EMPLOYEE TURNOVER AND RETENTION STRATEGIES: EVIDENCE FROM SAUDI COMPANIES

Mustapha Achoui* and Mourad Mansour **

It seems from some observations and statistics that turnover, especially among fresh Saudi graduates, is becoming a serious problem which costs a lot of money, effort and energy to several Saudi companies especially in the private sector. This problem might be a major obstacle for "Saudization" or localization and development. This study aims to identify the main turnover factors in some Saudi business companies and to suggest some employee retention strategies within the Saudi context. Data was collected by a questionnaire that was developed by the researchers on the basis of literature review and distributed in some public and private companies. The importance of having a retention strategy, which is based on a well articulated human resources management system, was stressed.

Field of Research: Human Resources Management

1. Introduction

"Job leaving appears to reflect significant work place problems, rather than opportunities for advancement into better Jobs" (Holzer and Wissoker, 2001). According to Reggio (2003), employee turnover "refers simply to the movement of employees out of an organization". It is a negative aspect, which might lead to the failure of employee retention strategies in business organizations. Turnover of employees disrupts teams, raises costs, reduces production, and results in lost knowledge. So, it is essential for the management to realize the importance of employee satisfaction.

In their study, Pinkovitz et al. (2004) attempts to know how much an organization is more likely to spend to ensure getting an adequate return on investment in people. Turnover direct costs enclose factors such as termination, vacancy, recruitment, selecting & hiring, orientation and training. Other indirect costs can encompass such factors as lost of productivity of incumbent prior to departure, lost of productivity of co-worker, lost of productivity of the new hire during initial transition.

By calculating the real cost of employee voluntary resigning, it will be an indicator of what will worth to retain employees. Reggio (2003) pointed to the formula for computing turnover rates that the US department of Labor as follows:

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Turnover Rate = \((\text{Number of separation during the month/Total number of employees at midmonth}) \times 100\)

While analyzing Sterdwick’s information (2003), we may deduce that the information yielded from exit interviews should be kept in mind when considering employee turnover:

- The payment systems were inappropriate or did not match up to those offered by the competitors.
- The hours of work or shifts did not fit individual’s personal lives.
- Employees were uncertain as to what was required of them as no clear job description was provided. They were dissatisfied with the way they were assessed.
- The nature of the work, was unorganized, boring, undemanding or too stretching and in need of redesigning.
- The management process was either too controlled or too lax.
- The physical conditions were unpleasant or unsafe.
- The opportunities for training, development and promotion were limited.
- Employees felt a sense of unfairness in the employment situation on the grounds of discrimination or through lack of communication or representation.

Therefore in almost any organization, if the management utilizes the information compiled through the Exit interview system, positively it would result in a controlled turnover and develop an effective retention strategy (Gray, 2003). Gray (2003) reiterates that organizations need to assess their typical patterns of turnover pertaining to their own circumstances. However, there are some general policies that should be considered so as to improve employee satisfaction. Employees' satisfaction is positively correlated with employees' retention. Reggio (2003) concluded from literature review that: "... it is important that companies strive to keep workers satisfied. Happy workers may be less likely to be absent from their job voluntarily or to look for work elsewhere" (P.38). To overcome the negative consequences of turnover, we need to understand the causes and the consequences of turnover in the Saudi context.

The study aims to define the main turnover factors in some Saudi business companies and develop general guidelines for employees’ retention strategy within the Saudi social and business context.

The structure of the paper is as follows: Section 2 illustrates the theoretical framework. In section 3, we illustrate the characteristics of the sample and the findings are presented, while the last section summarizes and concludes the study.
2. Literature Review

2.1. Causes of Turnover

The causes of turnover vary from external environmental factors such as economy and its impact on turnover such as employment level, inflation (Pettman, 1975; Mobley, 1982) to the organizational variables such as type of industry, occupational category, organization size, payment, supervisory level, location, selection process, work environment, work assignments, benefits, promotions, and growth (Mobley, 1982; Arthur, 2001)

The other turnover factors are related to the individual work variables such as demographic variables, integrative variables like satisfaction with job, pay, promotion and working condition (Pettman 1975; Mobley, 1982; Arthur, 2001). The last perspective is the individual nonworking variables such as family variables (Pettman, 1975; Mobley, 1982). The most important studied demographic variables are age, tenure and education. It was found, for example, that there is a consistent negative relationship between age and turnover. Younger employees have a higher probability of leaving (Porter and Steers, 1973; Price, 1977; Horner et al., 1979; Muchinsky and Tuttle, 1979). Younger employees have more chances, low family responsibility, and no lost chances in the existing organization. Similar to age, length of service is contributing to turnover decision. It was found that, the shorter the period of service, the higher is the turnover. Mangione (1973), in a multivariate study, found that length of service is one of the best predictors of turnover. However, there is no relationship between turnover and education as highlighted by Horner et al. (1979) and Price (1977).

The main concern of this study, however, is the individual level of turnover's factors. In this regards, Darwish (1999), for example, in a study in the Arab United Emirates found that there is a positive correlation between intrinsic motivation, organizational commitment and performance. He found also that organizational commitment is positively correlated with performance. Lastly, he found that organizational commitment is positively correlated with age, job experience and duration of service in the actual institution.

In short, the literature review revealed by Reggio (2003) had asserted that "...both low levels of job satisfaction and organizational commitment are related to higher rates of turnover" (P.230). Moreover, Muchinsky and Tuttle (1997) have summarized thirty nine studies related to the relationship between job satisfaction and turnover conducted in the past 50 years and found that all but four cases show a negative relationship.

However, the cultural framework may play a role in organizational commitment. Therefore, relating organizational commitment to cultural values of individualism...
and collectivism, for example, had shown as demonstrated by Wasti (2003) that satisfaction with work and promotion are the most important determinants of organizational commitment for employees who endorse individualist values while satisfaction with supervisor is the most important determinant of organizational commitment for employees who endorse collectivist values.

2.2. Consequences of Turnover

Consequences of turnover are at both organizational and personal levels and it has both positive and negative consequences. Negative consequences to organizations includes, cost both tangible like recruitment, selection, training, production lost and intangible cost like moral impact, stimulation of additional turnover, work load impact, team disruption, disruption of performance. Also other negative consequences are strategic opportunity costs, disruption of social and communication patterns (Mobley, 1982; Roseman, 1981; Modern Business Report, 1978).

Positive consequences include displacement of poor performer, innovation, flexibility, adaptability, reduction in conflicts, reduction in other withdrawal behaviors (Mobley, 1982). Negative consequences to individual include high expectation may not materialized, losing seniority, and disruption of social life (Mobley, 1982; Roseman, 1981). Positive consequences include higher income, job challenge, escape from stress environment. (Mobley, 1982).

Generally, turnover is very costly especially at the executive levels. A study had estimated the cost of replacing an executive by 64,000 American Dollar and the cost of unscheduled absence averaging as high as 757 American Dollar per employee (Greenberg and Baron, 2003).

Based on understanding the causes and the consequences of turnover, several researchers had suggested solutions and remedies to the problem of turnover through developing strategies for employees' retention.

2.3. Employee Retention

Retention could be improved by many factors like better recruitment effort, review job content, compensation practices, leadership and supervision, career planning and development, alternative work schedule, working condition, non work factors, team building, centralization, organization communication and commitment, proper exit interview, counseling leavers, flexible working hours, compressed work week, employee involvement, policies for turnover, and recognitions (Mobley, 1982; Arthur, 2001).

Although review of literature revealed a modest correlation between job satisfaction and performance, Greenberg and Baron (2003) concluded that "Naturally, as working people, we all want to be satisfied with our jobs. Not only does satisfaction keep us from withdrawing from our jobs, but it is also makes
them more pleasant and enjoyable. And this, of course, is an important end in itself” (P.159). Consequently, the two authors had suggested very important guidelines for promoting job satisfaction and avoiding job dissatisfaction at work as follows:
1- Make jobs fun.
2- Pay people fairly.
3- Match people to jobs that fit their interests.
4- Avoid boring, repetitive jobs. (P. 161)

3. Methodology and Analysis

3.1. Problem

It seems from some observations and statistics that turnover, especially among fresh Saudi graduates, is becoming a serious problem which costs a lot of money, effort and energy to several Saudi private and government companies. Furthermore, unemployment among Saudis is becoming a serious concern for the government which introduced several programs and rules for "Saudization". According to official statistics, the number of unemployed Saudis reached around 300,000 people (9.6% of total workforce) and that expatriates still dominate 86% of total new job offerings. This problem might be a major obstacle for "Saudization" and development in the country.

3.2. Methodology

This study is an empirical descriptive study which is based on a survey. Based on literature review, a questionnaire consisted of demographic and attitudinal variables and items is prepared and distributed.

The items of the questionnaire were developed on the basis of literature review and studying some previous questionnaires. The items of our questionnaire are grouped into five factors as follows:
Factor 1: This factor includes six statements under item 13. This factor is represents the employee's attitude towards their work itself.
Factor 2: this factor includes three statements under item 14. This factor represents the employees' attitude towards financial rewards in their companies.
Factor 3: This factor includes two statements under item 15. This factor represents the employees' attitudes towards promotion.
Factor 4: This factor includes five statements under item 16. This factor represents the employees' attitudes towards "relationship with their co-workers".
Factor 5: This factor includes five statements under item 17. This factor represents the employees' attitudes towards "resources" in their companies.

The titles of the items (factors) were not revealed to the respondents.

The reliability of the questionnaire's items was calculated by using Cronbach Alpha. Alpha= 0.87 which is significant.
Sampling
495 questionnaires were collected from employees in private and government sectors. The questionnaire was distributed to and collected from different regions of Saudi Arabia according to the availability and convenient. Data was collected from government and private companies in different sectors' activities (industry, finance, business and services).

Data analysis
The collected data is analyzed by using Statistical Package for the Social Sciences (SPSSx). Basic statistics, item mean scores, ANOVA and product moment correlations are among the statistical analyses which are conducted.

3.3. Results

A- Demographics

1- Age:
The majority of the employees who filled the questionnaire are between the age of 25 and 35 as it shown in Table 1.

<table>
<thead>
<tr>
<th>Age</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>53</td>
<td>11</td>
</tr>
<tr>
<td>&lt;30</td>
<td>129</td>
<td>26</td>
</tr>
<tr>
<td>&lt;35</td>
<td>87</td>
<td>17</td>
</tr>
<tr>
<td>&lt;40</td>
<td>56</td>
<td>11</td>
</tr>
<tr>
<td>&lt;45</td>
<td>57</td>
<td>12</td>
</tr>
<tr>
<td>&lt;50</td>
<td>39</td>
<td>8</td>
</tr>
<tr>
<td>&lt;55</td>
<td>24</td>
<td>5</td>
</tr>
<tr>
<td>&lt;60</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>&lt;65</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>NA</td>
<td>35</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>495</td>
<td>100%</td>
</tr>
</tbody>
</table>

The above age categories were summarized to less number of categories as follows:
1- Category 1: 20 to 30 years
2- Category 2: 31 to 41 years
3- Category 3: 42 to 52 years
4- Category 4: 53 to 63 years

2- Gender:
Male employees in this survey represent 83% of the respondents while female employees represent 8.5% of the respondents. The other 8.5% are not identified.

3- Marital status:
62% of the respondents are married, 27% are singles while 11% are not identified.

4- Nationality:
68% of the respondents are Saudis, 16.5% are non-Saudis while 15.5% are not identified.

5- Income:
As indicated in Table 2, the majority of the respondents income varies between one thousand and five thousands Riyal followed by the second category which varies between five thousands and ten thousands.

<table>
<thead>
<tr>
<th>Income</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than SR 1,000</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>SR 1,000-4,999</td>
<td>160</td>
<td>32</td>
</tr>
<tr>
<td>SR 5,000-9,999</td>
<td>137</td>
<td>27</td>
</tr>
<tr>
<td>SR 10,000-14,999</td>
<td>99</td>
<td>20</td>
</tr>
<tr>
<td>SR 15,000-20,000</td>
<td>34</td>
<td>7</td>
</tr>
<tr>
<td>Over SR 20,000</td>
<td>28</td>
<td>6</td>
</tr>
<tr>
<td>NA</td>
<td>27</td>
<td>6</td>
</tr>
</tbody>
</table>

6- Education:
The majority of the respondents have a university degree followed by those who have a high school degree and diploma. The different educational levels are shown in Table 3.
Table 3: The respondents' educational levels

<table>
<thead>
<tr>
<th>Education</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Intermediate</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>High School</td>
<td>107</td>
<td>21</td>
</tr>
<tr>
<td>Diploma</td>
<td>106</td>
<td>21</td>
</tr>
<tr>
<td>University Degree</td>
<td>212</td>
<td>43</td>
</tr>
<tr>
<td>Other</td>
<td>24</td>
<td>5</td>
</tr>
<tr>
<td>NA</td>
<td>23</td>
<td>5</td>
</tr>
</tbody>
</table>

7- Size of the Company:
By the size of the company, it is referred to the number of the employees in the company. The majority of the respondents work in companies which employs over 500 employees which represent 51% of the respondents. The other respondents are distributed over the other size categories as shown in Table 4.

Table 4: The employees' number (size) in the respondents' companies

<table>
<thead>
<tr>
<th>Size of the Company</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 employees</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>10-50 employees</td>
<td>54</td>
<td>11</td>
</tr>
<tr>
<td>50-100 employees</td>
<td>65</td>
<td>13</td>
</tr>
<tr>
<td>100-250 employees</td>
<td>39</td>
<td>8</td>
</tr>
<tr>
<td>250-500 employees</td>
<td>42</td>
<td>8</td>
</tr>
<tr>
<td>Over 500 employees</td>
<td>252</td>
<td>51</td>
</tr>
<tr>
<td>NA</td>
<td>27</td>
<td>6</td>
</tr>
</tbody>
</table>

8- Company Type:
The companies were categorized to two types: government and private companies. The government companies represent 54%, private companies 41% and unspecified 5%.

9- Department:
The respondents work in different departments as illustrated in table 5. Most of the respondents work in the following department as illustrated in Table 5: Finance and accounting 17%, customer service 16%, engineering and administration 15%.
Table 5: The Respondents' Departments

<table>
<thead>
<tr>
<th>Department</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>77</td>
<td>16</td>
</tr>
<tr>
<td>Finance and Accounting</td>
<td>86</td>
<td>17</td>
</tr>
<tr>
<td>Engineering</td>
<td>72</td>
<td>15</td>
</tr>
<tr>
<td>Sales/Marketing</td>
<td>47</td>
<td>9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Human Resources</td>
<td>36</td>
<td>7</td>
</tr>
<tr>
<td>Logistics/Transportation</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>Administration</td>
<td>72</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>72</td>
<td>15</td>
</tr>
<tr>
<td>NA</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

10- Position in the company:
The respondents are categorized to five categories according to their positions in the hierarchy of the company. The different positions are illustrated in Table 6. Most of the respondents are in the managerial positions 45% followed by technical positions 19%. However, 20% did not specify their positions.

Table 6: Respondents' positions in the hierarchy of the companies

<table>
<thead>
<tr>
<th>Position</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical</td>
<td>36</td>
<td>8</td>
</tr>
<tr>
<td>Technical</td>
<td>94</td>
<td>19</td>
</tr>
<tr>
<td>Managerial</td>
<td>226</td>
<td>45</td>
</tr>
<tr>
<td>R &amp; D</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>97</td>
<td>20</td>
</tr>
<tr>
<td>NA</td>
<td>12</td>
<td>2</td>
</tr>
</tbody>
</table>

11- Work experience:
The respondents' work experience varies from less than six months to more than 20 years. As it is reported in table 7, most of the respondents 22% have between 1-3 years of work experience followed by a period of experience between 4-7 years as shown in Table 7.
Table 7: Respondents’ work experience

<table>
<thead>
<tr>
<th>Experience</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 6 months</td>
<td>43</td>
<td>9</td>
</tr>
<tr>
<td>6 to 12 months</td>
<td>45</td>
<td>9</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td>111</td>
<td>22</td>
</tr>
<tr>
<td>4 to 7 years</td>
<td>99</td>
<td>20</td>
</tr>
<tr>
<td>8 to 11 years</td>
<td>60</td>
<td>12</td>
</tr>
<tr>
<td>12 to 15 years</td>
<td>35</td>
<td>7</td>
</tr>
<tr>
<td>16 to 19 years</td>
<td>34</td>
<td>7</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>64</td>
<td>13</td>
</tr>
<tr>
<td>NA</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

B- Turnover frequency:
Data analysis shows that 39% did not change their job/company in their entire career. However, about 59% had changed their job/company at least once during their career.
The percentage of the respondents who changed their companies at least one time represent 28% while the employees who changed their job/company more than once is illustrated in Table 8. Interestingly, some employees changed their jobs/companies more than five times although they represent 2% of the sample only.

Table 8: Respondents' turnover frequency

<table>
<thead>
<tr>
<th>Turnover Frequency</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>194</td>
<td>39</td>
</tr>
<tr>
<td>1 time</td>
<td>141</td>
<td>28</td>
</tr>
<tr>
<td>2 times</td>
<td>71</td>
<td>14</td>
</tr>
<tr>
<td>3 times</td>
<td>55</td>
<td>11</td>
</tr>
<tr>
<td>5 times</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td>More than 5 times</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>NA</td>
<td>6</td>
<td>2</td>
</tr>
</tbody>
</table>

The relationship between turnover and the above mentioned demographic variables will be reported in the following sections by using correlations and one-way ANOVA. The analysis was done on the basis of the above indicated factors.
1. Age, attitudes and turnover:
   Relating the categories of age to the attitudes towards the indicated different factors, the ANOVA shows that there are significant differences on:
   - Age categories in factor 1 (F=3.64, P=.01).
   - Age categories in factor 5 (F=5.15, P=.01).
   The relationship between the categories of age and the overall turnover rate was analyzed by using Pearson Chi-Square Test. The correlation is significant (DF=200, P=.01).
   ANOVA shows that there is a significant difference on the overall turnover rate on the basis of age ((F=2.68, P=.05).

2. Education, attitudes and turnover:
   Significant positive correlations between education and the three following factors were found:
   - Education and factor 3 (promotion) (r= .11, P= .05).
   - Education and factor 4 (relationship with coworkers) (r= .10, P=.05).
   - Education and factor 5 (resources) (r= .13, P=.01).
   ANOVA shows that there significant differences on factor3 and factor 5 on the basis of the educational levels. In factor3 (F=4.32, P=001) and in factor5 (F=2.27, P=.05).
   However, no significant difference on the overall turnover rate on the basis of educational levels.

3. Sectors of activity, attitudes and turnover:
   a. In the private sector: There are no significant differences on the attitudes towards the indicated factors on the basis of the sectors' types in the private sector (industry, banking, business, service and other) except on factor4 (relationship with co-workers) (F=3.93, P=.05).
   b. In the government sector: There are no significant differences on the attitudes towards the indicated factors on the basis of the sectors' types in the government sector (industry, banking, business, service and other) except on factor2 (financial rewards) (F=6.52, P=.05).
   ANOVA shows no significant differences on the basis of the types of activities in government sector and overall turnover. However, in the private sector ANOVA shows a significant difference on the basis of the types of activities and the overall turnover rate (F=5.07, P=.05).

4. Income, attitudes and turnover:
   There are positive correlation between income and the indicated factors except factor number 4. The correlations are as follows:
   - Income and Factor1 (r=.11, P=.01).
   - Income and Factor2 (r=.16, P=001).
   - Income and Factor3 (r=.14, P=01).
   - Income and Factor5 (r=.14, P=.01).
   ANOVA shows significant differences on the above mentioned factors, too. However, ANOVA shows no significant differences on the overall turnover rate on the basis of income.

5. Gender, attitudes and turnover:
ANOVA shows no significant difference on the overall turnover rate on the basis of gender. However, there are significant differences between male and female respondents in the following factors:
- Factor1 (F=8.02, P=.01).
- Factor3 (F=11.76, P=.001).
- Factor5 (F=7.93, P=.01).

6. Nationality, attitudes and turnover:
There is a statistical significant difference between the Saudi respondents and the non-Saudis concerning the overall turnover rate (F=7.50, P=.01). The Saudi turnover rate is much higher in the frequency of changing jobs. ANOVA, on the other hand, shows no significant difference on the indicated factors on the basis of nationality.

7. Position, attitudes and turnover:
No significant difference on the overall turnover on the basis of the position in the company. In addition, no significant differences on the indicated factors on the basis of position, too.

8. Period of work, attitudes and turnover:
ANOVA shows that there are significant differences on the basis of the periods that the employees spend in a company and two of the indicated factors as follows:
- Factor1 (F=3.23, P=.01).
- Factor5 (F=2.81, P=.01).

9. Retention strategy:
To find out if the Saudi companies have a retention strategy to maintain its employees, the respondents had been asked several questions as shown in the following tables. It is noticed that the majority of the respondents (40.2%) had mentioned that their companies have a retention strategy. Interestingly, 31.4% of the respondents "do not know" while 28.5% said that their companies do not have a retention strategy.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does your actual company have a strategy for employee retention?</td>
<td>40.2</td>
<td>28.5</td>
<td>31.4</td>
</tr>
</tbody>
</table>

a- Strategy communication:
The respondents had been asked if the companies which have a retention strategy had communicated this strategy to them or not. Among the 40.2% who responded that their companies have a retention strategy only 45.5% responded positively while 28.3% responded negatively and 26.2% do not know. If we add the employees who responded negatively to those who do not know, we find that the majority 54.5% are not aware of the retention strategy in their companies.
b- Exit interview:
Do the companies conduct exit interviews in order to find out about their employees' attitudes and get feedback?
The majority of the respondents 41.7% said their companies do not conduct an exit interview and 23.3% do not know and 35% responded positively.

c- Internal marketing system:
The majority of the respondents 52.2% said that their companies do not have an internal marketing system to retain employees while 25.5% said that they do not know. Only 22.3% said their companies have an internal marketing system to retain employees.

d- Effort to retain employees:
Do Saudi companies make effort to retain employees?
The majority 43.5.2% responded negatively to this question while 22% do not know. However, 34.5% said that their companies make effort to retain their employees.
In short, the majority of the Saudi companies do not make sufficient effort to retain their employees which shows that the human resources management role in Saudi companies is still very weak. This can be explained at least partially by the fact that the majority of the Saudi private sector companies prefer non-Saudi employees who accept cheaper wages, less favorable working conditions and show more discipline and hard working habits.
This explanation might be supported at least partially by the following findings which are related to the employees' loyalty to their companies.

e- Employees' loyalty:
Although the majority (63.6%) of the respondents said that they are loyal to their actual companies, 24.5% said that they are not loyal to their actual companies while 11.9% do not know.
This result implies that about 36.4% are subject to turnover if they find better opportunities. This argument is more supported by the following result.

f- Salary and turnover:
The respondents were asked if they are offered a higher salary by another company, are they going to leave the actual companies?
The majority (54.1%) of the respondents said that they would leave their actual companies if they are offered higher salaries while 15.5 % do not know. Only 30.4% said that they are not going to leave their actual companies even if they are offered higher salaries.
Interestingly, ANOVA analysis shows that:
1- No significant difference is found on the basis of the period that the employee had worked in the actual company. Consequently, the majority of the Saudi employees leave their companies because of dissatisfaction with their salaries.
2- No significant difference on the basis of the monthly actual income of the employee.
3- No significant difference on the basis of the level of education of the respondents.
4- No significant difference on the basis of the nationality.
5- No significant difference on the basis of the type of the company.
6- No significant difference on the basis of the gender.
7- No significant difference on the basis of the age.
8- No significant difference on the basis of the marital status.
9- There is a significant difference (P=.01) on the basis of the employee position. This is the only statistical significant difference among the respondents which is related to "leaving the company if they are offered a higher salary".

4. Conclusions and Discussion

The results of this study confirmed the assumption that turnover rate in the Saudi market is very high especially in the private sector. The policy of "Saudization" or "localization" drives many companies to achieve the required percentage of "Saudization" by the Saudi government. Consequently, private companies compete on a limited number of Saudi qualified employees in the market. Furthermore, the economic/market development in the private sector drive private companies to attract more qualified Saudis on the expense of the other companies. These factors had contributed significantly to the turnover problem in the Kingdom.

The results of this study confirmed the accumulated evidence in the literature regarding the relationship between several demographic variables such as age, education and gender and turnover.

Concerning employees' retention, the Saudi companies especially the private companies should play a more significant role in implementing human resources systems which should emphasize training and career development for the new employees.

Thus, more effort is need in developing human resources management systems mainly in the private sector. Unfortunately, most of the private sector companies do not have specialized officers, managers, sections or departments in human resources management.

This argument was reflected in the fact that the majority of the respondents confirmed that their companies do not make effort to retain their employees. Thus, strategies of retention, which are based on developing human resources management systems and organizational behavior aspects such as improving communication process and networks, internal marketing policy and practicing professional exit interviews, should be implemented in order to avoid high rate of turnover and its negative consequences.

In short, more effort should be done to improve retention by taking in consideration the many factors like better recruitment effort, review job content, compensation practices, leadership and supervision, career planning and development, alternative work schedule, working conditions, non work factors, team building, centralization, organization communication and commitment,
proper exit interview, counseling leavers, flexible working hours, compressed work week, employee involvement, policies for turnover, and recognitions. Needless to say that, these efforts should be conducted by professionals of human resources management. This endeavor requires, however, more investment in this area by the Saudi private sector companies.

References


