

Determinants of Employee Loyalty in Private Healthcare: A Case Study at KMI Kuala Terengganu Medical Centre, Malaysia.

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ABSTRACT

This study explores the critical issue of employee loyalty at KMI Kuala Terengganu Medical Centre in light of rising turnover rates, particularly among clinical staff. It investigates the influence of five key factors, employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction on employee commitment. Guided by Herzberg's Two-Factor Theory and Job Enrichment Theory, the research adopts a quantitative approach using survey data from 210 employees. Employee benefits, psychological empowerment, and job satisfaction were found to have significant positive relationships with employee loyalty, indicating that these factors play a crucial role in fostering commitment among staff at KMI Kuala Terengganu Medical Centre. In contrast, employee empowerment and structural empowerment did not show a significant influence on employee loyalty, suggesting that merely providing authority or access to resources is insufficient without addressing deeper psychological needs and overall job satisfaction. These findings highlight the importance of focusing on intrinsic motivation and employee well-being to strengthen organizational loyalty.

Keywords: employee loyalty, employee benefits, employee empowerment, structural empowerment, psychological empowerment, job satisfaction.

INTRODUCTION

In today's competitive and globalized employment landscape, employee loyalty has become a central concern, especially in sectors such as healthcare where the workforce faces high emotional demands and job stress. Organizations worldwide increasingly acknowledge that dedicated and capable employees are essential to sustaining operational excellence and long-term success. While investments in technology and finance matter, it is the human element, particularly a loyal and engaged workforce that truly drives innovation and performance. The healthcare industry is particularly vulnerable due to burnout, long working hours, and a lack of recognition, which significantly affect job satisfaction and retention. These challenges are also evident in Southeast Asia, including Malaysia, where both public and private hospitals are struggling to retain qualified healthcare professionals. Studies suggest that factors such as fair compensation, employee empowerment, institutional support, and job satisfaction play crucial roles in encouraging loyalty. Within the Malaysian private healthcare context, the issue is more pronounced, as staff frequently leave for public institutions that offer more structured career progression, job security, and attractive benefits. KMI Kuala Terengganu Medical Centre (KMIKT) is one such organization currently experiencing a concerning rise in employee turnover, indicating a deeper issue tied to organizational dynamics.

According to internal human resource reports, KMIKT's turnover rate surged from 2% to 8% by late 2023. Feedback from exit interviews and industry comparisons reveals that many employees leave due to uncompetitive salary packages, lack of growth opportunities, minimal recognition, and a rigid work culture. Employees are particularly drawn to public hospitals such as Universiti Sultan Zainal Abidin (UniSZA), where benefits include stable income, pensions, and clear promotional paths. The private sector's inability to match

these conditions has created a talent drain, with many mid-career professionals seeking more secure and fulfilling roles elsewhere. To address these pressing concerns, the present research investigates the impact of five specific factors on employee loyalty: employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction. These dimensions have been repeatedly highlighted in prior studies as influencing organizational commitment, yet their combined effect within KMIKT's unique environment remains underexplored. By examining these variables, the study aims to generate data-driven insights that can inform strategic human resource reforms and improve retention.

Ultimately, this research aspires to benefit both theory and practice. It will provide valuable knowledge for KMIKT's management team in understanding the root causes of turnover and crafting responsive policies. Moreover, the study contributes to the academic discourse on employee loyalty in private healthcare, a topic that remains relatively understudied in Malaysia. The findings are expected to support not only KMIKT's workforce development efforts but also offer a replicable framework for similar institutions facing loyalty-related challenges. Employee loyalty is a fundamental element in ensuring continuity and service excellence, particularly within Malaysia's private healthcare sector. As staff turnover continues to rise, understanding what drives employee loyalty is critical. This study will explore five key independent variables: employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction, all of which are hypothesized to influence the dependent variable, namely employee loyalty.

LITERATURE REVIEW

Employee loyalty, as defined in this study, serves as the dependent variable and is conceptualized as an employee's commitment to remain with an organization, actively contribute to its goals, and demonstrate discretionary effort beyond formal job responsibilities. Also, it is important perception of human resources management that is closely related to organizational culture, psychological empowerment, and job satisfaction. Long-term institutional performance depends on lower turnover intentions, increased engagement, and better organizational citizenship behaviour (OCB), all of which are signs of loyalty (Chang et al., 2022). Job satisfaction, which measures how favourably workers view their positions, workplace, and general organisational support, is one of the main antecedents of loyalty. Based on study of Matzler and Renzl (2021), guaranteeing job satisfaction is essential in a knowledge-driven economy, especially for skilled individuals who value independence and purposeful work. Chang et al. (2022) observed that stronger organisational commitment and a lower intention to depart were substantially correlated with higher job satisfaction. On the other hand, discontent has been connected to lower loyalty, withdrawal behaviours, and morale (Omar et al., 2021).

Loyalty, however, is influenced by organisational procedures in addition to personal feelings. Employee attachment is fostered by companies that provide growth opportunities, flexible work schedules, and recognition programs. Putra and Kartikasari (2023), for example, discovered that complete benefit plans that included health insurance, performance-based rewards, and ongoing training significantly affected employee loyalty in healthcare environments. According to Romi et al. (2022), strategic leadership behaviours can have a direct impact on retention by fostering empowerment and trust. They also highlighted the mediating role of loyalty between leadership and turnover intention.

Moreover, loyalty is a complex concept. Affective commitment emotional connection, continuation commitment cost of leaving, and normative commitment feeling of obligation are all included, according to Meyer and Allen (2022). Both internal psychological experiences and external organisational structures have an impact on these aspects. In order to strengthen long-term commitment, Graham (2021) extended this idea to incorporate organisational identification, in which workers share the organization's values and mission. Loyalty is frequently quantified using metrics like effort beyond job specifications, willingness to recommend the company, and intent to stay. According to Eskildsen and Nussler (2021), a high loyalty score suggests that staff members are innovative, creative, and cooperative in addition to being retained. According to Porter et al. (2021), devoted workers typically assume responsibility for results and exhibit resilience in the face of organisational change.

Nonetheless, some research indicates that loyalty is not a standalone concept. In a study of administrative workers in public hospitals in Malaysia, Tan and Yusof (2023) found that, absent effective leadership

communication and equitable performance monitoring, loyalty levels were not significantly predicted by pay or benefits alone. According to their research, in predicting loyalty, indicating that perceived justice and managerial trust are prerequisites for converting satisfaction into commitment. The relationship between employee benefits and employee loyalty continues to be a core area of interest in organizational behaviour and human resource management literature, especially as organizations increasingly compete to attract and retain skilled talent. Employee benefits encompass both monetary rewards (e.g., salaries, bonuses, paid leave, insurance) and non-monetary incentives (e.g., career development, recognition, wellness programs), aimed at addressing the economic and psychosocial needs of the workforce. In contrast, employee loyalty is generally defined as an employee's long-term psychological commitment to an organization, reflected through consistent engagement, reduced turnover intentions, and voluntary behaviors that support organizational objectives.

A wide body of empirical research has established a significant positive relationship between comprehensive employee benefits and higher levels of loyalty. For example, Putra and Kartikasari (2023) conducted a regression analysis in the Indonesian healthcare sector and found that structured benefits packages including healthcare coverage, professional training subsidies, and paid leave had a statistically significant impact on loyalty. This implies that workers are more likely to stick with companies that actively support their professional development and well-being. Similar to this, Hadj (2024) investigated employee loyalty at non-profit hospitals and came to the conclusion that advantages like parental leave, career security, and mental health support encouraged emotional commitment. It was discovered that this type of emotional attachment was most noticeable in frontline healthcare workers and mid-career professionals, whose jobs include a lot of stress and a great need for institutional support. These results are consistent with Herzberg's two-factor theory, which categorises benefits as "hygiene factors" that, when properly optimised, promote retention but, when absent, lead to discontent. Importantly, studies have also shown that intrinsic benefits such as recognition, autonomy, and growth opportunities have a deeper influence on long-term loyalty compared to extrinsic monetary rewards. Allen and Kilmann (2021) found that employees who perceived their work environment as inclusive, appreciative, and growth-oriented were significantly more likely to exhibit high levels of organizational loyalty. They argued that while salary attracts employees, non-financial incentives often retain them by cultivating emotional engagement.

However, not all empirical studies support a uniformly strong relationship. Tan and Yusof (2023), in a study of public hospital administrative staff in Malaysia, reported that although benefit satisfaction was moderately high, it did not significantly predict loyalty unless it was mediated by job satisfaction and leadership trust. Their analysis revealed that benefits explained only 16% of the variance in loyalty, suggesting that the perceived quality of leadership and daily work experience may outweigh the presence of financial perks alone. These findings highlight the contextual dependency of benefits' effectiveness, especially in bureaucratic or rigid institutional settings. Furthermore, Reners, Zaini, and Hashim (2024) emphasized that the perceived fairness and accessibility of benefit programs were just as important as their content. Their study among healthcare workers in Malaysian private hospitals revealed that inconsistencies in benefit allocation such as unequal training access or unclear eligibility criteria neutralized the positive effects of even well-designed benefit programs. In contrast, when employees believed that benefits were fairly distributed and transparent, their commitment to the organization increased significantly, regardless of the absolute value of the benefits offered.

The literature also suggests that employee benefits operate on a dual-function model: they serve as preventive tools to reduce dissatisfaction and turnover, and as motivational tools to build deeper engagement and loyalty. According to (Chaanine, 2025) proposed that organizations aiming for sustainable loyalty should integrate their benefit systems with other strategic HR functions, including performance management, recognition, and well-being policies. Without this integration, benefit programs may be seen as transactional rather than relational, limiting their impact on loyalty outcomes. In healthcare settings such as KMI Kuala Terengganu Medical Centre this relationship takes on heightened importance due to the sector's dependence on human capital, the emotional labour involved in caregiving, and the increasing competition from both public and private hospitals. As healthcare employees face demanding workloads, shift-based schedules, and psychological stress, well-rounded benefit packages that include mental health support, flexible working hours, and continued professional education are crucial not just for attracting talent, but for sustaining commitment.

In conclusion, the literature provides compelling evidence that employee benefits are positively and significantly associated with employee loyalty, especially when they are aligned with employee needs, fairly implemented, and embedded within a supportive organizational culture. Nonetheless, the strength of this relationship varies depending on mediating variables such as job satisfaction, leadership behavior, and perceived fairness. For healthcare institutions like KMI Kuala Terengganu Medical Centre, designing benefit systems that are holistic, equitable, and transparent is essential to fostering a loyal, high-performing, and sustainable workforce.

Employee empowerment has increasingly been recognized as a critical driver of employee loyalty, particularly in dynamic and service-oriented sectors such as healthcare. Empowerment generally refers to the extent to which employees are given autonomy, authority, and the necessary resources to make decisions and take initiative in their roles. In the context of organizational behaviour, empowerment is both a structural and psychological process that enhances employees' sense of ownership and involvement factors closely linked to organizational commitment and long-term retention. Research consistently supports a significant positive relationship between employee empowerment and loyalty. Ripley and Ripley (2021) found that empowerment practices such as granting decision-making authority, encouraging initiative, and fostering employee involvement can lead to increased motivation, task enjoyment, and organizational loyalty, while simultaneously reducing turnover intentions. Their study, which focused on healthcare and education sectors, reported that employees who felt empowered were 33% more likely to stay in their current positions over a 12-month period compared to those in non-empowered environments. In a more targeted study, Pham (2024) examined the mediating role of job satisfaction and trust in the relationship between empowerment and employee loyalty in Malaysian hospitals. The results showed that empowerment had a strong and statistically significant effect on loyalty, and this effect was partially mediated by employees' trust in leadership and job satisfaction. This suggests that empowerment not only directly influences loyalty but also shapes other psychological conditions that reinforce long-term commitment.

Furthermore, Putra, Kusumawati, and Kartikasari (2023) explored empowerment in healthcare organizations and confirmed that both structural empowerment (i.e., access to resources, information, and support) and psychological empowerment (i.e., sense of competence, meaning, and self-determination) had statistically significant effects on employee engagement and loyalty. Their regression model showed that structural empowerment alone accounted for 27% of the variance in loyalty scores, emphasizing the role of organizational systems in creating empowering work environments. However, not all studies have found a significant relationship. For instance, Tan and Ahmad (2022) studied mid-level managers in private hospitals and reported that while empowerment improved job performance and satisfaction, it did not significantly predict loyalty unless paired with effective leadership and recognition systems. Their findings indicate that empowerment in isolation may be insufficient to generate loyalty if employees do not feel appreciated or if empowered roles are not supported by managerial trust. Other research has highlighted the importance of empowerment climate that is, whether empowerment is perceived as authentic and uniformly applied across the organization. Romi et al. (2022) revealed that inconsistent empowerment practices (e.g., selective delegation, lack of follow-through) led to feelings of inequity, which diminished the positive effects of empowerment on loyalty. In their study of healthcare institutions in the Middle East, empowerment had no significant impact on employee loyalty in environments characterized by hierarchical rigidity and poor communication.

From a theoretical standpoint, the link between empowerment and loyalty can be understood through Social Exchange Theory (Blau, 1964), which posits that when employees perceive they are trusted, involved, and supported, they reciprocate through greater commitment and loyalty. Empowerment also aligns with Herzberg's motivation-hygiene theory, where opportunities for growth and achievement (empowerment components) act as motivators that reinforce positive work attitudes and reduce turnover. In healthcare settings such as KMI Kuala Terengganu Medical Centre, where staff are expected to make real-time decisions and deliver high-quality care, empowering employees can directly influence their professional identity and loyalty. Providing avenues for clinical autonomy, continuous learning, and shared governance not only improves service delivery but also strengthens emotional attachment to the organization. Studies have shown that empowerment has positive effects on employee motivation, task enjoyment, loyalty, and productivity while reducing turnover intentions (Ripley and Ripley, 2021). The correlation between employee empowerment and organizational commitment, overall performance, and job satisfaction has been well-established (Meyerson & Dewettinck, 2021). In the healthcare

sector, where constant adaptation and improvement are crucial, employee empowerment is especially relevant. Nurses, for example, play a critical role in overseeing the quality of care and nursing services, and empowering them is essential for effective management procedures, conflict resolution, staffing, planning, and resource forecasting (Santos, 2021).

Employee empowerment, therefore, becomes a means through which individuals can showcase and develop their capabilities to promote positive changes within the organization. In nursing literature, empowerment encompasses various aspects of professional development and is crucial for adapting to evolving healthcare environments (Santos, 2021). Ultimately, employee empowerment is not just about granting authority but creating an organizational culture that supports and encourages employees to take ownership of their roles, leading to improved job satisfaction, commitment, and overall organizational success.

In summary, the majority of recent literature supports a positive and significant relationship between employee empowerment and loyalty, particularly when empowerment is part of a broader system that includes recognition, fair leadership, and support structures. Nevertheless, studies that report non-significant relationships emphasize the importance of contextual and cultural factors, suggesting that empowerment is most effective when consistently implemented and supported by inclusive leadership. For healthcare organizations like KMIKT, integrating empowerment into organizational policy and culture may be a strategic pathway to cultivating a loyal and resilient workforce.

Structural empowerment has emerged as a key organizational factor influencing employee attitudes and long-term commitment. Rooted in Kanter's theory (1993), structural empowerment refers to the degree to which an organization provides employees with access to essential work resources, information, support, and opportunities for learning and advancement. In healthcare and other complex service sectors, structural empowerment is viewed not only as a mechanism for improving performance but also as a strategy for fostering employee loyalty that defined as the employee's psychological attachment and sustained commitment to the organization. Employee loyalty and structural empowerment have a most positive correlation, according to recent empirical research study. For example, a quantitative study in Indonesian hospitals by Putra, Kusumawati, and Kartikasari (2023) shows that staff who felt more empowered by the structure were more committed to the organisation and had little plans to quit. Based to their study, employees' loyalty to the company is strengthened when they are given the right roles, resources, and participatory frameworks.

Besides, Pham (2024) shows that structural empowerment had a favourable effect on employee loyalty at private hospitals in Malaysia, especially when it was mediated by job satisfaction and trust in leadership. According to the study, having access to continues training, open lines of communication, and helpful supervision greatly increased employees' feelings of empowerment, which in turn increased their loyalty. This lends credence to the Social Exchange Theory, which holds that workers increase their commitment and retention in return for perceived organisational support. Additionally, research has demonstrated that structural empowerment fosters a sense of purpose and worth, both of which are essential for emotional loyalty. According to Ripley & Ripley (2021), structural empowerment such as giving employees access to decision-making and internal career mobility has a beneficial impact on employee loyalty, productivity, motivation, and work enjoyment while also lowering turnover intentions. According to their cross-industry survey, employees who felt empowered were 30–40% more likely to stick with their company than those who had less access to organisational resources.

However, not all findings report a uniformly strong or direct relationship. Tan & Yusof (2023), in a study among Malaysian public hospital administrative staff, noted that structural empowerment did not significantly predict employee loyalty unless accompanied by psychological empowerment and recognition. Their regression model revealed that empowerment accounted for only a small proportion of variance in loyalty, suggesting that structural elements must be paired with interpersonal and cultural support to produce meaningful outcomes. Structural empowerment is very important in medical settings like KMI Kuala Terengganu Medical Centre. High demands, time constraints, and difficult patient care decisions are commonplace for nurses, allied health workers, and support staff. By giving them access to updated procedures, allowing them to participate in operational decisions, and encouraging ongoing education, these professionals can be structurally empowered, which will increase their sense of belonging and contribution and increase their loyalty. Furthermore, structural

empowerment is a preventive and developmental human resource strategy since it improves role clarity and lessens burnout.

In conclusion, structural empowerment has a generally positive and significant effect on employee loyalty, particularly when implemented as part of a broader organizational culture that supports inclusion, trust, and professional growth. While several studies affirm its impact, others highlight that its effectiveness depends on contextual factors such as leadership behaviour, psychological empowerment, and fairness. For healthcare institutions like KMIKT, investing in structural empowerment mechanisms through accessible resources, participative leadership, and professional development can play a strategic role in strengthening organizational loyalty and long-term workforce stability.

Psychological empowerment refers to an individual's perception of autonomy, competence, meaning, and impact in their work (Spreitzer, 1995). Unlike structural empowerment, which focuses on organizational systems and access to resources, psychological empowerment centres on internal motivational states that shape how employees engage with their roles. In the context of employee loyalty defined as the emotional and behavioural commitment to remain with and contribute to an organization psychological empowerment plays a vital role in promoting deeper attachment and long-term retention, especially in high-demand sectors such as healthcare. Empirical studies have increasingly confirmed that psychological empowerment significantly contributes to employee loyalty. For example, Pham (2024) conducted a quantitative study in Malaysian hospitals and found that psychological empowerment was a strong predictor of employee loyalty, mediated by job satisfaction and trust in leadership. The study indicating that when employees feel empowered in their roles believing their work is meaningful and that they can influence outcomes they are more likely to remain loyal to their organization.

Similarly, Putra, Kusumawati, and Kartikasari (2023) examined the influence of psychological empowerment on loyalty among healthcare professionals and found that empowerment dimensions such as meaning and competence were positively correlated with organizational commitment. Their study demonstrated that empowered employees were more engaged, more resilient under pressure, and less inclined to leave the organization. This supports Herzberg's motivation-hygiene theory, which identifies autonomy and achievement as core motivators in employee retention. Not every study, meanwhile, demonstrates a consistently substantial relationship. In their study of psychological empowerment among administrative staff in Malaysian public hospitals, Tan and Yusof (2023) discovered that although empowerment increased role clarity and satisfaction, its direct impact on loyalty was not statistically significant unless paired with supportive leadership and acknowledgement. This implies that in order to produce consistent loyalty results, organisational methods that validate individuals' contributions and cultivate trust must support empowerment.

Accordingly, the significance of organisational culture in converting psychological empowerment into loyalty was highlighted by Romi et al. (2022). Their analysis of Middle Eastern healthcare facilities showed that psychological empowerment does not result in employee loyalty in settings with authoritarian or inconsistent administration. The beneficial impact of empowerment methods was limited since employees frequently believed that their autonomy was merely symbolic rather than real. The majority of research backs up the idea that psychological empowerment strengthens organisational attachment, especially when it is combined with possibilities for influence, supportive leadership, and recognition. For employees to remain motivated, satisfied, and retained in healthcare environments like KMI Kuala Terengganu Medical Centre, where they must make independent decisions and deal with high job expectations, psychological empowerment is particularly crucial. In conclusion, new research indicates a strong and generally positive correlation between psychological empowerment and employee loyalty. However, organisational environment, leadership calibre, and the existence of reinforcing mechanisms like inclusion and recognition can all affect how effective it is. Promoting psychological empowerment through meaningful job design, frequent feedback, and participative leadership may be a potent tactic for companies like KMIKT looking to develop a devoted and devoted workforce.

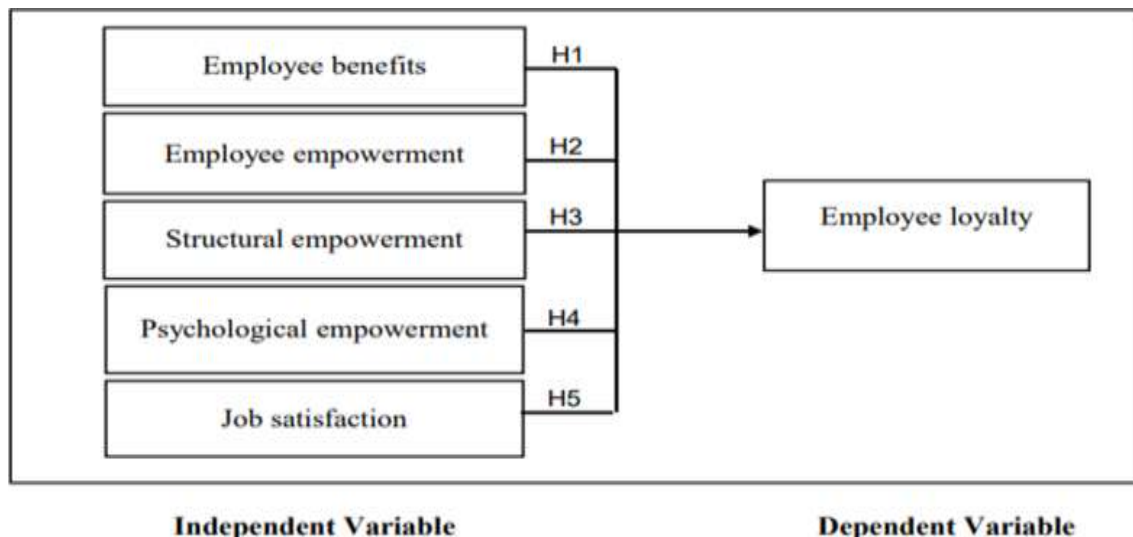
One of the most important elements influencing employee loyalty is generally acknowledged to be job happiness. It refers to an employee's general emotional reaction and attitude towards their work, which includes contentment with prospects for advancement, pay, recognition, supervision, and working conditions. Employee loyalty, on the other hand, shows how dedicated and intended people are to stay with their current company and make a

positive contribution to its objectives. The literature on organisational behaviour has long recognised the connection between these two concepts, and more recent empirical research has only served to strengthen it. The substantial and favourable correlation between job satisfaction and employee loyalty is well supported by recent research. Chang, Wong, and Abdullah (2022) found that job satisfaction was the best indicator of employee loyalty in a study of medical personnel in private hospitals in Malaysia. Their results showed that happy employees were more likely to behave in an organisationally responsible manner and were also less likely to have plans to quit their jobs. Similarly, Pham (2024) examined how work satisfaction mediated the relationship between loyalty and employee empowerment in healthcare organisations. Job satisfaction was found to be both a direct impact and a significant mediator of loyalty, supporting the notion that loyalty develops when workers feel psychologically content and their values coincide with those of their employers.

Not every study, nevertheless, has produced noteworthy results. Tan and Yusof (2023), for example, found that work satisfaction did not significantly predict loyalty in some hierarchical healthcare organisations unless employees also felt empowered and recognised. Their results imply that if organisational structures or leadership styles are too strict or if workers feel underappreciated even though they are happy with their primary job responsibilities, job happiness alone might not result in loyalty. Despite these nuances, the overarching trend across most research suggests that job satisfaction plays a critical and often primary role in fostering loyalty, especially in service-driven sectors like healthcare. In high-stress environments such as KMI Kuala Terengganu Medical Centre, ensuring that employees are satisfied with their roles, feel recognized, and perceive opportunities for personal and professional growth is essential in maintaining a committed and stable workforce.

In conclusion, the literature strongly supports a positive and statistically significant relationship between job satisfaction and employee loyalty, although this relationship may be influenced by factors such as empowerment, leadership style, and organizational culture. For healthcare organizations like KMIKT, focusing on strategies to enhance both intrinsic and extrinsic aspects of job satisfaction can be a crucial approach to building a loyal and high-performing workforce.

Figure 1: The Research Framework



METHODS

This study employed a descriptive and quantitative research design to examine the factors influencing employee loyalty at KMI Kuala Terengganu Medical Centre. The target population comprised 450 employees from various departments, and a stratified sampling technique was used to ensure balanced representation between nursing and non-nursing staff. Based on Krejcie and Morgan's (1970) table, a sample size of 210 respondents was selected. Data were collected through a structured online questionnaire distributed via WhatsApp and email, comprising three sections: demographic data, factors influencing employee loyalty (employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction), and employee loyalty. All responses were measured using a five-point Likert scale. To ensure data quality, normality

and reliability tests were conducted, with Cronbach’s alpha values indicating high internal consistency across all variables. Data analysis involved Pearson correlation and multiple linear regression to assess relationships and determine the most influential factors affecting loyalty among healthcare staff at KMIKT.

RESULTS AND DISCUSSIONS

The For the actual study, a total of 210 questionnaires were distributed to employees at KMI Kuala Terengganu Medical Centre. The study achieved a 100% response rate, with all 210 respondents completing the survey. This excellent response rate enhances the reliability of the results. The findings, analysed using SPSS, included descriptive statistics, normality tests, reliability analysis, Pearson correlation, and multiple regression. To ensure the suitability of the data for statistical analysis, a normality test was conducted using two key indicators: skewness and kurtosis. These statistical measures help determine whether the data distribution aligns closely with a normal curve. For the data to be considered normally distributed, the mean and median values of each variable should be relatively similar, and the values for skewness and kurtosis should fall within the acceptable range of ± 3 .

Table 1: Normality test

No	Variables	Skewness	Kurtosis
1	Employee Benefits	-0.314	0.404
2	Employee Empowerment	0.161	-0.096
3	Structural Empowerment	0.125	0.003
4	Psychological Empowerment	-0.003	-0.073
5	Job Satisfaction	-0.121	-0.157

The results showed that all five variables, employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction met the criteria for normal distribution. The mean and median for each variable were closely aligned, indicating central consistency. Skewness values ranged from -0.314 to 0.161, while kurtosis values ranged from -0.157 to 0.404, all within the acceptable threshold. These results confirm that the data are approximately normally distributed and appropriate for further parametric analyses such as correlation and regression.

Reliability test

To assess the consistency and dependability of the research instrument, a reliability test was carried out using Cronbach’s Alpha. This statistical tool evaluates how closely related the items in each variable are, ensuring that the questionnaire accurately measures what it intends to. A Cronbach’s Alpha value above 0.70 is generally accepted as indicating good internal consistency. This test was crucial in verifying that all items used to assess the five independent variables and the dependent variable were reliable for analysis.

Table 2: Summary of Reliability Analysis Pilot Test (n=30)

No	Variables	Number of Items	Cronbach’s Alpha from Pilot Test (n=30)
Independent Variable			
1	Employee Benefits	6	.898
2	Employee Empowerment	6	.867

3	Structural Empowerment	6	.881
4	Psychological Empowerment	6	.880
5	Job Satisfaction	6	.903

Before conducting the main study, a pilot test was performed to evaluate the reliability of the questionnaire in a small sample. The results demonstrated strong internal consistency, with Cronbach’s Alpha values for each variable exceeding the minimum threshold. This confirmed that the items were well-structured and appropriate for use in the actual study, reducing the likelihood of measurement errors during full data collection.

Table 3: Summary of Reliability Analysis of Actual Study (n=210)

No	Variables	Number of Items	Cronbach’s Alpha from Actual Study (n=210)
Independent Variable			
1	Employee Benefits	6	.878
2	Employee Empowerment	6	.836
3	Structural Empowerment	6	.866
4	Psychological Empowerment	6	.887
5	Job Satisfaction	6	.927

In the main study, reliability testing continued to show excellent results. Individually, the values for employee benefits (0.878), employee empowerment (0.836), structural empowerment (0.866), psychological empowerment (0.887), and job satisfaction (0.927) all demonstrated strong reliability. These findings confirm that the questionnaire used in the study was both valid and dependable for measuring the factors influencing employee loyalty at KMI Kuala Terengganu Medical Centre.

Descriptive statistic

Descriptive analysis was conducted to understand employee perceptions of the five independent variables—employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction—as well as the dependent variable, employee loyalty. The analysis focused on key statistical indicators such as mode, median, and standard deviation to evaluate patterns in the responses from 210 staff at KMI Kuala Terengganu Medical Centre. All six variables recorded a mode of 4.00, suggesting that "agree" was the most frequent response across the board. This consistency highlights a general agreement among employees regarding the positive presence of these workplace factors.

Table 4: Descriptive statistics

No	Variables	Mode	Median	Std. Deviation
1	Employee Benefits	4.00	4.000	0.600
2	Employee Empowerment	4.00	3.666	0.596
3	Structural Empowerment	4.00	3.83	0.549
4	Psychological Empowerment	4.00	4.000	0.541

5	Job Satisfaction	4.00	4.000	0.580
6	Employee Loyalty	4.00	4.000	0.605

In terms of central tendency, most variables, such as employee benefits, psychological empowerment, job satisfaction, and employee loyalty shared a median of 4.000, reinforcing a strong consensus. Employee empowerment and structural empowerment had slightly lower medians at 3.666 and 3.83, indicating moderate variability in perception. Standard deviation values ranged from 0.541 to 0.605, with psychological empowerment showing the least variation, suggesting consistent views among respondents. Employee loyalty, on the other hand, had the highest variation (SD = 0.605), pointing to differing levels of long-term commitment among staff. Overall, the data reflects favourable responses with stable internal consistency, although certain dimensions like empowerment and loyalty may vary depending on employee experience and departmental context.

Pearson Correlation Analysis

Correlation analysis was carried out to explore the strength and direction of the relationships between the five independent variables, employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction and the dependent variable, employee loyalty. Using Pearson correlation coefficients, this analysis helped identify which factors are most strongly associated with loyalty among employees at KMI Kuala Terengganu Medical Centre. The significance level was set at 0.01 to ensure statistical rigor in evaluating these associations.

Table 5: Correlation Analysis

No	1	2	3	4	5	6
1	1					
2	.660**	1				
3	.504**	.577**	1			
4	.640**	.713**	.736**	1		
5	.665**	.559**	.568**	.715**	1	
6	.839**	.674**	.562*	.812**	.697**	1

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

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

The results revealed that all five independent variables had statistically significant positive correlations with employee loyalty, with p-values less than 0.001 across the board. Job satisfaction emerged as the strongest predictor, showing a very strong correlation (r = 0.839), followed by psychological empowerment (r = 0.665) and employee benefits (r = 0.660), both indicating strong relationships. Structural empowerment also demonstrated a strong positive association (r = 0.640), while employee empowerment, though significant, showed a moderate correlation (r = 0.504). These findings suggest that improvements in any of these areas are likely to result in higher levels of employee loyalty within the organization.

Multiple Regression Analysis

Multiple regression analysis was conducted to assess how five independent variables—employee benefits, employee empowerment, structural empowerment, psychological empowerment, and job satisfaction—

influence employee loyalty among staff at KMI Kuala Terengganu Medical Centre. This analysis aimed to determine which factors significantly predict loyalty when all variables are considered simultaneously. The standardized beta coefficients (β), significance values (p-values), and Variance Inflation Factor (VIF) scores were used to evaluate the individual contribution of each predictor and detect any multicollinearity issues.

Table 6: Multiple Regression Analysis

No	Independent variables	Standard Coefficient Beta	t	Sig.	Collinearity Statistics	
					Tolerance	VIF
1	Employee Benefits	.176	3.174	.002	.432	2.316
2	Employee Empowerment	-.018	-.326	.745	.450	2.223
3	Structural Empowerment	-.052	-.724	.470	.259	3.860
4	Psychological Empowerment	.152	2.696	.008	.414	2.413
5	Job Satisfaction	.662	11.157	<.001	.376	2.662
	R Square			.730		
	F			110.570		
	Sig. of F Value			<.001		
	Durbin Watson			2.083		

Table 6 shows the results that job satisfaction was the most significant and impactful predictor of employee loyalty, with a standardized coefficient of $\beta = 0.662$, $t = 11.157$, and $p < 0.001$, indicating a strong positive effect. Employee benefits ($\beta = 0.176$, $p = 0.002$) and psychological empowerment ($\beta = 0.152$, $p = 0.008$) also showed statistically significant positive contributions. However, employee empowerment and structural empowerment were not significant predictors, with negative beta values ($\beta = -0.018$ and $\beta = -0.052$) and p-values above 0.05. All VIF scores were below 5, confirming no severe multicollinearity, although structural empowerment had a relatively higher VIF of 3.860. These findings indicate that enhancing job satisfaction, followed by employee benefits and psychological empowerment, is likely to have the strongest influence on promoting employee loyalty in this healthcare setting.

CONCLUSION

Based on the quantitative findings of this study, job satisfaction was identified as the most influential factor affecting employee loyalty at KMI Kuala Terengganu Medical Centre. This aligns with prior research emphasizing the critical role of employee contentment in retaining staff and fostering long-term organizational commitment. Alongside job satisfaction, employee benefits and psychological empowerment also showed significant and positive relationships with employee loyalty, highlighting the importance of both tangible rewards and intrinsic motivation. However, employee empowerment and structural empowerment did not significantly impact loyalty when analyzed in the regression model, suggesting that authority and access alone are insufficient to ensure employee commitment. These findings effectively address the main research objective by confirming which workplace factors most strongly influence employee loyalty, offering valuable insight for HR strategies in private healthcare institutions. To enhance the generalizability of future findings, it is suggested that upcoming research involve a broader range of private hospitals from various states in Malaysia. This approach would allow for the examination of how factors like hospital size, workplace culture, and regional context affect the link between empowerment, job satisfaction, and employee loyalty.

A comparative or multi-centre design could strengthen the validity of results and determine if similar loyalty patterns exist across different healthcare settings. For hospital administrators and human resource professionals at KMIKT, these findings underline the need to prioritize employee-centric policies. First, enhancing job satisfaction through clear career progression paths, constructive feedback mechanisms, and a positive work culture should be a strategic priority. Second, strengthening employee benefits both monetary and non-monetary can reinforce loyalty and alleviate external job market temptations. This is especially relevant given that a large percentage of the workforce earns within the lower-to-mid income brackets. Third, psychological empowerment initiatives such as allowing greater autonomy in decision-making and recognizing individual contributions should be embedded into leadership development programs. These changes must be consistently supported by mid-level management to ensure alignment with broader organizational goals.

RECOMMENDATIONS

Based on the main conclusions of this study, a series of specific suggestions is made to KMI Kuala Terengganu Medical Centre in order to promote and strengthen employee loyalty. These suggestions are supported by actual data showing that the most important predictors of employee loyalty were psychological empowerment, job satisfaction, and employee benefits. KMIKT may cultivate a more dedicated and stable workforce by implementing intentional organisational methods that address these fundamental factors. This section also describes future research directions to expand on the findings of the current study and deepen the understanding of employee loyalty in the context of Malaysian healthcare. It is recommended that KMIKT periodically review and revise its compensation and benefits packages to ensure they remain competitive and relevant to employees' evolving needs. This includes offering flexible benefits such as family care support, professional development funding, and performance-linked incentives. Research indicates that when employees feel that their well-being is valued through tangible benefits, their affective commitment and loyalty increase. Customizing benefits to fit different employee life stages could further strengthen retention.

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