$, $p < 0.001$), indicating that stronger OI is associated with increased BL. The inclusion of OI enhances the model's $\triangle R^2$ by 0.192, underscoring its substantial predictive contribution to BL. Model fit statistics are robust, with an F-value of 13.490 ($p < 0.001$), further confirming that OI plays a pivotal role in forecasting BL. This outcome suggests that employees who feel a stronger emotional connection to their organization are more inclined to demonstrate BL, such as remaining with the organization, exceeding job expectations, and engaging in extra-role behaviors.

The analysis of the control variables provides important insights into the demographic factors that influence employee loyalty. In both attitudinal loyalty and behavioral loyalty models, education level is consistently significant. Higher education is associated with lower levels of attitudinal loyalty ($\beta = 0.035$, $p < 0.01$) and behavioral loyalty ($\beta = 0.072$, $p < 0.05$). This suggests that employees with higher educational attainment may exhibit a more critical attitude toward their organizations and may be less inclined to demonstrate loyal behaviors, possibly due to differing career aspirations, higher mobility, or more critical expectations from their organizations. Age also shows a significant relationship with behavioral loyalty ($\beta = 0.172$, $p < 0.05$), indicating that older employees tend to display more behavioral loyalty. This could be due to a variety of factors, including greater organizational commitment, higher levels of job satisfaction, or a more established relationship with the company. However, age does not have a significant impact on attitudinal loyalty, suggesting that emotional attachment to the organization may not necessarily correlate with age. The demographic variables gender, marital status, and work experience do not exhibit significant relationships with either attitudinal or behavioral loyalty. This may suggest that these factors are less influential in predicting employee loyalty compared to organizational identification, which emerges as the most significant predictor of loyalty dimensions.

The regression analysis demonstrates that organizational identification is a powerful predictor of behavioral loyalty, with the F-values for the final model is 13.490 for behavioral loyalty) confirming the model's overall significance. The improvement in R^2 across the models further emphasizes the predictive power of organizational identification. These findings suggest that employees who identify more strongly with their organization are not only more likely to express loyalty in their attitudes but are also more likely to demonstrate this loyalty through observable behaviors. While the control variables provide some insight into the demographic factors influencing loyalty, organizational identification consistently stands out as the most significant predictor in both models. This indicates that fostering a strong sense of organizational identification among employees is key to enhancing both attitudinal and behavioral loyalty. Organizations should, therefore, focus on creating an environment that promotes a sense of belonging, attachment, and shared identity to improve employee loyalty outcomes.

4.3. Regression Analysis for Organizational Identification Predicting Organizational Self-Esteem

Table 4. Regression analysis of organizational identification on employee loyalty.

Variable and dimension	Behavioral loyalty	
	M3	**M4**
(Control variables)		
Gender	0.102	0.052
Age	0.172*	0.073
Marital status	0.012	-0.007
Education level	0.035	-0.034
Work experience	-0.097	-0.046
(Independent variable)		
Organizational esteem		0.500***
(Model fit)		
R^2	0.034	0.286
$\triangle R^2$	0.018	0.272
F-value	2.153	20.589***
Note: *denotes P < 0.05, **denotes P < 0.01, ***denotes P < 0.001		

The regression analysis is performed in distinct models, namely Model 3 (M3) and Model 4 (M4). In the models, organizational self-esteem serves as the independent variable, while behavioral loyalty functions as the dependent variable. The investigation seeks to ascertain the impact of organizational self-esteem on workers' commitment to the company and their job-related actions.

In Model 4, the results reveal that OSE is a significant predictor of BL ($\beta = 0.500$, $p < 0.001$). This indicates that employees with elevated OSE are more inclined to exhibit behaviors that demonstrate their organizational commitment, such as remaining in their positions, exerting extra effort, or aligning their actions with organizational goals. The R^2 value for Model 4 is 0.286, signifying that approximately 29% of the variance in BL is accounted for by the model. The $\triangle R^2$ of 0.272 indicates a noteworthy increase in explanatory power due to the inclusion of OSE. Additionally, the F-value for Model 4 is 20.589 ($p < 0.001$), reinforcing the statistical significance of the model and the robust connection between OSE and BL. The stronger association between OSE and BL in Model 4 suggests that employees' perceptions of their self-worth within the organization may have a more pronounced impact on their behaviors. When employees perceive that their contributions are valued, they are more likely to demonstrate their loyalty through observable actions, such as staying with the organization, engaging in additional work, or actively contributing to the achievement of the organization's objectives. This finding highlights the practical importance of organizational self-esteem in fostering employee engagement and promoting behaviors that align with organizational success.

For behavioral loyalty (M4), age again shows a significant positive relationship with EL ($\beta = 0.172$, $p < 0.05$), This suggests that for behavioral loyalty, factors such as OSE-which reflects an individual's perceived value within the organization-may have a more substantial influence than demographic variables. Specifically, employees with higher qualifications or more extensive work experience might place greater importance on organizational recognition and personal self-worth than on their demographic background. The R^2 values for Models 4 indicate that organizational self-esteem is a strong predictor of both attitudinal and behavioral loyalty. The improvement in R^2 between the base model (with control variables) and the full model

(including OSE) reflects the contribution of OSE to explaining variations in employee loyalty. The statistically significant F-values for both models further confirm the robustness of these findings. The results suggest that organizational self-esteem is a crucial factor in determining both the emotional attachment (attitudinal loyalty) and the behaviors that indicate employee commitment (behavioral loyalty). Employees with higher perceptions of OSE are more likely to exhibit both stronger emotional bonds with the organization and behaviors indicative of loyalty, such as remaining with the organization and demonstrating greater effort in their roles.

The regression modeling reveals that OSE is a strong predictor of both attitudinal loyalty and behavioral loyalty. By integrating OSE into the models, the explanatory power is significantly improved, with both loyalty types demonstrating notable positive associations with OSE. These findings imply that employees who view themselves as integral to the organization are more inclined to exhibit both strong emotional connections (attitudinal loyalty) and behaviors aligned with organizational objectives (behavioral loyalty). The results emphasize the critical role of cultivating a supportive organizational environment that fosters OSE, as it substantially affects employees' EL and engagement. The next phase of the analysis will explore the practical implications of these results for enhancing organizational strategies and employee management practices.

Table 5. Mediation effect of organizational esteem in the relationship between organizational identity and behavioral loyalty.

Variable and dimension	Behavioral loyalty	
	M5	**M6**
(Control variables)		
Gender	0.017	0.011
Age	0.065	0.043
Marital status	0.017	0.012
Education level	0.072	0.019
Work experience	-0.023	-0.023
(Independent variable)		
Organizational identity	0.439***	0.212***
(Mediator)		
Organizational esteem		0.400***
(Model fit)		
R^2	0.208	0.314
$\triangle R^2$	0.192	0.298
F-value	13.49	20.117
Note: *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$		

The mediation analysis proceeds in two stages. In Model 5, the impact of OI on BL is assessed without considering the potential mediating role of OSE, which helps to evaluate the direct effect of OI on BL. In Model 6, OSE is incorporated as a mediator, and the direct relationship between OI and BL is reassessed to determine whether OSE mediates part of this connection. This approach provides clearer insight into the extent to which OSE accounts for the link between OI and BL. Both models account for several demographic variables (gender, age, marital status, education level, and work experience). These control variables serve to mitigate the potential influence of demographic factors, ensuring that the relationships among OI, OSE, and BL reflect the true effects rather than being confounded by these variables.

Model 5 offers initial insights into the link between OI and BL. The findings reveal that OI serves as a robust predictor of BL ($\beta = 0.439$, $p < 0.001$), implying that employees with a strong sense of OI are more inclined to exhibit loyal behaviors, such as continued affiliation with the organization and active contribution to its success. The R^2 value of 0.208 indicates that OI explains 20.8% of the variance in BL. Furthermore, the $\triangle R^2$ value of 0.192 shows a substantial enhancement in the model's explanatory capacity upon incorporating OI. The F-value of 13.49 ($p < 0.001$) solidifies the statistical relevance of the model. Model 6 introduces OSE as a mediator. While OI remains a significant predictor of BL ($\beta = 0.212$, $p < 0.001$), the effect size diminishes relative to Model 5, signifying that part of the influence of OI on BL is mediated through OSE. The inclusion of OSE as a mediator shows that OSE itself is a noteworthy predictor of BL ($\beta = 0.400$, $p < 0.001$). The R^2 for Model 6 rises to 0.314, signifying that the model with the mediator accounts for 31.4% of the variance in BL. The $\triangle R^2$ value of 0.298 indicates a considerable improvement in explanatory power, suggesting that OSE

plays a meaningful role in elucidating BL. The F-value of 20.117 ($p < 0.001$) further corroborates the robustness of the model. The results from Model 6 demonstrate that OSE significantly mediates the relationship between OI and BL. This finding implies that employees who experience high levels of self-worth and pride in their organization are more likely to engage in loyal behaviors, such as remaining with the organization and exceeding their basic job expectations.

The breakdown of the direct, indirect, and total effects is summarized in Table 6. The total effect of OI on BL is 0.471, with a 95% CI ranging from 0.328 to 0.600. This value represents the aggregate influence of both the direct and mediated pathways from OI to BL.

Table 6. Effect decomposition table.

Effect type	Effect value	Boot std. error	Boot CI lower	Boot CI upper	Effect proportion
Mediated effect	0.244	0.046	0.155	0.340	52%
Direct effect	0.227	0.079	0.076	0.387	48%
Total effect	0.471	0.070	0.328	0.600	-
Note: Boot CI refers to the bootstrap confidence interval for the effect estimates.					

4.4. Theoretical Implication

Some of the most common ideas in the literature are also called into question by the theoretical contributions of this study. In traditional models of EL, physical rewards or pay are often seen as the main motivators. This study, on the other hand, shows that psychological and mental factors, specifically OI and OSE, are just as important, if not more so, in causing EL. This study challenges the idea that EL is only caused by money or responsibilities by showing that OSE acts as both a facilitator and a predictor of EL. This shift in the way things are thought about makes researchers want to look into how intangible things like corporate culture, leadership styles, and emotional intelligence affect how employees think and act. The academic implications of this study are also important for people who work in organizations.

The results show that building a strong company identity and improving workers' OSE may be better ways to encourage long-term EL than focusing only on external rewards. This new information gives managers strategic advice on how to improve employee retention, involvement, and general happiness. It also shows how important it is to keep studying the bigger ideas behind organizational identity and OSE in a variety of business settings, such as small and medium-sized businesses. Basically, this study helps us understand better how OI, OSE, and EL are connected from a theoretical point of view. By confirming and increasing SIT and SET, the study gives new information about the mental processes that support EL and shows that OSE is an important link in these connections. These results not only add to existing theories, but they also lay the groundwork for future studies that will look into what these patterns mean in a wider range of workplace settings and cultural settings.

4.5. Practical Implication

From a policy standpoint, these findings highlight the necessity of investing in organizational development strategies that focus on building both individual and collective OSE within the workplace. Policymakers might consider incentivizing organizational programs that support employee welfare, including mental health resources, recognition schemes, and opportunities for skill enhancement. Additionally, policies that promote inclusive work environments, where employees from diverse backgrounds feel equally valued and empowered to contribute to organizational goals, are crucial. By fostering OSE at a macro level, policymakers can facilitate higher levels of EL and, consequently, improved organizational stability.

The implications for EL are not solely theoretical but also highly actionable. Since EL is directly linked to superior organizational outcomes such as increased productivity, reduced turnover, and a more committed workforce, organizations can secure a significant competitive advantage by investing in strategies that enhance loyalty. Managers should develop comprehensive retention strategies that emphasize creating a sense of purpose and belonging, alongside practical measures like competitive compensation packages and opportunities for career advancement. Furthermore, cultivating a culture of trust and transparency can amplify EL, as employees are more likely to remain loyal to organizations they perceive as open and ethical.

4.6. Limitation

The study's geographic and demographic context presents another limitation. Conducted in Guangdong Province, China, the findings are shaped by the specific cultural, economic, and social conditions of this

region. While China's rapid economic development has seen significant changes in the workplace, especially within SMEs, the experiences of grassroots employees in other regions or countries may differ due to varying cultural norms, organizational practices, and economic conditions. For instance, organizational identification and loyalty may manifest differently in Western countries, where individualism tends to be more prominent, compared to China, where collectivist values often influence employee behavior and organizational dynamics. Moreover, the study focused exclusively on grassroots employees, who typically hold lower organizational positions and face unique challenges compared to higher-level employees. While this focus is important for understanding employee loyalty within this often-understudied group, it limits the generalizability of the findings to more senior or managerial employees. Higher-level employees may exhibit different patterns of organizational identification and loyalty, which could be influenced by factors such as power dynamics, career progression, and organizational strategy, all of which were not explored in this study.

Additionally, the study focused on SMEs, which represent a particular type of organizational structure with its own set of challenges and characteristics. These organizations tend to have fewer resources, less formalized structures, and a different approach to employee engagement compared to larger organizations. Therefore, he results of the current investigation may not be universally applicable to larger corporations or public sector organizations, which tend to exhibit more intricate organizational dynamics and employ distinct strategies for managing EL and OSE. Future inquiries could broaden the scope by incorporating a wider variety of organizational forms, thereby enhancing the external validity of the findings. Furthermore, the demographic characteristics of the sample, such as age, gender, and educational background, could also impose limitations on the generalizability of the conclusions. For instance, younger employees or those with limited work experience might demonstrate differing levels of OI and OSE compared to their older counterparts. Although the study accounted for these factors to some extent, potential biases linked to these demographic variables remain. Additionally, the outcomes may not fully capture the experiences of employees from diverse cultural, educational, or socioeconomic backgrounds.

5. Recommendations
Future research could also investigate sector-specific differences in organizational identification and employee loyalty. Sectors such as healthcare, education, and technology may present distinct organizational cultures, job demands, and employee expectations, which could influence the way employees identify with their organizations and demonstrate loyalty. Research in these diverse sectors could uncover sector-specific factors that contribute to organizational identification, self-esteem, and loyalty, offering tailored recommendations for improving employee engagement in various industries.

6. Conclusion
Aside from internal organizational dynamics, economic and regional factors outside the organization have a big impact on how employees act. This is especially true for small and medium-sized businesses (SMEs) that operate in competitive and changing environments like Guangdong Province. If these large-scale factors are ignored, the study's results might not be able to be used as widely as they could be. Because of this, it is very important to understand how regional social conditions, labor market conditions, and provincial economic policies affect employee loyalty at the local level.

The analysis results give us a lot of information about how the study's main factors might be related. Hypothesis 1 (H1) was supported by the first important finding, which supports the idea that OI is a good indicator of EL. In particular, the study confirmed behavior commitment (Elt). This result supports the ideas of Social Identity Theory (SIT), which says that people are more loyal to groups with which they have a strong connection. Therefore, this study shows how important it is to build strong OI as a key part of improving EL, which includes both emotional commitment and loyalty.

Declarations

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