EMPLOYEE TURNOVER IN THE MANUFACTURING ORGANIZATION: 
CASE OF THE EASTERN REGION OF SAUDI ARABIA

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Abstract

Employee turnover plays a significant role in organizational performance. It is possible for turnover to be a positive phenomenon; however, this research does not address the difference between the positive and negative effects of the turnover. Rather, it aims at studying the causes and consequences of a turnover in a manufacturing industry organization in the eastern region of Saudi Arabia. The research focuses on this area of Saudi Arabia because it is the location of a high number of companies of various sizes. The research aspires to shed light on areas of improvements where the organizations can minimize the negative impact of turnover. It reveals various opportunities of improvements in several areas (e.g., career growth, compensation, training, work ethic, etc.) that organizations need to focus on.

Keywords: Career growth, Compensation, Employee Turnover

1. Problem Statement

Eastern Province, with more than 36% of Saudi Arabia’s total area, is the largest province in the Kingdom. The region is located on at the top of the largest ocean of underground oil reserves in the world. It has more than 20% of world’s total 1.3 trillion barrels of proven oil reserves. It is considered the most industrialized part of the Kingdom too also. More than 86% of Saudi’s basic industries are located in this province (Chamber of Commerce, 2015). In 2004–2014, a lot new companies emerged in this area and expansions to existing facilities took place. One of the main reasons is the built of Jubail Industrial City II, which is a project that started in 2004 and is divided into four phases to be undertaken during the next 22 years (Cobb, 2006). This dictates the need for a skilled workforce, which has resulted in higher turnover rate than was experienced before at several organizations. Although this change was healthy for new companies, helping them to establish and run their facilities, it resulted in severe consequences for old organizations because they lost their skilled workforce.

The high turnover rate in industrial organizations in the eastern region of Saudi Arabia continues to be a concern for various organizations. This is because organizations spend a lot of resources in training and investing in its employees. Losing talented and expert workforce will result in not having the competent staff to run the organization at various levels. Also, it will require new investments in human resources to close the competency gaps.
2. Significance of the study

Considering the impact of the employees’ turnover to any organization, this study, and any other similar one, will be of a great significance to all concerned stakeholders. Therefore, this study will shed light on the causes of the turnover. The research done by SHRI (2010), indicates that the “U.S. Department of Labor estimates that it costs about 33 percent of a new recruit’s salary to replace a lost employee. In other words, it could cost $11,000 in direct training expenses and lost productivity to replace an experienced employee making $33,000. The Private industry estimates for highly skilled jobs peg turnover losses at a much higher level, up to 150 percent of the position’s annual salary.”

By limiting or optimizing those causes, organization’s management will be able to improve their work environment and productivity. Further to that, other scholars will be able to use this information and make further studies on similar subjects.

a. Research Objectives

The purpose of this research paper is to study the reasons for the turnover rate in the eastern region of Saudi Arabia. It is hoped that this project will uncover hidden causes and shed light on areas that can be improved among new and existing industrial organizations. This will help them to put in place better policies and practices to retain employees.

b. Research Question

Several previous researches indicate various numbers of turnover causes. (Smith, 2009) indicates that there are 12 reasons for employees’ turnover: rude behavior, work-life imbalance, the job did not meet expectations, employee misalignment, feeling undervalued, Coaching and feedback are lacking, Decision-making ability is lacking, People skills are inadequate, Organizational instability, Raises and promotions frozen, Faith and confidence shaken, and Growth opportunities are not available. The Seven Hidden Reasons Employees Leave (Branham, 2005) are: 1) The job or workplace was not as expected, 2) There is a mismatch between job and person, 3) There is too little coaching and feedback, 4) There are too few growth and advancement opportunities, 5) Workers feel devalued and unrecognized, 6) Workers suffer from stress due to overwork and work-life imbalance, and 7) There is a loss of trust and confidence in senior leaders.

There are several costs of a turnover (e.g. interviewing, hiring, training, reduction of productivity, overtime for other staff, moral...etc.). The cost differs based on various many variables such as the type of turnover, if it is voluntary or non-voluntary, the high or low the salary, is, specialization of the job and, readiness or availability of replacement. The article titled “What Was Management Thinking? The High Cost of Employee Turnover” (Borysenko, 2015) and indicates that the cost of employees turnover, including interviewing, hiring, training, productivity...etc., is around 30 to 50 % of the annual salary of entry-level employees, up to 150% of the annual salary of mid-level employees, and up to 400% of the annual salary of higher level or specialized employees.
This research aims at identifying the reasons behind the high turnover in industrial organizations in Saudi Arabia by addressing the following questions:

1. What are the main causes of turnover?
2. What are the consequences of turnover?

c. **Hypothesis**

There have been many hypotheses put forward concerning the cause of employee turnover. Some are mentioned below:

1. Attitudes of employees related to their work were identified as a leading cause to the turnover.
2. Lower levels of satisfaction experience greater turnover intentions and exhibit increased absenteeism.
3. Negative feedback after hard work and commitment from the employees often leads to employees leaving the organization.

This research addresses the following hypothesis: “An attractive employment package, mainly salary, is the reason for turnover.”

d. **Scope of the Study**

This study is targeting voluntary employee’s turnover in the industrial organizations of Saudi Arabia. The scope of this study is around employees training and qualification, recognition, work-life balance, management commitment, management leadership, work ethics, working relationship, performance feedback, and motives to leaves.

e. **Limitations of the Study**

There were several limitations to this study. The main one limitation was the survey participation. Despite that the researcher’s tried attempts to maximize the representations; however, the participation was limited were still limited. It was even less participation from the female side. The second limitation is that there were no similar studies done in the past in Saudi Arabia about turnover in industrial organization. Particularly, there was not enough data and analysis on the cost of turnover. Time was also constraint. This research requires tremendous efforts (i.e. literature review, contacting various organizations, obtaining data, and analyzing them) to achieve fruitful results.

3. **Literature Review**

Employees leave their jobs for various reasons (e.g. retirement, going back to school, family reasons, finding a better job...etc.). All those are examples of turnover; however, they have
different implications. To distinguish their implications, The Turnover Classification Scheme was developed (Allen, 2008):

![Turnover Classification Scheme]

Allen (2008) suggests that the first classification between turnovers is voluntary (i.e. initiated by the employee) or involuntary (i.e. initiated by the company). Dysfunctional turnover has high impact to the organization such as high performers, while functional turnover happens when low performers employees leave their jobs. Further classification of the dysfunctional turnover is avoidable, where the organization can influence such as work environment, and unavoidable, where the organization has little control.

As an element of productivity and manufacturing, employee turnover in Saudi Arabia has been one of the most significant challenges that managers and employers have faced in a rapidly expanding economy (Jehanzeb & Rasheed, 2013). At present, many employers in the country remain unaware of why employees decide to leave. When they quit their jobs, employees in the manufacturing sector—which is highly dependent on constant production—cause an extensive amount of disruption in terms of the operations, dynamics, and overall performance. As a result, this creates more cost for the companies (Jehanzeb & Rasheed, 2013). Employee turnover is a great challenge for employers in Saudi Arabia and the Middle East in general; there is a wide array of academic literature on the subject. Specifically, researchers and scholars have highlighted the cases causes and consequences of the phenomenon. This literature review analyzes and discusses some of the existing literature related to the causes and consequences of employee turnover.
4. Causes of Employee Turnover

a. Attitudes of Employees and Personal Reasons

Based on the research carried out by Bhuian and Al-Jabri (2012), one of the reasons that lead to high degrees of employee turnover are, the attitudes of employees related to their work is ranked as a leading cause. Specifically, low job satisfaction is a subject of work-related attitudes that greatly affect whether employees decide to continue working or leave manufacturing companies. Almalki, Fitzgerald, and Clark (2009) argued that the employees who report higher levels of satisfaction at the workplace show higher commitment to their organizations, and therefore, are less likely to leave. In contrast, employees who report lower levels of satisfaction experience greater turnover intentions and exhibit increased absenteeism (Buchko, 2008).

In a study conducted by Bhuian and Al-Jabri (2012), approximately 25% of the employees in Saudi Arabia who work in the manufacturing sector fail to come to work regularly, leading to high rates of employee turnover. The researchers also indicated that the country needs to address the traditional mindset across a larger portion of the population concerning the intense amount of manual activity in the manufacturing industry. This is because, so far, most people exhibit “Mudir syndrome,” which means that they perceive nothing short of a management position to be a rewarding job; other work does not afford the same status and respect (Bhuian & Al-Jabri, 2012). As a result of this mindset, employees prefer to leave the manufacturing industry for white-collar jobs whenever possible.

b. Appraisal and Feedback

It has been postulated that most managers and supervisors in the manufacturing companies fail to give candid feedback and reviews that truly reflect the amount of work done by employees. This has a detrimental effect on workers’ self-esteem. According to Raines (2013), negative feedback on the work done by employees can be perceived as reflecting a hostile and unfriendly attitude towards them. A survey conducted by Bayt.com revealed that approximately 52% of the participants were highly dissatisfied with the feedback systems used in their organizations. This was aggravated by the performance of local employees when compared to exported labor. Hall (2003) argued that since the country’s culture holds group work in high regard, appraisal systems meant to appreciate the work of an individual are greatly undermined when managers attempt to downplay it by giving false information on the appraisal sheets. Negative feedback after hard work and commitment from the employees often leads to employees leaving the organization.

c. Ineffective Communication

Gans and Zhou (2002) argued that appropriate and clear communication, especially in manufacturing industries, is crucial for the success of organizations. These researchers argued that poor communication is among the leading causes of a high turnover rate among employees. They conducted a study at a trucking company and found that ineffective communication between supervisors and blue collar employees contributed to the high rate of employee turnover. The manufacturing plant was selected because it had an exceptionally high turnover rate of 123% (Gans & Zhou, 2002). By carrying out interviews, it was revealed that a large portion of the employees’ dissatisfaction resulted from leaders’ perception of the employees,
where they viewed the drivers as second-class citizens (Gans & Zhou, 2002). This attitude was evident in the policy that held that the only contact between the drivers and the company would be through telephone conversations each week. In addition, the employers had developed stereotypes about the drivers and therefore found it challenging to learn about and address the drivers’ complaints.

A case study revealed that poor communication on the part of employers can result in reduced morale among employees, leading to high turnover levels. Almalki, Fitzgerald and Clark (2009), reported that the main problem with most manufacturing companies in Saudi Arabia is that they fail to come up with long-term plans or make firm commitments to their employees. Apart from the absence of clearly defined quality philosophies, visions, and missions, manufacturing companies also lack documented procedures to define how employees should behave and communicate. A study of approximately 5,000 employees in the Middle Eastern countries revealed that ineffective communication by the employers had made many employees search elsewhere for the information that they require (Almalki, Fitzgerald & Clark, 2009). Furthermore, the survey revealed that although the managers realized the importance of communication, they failed to execute it in their companies, leading to the departure of many employees.

**d. Consequences of Employee Turnover**

The consequences of high levels of employee turnover are twofold, as they affect both financial and nonfinancial aspects of the manufacturing industries. A high scale of employee turnover can pose significant hurdles when it comes to productivity, profitability, and quality in manufacturing firms (Kiekbusch, Price & Theis, 2012). Smaller manufacturing companies may not have enough employees to carry out day-to-day functions as a result (Johnson, 2009). According to Raines (2013), turnover can be an invisible enemy for start-up businesses. He asserted that the phenomenon is invisible because the costs associated with it cannot be itemized in the financial statements or reported at the end of each fiscal year.

Heneman and Judge (2009) categorized the negative consequences of turnover as tangible factors such as recruitment, training, selection, and loss of productivity. In contrast, the intangible aspects of turnover include the effect on morale, the workload effect, and the disruption of team performance. In addition, other negative costs include separation, high time consumption in training replacements, and cash outlays. The researcher concluded by saying that the other costs can be less discernible and harder to estimate but involve greater consequences such as customer loss, brand image destruction, and low morale.

Analyzing the economic effects of employee turnover, Jehanzeb and Rasheed (2013) stated that the figures can be staggering. For example; the average cost of turnover for a manufacturing company in Saudi Arabia is $200,000 per employee (Jehanzeb & Rasheed, 2013). As pharmaceutical manufacturer, Merck estimated that its total turnover costs approximately 150% of the employees’ annual salaries (Zimmerman & Darnold, 2005). In the United Arab Emirates, the cost is approximately $7,564 each year. According to another study (Paradise, 2009), the average annual learning expenditure, which is the training cost, per employee in 2008 to be $1,068.
5. Research Design

This study adopts a quantitative research method. This is an applied research study. Primary data was obtained through an online questionnaire. The target population comprised Saudi men and women. The potential participants were contacted through email and social networking programs such as Linked-in. The gathered data was analyzed in a quantitative manner. All efforts were exerted to maximize the participation to have a representative sample.

a. The Research Questions

This research aims at identifying the reasons behind the high turnover by addressing the following questions:

1. What are the main causes of turnover?
2. What are the consequences of turnover?

This research addresses the following hypothesis: “An attractive employment package, mainly salary, is the reason for turnover.”

b. Sample and Data Collection

The survey participants were contacted through email and social networking programs such as Linked-in. All the participants were working for major industrial companies (e.g. Saudi Aramco, SABIC, Saudi Chevron, Advanced Polypropylene, Tasnee...etc.) in the eastern province of Saudi Arabia. More than 400 persons of the potential sample were contacted. The total responses is 231, which represents an approximately a 58% response rate.

c. Instrumentation

The survey includes 20 questions (see Appendix # 1). The first six questions are demographic addressing the gender, age, education level, years of experience, nationality, and job position. The remaining questions address specific subjects related to the hypothesis and research questions.

d. Data Analysis

The study data is analyzed by using Statistical Package for the Social Science (SPSS), Version 23.01.

- Reliability

The researcher used method of Cronbach’s alpha for calculating the internal reliability of the measure (Cronbach, 1951). The calculated alpha coefficient is 0.70, which indicates adequate reliability according to the criteria set by Nunally (1978). Thus, we can be confident of the credibility of the measure in achieving the objectives of the study.
• **Validity**

Where the researcher distributed the questionnaire on the number of arbitrators to determine the validity of the paragraphs, and the power of their formulation and the scientific accuracy of these paragraphs and how to measure each phrase of the factor who put to it, and any other observations to improve the measurement, and According to the views of the views has been modified formulation of a number of paragraphs agreed by consensus on the need to modify and delete some paragraphs, in addition to the distribution to some individuals of the study population, in order to find out their views on the consistency of paragraphs contained in the questionnaire, has been taking a portion of the observations made by them to increase the credibility of the questionnaire.

6. **Data Analysis and Results**

This section will present the details of the research analysis by starting with the profile of respondents, reliability, and validity of variable, hypothesis testing, and analysis of result.

a. **Profile of Respondents**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>223</td>
<td>96.5</td>
</tr>
<tr>
<td>Female</td>
<td>8</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>41</td>
<td>17.7</td>
</tr>
<tr>
<td>26-30</td>
<td>62</td>
<td>26.8</td>
</tr>
<tr>
<td>31-35</td>
<td>54</td>
<td>23.4</td>
</tr>
<tr>
<td>36-40</td>
<td>35</td>
<td>15.2</td>
</tr>
<tr>
<td>41 or over</td>
<td>39</td>
<td>16.9</td>
</tr>
<tr>
<td><strong>Education level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>23</td>
<td>10.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>42</td>
<td>18.2</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>137</td>
<td>59.3</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>28</td>
<td>12.1</td>
</tr>
<tr>
<td>Doctorate</td>
<td>1</td>
<td>.4</td>
</tr>
</tbody>
</table>
As seen in Table (2), 96.5% of respondents are (male) and 3.5% (female), which is also visually shown in Figure (2).

<table>
<thead>
<tr>
<th>Years of experience</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
<td>19</td>
<td>8.2</td>
</tr>
<tr>
<td>1-5</td>
<td>50</td>
<td>21.6</td>
</tr>
<tr>
<td>6-10</td>
<td>58</td>
<td>25.1</td>
</tr>
<tr>
<td>11-15</td>
<td>50</td>
<td>21.6</td>
</tr>
<tr>
<td>16-20</td>
<td>29</td>
<td>12.6</td>
</tr>
<tr>
<td>21 and above</td>
<td>25</td>
<td>10.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi</td>
<td>209</td>
<td>90.5</td>
</tr>
<tr>
<td>Non-Saudi</td>
<td>22</td>
<td>9.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job’s position</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher management</td>
<td>8</td>
<td>3.5</td>
</tr>
<tr>
<td>Middle management</td>
<td>119</td>
<td>51.5</td>
</tr>
<tr>
<td>Frontline employee</td>
<td>104</td>
<td>45.0</td>
</tr>
</tbody>
</table>

Figure (2): the distribution of sample according to (Gender)
Table (2) also shows 26.8% of respondents their ages (26-30), 23.4% (31-35), 17.7% (18-25), 16.9% (41 or over) and 15.2% (36-40) of the sample. As shown in Figure (3).

![Bar chart showing age distribution]

Figure (3): the distribution of sample according to (age)

As can be seen from the table that 59.3% of respondents have Bachelor’s degree level, 30.1% Beginner, 18.2% Diploma, (12.1% - 10.0%) Master’s degree and, High school respectively, and 0.4% Doctorate as shown in Figure (4).

![Bar chart showing education level]

As can be seen from the table that 59.3% of respondents have Bachelor’s degree level, 30.1% Beginner, 18.2% Diploma, (12.1% - 10.0%) Master’s degree and, High school respectively, and 0.4% Doctorate as shown in Figure (4).
Further, 25.1% of respondents reported that their total work experience was (6-10) years, 21.6% for each of these categories (1-5)-(11-15), 12.6% (16-20), 10.8% (21 and above) and 8.2% (Less than 1). As shown in figure (5) and table (2).

Based on nationality, there were 90.5% of respondents who identified as Saudi Arabian and 9.5% that identified as Non-Saudi Arabians. As shown in Figure (6).
As far as job position was reported, 51.5% of respondents work in middle management, 45% frontline employee and 3.5% higher management as shown as in Table (2) and Figure (7).

![Figure (6): the distribution of sample according to (Nationality)](image)

When asked about how many times have you changed jobs in the last 24 months, 161 participants (69.7%) said no job changes, 60 participants (26.0) reported one job change, 9 participants (3.9%) reported two job changes and 1 participant (0.4%) reported more than two job changes.

### b. Study Variables of Interest

When asked about how many times have you changed jobs in the last 24 months, 161 participants (69.7%) said no job changes, 60 participants (26.0) reported one job change, 9 participants (3.9%) reported two job changes and 1 participant (0.4%) reported more than two job changes.
Participants were asked to rate their current job Training, Recognition by Management, Balance between Job and personal life, Quality of Work, Relationship with Management, and Colleagues on a three point scale (below expectations, meets expectations, exceeds expectations). The responses were averaged and are presented below in Table (3). The mean response on training was 1.75 (SD = .631), 1.68 (SD = .668) on Recognition by Management, 1.72 (SD = .585) on Balance between Job and personal life, 1.70 (SD = .700) on Quality of Work, 1.87 (SD = .674) on Relationship with Management, and 2.29 (SD = .574) on Colleagues.

<table>
<thead>
<tr>
<th>Table (3): job characteristic ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>How was the training and qualification in your company?</strong></td>
</tr>
<tr>
<td><strong>Overall, how is the recognition you receive from doing your job?</strong></td>
</tr>
<tr>
<td><strong>Overall, how is the balance between job and other parts of your life?</strong></td>
</tr>
<tr>
<td><strong>Management</strong></td>
</tr>
</tbody>
</table>

Figure (8): the number of job changes in a 2 year period
Participants were asked to rate their current job on Ethics, Policies, Performance Feedback, and Line Management on a three point scale (disagree, neutral, agree). The responses were averaged and are presented below in Table (4). The mean response on Ethics was 2.15 (SD = .743), 2.14 (SD = .735) on Policies and Procedures, 2.03 (SD = .785) on Performance Feedback, and 2.10 (SD = .784) on Line Management.

In Table (5), the participants were asked to choose as many options, as applied to them, out of a total of six choices on why they are attracted to their current job. The raw data answers are reported below. The majority of participants reported (n = 152, 65.8%) that adequate
compensation was the attraction to their job followed by career growth (n = 50, 21.6%), great relationship with manager (n = 21, 9.1%), adequate working conditions (n = 6, 2.6%) and workload (n = 2, .9%). This answers the hypothesis an attractive employment package is a reason to leave for another job.

Table (5): Job Attraction

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate compensation</td>
<td>152</td>
<td>65.8</td>
<td>65.8</td>
<td>65.8</td>
</tr>
<tr>
<td>Adequate working condition</td>
<td>6</td>
<td>2.6</td>
<td>2.6</td>
<td>68.4</td>
</tr>
<tr>
<td>Career growth</td>
<td>50</td>
<td>21.6</td>
<td>21.6</td>
<td>90.0</td>
</tr>
<tr>
<td>Great relationship with</td>
<td>21</td>
<td>9.1</td>
<td>9.1</td>
<td>99.1</td>
</tr>
<tr>
<td>management and/or colleagues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workload</td>
<td>2</td>
<td>.9</td>
<td>.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>231</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

In Table (6), the participants were asked to choose as many options, as applied to them, out of a total of six choices on why they might leave their current job. The raw data answers are reported below. The majority of participants report they would leave their job due to insufficient compensation (n = 112, 48.5%) followed by lack of career growth (n = 62, 26.8%), I do not intend to leave my job (n = 35, 15.2%), poor relationships (n = 17, 7.4%) and other (n = 5, 2.2%). This answers the research question of “What are the main causes of turnover?” The hypothesis: “mainly salary, is the reason for turnover” is supported here as it is the top reason for turnover.

Table (6): reasons for leaving current job

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not intend to leave my job</td>
<td>35</td>
<td>15.2</td>
<td>15.2</td>
<td>15.2</td>
</tr>
<tr>
<td>Lack of career growth</td>
<td>62</td>
<td>26.8</td>
<td>26.8</td>
<td>42.0</td>
</tr>
<tr>
<td>Insufficient compensation (salary, bounce...etc.)</td>
<td>112</td>
<td>48.5</td>
<td>48.5</td>
<td>90.5</td>
</tr>
<tr>
<td>Poor relationship with management and/or</td>
<td>17</td>
<td>7.4</td>
<td>7.4</td>
<td>97.8</td>
</tr>
</tbody>
</table>
This research sought to evaluate the causes and consequences of employee turnover in manufacturing industry organizations in the eastern region of Saudi Arabia. The research revealed various causes of turnover that industry could address to reduce turnover. Organizations’ management could conduct further and deeper analysis to identify the exact area that need to be improved and let the employees be part of the solution. This is expected to make the employees feel valued and included in the decision-making process of the organization.

Qualifications and training were found to be generally good; however, there is a room for improvement. A high percentage of respondents from the front line and middle management indicated that the recognition program requires more improvement. Work–life balance was found to be an area of concern for some employees. It was found that management does not show enough commitment to improve the quality of work the environment. Employees’ relationships with their colleagues were found to be healthy overall; however, the relationships between frontline employees and their management were not as good. Employees indicated that their leadership did not care about the employees and the business. Moreover, the participants reported that they do not receive regular performance feedback. Ethics in the workplace was another area that could be improved. A high number of participants were found to exhibit either disagreement or neutrality concerning the need to conduct their jobs in a highly ethical manner. Fair and consistent implementation of policies, procedures, and regulations is not carried out as expected; the research indicated that a high percentage of participants expressed either disagreement or neutrality related to this topic.

Conclusion

The research revealed that lack of career growth and insufficient compensation would be the main reasons for employees leaving their jobs. This was confirmed by two different survey items. This proves that the hypothesis addressed in this research: “An attractive employment package, mainly salary, is the reason for turnover.” is not correct.

The consequences of turnover are high and affect the competency, the reliability and stability of the organization, and the costs of hiring, training, and providing qualifications for new employees. The research indicated that around 12% of employees would leave their jobs a salary increase of 10% or less, 16% would leave their jobs for an increase of 11–20%, and 30% would leave for an increase of 21–30%. Among all of the respondents, those who held a bachelor’s degree and those aged 30 years or less required more focus from their organizations. It appears that individuals in this category could be influenced by several factors and are more likely to leave their jobs.

As a result of this study, it was observed that there are several other areas of research that should be covered in future (e.g., the philosophy of recognition, improving the work culture, ethical compliance, performance feedback and annual performance review, hiring process, etc.).
Such topics should each be a focus of separate research in order to identify improvement opportunities for organizations. The researcher hopes that he will be able to conduct further studies on these topics.

**Recommendations**

1. Several researches address various methods to retain employees. Allen (2008) suggested the following practices:

2. Recruitment: organization needs to provide a clear explanation of the job roles and responsibilities in order to ensure that it is clear for the applicant.

3. Selection: management is responsible to ensure that the correct candidate is selected.

4. Socialization: new employee's socialization (e.g. employee orientation, mentoring...etc.) is very important and will increase the likelihood for the new employee to stay.

5. Training and development: the same research by Allen indicated that those get more training are less likely to leave their jobs.

6. Compensation and rewards: management needs to develop attractive compensation and rewards program by benchmarking with similar organizations and try to lead the market. Another approach is to develop specific program for individuals based on the need to the organization. One more approach is to link rewards to retention (e.g. provide senior employees with more vacation...etc.)

7. Supervision: management needs to provide the leaders with the required management and leadership knowledge & skills. It is also important to monitor their performance on how they deal with their team and the retention among their staff.

8. Employee engagement: management needs to strengthen employees’ engagement in the organization by various methods to let them feel they are valued and included.
References


APPENDIX # 1: Survey Questions

1. What is your gender?
   i. Male
   ii. Female

2. What is your age?
   i. 18–25
   ii. 26–30
   iii. 31–35
   iv. 36–40
   v. 41 or over

3. What is your education level?
   i. High school
   ii. Diploma
   iii. Bachelor’s degree
   iv. Master’s degree
   v. Doctorate

4. What is your total years of experience?
   i. Less than 1
   ii. 1–5
   iii. 6–10
   iv. 11–15
   v. 16–20
   vi. 21 and above

5. What is your nationality?
   i. Saudi
   ii. Non-Saudi
6. What is your job position?
   i. Higher management (director, executive, etc.)
   ii. Middle management (supervisor, manager, senior manager, etc.)
   iii. Frontline employee (operator, technician, specialist, etc.)

7. Have you changed your job in the past 24 months?
   i. No
   ii. Once
   iii. Twice
   iv. More than two times

8. What is the qualification and training in your company like?
   i. Above Expectations
   ii. Meets Expectations
   iii. Below Expectations

9. Overall, how would you rate the recognition you receive from doing your job?
   i. Above Expectations
   ii. Meets Expectations
   iii. Below Expectations

10. Overall, what is the balance like between your job and other parts of your life?
    i. Above Expectations
    ii. Meets Expectations
    iii. Below Expectations

11. How does management’s commitment to improve the quality of the work environment relate to your expectations?
    i. Above Expectations
    ii. Meets Expectations
    iii. Below Expectations

12. How would you characterize your relationship with line management?
i. Above Expectations

ii. Meets Expectations

iii. Below Expectations

13. How would you characterize your relationships with your colleagues?

   i. Above Expectations
   ii. Meets Expectations
   iii. Below Expectations

14. If everything other than pay were equivalent, how much of a percentage pay increase would another company need to offer for you to leave your current organization?

   i. 10% or less
   ii. 11% to 20%
   iii. 21% to 30%
   iv. 31% to 40%
   v. 41% or above

15. What would be the main reason for leaving your job?

   i. Insufficient compensation (salary, bonuses, etc.)
   ii. Lack of career growth
   iii. Poor relationship with management and/or colleagues
   iv. Workload
   v. I do not intend to leave
   vi. Other

16. What is the main benefit that will attract you to stay with the current organization?

   i. Adequate compensation (salary, bonuses, etc.)
   ii. Career growth
   iii. Great relationship with management and/or colleagues
   iv. Training and qualifications
   v. Adequate working condition (facilities, food, etc.)
vi. Other

17. All activities in the organization are carried out in a highly ethical manner.
   i. Agree
   ii. Neutral
   iii. Disagree

18. I receive regular performance feedback from my management.
   i. Agree
   ii. Neutral
   iii. Disagree

19. In the organization, policies, procedures, and regulations are implemented fairly and consistently.
   i. Agree
   ii. Neutral
   iii. Disagree

20. My line management cares about the business and employees.
   i. Agree
   ii. Neutral
   iii. Disagree