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Impact of COVID-19 pandemic on the livelihood of employees in different sectors

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A B S T R A C T

Employee loyalty is a complex, multifaceted construct that has been defined through numerous perspectives, including philosophical and psychological. This article, we studied the impact of wage recession on employee loyalty, the same was studied by Linz et al, 2013. We decided to study employee loyalty during this pandemic period. Based on this the study objectives are framed to determine the various dimensions of employee loyalty, the impact of wage recession on loyalty and problems faced by employees those who work from home. The study population is college teachers and ITians. In these two sectors adopted a change in their working mode (i.e work from home) and faced wage recession. ITians don’t face many issues since it is not new for them but for the teaching community, work from home is an entirely new concept. Teachers try to learn to work in a new platform like google meet, zoom app, cisco Webex meet and give assignments online and conduct exams in virtual mode, leading them to prepare themselves for a changing environment. The work from home created more stress for teachers but for ITians the family intervention and network issues created more stress. Apart from these issues, the employer also reduces the payment from 10% to 50%. Both are the major contributors of employee loyalty. A questionnaire was designed based on the suggestions of HR managers. The data was collected through the virtual mode from 96 professors and 74 ITians in and around Chennai. We measured the key factors which affect employee loyalty like salary, treatment by organization, career focus, job involvement, job satisfaction, wellbeing and work recognition. The study findings revealed that pay reduction does not affect loyalty much. Lack of communication creates more work stress among the employees. This virtual mode of working increased more working hours and responsibility but poor recognition by employers. Our study results reveal that most of the respondents have moderate loyalty and if the work of employees continues to be unrecognized which may decrease the loyalty in future.

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the client’s pleasure, and recommends it as good places to work to their families. Some studies have described loyalties of employees as behavior, virtue or a mixture of psychologic characteristics and virtues, attitude and loyalty to employees.

Faithfulness is a method in two ways. If an employer is not faithful to the employee, then the way workers think is the same as the reason why employees should be loyal. The employees’ understanding of the essence of the workplace has increased significantly; Certain aspects of the job can enable workers to be faithful, including change (faster), self-managed teams, and organization structures (flashier).

1.1. Factors affecting employee loyalty

Age, service duration, salary, work design, management style, employment characteristics, employee treatment, job advancement, skills, formation and rewards for the most efficient workers are all factors that influence the loyalty of the employee.

1.2. Factors contributing employee loyalty

1. Compensation and reward, 2. Relationship with co-worker, 3. Supervisor and subordinate relationship, 4. Job satisfaction, 5. Work environment, 6. Moral values, 7. Employee retention, 8. Career development, 9. Leadership, 10. Feedback system are the factors contributing to employee loyalty.

1.3. Employee loyalty vs. job satisfaction

Employee loyalty can be described as an organizational psychological connection and evolves because of increased satisfaction. Satisfaction arises from an internal appraisal mechanism and satisfaction increases when the degree of anticipation of the employee is reached or exceeded (Shweta Rajput et.al. 2016) [2]. Loyalty of employees becomes a widespread emotional attitude to the business. In other words, the happier employees are in their working setting, the more likely they are to become committed to the company in general [3].

The behavioral part of loyalty is created by employee attitudes towards the business. An employee who has become emotionally attached to the organization is more likely to show loyalty and work towards the company’s overall aims, such as increased productivity, better performance and quality of services [4]. The attitude and the behaviors components of employee loyalty [5] can be calculated with the combination of four metrics, manager satisfaction, employee loyalty, the chance of continued organizational work and probability into a single metric that can be tracked over time using the employee loyalty index from Satmetrix Systems. These metrics are organizational references [6]. The first two metrics (i.e) manager satisfaction and employee loyalty measure the employee loyalty attitude and the second measures the employee loyalty behavioral aspect.

1.4. Employee loyalty- COVID-19

A company showing care and concern for its employees is one of the key reasons to trust any organization. At the time of uncertainty, employees generally look forward to their employers to lead them more than the government and other organizations. Majority of the employees have trust with their organization’s concern towards their employees in the time of crisis. Currently, COVID-19 is the biggest crisis that the whole world is going through. In this time, any change in trust largely affects loyalty.

As a theory, some factors like wage, working environment, working hours and so on builds loyalty among employees, is perhaps a clear and frequent communication from the company’s side [7]. About 90% of employees who are satisfied with the actions taken during the crisis, believed that their employees are communicating well, which further results in significantly higher levels of trust. It is not followed by many companies during a pandemic.

Organizations which fail to keep up with the above-mentioned factors, especially if they fail to recognize work of employees and concern about their employees may put their reputations and trustworthiness at risk. It indirectly affects the employee loyalty.

1.5. Significance of employee loyalty during COVID-19

If you feel respected and appreciated throughout your job, your employee will be loyal to your workplace. They ideally grasp the core vision of the company’s objectives and work cordially to achieve their objectives. Employees may have a feeling that they can directly influence or prevent performance. To promote loyalty for employees, treat them well while they are working and show them that they will be working with their company for the future [8].

Loyalty helps to motivate workers to do their best and to the highest expectations, it demonstrates productivity quality. This will improve business efficiency, which in turn achieves objectives. The commitment and loyalty of employees has a positive relationship. There is a lack of commitment to their loyalty.

Administration should recognize and promote employee loyalty as a key service sector source. They should support loyalty using various strategies, including motivation, promotion, workers should be able to grow and contribute their ideas to business improvement. Their contributions, and bonuses for additional work, should also be rewarded appropriately [9]. Management could achieve better corporate efficiency with all listed efforts to improve employee satisfaction.
1.6. Impact of COVID-19 on loyalty

Loyalty for workers is very critical today because of lockdowns and employees are afraid of work instability and of reducing pay. Thus, in the current scenario, employee commitment to the company diminishes. Many companies are looking for ways to improve loyalty to employees. Most social activities have been closed down and people are now practicing social distancing to avert the spread of coronavirus (COVID-19) [10]. This is perhaps the toughest time for most companies to connect with their employees, especially people struck up in rural areas.

Almost every organization today is dealing with a slowdown. Building a connection and maintaining trust with employees seems to be a more difficult task than it has been in the recent past. To continue their business during this hard time, organisations need to work transparently without thinking solely about profit-making. They need to ensure the loyalty of the employee during this pandemic situation.

1.7. COVID-19 crisis on employer

Employers are under greater shareholder pressure to perform well and thus cannot always provide safety at work, particularly at the present economic crisis [11]. Despite this, organisations should concentrate more on and try to improve employee loyalty because of its positive impact on attendance, the risk of absence and organizational citizenship, as staff loyalty is not regularly rewarded by organizations [12,13]. Especially in today’s job market & pandemic situation, Companies are scratching to find ways to increase loyalty amongst their employees.

During the coronavirus crisis, financial realities such as a decrease in revenue or funding or both may require measures including temporary salary reductions of between 10 and 50%, increased working hours or unpaid furloughs. This made us study the impact of wage recession on loyalty in this pandemic period [14].

2. Methodology

We selected the respondents from faculty of education institutions and employees of the IT sector in and around Chennai. The reason for selecting these two professions have adopted a change in their working mode (i.e., work from home) and also faced wage recession. ITians don’t face many issues since it is not new for them but for the teaching community, work from home is an entirely new concept. Teachers try to learn to work in a new platform like google meet, zoom app, cisco Webex meet and give assignments online and conduct exams in virtual mode. So for this, they have to prepare themselves for a changing environment. This work from home created more stress for teachers but for ITians the family intervention and network issues created more stress. Apart from these issues the employer also reduces the payment from 10% to 50%. Both are the major contributors to loyalty. Based on this the study objectives are framed to determine the various dimensions of employee loyalty, impact of wage recession on employee loyalty and problems faced by employees in work from home and how it affects the loyalty. A questionnaire was designed based on the suggestions of HR managers. The data was collected through the virtual mode from 96 professors and 74 ITians.

We measured the key factors which affect employee loyalty like salary, treatment by organization, career focus, job involvement, job satisfaction, wellbeing and work recognition, humanitarian concern, appreciation, mail about the safety on COVID, consider the stress level, employee-oriented rules and regulation during a pandemic, and a platform to enhance their skills. We listed major problems faced by employees like lack of communication with a Coworker, investing more time in work leads to less efficiency, termination of bench markers, work stress, no promotion and salary hike.

3. Results & discussion

3.1. Salary reduction

Out of 96 respondents in the education sector, 53 of them experienced salary reduction. But in the IT sector out of 74, only 35 experienced the salary reduction especially who has work experience less than 1 year as of 31, July 2020. Out of 53 teachers, 24 are convinced With the pay reduction but in case of IT only 7 are convinced.

3.2. Percentage of reduction

Out of 96 Teachers, 53 of them faced salary reduction, 17 respondents had 41–50% salary reduction and another 12 faculty had more than 50% of reduction. But in the IT sector out of 37, 34 of them had 10–20% of reduction.

3.3. Dimensions of employee loyalty

Majority of the teachers and ITians agreed the dimensions of employee loyalty (i.e.) the management has humanitarian concern, recognized their work, appreciated the work of their employees, and also sent concern mail about the safety on COVID. They considered the stress level, they framed employee-oriented rules and regulation during a pandemic, and they provided a platform to enhance their skills also giving training in virtual mode. Management tried to engage their employees efficiently. Respondents said that this pandemic creates more work responsibility and more commitment, also it leads to more work stress. Our study data also supported that 68% of teachers and 64% of ITians agreed with the above dimensions contributing employee loyalty, 23% of teachers and 27% of ITians neither agree nor disagree with the dimension of employee loyalty. Only 9% of both categories disagreed with the above said factors.

3.4. Work from home experience–Job satisfaction & job involvement

When we asked our respondents to rate the work from home experience for the following factor: Job satisfaction, Job involvement, work recognition, the concern of well-being, career focus, training and development, treatment of employees, and leave policies during pandemic.

As per theory, wage and job satisfaction are a highly correlated factor, in a pandemic, many organizations reduced the wages of their employees. Our study reveals that 88 respondents experienced salary recession. We found out whether the changes in wage recession have an impact on job satisfaction and job involvement. The analysis reveals that 47 teachers and 25 ITians are satisfied with their job and the remaining are neither satisfied nor dissatisfied (34 & 39) And only a few (15 & 10) are dissatisfied with their job. For teachers, it may be due to wage recession and working on a new platform might affect their job satisfaction.

A highly satisfied employee shows more job involvement, the study result also supported. 66 teachers and 44 ITians show high involvement in the job. Remaining respondents said that they have moderate (26, 23) and less (4, 7) job involvement [15,16].
3.5. Work recognition vs employee loyalty

The employees with an engaging workplace environment that provides them with work recognition have a stronger probability to remain loyal to their company. If the employees are appreciated and works are recognised by their employer, ensure the loyalty of the employee and also encourage them to do their best work and perform to their highest potential. Based on the rating of respondents, 35.4% of teachers and 37.8% (Fig. 3) of ITians said that their work is recognized by the management, 28.1% of teachers & 32.3% (Fig. 4) of ITian said that their work is not recognized [17]. The remaining said neither their work is recognized nor unrecognized.

The work recognition during work from home plays a vital role because it is the major contributing factor for job satisfaction and job involvement leads to employee loyalty. (Table 2).

3.6. Problems contributing to employee loyalty

Job satisfaction, job involvement & work recognition are the major contributing factors of employee loyalty. This pandemic situation created a lot of problems for the employee due to work from home which also directly affect employee loyalty. In this study, we identified major problems faced by employees during a pandemic are lack of communication with a coworker, investing more time in work leads to less efficiency, termination of benchmarkers, work stress, no promotion & salary hike. Our study reveals that 50% of teachers and ITians face all the above problems, next 25% experienced the problem at a moderate level and the remaining 25% faced only fewer problems (Fig. 5). Among these, we found that the major problem faced by our respondents is lack of communication with co-worker and investing more time to work leads to less efficiency [18].

3.7. Level of employee loyalty

Our study reveals that 40.6% of teachers & 24.3% of ITians are highly loyal with their organization, 45.8% of teachers 63.5% of ITians have moderate loyalty and remaining 13.5% of teachers and 12.2% of ITians have less loyalty with their organization.

3.8. Age vs loyalty

3.8.1. Higher the age, greater the loyalty

To prove this our first hypothesis is to check whether “there is a significant difference between the age of the respondent and their loyalty “with their employees” value is 4.790 which is significant, it proved that there is a difference in the loyalty level based on their age group of the employee. The Duncan table reveals that less than 30 years age group of respondents have less loyalty towards their employers than other age groups of employees(Table 1 & 1A) [19–22].

When we compared the loyalty level of the education and IT sector both are having the same level of loyalty in this pandemic period towards their employer, their job satisfaction level, job involvement level and work recognition are also the same [23,24]. To prove this one way ANOVA was used to test the hypothesis, “There is a significant difference between the level of loyalty of employees and their job satisfaction & job involvement” (Table 2,
organization to handle effectively and sustain the employee loyalty, sometimes it is not possible to avoid it; because of internal and external environmental stress. We measured the key factors which affect employee loyalty like salary, treatment by organization, career focus, job involvement, job satisfaction, wellbeing and work recognition. The study findings revealed that pay reduction does not affect loyalty much. Lack of communication creates more work stress among the employees. This virtual mode of working increased more working hours and responsibility but poor recognition by employers. Our study reveals that, most of the respondents have moderate loyalty and if the work of employees continues to be unrecognized which may decrease the loyalty in future. Employee loyalty is thus above all determined by how the organization has engaged, recognized and how they are treated psychologically in this pandemic period and the way conveyed to their employee leads to loyal loyalty.

CRediT authorship contribution statement

Mandeep Kaur: Investigation, Writing - original draft. Rajendra Sinha: Conceptualization, Writing - review & editing, Supervision. Vijesh Chaudhary: Formal analysis, Data curation. M.A. Sikandar: Conceptualization, Vinip Jain: Writing - review & editing. Vinima Gambhir: Writing - review & editing, Supervision. Viney Dhiman: Supervision.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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Table 1
ANOVA– Age & Loyalty.

| Category     | Sum of Squares | Df  | Mean Square | F      | SIG. |
|--------------|----------------|-----|-------------|--------|------|
| Between groups | 98,491         | 2   | 49,246      | 4,790  | 0.009|
| Within groups   | 1716.856       | 167 | 10.281      |        |      |
| Total          | 1815.347       | 169 |             |        |      |

Table 1A
Post hoc test– Age & Loyalty.

| C       | N  | Subset For Alpha = 0.05 |
|---------|----|------------------------|
| 20–30 YRS | 95 | 27.6000                |
| 31–40 YRS | 31 | 28.2258                |
| 41–50 YRS | 44 | 29.4091                |
| SIG.     |    | 0.352                  |

Table 2
Job satisfaction & Job involvement–Loyalty.

| Factor                    | Sum of squares | Df  | Mean Square | F      | SIG. |
|---------------------------|----------------|-----|-------------|--------|------|
| Job Satisfaction          | 7,443          | 2   | 3.722       | 8.118  | 0.000|
| Job Involvement           | 4,828          | 2   | 2.414       | 6.890  | 0.001|

Table 2A
Post hoc test– Job satisfaction–Loyalty.

| Loyalty level | N  | Subset for Alpha = 0.05 |
|---------------|----|------------------------|
| 1.00          | 22 | 2.0000                 |
| 2.00          | 91 | 2.1648                 |
| 3.00          | 57 | 2.5614                 |
| SIG.          |    | 0.275                  |

Table 2B
Post hoc test - Job involvement–Loyalty.

| Loyalty level | N  | Subset for Alpha = 0.05 |
|---------------|----|------------------------|
| 1.00          | 22 | 2.2727                 |
| 2.00          | 91 | 2.5275                 |
| 3.00          | 57 | 2.7895                 |
| SIG.          |    | 0.54                   |

2A & 2B). The “F” value for job satisfaction is 8.118 and job involvement is 6.89, both are significant, hence the stated hypothesis is accepted. The post hoc (Duncan method) test results revealed that those who have high loyalty have higher job satisfaction and job involvement.

4. Conclusion

In times of crises, as the economy starts to collapse, salaries have been cut, pensions cancellations, pension plans have been cancelled and workers have been dismissed, employer stresses and management are unavoidable crises. There is no opportunity for any person or organization to escape a crisis. Employees should know that the organization needs them to do well, so that they do their best and don’t seek a new job. The employee is in the same role with all companies and organizations. After the crisis, however, this organization’s credibility may be a name. The workload and responsibility of every Employee in work from home may increase automatically. Although it is the responsibility of the
Further Reading

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