

# Loyalty to The Place or Its People? Re- Conceptualization of Employee Loyalty in Middle Eastern Arab Collectivist Cultures

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## Abstract

Considering the pressures of fluctuating external environments, organizations are constantly seeking ways to be responsive and able to improve their performance with lower costs. Employer-employee relationships have changed rapidly in recent years, and there is growing interest in considering human resources as a form of capital, and a strategic factor for business excellence. Employee loyalty is one of the main aspects HR professionals have been focusing on to help businesses fulfil long-term goals. This paper looks at social capital and the role it plays in stimulating employee loyalty in the context of the Arab world and its prevailing culture. It is argued that social capital is the fundamental dynamic that stimulates employee loyalty in the workplace. This conceptual paper provides new insights through understanding the significant role social capital plays in shaping employee loyalty in a collectivist culture, differing from the conventional business-context factors of loyalty. Obtaining a deeper understanding of employee loyalty and what originally generates it in Arab-world business contexts can help achieve higher levels of job productivity with lower costs.

**Keywords:** Employee loyalty, Social capital, culture, Middle East