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THE FACTORS OF EMPLOYEE TURNOVER INTENTION IN PRIVATE SECTORS ORGANIZATION IN JEDDAH, SAUDI ARABIA

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ABSTRACT

Despite that turnover is a major concern in determining the productivity of employees in accordance with their performance and some factors that has a major effect on turnover intention. The most of the organizations still not paying attention to this issue, and it is consequences on organization's productivity, profitability, and quality. However, to retain the best employees; managers must ensure that their organizations meet expectations about rewards, working environment and productivity standards and then deliver on the promise. Employee turnover has been such a serious problem in Middle-East organizations, there is a few researches investigating it, especially studies on causes and consequences are scanty. This paper examines the causes of employee turnover, effects and suggests some strategies on how to reduce employee turnover within Saudi business setting. The study method selected was quantitative research approach and the data collection was adopted using a questionnaire. The questionnaire consists of 27 questions distributed to 110 respondents from private sectors organization with various professions in Jeddah. Based on this sample the results obtained indicate that turnover rate is decreasing in private sectors they are improving and this problem will affect organization's productivity if not being resolved or decreased.

INTRODUCTION

Turnover intention is one of the biggest challenges of Human Resource Management. Most of managers are not aware of why employees decide to leave their organizations and why they choose to stay [1]. Turnover refers to the number or percentage of workers who leave an organization and replaced by new employees. Measuring employee turnover can be helpful to the employers to examine the reasons of the high turnover or/and estimate the

cost-to-hire for budget purposes [2]. Similarly, managers analyze the employee turnover as the entire process associated with filling a vacancy. Each time positions are vacant either voluntarily or involuntarily, a new employee must be hired and trained, this replacement cycle is known as turnover [3, 4].

Organizational turnover has been a serious problem in the past years especially in private sectors. Therefore, there is a need to understand employees' turnover from the perspective of causes, effects, and strategies to minimize turnover [1]. According to a report from the Ministry of Economy and Planning, in 2014, more than 237,000 people entered the workforce, while about 99,000 exited the same year from private sectors companies [5] and that is a very large number. Achoui and Mansour [6] conducted a study on employee turnover in Saudi companies confirmed that the turnover rate in the Saudi market is very high particularly in the private sectors.

Many private sectors in Saudi Arabia faced a problem and it is the flight of capable and qualified Saudi employees from their companies as soon as they became wanted for enhanced offers available in the Saudi market. Although public sector companies are employing employees that are neither skilled nor capable to do the work, offering greater salaries and discretionary benefits, capable Saudi employees would rather to work for multinationals for further human resource development. Saudi citizens prefer the governmental and public sector for the relaxed working hours and paybacks for fewer skills are not concerned with the changing process of their skills [7].

However, private sectors should pay more attention to the consequences of this issue Employee's turnover can harm overall productivity of organizations [8, 9]. Employee turnover has an effect on organizational productivity, quality, and profitability at organizations of all sizes [1]. For the smallest of companies, a high turnover rate can mean that simply having enough staff to fulfill daily functions is a challenge, even beyond the issue of how well the work when staff is available [10].

Studying the key factors of employee's turnover intention will help the human resources department in the private sectors to resolve these problems and to eliminate these factors. Employee's turnover has an effect on the organizational productivity, quality, and portability therefore; preventing this problem will help the organizations. Employer's duty is to make sure their organizations clearly connect expectations about rewards, working environment and productivity standards and then perform the promise. Employee turnover have been such a serious problem in Middle-Eastern organizations, there is limited research studying it, especially studies on causes and consequences are scanty [1]. Moreover, it also suggests new directions to reduce the large number of turnovers in Jeddah, Saudi Arabia to eliminate the turnover intention.

The importance of studying these key factors in organizations cannot be ignored as evaluations because they help develop individuals, improve organizational performance, quality, profitability, and productivity [11]. In

other hand, losing talented and expert employees might lead to not having the competent workers to run the organization at different levels. In addition, it will require new investment in human resource to close the competency gaps [12]. Therefore, this study examines the factors of employee turnover intention in private sectors organization in Jeddah, Saudi Arabia.

METHODOLOGY

In this study, the quantitative research approach is used and the questionnaire was made to gather the primary data. Quantitative research helps to get the insights about the phenomena in question and is flexible in the sense that it helps in identifying the missing part of what is unknown or partly known [13]. Further still, quantitative research is to be more related in the context of discovery and therefore to be able to get access on what was never known before. However, if the research problem is not well understood, there is a probability that the researcher will be overwhelmed by data due to pointless data collection. This will make it more difficult for the analytical part in the research [13].

Data Collection Methods

In this study, 110 participants were randomly selected from various professions from private sectors organization in Jeddah within a varying age group. Simple random sampling was applied when selecting respondent to eliminate bias.

A structured questionnaire comprising of 27 questions is designed and administered to all employees. The purpose of the questionnaire is to determine the key factors of employee's turnover intention in private sector organizations. The questions in the questionnaire are made short and clear to ensure that it takes the respondents not more than 15 minutes to answer and therefore encourage participation. The questionnaire included a cover letter. This cover letter was sent to the respondents it has several objectives; firstly, to provide respondents with brief information about what they were being requested to respond to and, Secondly, to motivate them into participating in the questionnaire.

Population and Sample

The sample population for this study consisted of employees from different levels who are working in private sectors in organizations located in Jeddah. This sample was selected because it was important to know what are the differences between employees from different levels are.

Statistical Analysis

Statistical analysis involves collecting and scrutinizing every data sample in a set of items from which samples can be drawn. A sample, in statistics, is a representative selection drawn from a total population. This study used SPSS to analyze the collected data.

Data Collection

According to Neale et al. [14] data is collected from various routes such as surveys document review, observations, and interviews. Offer complete picture. In this study the data were collected through survey with employee from private sector companies. This is the best way to study due to the accurate information that must be obtained to reach the best results.

The data were collected using an online survey mainly since people find it easier to understand and if respondents had any clarifications, they can contact the researcher on email for further explanation or information at any time. This study received the ethical approval from the institution's Research Center in order to approach the participants with the survey. There are total of 110 respondents had competed the questionnaire survey.

RESULT AND DISCUSSION

Respondents' Demographics

Table 1 tabulates the demographics of study participants. About 61.8% of the respondents are male and 38.2% are female. Majority of the respondents about 75.5% are Saudi and 24.5% are non-Saudi. Most of the respondents about 30.9% and 17.3% are from age group 26 to 33 years old and 18 to 25 years old respectively. Majority of the respondents about 70.9% and 16.4% own a bachelor degree and master's degree respectively. Most of the respondents about 29.1% with working experience 1 to 5 years and 26.4% with working experience more than 20 years. The highest job roles of the respondents mark the same percentage which is 27.3% each for manager level and entry level.

Table 1: Demographics of Study Participants

Characteristics	Description	Percentage (%)
Gender	Male	61.8
	Female	38.2
Nationality	Saudi	75.5
	Non-Saudi	24.5
Age group (Years old)	18-25	17.3
	26-33	30.9
	34-41	20
	42-49	11.8
	50-57	15.5
	58 and above	3.15
Level of education	High School	6.4
	Bachelor Degree	70.9
	Master's Degree	16.4
	Doctoral Degree	6.4
Years of experience	1-5	29.1
	5-10	18.2
	10-15	11.8

	15-20	10.09
	More than 20	26.4
	Others	3.06
Job Role	Executive	6.4
	Manager	27.3
	Supervisor	15.5
	Team leader	10.9
	Entry level	27.3
	Trainee	1.8
	Others	9.9

Reliability statistics

Table 2 shows the reliability statistics for each variable. In Cronbach's Alpha the variable is $>.70$ means that it is reliable. Supervisor support and intention to quit are not reliable and need to adjust in a future research.

Table 2: Reliability statistics for each variable

Variables	Cronbach's Alpha	N of Items
Job satisfaction and organizational commitment	.781	9
Organizational support	.756	8
Supervisor support	.527	4
Reward and recognition	.818	10
Communication	.902	5
Intention to quit	.442	3

Correlation

Table 3 presents the inter-correlation of the study variables. It shows that there is a moderate correlation between the factors CRITERIA=PIN (.05) POUT (.10). In Table 3, $**p < 0.001$ Correlation is significant at the 0.01 level (2-tailed). JS represents Job Satisfaction, OS represents Organizational Support, SS represents Supervisor Support, RR represents Reward and Recognition, C represents Communication and IQ represents Intention to Quit.

The results showed that job satisfaction and organizational commitment are correlated with organizational support highly it is $.512^{**} > 0.01$. Organizational support is highly correlated with supervisor support $.595^{**} > 0.01$, and with rewards and recognition it is $.613^{**} > 0.01$, with communication also it is good $.557^{**} > 0.01$ but it is negatively correlated with Intention to quit $-.338^{**} < 0.01$.

Supervisor support is correlated positively with job satisfaction $.317^{**} > 0.01$, and $.465^{**} > 0.01$ with reward and recognition with communication $.415^{**} > 0.01$ but, it is negatively correlated with Intention to quit. Reward and recognition are positive with all of the other factors but it is negative with

intention to quit. Communication is highly correlated with reward and recognition by .634**, and negatively with intention to quit.

Table 3: Table of Correlations (N=110)

		AVG- JS	AVG- OS	AVG- SS	AVG- RR	AVG- C	AVG- IQ
AVG- JS	Pearson Correlation	1	.512**	.317**	.573**	.542**	-.276**
	Sig. (2- tailed)		.000	.001	.000	.000	.003
AVG- OS	Pearson Correlation	.512**	1	.595**	.613**	.557**	-.338**
	Sig. (2- tailed)	.000		.000	.000	.000	.000
AVG- SS	Pearson Correlation	.317**	.595**	1	.465**	.415**	-.141
	Sig. (2- tailed)	.001	.000		.000	.000	.143
AVG- RR	Pearson Correlation	.573**	.613**	.465**	1	.634**	-.416**
	Sig. (2- tailed)	.000	.000	.000		.000	.000
AVG- C	Pearson Correlation	.573**	.557**	.415**	.634**	1	-.354**
	Sig. (2- tailed)	.000	.000	.000	.000		.000
AVG- IQ	Pearson Correlation	-.276**	-.338**	.415**	.634**	-.354**	1
	Sig. (2- tailed)	.003	.000	.000	.000	.000	

OVERALL DISCUSSION

Job Satisfaction and Organizational Commitment

The obtained result found employees in private sector organization are satisfied with their jobs but not all of them are committed and ready to work in their organization until they retire, in other hand, the respondents showed that the employees love their organization and feel belonging to them.

Organizational Support

The private sector organizations are supporting their employees when they need help and support. They are sure that their organization shows a lot of care to their employees. This means that organization started to care more about their employees and this will make them not worry about employee turnover.

Supervisor Support and Feedback

The results showed that the supervisors care about them, their opinions and values. That means that employees in private sectors are having a good relationship with their supervisors and that is good to reduce the turnover intention.

Reward and Recognition

The respondents say that they are given a good pay raise and their supervisor appraises them on their work, but they are not guaranteed with job security. There is a low opportunity for promotions, and missing training and development programs. Many employees agreed that they are facing challenging work assignments, but their organizations appreciate them. This means that private sector organization should work more on their job security and, training and development programs.

Communication

The respondents claim there is a good communication in their organizations between them and their supervisors, colleagues and the different levels in their organizations. This means that organizations are improving their communication with their employees and that is a good sign to prevent turnover intentions.

Intention to Quit

The respondents claim that employees think sometimes to leave their jobs. In addition, half of them is not looking for new jobs in the next twelve months. This means that organization are really considering these factors and really working on how to retain their employees.

The responds showed that turnover would affect the organization's productivity the most. Losing qualified employees and having a high rate of turnover will delay a lot of performances and procedures.

CONCLUSION

The findings reported in this study suggest that turnover intention have an impact on the productivity, profitability, quality, and loss of expert talented employees on private sector organizations. This result is broadly consistent with prior management literature on training and development. To gain more knowledge of the factors that indicate to employee's turnover from the sample companies, different questions are presented to the respondents and thus examined. These questions are focusing on the factors: employee job satisfaction and organizational commitment, organizational support, perceived supervisor and feedback, rewards and recognition how they can influence the employee's intention to quit.

The results showed that there is a good relationship between the factors; the results also stated that organizational support, reward and recognition, and communication are equal in regression they are less than .05 which means that

they are the most common factors that employees consider when leaving, and then job satisfaction that mean it is less important to employees. In other hand, supervisor support scored the highest in regression it was higher than .05 which means it is the last factor that employees keep in mind when they are planning to leave their organizations.

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