

Exploring the Interplay of Organizational Identification, Self-Esteem, and Employees' Loyalty among Grassroots Employees Working in Chinese Small and Medium Enterprises

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Abstract

This study investigates the complex relationships among organizational identification, organizational self-esteem, and employee loyalty among grassroots employees working in small and medium-sized enterprises (SMEs) in Guangdong Province, China. In the context of increasingly competitive business environments, understanding the psychological drivers of employee loyalty has become essential for organizational success. This research aims to explore how organizational identification influences employee loyalty in attitudinal loyalty, how it impacts organizational self-esteem, and how organizational self-esteem mediates the relationship between identification and loyalty. The study utilized a quantitative research design, employing structured surveys to collect data from 632 grassroots employees in SMEs. The data was analyzed by using descriptive statistics, correlation analysis, regression analysis, and mediation analysis to test the proposed hypotheses. The findings revealed that organizational identification has a strong positive effect on both attitudinal loyalty, confirming these findings make substantial contributions to the theoretical understanding of organizational behaviour, particularly in the context of SMEs among grassroots employees. By confirming and extending Social Identity Theory and Self-Esteem Theory, the study enhances the understanding of the psychological mechanisms behind employee loyalty. Furthermore, the research provides practical implications for organizational leaders and Human Resources professionals, emphasizing the importance of fostering a strong organizational identity and cultivating organizational self-esteem to enhance employee loyalty and retention.

Keywords

Organizational Identification, Employee Loyalty, Small and Medium

1. Introduction

In the contemporary organizational landscape, Employee loyalty (EL) has emerged as a crucial factor for sustaining competitive advantage and achieving long-term success. 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 (EL) is essential for organizational effectiveness. The pressure of globalization and the intensification of competition have highlighted the need for effective strategies to nurture employee loyalty, which is closely tied to both individual and organizational outcomes. It has been established that Employee Loyalty (EL) can significantly improve organizational performance, increase productivity, and drive innovation while also reducing turnover rates, thus lowering recruitment and training expenses (Al-Suraihi et al., 2021). At the core of this study is the concept of Organizational Identification (OI), which refers to the degree to which individuals perceive themselves as part of their organization (Koray Erentürk, 2020). Substantial research has established the influential role of Organizational Identification (OI) in shaping employees' attitudes and behaviours (Mael & Ashforth, 1992). This thesis builds on Social Identity Theory (SIT), Self-Esteem Theory (SET), and Loyalty and Commitment Theories to provide a theoretical framework for understanding the complex relationships among organizational identification (OI), Organizational-Esteem (OE), and Employee Loyalty (EL). By examining the unique context of grassroots employees in Guangdong Province, the study aims to extend the understanding of how these variables interact and influence Employee Loyalty (EL).

2. Literature Review

2.1. Employee Loyalty (EL)

The concept of Employee Loyalty (EL) has evolved significantly over time, reflecting changes in the workplace and broader societal shifts. The traditional view of loyalty as unwavering commitment and long-term employment with a single organization has evolved into a more dynamic and multidimensional concept. Employee Loyalty (EL) today encompasses various dimensions, and its interpretation may differ based on cultural, organizational, and individual factors. A contemporary definition of Employee Loyalty (EL) emphasizes an individual's psychological bond to their organization. It is often associated with the following key dimensions:

Attitudinal Loyalty: Attitudinal loyalty (AL) refers to an emotional bond or connection that an employee feels toward their organization. It is characterized by positive attitudes, beliefs, and commitment to the organization's values, mission, and goals. Employees displaying Attitudinal Loyalty (AL) exhibit a deep de-

sire to remain part of the organization and to support its objectives with genuine enthusiasm (Meyer & Herscovitch, 2019). Employees' Loyalty (EL) should not be regarded as a one-size-fits-all concept, as it can vary significantly from one individual to another and between organizations. Factors such as job satisfaction, work environment, leadership, role expectations, organizational culture, and compensation significantly influence loyalty (Eisenbeiss et al., 2020; Hongjie & Suryani, 2025). It is crucial to recognize that employee loyalty is not synonymous with job satisfaction or job commitment. While job satisfaction reflects an individual's contentment with their specific job, employee loyalty extends to a broader commitment to the entire organization. Moreover, loyalty encompasses a deeper and more lasting commitment, whereas job commitment may be conditional on favourable circumstances.

2.2. Organizational Identification

Organizational Identification (OI) is a multifaceted and evolving construct that plays a central role in understanding employee behaviour, commitment, and performance within an organizational context. While there is a historical foundation in the study of Organizational Identification (OI), the concept has evolved and expanded in recent years. This section aims to provide a detailed definition of Organizational Identification (OI), drawing on various scholarly perspectives to offer a comprehensive understanding of its dimensions and the evolving nature of this concept (Anggoro, 2024). Organizational Identification (OI), 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 & Ashforth, 1992). It represents the psychological connection between employees and their organizations, encompassing both cognitive and emotional dimensions (Dutton et al., 1994; Wojtczuk-Turek et al., 2024).

2.3. Organizational Self-Esteem

Organizational Self-Esteem (OSE) is an essential concept for understanding how employees evaluate themselves within their organizational setting. Although this concept is relatively recent in the literature, it has proven crucial in assessing how employees perceive their psychological attachment and sense of worth in the workplace (Moez et al., 2024). Organizational Self-Esteem (OSE) offers insights into how employees perceive their importance in the organizational framework and how these perceptions influence their attitudes, behaviours, and overall commitment (Filosa, Alessandri, & Robins 2024). Organizational Self-Esteem (OSE) refers to an employee's self-assessment of their worth and contribution within the organization (Bakker & Demerouti, 2017). It reflects the employee's perception of their competence, value, and significance in relation to their workplace environment (Du et al., 2024). Employees with high Organizational Self-Esteem (OSE) tend to view their roles as meaningful and their contributions as essential to the success of the organization. Conversely, those with lower self-esteem may feel un-

dervalued or uncertain about their abilities within the organization, potentially leading to disengagement and diminished commitment (Tang et al., 2024).

2.4. Hypotheses Development (Figure 1)

In recent years, particularly after 2019, research has made significant strides in enhancing our understanding of how Organizational Identification (OI) influences Employees' Loyalty (EL). A notable study by Duan et al. (2019) explored the role of Organizational Identification (OI) in maintaining Employees' Loyalty (EL) during periods of job uncertainty, such as job loss or gain. Their findings suggested that employees with a strong sense of identification with their organization are more likely to remain loyal, even in the face of potential job insecurity. The study highlighted that organizational identification can act as a shield against disloyalty during difficult workplace circumstances (He & Tresirichod, 2024). Furthermore, research by Zhao et al. (2007) and similarly later by Han et al. (2025) examined the interaction among Organizational Identification (OI), Leader-Member Exchange (LMX), and Employees' Loyalty (EL). Their study concluded that employees who identify strongly with their organization and maintain high-quality relationships with their leaders report higher levels of loyalty. This finding underscores the importance of leadership in reinforcing the connection between Organizational Identification and Employees' Loyalty (EL) (Vladimirovna, 2024). It suggests that leadership practices are critical in fostering loyalty by strengthening employees' sense of identification with the organization. Based on the above discussion, following hypothesis has been postulated.

H1: Organizational Identification (OI) has a positive predictive effect on Employees' Loyalty (OL) among grassroots employees working in Chinese SMEs.

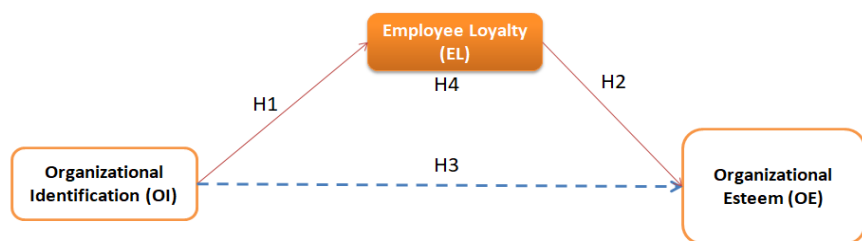


Figure 1. Conceptual framework.

Recent studies have increasingly focused on how Organizational Self-Esteem (OSE) contributes to Employees' Loyalty (OL), 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 (Husna & Budiono, 2022). 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 & Grote, 2020). Based on this discussion, following hypothesis has been postulated.

H2: Employees' Loyalty (EL) has a positive predictive effect on Organizational Self Esteem (OSE) among grassroots employees working in Chinese SMEs.

3. Research Methodology

Methodology outlines the research design, which is quantitative and deductive in nature, allowing for the investigation of causal relationships among key variables. The data collection was done by employing closed-ended questionnaires, which were developed based on established constructs and theories to ensure that these scales accurately capture the variables of interest. This study focused on grassroots employees working in Chinese SMES in Guangdong Province only and reflects the study's emphasis on this underexplored group in the areas of organizational research. The principal reason for the selection of Guangdong Province was that with a high concentration of Small and Medium-Sized Enterprises (SMEs) that are essential to the industrial and economic growth of the area, Guangdong Province is one of China's most economically active regions. SMEs in this region, however, have unique organizational structures, cultural dynamics, and socioeconomic environments that may affect the study's findings. Employee identification, self-esteem, and loyalty are greatly impacted by the distinctive features of SMEs in Guangdong Province, such as their collectivist setting, informal HR systems, and family-oriented culture. These results emphasize the necessity of culturally sensitive HR procedures and help contextualize organizational behavior theories in non-Western SME contexts.

The first stage of data collection involved recruiting participants. In order to ensure that the sample was a true representative of the study population, participants were taken from various industries and organizational settings within the region using a stratified random sampling technique. The population of grassroots employees was categorized into different subgroups based on industry sectors, such as manufacturing, services, and trade. This research provided a comprehensive examination of the statistical methodologies employed in the analysis, including Common Method Bias Test, Descriptive Variables Analysis, Correlation Analysis and Multiple Regression Analysis. These techniques were meticulously chosen to guarantee the validity and robustness of the study's outcomes. Furthermore, the utilization of software tools such as SPSS 28 and AMOS 27 is implied, detailing their specific roles within the study framework.

Measuring the instrument: Organizational Identity (OI) has been measured using the Organizational Identification Scale, which implies six items earlier used by Mael & Ashforth (1992). Sample items are "I am proud to tell others that I am part of this organization. I feel strong ties with this organization. This organization's successes are my successes. I feel a sense of belonging to this organization". Employees' Loyalty (EL) has been measured by the Organizational Commitment

Questionnaire by implying nine items earlier used. Sample items were “I would recommend this organization as a great place to work. I am willing to put in extra effort to help the organization succeed. I feel a strong sense of loyalty towards this organization.” Lastly, Organizational Self Esteem (OSE) has been measured by Organizational-Based Self-Esteem Scale, implying ten items earlier used, its sample items were “I count in this organization. I am taken seriously in this organization. I feel that I am an important part of this organization. I am trusted to do my job well”. A five-point Likert scale has been used where “1” represented “Strongly Disagree (SD)”, “2” represented “Disagree (D)”, “3” represented “Indifferent”, “4” represented “Agree (A)” and “5” represented “Strongly Agree (SA)”.

4. Results and Discussion

4.1. Demographical Aspects of the Respondents

The gender distribution of the sample shows that the majority of participants were female, comprising 60.4% ($n = 382$) of the total sample, while male participants accounted for 39.6% ($n = 250$).

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. As shown in **Table 1**, 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

Table 1. Common method bias test results.

Component	Initial Eigenvalue			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.

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 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, ensuring the robustness of the findings.

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

Organizational identification is the independent variable of interest in both models, while a set of control variables, including gender, age, marital status, education level, and work experience, are included to account for demographic influences on loyalty outcomes.

- 1) Model 1 (M1): Includes control variables predicting attitudinal loyalty.
- 2) Model 2 (M2): Adds organizational identification to the model predicting attitudinal loyalty.

The regression analysis examining EL (Models 1 and 2) presents noteworthy insights into the influence of OI on employee attitudes towards the organization (Table 2). In Model 1, which includes only control variables, the R^2 value is 0.037, implying that demographic factors alone account for a small proportion of the variance in EL. Within these controls, education level ($\beta = -0.150$, $p < 0.01$) stands out as a significant predictor, indicating that employees with higher educational qualifications tend to report lower levels of EL. Other demographic factors, such as gender, age, marital status, and work experience, do not exhibit significant effects on EL in this model. Model 2 introduces OI as an independent variable, resulting in a substantial increase in explanatory power, with the R^2 rising to 0.154. This suggests that OI significantly enhances the model's ability to account for variation in EL. The coefficient for OI is highly significant ($\beta = 0.361$, $p < 0.001$), demonstrating that stronger OI correlates with higher EL. The addition of OI improves the model's ΔR^2 by 0.137, marking a notable enhancement over Model 1. The F-value for Model 2 is 9.404 ($p < 0.001$), further supporting the conclusion that the inclusion of OI notably strengthens the model's explanatory capacity. These findings offer strong empirical evidence that OI plays a pivotal role in shaping EL, reinforcing the hypothesis that OI significantly contributes to employees' emotional attachment and loyalty to the organization.

Table 2. Regression analysis of organizational identification on employee loyalty.

Variable & Dimension	Attitudinal Loyalty	
	M1	M2
(Control Variables)		
Gender	0.063	-0.007
Age	0.036	-0.052
Marital Status	0.068	0.072
Education Level	-0.150**	-0.120*
Work Experience	-0.073	-0.013
(Independent Variable)		
Organizational Identification		0.361***
(Model Fit)		
R^2	0.037	0.154
ΔR^2	0.024	0.137
F-value	2.356*	9.404***

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

The regression analysis is conducted in two separate models (Table 3): Model 7 (M7). In single models, organizational self-esteem is the independent variable, and attitudinal loyalty and behavioral loyalty are the dependent variables, respectively.

The analysis aims to determine how organizational self-esteem influences employees' commitment to the organization and their behaviors related to their jobs.

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

Variable & Dimension	Attitudinal Loyalty	
	M1	M7
(Control Variables)		
Gender	0.063	0.020
Age	0.036	-0.030
Marital Status	0.068	0.066
Education Level	-0.150	-0.179
Work Experience	-0.073	-0.041
(Independent Variable)		
Organizational Esteem		0.340***
(Model Fit)		
R ²	0.037	0.149
ΔR^2	0.021	0.129
F-value	2.356*	7.68***

1) Model 7 (M7): This model explores the connection between OSE and attitudinal loyalty, controlling for the impact of demographic variables.

In Model 7, OSE is identified as a notable predictor of attitudinal loyalty ($\beta = 0.340$, $p < 0.001$). This suggests that employees who perceive themselves as more valued within the organization are more likely to exhibit favorable attitudes towards both their job and the organization. The R^2 value of 0.149 implies that Model 7 accounts for approximately 15% of the variation in attitudinal loyalty. Additionally, the ΔR^2 value of 0.129 highlights that the inclusion of OSE as an independent variable significantly enhances the model's explanatory capacity. The F-value of 7.68 ($p < 0.001$) demonstrates that the model is statistically robust, underscoring the meaningful contribution of OSE to predicting attitudinal loyalty. The positive coefficient for OSE indicates that when employees perceive higher levels of value and respect within the organization, they are more likely to form a stronger emotional attachment to both their work and the organization as a whole. This finding reinforces the idea that self-perception in an organizational setting significantly shapes employee attitudes, particularly their loyalty and commitment to the organization.

The regression modelling reveals that OSE is a strong predictor of both attitudinal loyalty and behavioural 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). The results emphasize the crit-

ical 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.

The significance of industry-specific tactics in promoting employee commitment is shown by the observed variance in the intensity of the organizational identification-loyalty link among various SME sectors. While labor-intensive SMEs may need to use dual methods that combine extrinsic rewards with measures to promote organizational self-esteem and group belongingness, SMEs operating in knowledge-intensive industries may gain from fostering organizational vision and employee involvement.

5. Theoretical Implication

A primary theoretical advancement presented in this study involves the extension of SIT/SIT posits that individuals derive a significant portion of their self-concept from their affiliations with groups, which subsequently shapes their attitudes and behaviors. This research reaffirms SIT's core premise by demonstrating that robust OI among grassroots employees is positively associated with both Attitudinal Loyalty (ELt) and Behavioral Loyalty (ELx). The empirical evidence supporting this relationship underscores the critical role of OI in cultivating a sense of loyalty, attachment, and commitment within employees. OI is identified as a pivotal predictor of EL. Furthermore, this study contributes to the broader domain of organizational behavior by highlighting the significance of self-esteem and identification in fostering loyalty within specific organizational contexts, such as SMEs. Many traditional models of organizational loyalty are based on large, established organizations, which may not fully capture the dynamics at play in smaller, more intimate organizational settings. By focusing on grassroots employees in SMEs, this research provides new insights into how organizational identification and self-esteem influence loyalty in such contexts. This makes the findings particularly relevant for HR practitioners and organizational leaders in SMEs who may face unique challenges in engaging and retaining employees.

6. Practical Implication

The outcomes of this investigation present essential and actionable insights that can be directly implemented to enhance organizational practices, particularly within Small and Medium-sized Enterprises (SMEs) and among grassroots employees. The research elucidates the intricate connections among Organizational Identification (OI), Organizational Self-Esteem (OSE), and Employee Loyalty (EL), thereby unveiling the fundamental factors that shape employee engagement and dedication. These revelations can guide organizational leaders, Human Resource (HR) professionals, and policymakers in devising more effective strategies aimed at cultivating a loyal, motivated, and high-achieving workforce. Primarily, the study emphasizes the pivotal role that OI plays in fostering EL. Employees

with a strong sense of identification with their organization are more inclined to display both Attitudinal Loyalty (ELt)—a profound emotional attachment to the organization—and Behavioral Loyalty (ELx)—a commitment to remaining with the organization. For managerial staff, this underscores the necessity of developing a robust and cohesive organizational identity that resonates with employees. Establishing and sustaining a clear organizational vision and mission that align with workforce values is crucial. When employees comprehend and share the organization's values and objectives, they are more likely to experience a sense of purpose and belonging, which subsequently elevates their loyalty levels.

7. Limitation

Although this investigation delivers substantial insights into the intricate associations among Organizational Identification (OI), Organizational Self-Esteem (OSE), and Employee Loyalty (EL) among grassroots employees within Small and Medium-sized Enterprises (SMEs) in Guangdong Province, China, it is not devoid of certain constraints. These limitations encompass various dimensions, including the study's scope, data collection methodologies, and contextual elements that may affect the generalizability of the outcomes. Addressing these constraints is pivotal for delineating the boundaries within which the findings are applicable and for directing future research endeavors in this area.

Future longitudinal research is advised to examine the historical dynamics of organizational identity and loyalty, addressing the possibility of causal ambiguity and reverse causation, even though the cross-sectional approach provides insightful information about the suggested correlations. A primary limitation pertains to the scope of the research. This investigation concentrated on grassroots employees within SMEs in Guangdong Province, China, offering valuable insights into this specific milieu. However, this focus may not fully encapsulate the broader, global dynamics of EL and OSE. The findings are particularly relevant to the Chinese cultural and economic landscape, necessitating caution when extrapolating the results to other regions or organizational contexts. For example, employee behaviors and attitudes in Multinational Corporations (MNCs) or large-scale public enterprises might diverge significantly from those in SMEs, especially regarding OI and OSE. Additionally, the study predominantly examines the relationships among OI, OSE, and EL from a cross-sectional perspective. While this approach provides significant snapshots of these variables at a specific moment, it fails to capture the longitudinal dynamics inherent in these relationships. OI, OSE, and EL are dynamic constructs that can evolve as employees advance through various career stages. The absence of longitudinal data impedes the ability to discern how these variables interact and transform over time, thereby limiting the comprehension of causal relationships and long-term organizational outcomes.

8. Recommendations

A notable constraint of the present research lies in its concentration on grassroots

employees within SMEs in Guangdong Province, China. Although this context provided essential insights, the generalizability of the findings may be limited to this particular employee cohort or organizational environment. Future research could extend this study to different industries, organizational sizes, and geographic regions, including both developed and developing countries, to determine whether the identified relationships hold across diverse contexts. Future inquiries could extend their focus to employees working in large corporations, multinational enterprises (MNEs), or public sector organizations, where organizational dynamics and employee expectations are likely to differ from those in SMEs. The interplay between OI, OSE, and EL may present unique characteristics in settings that feature more complex hierarchies or a globally distributed workforce. Furthermore, studies in cross-cultural contexts could help illuminate how cultural differences impact employee loyalty and organizational self-esteem, particularly in collectivist versus individualist societies. Such comparisons could yield valuable insights into the universality or specificity of the study's findings. Additionally, while this study focused on grassroots employees, the findings might be different for employees in managerial or executive roles. Research that includes both lower-level and higher-level employees could uncover whether organizational identification and self-esteem operate differently at various organizational tiers, shedding light on the different psychological needs and behaviors of diverse employee groups. Additionally, exploring the engagement of managerial employees with OI and EL could yield valuable implications for leadership strategies and HR practices, particularly at higher levels of organizational management. These insights could further inform the development of more effective organizational structures and employee retention strategies.

9. Conclusion

Employee attitudes and behaviors are significantly influenced by external economic and regional factors in addition to internal organizational dynamics, especially for SMEs operating in competitive and dynamic contexts like Guangdong Province. Ignoring these macro-level factors may restrict how far the study's conclusions can be applied. Therefore, it is crucial to recognize the ways in which regional socioeconomic contexts, labor market conditions, and province economic policies impact employee loyalty at the local level. The analytical results yield substantial insights into the proposed relationships between the study's central variables. The initial significant discovery, consistent with Hypothesis 1 (H1), substantiates the premise that OI serves as a positive predictor of EL. Specifically, the analysis affirmed both attitudinal loyalty (ELt). This outcome reinforces the principles of Social Identity Theory (SIT), which asserts that individuals exhibit heightened loyalty towards groups with which they strongly identify. Consequently, the current investigation underscores the critical importance of nurturing robust OI as a fundamental element in enhancing EL, encompassing both emotional commitment (attitudinal loyalty).

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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