



Relationship of Employee Value Proposition on Job Satisfaction and Loyalty in a Manufacturing Company in the Philippines

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Received : January 23, 2025

Revised : April 14, 2025

Accepted : April 14, 2025

Online: April 30, 2025

Abstract

A strong Employee Value Proposition (EVP) enhances job satisfaction and loyalty by providing competitive compensation, career development opportunities, a positive work environment, work-life balance, and recognition. Previous studies have typically focused on only one component of EVP and have failed to provide a comprehensive understanding of how different aspects of EVP interact and collectively influence job satisfaction and loyalty: To address this gap, this study examined the relationship between three key components of EVP—compensation, career development, and work environment—and job satisfaction and loyalty within a manufacturing company in the Philippines, focusing on 73 employees. Employing a descriptive-correlation research design, data were gathered through printed research-made questionnaires and analyzed using frequency, percentage, weighted mean, and Pearson correlation coefficient as statistical tools. The study revealed that employees considered their EVP to be generally acceptable and confirmed their positive outlook on job satisfaction and loyalty. However, compensation, career development, and the work environment did not significantly impact job satisfaction and loyalty. These findings suggest that other factors, such as organizational culture, leadership, and interpersonal relationships, might play a more crucial role. Based on these findings, a strategic plan is proposed to address the identified weaknesses in the EVP, including reviewing and aligning compensation with job responsibilities, fostering an open communication culture, providing clear career development opportunities, and promoting core values within the work environment. This study can serve as a guide for enhancing job satisfaction and loyalty, ultimately leading to better employee retention and organizational performance.

Keywords: *Career Development, Compensation, Employee Loyalty, Employee Value Proposition, Job Satisfaction, Social Exchange Theory, Work Environment*

INTRODUCTION

In today's competitive business landscape, understanding the factors that contribute to employee satisfaction and loyalty is crucial for organizational success. When organizations deliver a strong employee value proposition (EVP), which includes development, social, and economic value, and strengthen their impact through a psychological contract, employee intention to stay increases (Raj, 2020). Employee loyalty is fostered through mutual relationships, and job satisfaction plays a key role. It is often influenced by factors like compensation, work environments, and job roles (Vuong et al., 2021).

Recent international studies have highlighted the critical role of job satisfaction in fostering

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employee loyalty. A study by [Dhir et al. \(2020\)](#) assessed the impact of job satisfaction, as influenced by person-job fit, person-organization fit, and perceived supervisor support, on the loyalty of managerial executives. The findings indicate that these factors significantly influence job satisfaction, enhancing employee loyalty. A recent investigation by [Sarwar et al. \(2023\)](#) emphasized that the workplace environment does not have a significant effect on job satisfaction, whereas engaging employees in decision-making processes enhances job satisfaction. Not only employee satisfaction but also the situation in the regional labor market, employee age, job position, and employment length have a strong influence on employee loyalty ([Strenitzerová & Achimský, 2019](#)). Satisfied employees tend to be more loyal and committed ([Sarwar et al., 2023](#)). In addition, the quality of human resources has a significant influence on employee job performance and employee loyalty ([Darmawan et al., 2020](#)). According to [Sahoo and Srivastava \(2024\)](#), a well-designed and implemented EVP is crucial for fostering employee engagement. To meet diverse employee needs, organizations must develop thorough and tailored EVP strategies. This can enhance their performance and offer them a competitive advantage in the dynamic landscape of the industry.

Similarly, in the Philippines, the importance of a strong EVP is evident, as Filipino employees prefer a combination of job security, work environment, career development opportunities, compensation, and recognition. [Kurata et al. \(2023\)](#) identified the factors that influence employee retention in the business process outsourcing industry, with a specific focus on rewards and recognition, fit, employee engagement, and job satisfaction. [Abun et al. \(2021\)](#) highlighted that encouraging a positive workplace relationship influences job satisfaction and, consequently, the performance and productivity of employees in a college in the Ilocos Region. This is related to [Batugal and Tindowen \(2019\)](#), who found that collaborative culture in Catholic higher education institutions has a slightly positive influence on teachers' job satisfaction. Furthermore, teachers who can balance their work and family duties feel more satisfied, which positively impacts their organization ([Mercado, 2019](#)). [Nava-Macali et al. \(2019\)](#) found that employees feel satisfied with their jobs and show a willingness to stay because of the opportunities for learning and growth within the organization.

According to [Phungula et al. \(2022\)](#), EVP has five attributes, namely, compensation (financial rewards), benefits (non-financial rewards), career (development and advancement opportunities), work content (satisfaction and motivation relating to their job characteristics), and affiliation (commitment to and absorption into the work environment). However, this study focused only on three key components: compensation, career development, and the work environment (affiliation). These components were chosen as they are directly related to the most immediate and tangible aspects of an employee's work experience ([Sahoo & Srivastava, 2024](#)): compensation being a fundamental motivator and a primary concern for employees; career development opportunities, which are considered crucial for long-term employee engagement and retention, as these provide a clear path for growth and advancement; and the work environment, including the physical and social aspects, which significantly impact daily job satisfaction and overall well-being. While benefits and work content are also important, they were excluded to provide a more focused analysis on the components that are most directly linked to immediate job satisfaction and loyalty ([Robianto et al., 2020](#)). This targeted approach allows for a deeper understanding of how these key elements interact and influence employee outcomes in the context of the manufacturing industry in the Philippines. Based on the researchers' knowledge, no previous studies have investigated the relationship between these EVP components and employee job satisfaction and loyalty. Most existing research on job satisfaction often focuses on its correlation with a single component of EVP ([Abun et al., 2021](#); [Batugal & Tindowen, 2019](#); [Kurata et al., 2023](#); [Mercado, 2019](#); [Nava-Macali et al., 2019](#)). Relatively, studies on employee loyalty typically also examined its relationship with just one aspect of EVP ([Nava-Macali et al., 2019](#)). This narrow focus creates a research gap because it fails

to provide a comprehensive understanding of how different aspects of EVP interact and collectively influence employee outcomes. By studying only one component, previous researchers missed the opportunity to explore the synergistic effects of multiple EVP elements and how they work together to shape employee satisfaction and loyalty. Therefore, this study aimed to fill this research gap.

The subject of this study is a manufacturing company in the Philippines that specializes in the assembly of motorcycles. The company has established itself as a key player in the industry. However, like many manufacturing companies, this company experiences challenges in retaining employees that adversely affect productivity and satisfaction. The manufacturing sector in the Philippines is a crucial component of the country's economic landscape, making substantial contributions to GDP and employment. This includes various industries, from electronics to textiles, each with its own challenges and opportunities. Understanding the factors that influence employee retention in this sector can provide valuable insights for improving organizational performance and competitiveness. By addressing the unique challenges faced by manufacturing companies, this study aimed to develop strategies that enhance employee satisfaction and loyalty, ultimately leading to better retention rates and overall productivity.

Therefore, this study aimed to assess the EVP of a manufacturing company with a specific focus on three key components: compensation; career development; and work environment. By evaluating these factors, the study sought to understand how they contribute to the overall EVP and their impact on employee perceptions and experiences within the company. The study also aimed to examine job satisfaction and employee loyalty in a manufacturing company. By measuring these variables, this study seeks to provide insights into the current state of employee morale and engagement. Moreover, this study investigated the correlation between EVP and employee job satisfaction and loyalty. This objective is grounded in Social Exchange Theory, which posits that the quality of the exchange relationship between employees and organizations influences their attitudes and behaviors ([Ahmad et al., 2023](#)). By exploring these relationships, this study aims to provide actionable insights for enhancing employee retention and engagement.

LITERATURE REVIEW

This section outlines the related literature obtained from various sources to provide a thorough understanding of the current topic. This section presents the following: the EVP focusing on compensation, career development, and work environment; employee loyalty; job satisfaction; and the relationship between employee loyalty and job satisfaction.

Social Exchange Theory

Social exchange theory is one of the most prominent theories in the social sciences, encompassing many other theories and having implications in various fields. According to [Ahmad et al. \(2023\)](#), social exchange is restricted to behaviors that depend on rewarding responses from others. Exchange behavior refers to the individual's voluntary actions that are driven by expected rewards. It asserts that people strive to maximize advantages and reduce disadvantages in their relationships, leading to social behavior.

[Gopalan et al. \(2020\)](#) suggested that the Social Exchange Theory is often used to analyze employee-employer relationships, especially regarding retention and turnover. The theory posits that individuals feel compelled to reciprocate benefits through positive actions and commitment. Training, development programs, compensation, and other employer initiatives foster employee retention by creating mutual obligations and benefits ([Xuecheng et al., 2022](#)). This reciprocity can lead to increased commitment, loyalty, job satisfaction, and positive behavioral responses as employees feel that their emotional needs are met.

The advancement of this theory has seen a focus on understanding the emotional aspects of

exchanges. Positive feelings resulting from interactions promote collaboration and camaraderie among groups. This emotional dimension is critical for boosting collaboration and loyalty within groups, implying that trade outcomes are not only transactional but also relational ([Ahmad et al., 2022](#)).

This study is anchored on this theory by considering how the different aspects of EVP provided by a company contribute to job satisfaction and employee loyalty. As emphasized by [Zaware et al. \(2019\)](#), EVP is a form of organizational investment that leads to reciprocal behaviors, such as higher satisfaction and loyalty. This study highlights how top-performing firms build employee advocacy, engagement, and loyalty through specialized EVP strategies, such as career development, fair performance management, and work-life balance. This is supported by the study of [Suryawan et al. \(2025\)](#), who claimed that work-life balance, career advancement, and financial security are EVP components that promote a positive workplace culture, boost engagement, and improve performance. Accordingly, companies with great EVPs have happier and more dedicated workers because their workplaces are better and more aligned with their core values.

Employee Value Proposition (EVP)

EVP refers to a set of values and attributes within an organization that encourages individuals to either accept a new job or remain in their current position ([Kurniawan & Desiana, 2024](#)). It is defined as an offering that makes employees feel valued, ensuring their active involvement, efficiency, and satisfaction in their roles ([Phungula et al., 2022](#)). Five components are typically included in the EVP: compensation, benefits, work content, career, and affiliation ([Phungula et al., 2022](#)). However, this study focused only on compensation, career, and work content, specifically work-life balance. The researchers believe that the selected components directly address the immediate work experience of employees.

As stated by [Ahmad et al. \(2022\)](#), compensation is any monetary gain from one's employment in an organization. Employees' compensation has a significant impact on their productivity and attitude toward work. Employees' welfare also increases when they receive higher compensation from the company ([Sitopu et al., 2021](#)).

Career development is a process of improving individuals' employability to attain one's desired career ([Niati et al., 2021](#)). [Sugiarti \(2022\)](#) defined career development as a combination of future training requirements and human resource planning. From the perspective of an employee, career development indicates a potential career path within the company and demonstrates the importance of the company to the employee. [Niati et al. \(2021\)](#) stated that employees must have sufficient years of work experience to feel satisfied with their roles, which can boost their productivity.

The work environment significantly impacts employee motivation, performance, and satisfaction. [Taheri et al. \(2020\)](#) emphasized the importance of organizational management, with [Ramadhanty et al. \(2020\)](#) noting that it includes both physical aspects (e.g., lighting, facilities) and non-physical aspects (e.g., relationships with colleagues and superiors). A positive work environment, characterized by good relationships, can reduce turnover, improve efficiency, and boost employee loyalty ([Ahmad et al., 2022](#)). Finally, [Laco et al. \(2024\)](#) revealed in their study that an organization with a work environment supportive of cross-functional integration has a higher chance of attaining its goals and objectives.

Job Satisfaction

Several elements, such as company culture, work relationships, and job features, impact the multifaceted concept of job satisfaction. Organizations can improve their organizational outcomes and job satisfaction by acting based on their awareness of these elements. An employee who is

happy and satisfied executes a better job, takes on more responsibility, and has a sense of belonging to the company (Dziuba et al., 2020). Purwanto (2020) stated that job satisfaction correlates positively with life satisfaction. Moreover, according to data analysis by Heimerl et al. (2020), the most crucial elements for job satisfaction are good rapport with the supervisor, compliance with the duty roster, and opportunities for personal growth. In contrast, less significant motivators included compensation, task portfolio, work environment, and infrastructure.

Employee Loyalty

The success of an organization depends on its ability to retain talented individuals in today's cutthroat business world. A crucial aspect of accomplishing this objective is employee loyalty, that is, having a strong sense of devotion to a company. Dutta and Dhir (2021) stated that a key component of any organization's strategy for gaining a competitive edge is employee loyalty. Bhatti and Alzahrani (2023) confirmed that trust significantly impacts employee loyalty. The greatest influence on employee loyalty comes from coworkers' support. Remarkably, the least important factor affecting employee loyalty was salary (Lai, 2021). Thus, employee loyalty is higher in companies with strong corporate cultures and principles. Employee loyalty can also be increased by offering employees professional development and advancement opportunities. Nonetheless, it is crucial to remember that employee loyalty is a complex matter shaped by numerous variables.

Relationship of EVP to Employee Job Satisfaction and Loyalty

Studies have repeatedly found a connection between employee loyalty and job satisfaction. The connection assumes that satisfied employees tend to be more dedicated to their organizations. Chen et al. (2022) revealed a statistically positive relationship between employee loyalty and satisfaction. Employee loyalty has been found to have a considerable influence on job performance and satisfaction (Ateeq et al., 2023). Similarly, Dangaiso et al. (2024) concluded that job satisfaction positively affects employee inclinations to remain loyal.

As noted in the literature, a strong EVP works as a motivator, supporting positive employee mindsets and behaviors. The null hypothesis aids researchers in statistically assessing whether reported findings are significant and not just attributed to chance or inherent variability in the data by creating a baseline assumption of no relationship. This rigorous method improves the legitimacy and robustness of the study conclusions by ensuring that any observed effects are statistically significant and not just the result of prior expectations. The null hypothesis calls into question the existing theoretical framework and empirical evidence that EVP has a positive impact. Thus, the following hypothesis was formulated:

Ho: There is no significant relationship between EVP and job satisfaction and loyalty among employees.

RESEARCH METHOD

This study employed a descriptive-correlation research design to investigate the relationship between EVP and job satisfaction and loyalty in a manufacturing company in the Philippines. This method describes the characteristics and explores the relationships between variables (Kumar et al., 2021). Using a simple random sampling method, the study involved 73 employees from a population of 80 employees of the manufacturing company under investigation. The number of samples was obtained using the Raosoft sample calculator with a 95% confidence level and a 5% acceptable margin of error, providing comprehensive data for analysis. Targeting these workers was justified by the belief that their extensive experience and exposure would offer a thorough understanding of the relationship between EVP and job satisfaction and employee loyalty in a manufacturing company.

The study used a non-standardized questionnaire validated by two Human Resource experts. It underwent a pilot test with a group of 10 employees from another manufacturing company, resulting in impressive Cronbach's alpha scores ranging from 0.927 to 0.984 (Table 1), indicating excellent internal consistency, according to Kennedy (2022). The data measurement techniques for each respondent's answer used a four-point Likert scale: 1=1.00-1.49 (Strongly Disagree); 2=1.50-2.49 (Disagree); 3=2.50-3.49 (Agree); and 4=3.50-4.00 (Strongly Agree). Avoiding neutral replies and having more distinct classifications, which could improve statistical sensitivity, are two major justifications for using a four-point Likert scale. The distribution and collection of data from the respondents were conducted on paper using a printed questionnaire.

Table 1. Reliability Statistics

	Indicators	Cronbach's Alpha	No. of Items
1	Compensation	0.967	5
2	Career Development	0.929	5
3	Work Environment	0.939	5
4	Job Satisfaction	0.927	5
5	Job Loyalty	0.984	5

The confidentiality notes in the questionnaire ensured that the respondents were assured that their information would be used solely for the study's objectives. Data were analyzed using frequency, percentage, weighted mean. Additionally, the Pearson correlation coefficient test was used to assess the relationships between EVP, job satisfaction, and employee loyalty.

While this study provides valuable insights into the relationship between EVP, job satisfaction, and employee loyalty, it is important to acknowledge certain limitations in the data collection and analysis process. First, the data gathered is based on self-reported responses, which may have introduced biases such as social desirability or recall bias. Additionally, the study's cross-sectional design limits the ability to draw causal conclusions, as it captures only a snapshot of the relationships at one point in time.

FINDINGS AND DISCUSSION

This section presents the interpretation of the data gathered from the survey questionnaires distributed to the employees of the manufacturing company. A detailed discussion of the tabulated responses was presented and examined based on the objectives of the study.

Profile of Respondents

An overview of the respondents' profiles is provided in Table 2. The 73 employees who served as respondents were affiliated with a manufacturing company.

Table 2. Profile of Respondents

Indicator	Frequency	Percentage
<i>A. Profile of Respondents</i>		
Age		
18-25	8	11.00
26-35	25	34.20
36-45	32	43.80
46-55	6	8.20
56 years old and above	2	2.70

Indicator	Frequency	Percentage
Total	73	100.0
Gender		
Male	40	25.8
Female	33	74.2
Total	73	100.0
Marital Status		
Single	34	46.60
Married	33	45.20
Divorced	-	-
Widowed	1	1.40
Partnered	5	6.80
Total	73	100.0
<i>B. Profile of Respondents</i>		
Years of Service		
Less than one (1) year	7	9.60
1-3 years	19	26.00
4-6 years	18	24.70
7-10 years	10	13.70
More than 10 years	19	26.00
Total	73	100.0
Employment Status		
Regular	72	98.60
Contractual	1	1.40
Part-time	-	-
Total	73	100.0
Job Level		
Entry-level	25	34.30
Mid-level	29	39.70
Senior level	16	21.90
Managerial	3	4.10
Executive	-	-
Total	73	100.0

The profiles of respondents revealed that the majority were single male employees aged 36 to 45 years and holding regular mid-level positions. Moreover, the respondents had varied years of service in the manufacturing company, with 1-3 years and more than 10 years being the most common. The respondents' profile implies balanced demographics, rich diversity, and a stable workforce, which can be a factor for the subject company to achieve its organizational success. As revealed by [Rafaqat et al. \(2022\)](#), workforce diversity is significantly related to organizational performance.

EVP

The relationship between EVP and job satisfaction and employee loyalty was assessed along with its components.

Compensation

Compensation plays a vital role in various aspects of organizational success and personal well-being. Table 3 presents the EVP in terms of compensation.

Table 3. EVP Based on Compensation

	Statement	Weighted Mean	Verbal Description
1	The current salary I receive is by my job duties and responsibilities.	2.96	Agree
2	The annual salary increase that I receive is directly related to my performance.	2.99	Agree
3	The health benefits package offered by my employer meets my needs and those of my family.	2.99	Agree
4	I feel that the other compensation and benefits I receive are based on my contributions to the company.	3.07	Agree
5	I feel that my contributions to the company are being valued according to the incentivizing system of the company.	3.11	Agree
	Composite Mean	3.02	Agree

The composite Mean of 3.02 reflects a general agreement among employees that the compensation structure of a company is a reward for employees who perform their best work and achieve their highest potential. Likewise, the data also revealed that employees prioritize company-provided incentives over their current salary to fulfill their duties and responsibilities. These results have meaningful implications for employee motivation and compensation strategies. Higher ratings for performance-based incentives support the application of which distinguishes between salary as a hygiene factor and incentives as true motivators. Logically, this suggests that respondents are more engaged and loyal when they feel recognized through structured incentive systems, rather than through fixed salary alone. Therefore, the company fosters a positive work environment, enhances job contentment, and inspires employees to stay with the company for the long term (Panggabean, 2020).

Career Development

Career development is crucial to employee satisfaction and organizational success. Table 4 presents the EVP in terms of career development.

Table 4. EVP of Career Development

	Statement	Weighted Mean	Verbal Description
1	I feel that career advancement and promotion opportunities within my company are open and accessible.	3.01	Agree
2	My company supports employee professional growth through skill enhancement and training.	2.89	Agree
3	I am encouraged to participate in educational and training programs offered by the company.	2.90	Agree

	Statement	Weighted Mean	Verbal Description
4	My company promotes an effective mentorship system to strengthen succession planning as part of opening promotions and career advancement for employees.	2.96	Agree
5	I feel that I am being valued by the company in its performance improvement plans for employees.	3.10	Agree
	Composite Mean	2.97	Agree

The composite Mean of 2.97 suggests overall agreement with the company's career development initiatives. This implies that employees prioritize opportunities for advancement and recognition within the company. The finding aligns with [Susanto \(2022\)](#), who stated that employees are enthusiastic about professional elevation. Realistically, employee engagement thrives on a mutually beneficial relationship where organizations and employees collaborate to fulfill their responsibilities. By prioritizing professional development, recognition, and skill enhancement, organizations can cultivate motivated, committed, and goal-driven employees.

Work Environment

Employees prefer work-life balance and a positive work environment. Table 5 presents the employee value proposition in terms of work environment.

Table 5. EVP of Work Environment

	Statement	Weighted Mean	Verbal Description
1	The company offers flexible working hours to ensure that employees have a balance between work and life outside work.	3.42	Agree
2	The company provides a positive culture and promotes core values to develop employee behavior.	3.21	Agree
3	We have an employee dynamic that promotes a positive work environment for our employees.	3.22	Agree
	Composite Mean	3.28	Agree

Table 5 shows the highest-rated statement, *"The company offers flexible working hours to ensure that employees have a balance between work and life outside work."*, with a weighted mean of 3.42. This indicates agreement among respondents that flexible scheduling significantly contributes to their overall work experience and well-being. This implies that organizations that prioritize employee well-being and foster a healthy workplace culture are likely to have happier and more productive employees. A positive work environment that is characterized by supportive interactions and a sense of belonging plays a crucial role in overall satisfaction and shaping employee behavior.

This finding is consistent with the study of [Weideman and Hofmeyr \(2020\)](#), who found a positive correlation between employee engagement and flexible working arrangements, highlighting their significant impact on employee well-being. This is also the same contention in the study of [Almendras et al. \(2025\)](#), who confirmed that workplace culture is significantly related to employee performance. However, while workplace culture and core values are important, other

tangible factors such as healthy work dynamics and work-life balance have a greater influence on employees' job perceptions. Thus, this concern can be further enhanced by the organization to ensure a more positive work environment.

Job Satisfaction

The main topics of the assessment are employees' perceptions of their responsibilities, support, pay, possibilities for professional advancement, and flexibility in their work schedules. Table 6 examines job satisfaction.

Table 6. Evaluation of Job Satisfaction

	Statement	Weighted Mean	Verbal Description
1	I believe that my role will contribute to the success of the company.	3.30	Strongly Agree
2	I receive the support I need to succeed in my work.	3.08	Agree
3	The compensation system in my company is fair and equitable.	2.93	Agree
4	I have been given opportunities for career growth.	2.95	Agree
5	I am satisfied with my current work schedule, as it is sufficiently flexible to accommodate my personal needs.	3.38	Strongly Agree
	Composite Mean	3.12	Agree

The composite Mean of 3.12, with the verbal description "Agree," suggests that respondents are generally satisfied with their job conditions. Although employees are highly satisfied with role recognition and flexible work arrangements provided by the company, data also highlight areas of Potential improvement, particularly in terms of career growth and compensation equity. This implies that while job satisfaction is relatively acceptable, specific aspects, such as compensation fairness and career development opportunities, could be strengthened to further enhance employee commitment and organizational loyalty.

The findings correlate with [Dziuba et al.'s \(2020\)](#) study, which suggests that a happy employee performs better, takes on more responsibility, and feels a sense of belonging to the company. To sustain employee engagement and satisfaction, the organization should focus on enhancing the pay structure and providing clear opportunities for professional growth. These key areas create a harmonious and fulfilling work environment, leading to improved employee performance and retention.

Loyalty

Employee loyalty is when an employee remains with a company for a lengthy period because they feel valued, appreciated, and believe in the company's overall mission. Table 7 presents employee loyalty data.

Table 7. Evaluation of Loyalty

	Statement	Weighted Mean	Verbal Description
1	I plan to work with my current company for the long term.	3.04	Agree
2	I feel a strong bond with the company.	3.14	Agree

	Statement	Weighted Mean	Verbal Description
3	I am proud to be part of this company.	3.32	Strongly Agree
4	I will recommend this company to others as a great place to work.	3.08	Agree
5	I am confident that the company will succeed in the future.	3.41	Strongly Agree
6	I feel that the company cares about our employees.	3.25	Agree
7	I am motivated to contribute to the success of our company.	3.33	Strongly Agree
	Composite Mean	3.22	Agree

The composite Mean of 3.22, with the verbal description "Agree," confirms employees' loyalty to the company. They believe that the company will succeed in the future, and they are more likely to remain loyal and contribute positively to its goals. These data can inform staff retention strategies and foster further improvements in company culture. This also implies that employees are highly motivated, proud, and optimistic about the future. This finding aligns with previous studies (Dutta & Dhir, 2021; Pan, 2018) that confirmed that loyal employees play a significant role in an organization's success. The study finding is also supported by Concepcion et al. (2024), who found that loyal and contented employees stay with an organization because they feel valued and that their personal and professional goals are aligned with organizational goals.

Test of the Significant Relationship Between EVP and Job Satisfaction and Loyalty

Understanding how EVP influences employee job satisfaction and loyalty is vital for developing effective HR strategies, enhancing organizational performance, and fostering a positive workplace culture. The null hypothesis was tested using the Pearson correlation coefficient as follows:

Ho: There is no significant relationship between EVP and job satisfaction and loyalty among employees.

Table 8 presents a test of the relationship between compensation, career development, and work environment with job satisfaction and loyalty.

Table 8. Relationship between EVP and Employees' Job Satisfaction and Loyalty

EVP	Indicators	p-value	Interpretation	Correlation Coefficient	Interpretation
Compensation	Job satisfaction	.670	NS	.000	No Correlation
	Employee loyalty	.546	NS	.000	No Correlation
Career Development	Job satisfaction	.775	NS	.000	No Correlation
	Employee loyalty	.624	NS	.000	No Correlation
Work Environment	Job satisfaction	.715	NS	.000	No Correlation
	Employee loyalty	.658	NS	.000	No Correlation

Legend: NS = not significant.

The data analysis showed that the p-values of both indicators in compensation, career development, and work environment are more than 0.05, and the Pearson correlation coefficient is 0.00. Therefore, the null hypothesis is accepted.

The findings reveal that compensation, career development, and work environment do not significantly influence job satisfaction and employee loyalty. In this study, the researchers believe that factors other than the EVP variables employed in this study can impact employee job satisfaction and loyalty. Other factors, such as organizational culture, leadership, and interpersonal relationships, may serve as more critical determinants of job satisfaction and loyalty in a given company. This finding aligns with [Reners et al. \(2024\)](#), who found that compensation and career development do not affect job satisfaction or loyalty. However, this contradicts their conclusion by showing that work environments have no significant impact on job satisfaction, which differs from [Nathania et al. \(2023\)](#), who found a significant effect of work environment and career development on job satisfaction through motivation. Both studies agreed that compensation does not significantly influence job satisfaction.

Applying the implications of the findings of the study to Social Exchange Theory, employees evaluate their relationship with an organization based on the balance between what they give and what they receive. When the rewards provided by the EVP are perceived as insufficient or not valuable, employees may experience lower job satisfaction and loyalty. Job satisfaction and loyalty are influenced by factors beyond the EVP, such as nonmaterial elements that could enhance both. As a result, it is recommended that companies adopt strategic plans to improve employee job satisfaction and loyalty.

Strategic Plan to Strengthen EVP in a Manufacturing Company in the Philippines

[Sahoo and Srivastava \(2024\)](#) stated that a strong EVP can enhance employee morale, increase productivity, and make a company more attractive to potential employees. Similarly, [Pawar \(2016\)](#) highlighted that a well-structured EVP helps attract and retain key talent. After identifying the weaknesses and gaps in the subject manufacturing company's EVP, the researchers proposed a strategic plan designed to strengthen the alignment between compensation, career development, work environment, job satisfaction, and employee loyalty. Table 9 presents the proposed plan based on the weaknesses of EVP along the dimensions employed in the study.

Table 9. Strategic Plan to Strengthen EVP in a Manufacturing Company in the Philippines

Dimensions	Weaknesses	Proposed Strategies
Compensation	The current salary is under the job duties and responsibilities. (Weighted Mean=2.96)	Review each employee's duties and responsibilities and conduct a compensation analysis. If the duties have grown significantly, consider redefining and aligning the job role to the weight of its corresponding compensation fairly with the job responsibilities. Foster an open communication culture in which employees feel comfortable discussing their compensation concerns and job duties. Propose a clear and transparent compensation structure to reduce feelings of unfairness and confusion about how salaries are determined.

Dimensions	Weaknesses	Proposed Strategies
Career Development	The company supports employee professional growth through skill enhancement and training. (Weighted Mean=2.89)	<p>Identify skill gaps and employee needs through performance reviews and skill assessments. Involve employees by asking them about their career goals and the skills they wish to develop, and training them so they will feel beneficial.</p> <p>Organize an in-house workshop and seminars. Establish mentorship or coaching programs in which more experienced employees guide less experienced colleagues.</p> <p>Allow employees to rotate between departments and roles to gain experience and develop a wider range of skills.</p>
Work Environment	The company provides a positive culture and promotes core values to develop employee behavior. (Weighted Mean=3.21)	<p>Identify the core values that should define the company's culture. The values should resonate with the company's mission, vision, and desired behaviors.</p> <p>Recognize employees who exemplify core values by awarding them titles such as "Employee of the Month."</p> <p>Core values should be included in the performance review process. Evaluate the employees' ability to demonstrate the company's values in their work.</p>
Job Satisfaction	The compensation system in my company is fair and equitable. (Weighted Mean=2.93)	<p>Ensure that salary ranges for each role or level within the company are well-defined and available within the organization.</p> <p>Measurable outcomes such as performance, skills, and goals must be linked to compensation.</p> <p>Establish a clear compensation philosophy and conduct a market salary analysis. The compensation should be competitive with industry standards for similar roles in the region.</p>
Employee Loyalty	Plan to work with a company for a long period. (Weighted Mean=3.04)	<p>When employees feel empowered in their roles, loyalty often follows. By creating a sense of purpose, employees who feel aligned with the company's mission and vision are more likely to stay loyal.</p> <p>Encourage autonomy, and micromanagement can be a major driver of loyalty.</p>

Dimensions	Weaknesses	Proposed Strategies
		Be supportive. Management managers and leaders should be strong advocates for their employees, provide support, offer opportunities, and stand up for employees in times of need.

With the proposed strategies, EVP variables can have a positive impact on employee job satisfaction and loyalty. These strategies will increase employee performance and commitment. This proposition is consistent with [Osei et al.'s \(2024\)](#) study on enhancing organizational commitment. Moreover, possible issues regarding employee job satisfaction and loyalty that can happen in the future will be addressed with appropriate action. As confirmed by [Akinbode et al. \(2022\)](#), issues regarding job satisfaction should be considered to retain employees over a reasonable period.

CONCLUSION

This study assessed the relationship between EVP and job satisfaction and loyalty in a manufacturing company in the Philippines. Although employees considered their EVP generally acceptable and confirmed their positive outlook on their job satisfaction and loyalty, the study confirmed that EVP, particularly compensation, career development, and work environment, did not directly affect the job satisfaction and loyalty of the employees working in the manufacturing company. This implies that although compensation, career development, and work environment are important for employees, factors such as organizational culture, leadership, and interpersonal relationships may serve as critical determinants of job satisfaction and loyalty.

To better connect with the factors that influence job satisfaction and loyalty, the company might need to reassess its EVP. The company may provide more specialized incentives that emphasize employee recognition, career advancement through individualized training programs, and a work environment that promotes emotional well-being and social connectivity. Taking care of these nonmonetary aspects could improve workers' perceptions of their worth.

To enhance employees' job satisfaction and loyalty, the researchers recommend a strategic plan that the manufacturing company can use to improve areas found to be weak in this study. Although the identified factors of EVP do not show a significant relationship with job satisfaction and loyalty, the company must continue to enhance its incentive program, implement a performance improvement plan, foster a positive work environment, and promote core values to influence employee behavior.

LIMITATIONS AND FURTHER RESEARCH

This study has several limitations. First, it focuses on a single company, which can hinder the generalizability of the findings. Thus, future research could expand the scope by incorporating multiple manufacturing firms to gain deeper insight into the broader manufacturing sector or other sectors regarding the connections among the three variables used in this study. The relationship between EVP, employee loyalty, and job satisfaction can be greatly impacted by the distinctive features of various industries, such as differences in the demands and nature of employment, the state of the labor market, and the expectations and demographics of employees. By investigating multiple industries, researchers can assess whether the associations observed in the initial study are unique to the manufacturing sector or whether comparable patterns occur across various contexts. Second, the research design may be subject to bias and reliance on existing data. Therefore, qualitative research methods such as focus group discussions and interviews could

determine how employees perceive EVP and its effect on their loyalty and job satisfaction, thereby illuminating underlying motives, concerns, and objectives to generate rich, contextualized, and comprehensive data. Furthermore, researchers may gain insight into employees' real-life experiences, unearth unexpected elements and viewpoints, and pinpoint important and subtle elements of the EVP. Lastly, in addition to investigating the correlation between EVP, job satisfaction, and loyalty, future studies could further explore the specific elements of EVP that most significantly influence employee outcomes. Hence, moderating effects, such as leadership style, organizational culture, and interpersonal relationships, should be examined. Leadership styles can greatly increase or decrease the effect of EVP on job satisfaction and employee loyalty. The perception and experience of EVP are filtered through organizational culture. Positive and supportive interpersonal ties can boost the positive impact of EVP, whereas negative ones can reduce it. Moreover, despite the findings of this study, it may still serve as a guide and preliminary framework for future related research.

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