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TRAINING AND DEVELOPMENT OPPORTUNITIES AND TURNOVER INTENTIONS POST SAUDIZATION

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ABSTRACT:

The employee turnover intention refers to the withdrawal from the company. The Turnover intention is directly related to the overall job satisfaction by the employees of the organization. Greater job satisfaction means lower employee turnover rate and Lesser job satisfaction means greater employee turnover rate. The aim of this research is to investigate on how the training and development opportunities after Saudization can influence the employee's intentions to leave the company. This research is important because it will explore employees' expectations with regard to various training and development opportunities available to them post Saudization, as it is generally known that a majority of organizations have reduced spending on training and development of employees. In this research a quantitative method is adopted which will target the population of Jeddah mainly the employees belonging to the Saudi Arabian firms. The method used is the survey questionnaire and there are 112 participants involved. The findings of this research suggested that, once the training is provided the employee is estimated to stay with the organization with a period of more than 5 years. The findings of this research also revealed that, when the employees are provided with training and development, they had increased opportunities and a raise in position which can again be a critical factor towards the lower employee turnover rate. Lastly, this research also suggested that when proper training and development was provided greater prevalence was given to the overall job satisfaction.

INTRODUCTION

As the globalization is increasing across the world, more and more cultures, traditions, goods, services and businesses are being exchanged from all across the world [1]. The field of research in business is also being increased day by day. The worldwide biggest organizations regard their employees as the important assets of the organization. Companies such as Google and Amazon have invested more in their employees so that their employees work efficiently to produce good results [2]. The job satisfaction of the employees is closely related to the employee turnover rate. Job satisfaction is more popularly known to be the collection of various feelings that the person has towards their jobs. In short, the Job satisfaction of the employees is the indicator of the employee's feelings and is also regarded as the predictor of their work behavior such as the organizational turnover, absenteeism and citizenship [3]. On the other hand, the employee turnover refers to the count of the movement of staff members or the employees of the firm in and out of the company and it's also measured in terms of the turnover rates. The turnover rate is lower when the employees experience better job satisfaction and the turnover rate is more when the employees experience lesser job satisfaction. The companies strive on reducing the employee turnover rate for the better organizational performance. The whole idea of job satisfaction is to help the employees in finding comfort and pleasure in what they do. The more the employees are satisfied with their jobs, the more loyal and committed are. According to the study conducted by Willis Tower Watson, "More than 50% of all organizations globally have difficulty retaining some of their most valued employee groups." [4] Furthermore, the cost of replacing the highly trained employee of the firm can cross 200% of their annual salary. The research conducted at Owl Labs has also found that, the organizations that provide support to the remote work have 25% lower employee turnover as compared to the organizations that don't [5].

According to Becker [6], an investment is known to be a contribution which means that, an employee makes today in expectation that the benefit and "pay off" will be accomplished in the future. Training offered to an employee is an important responsibility that has the potential of increasing the employee investment and commitment. The research done by Becker [7] aims at exploring the relationship in between the costs and returns to training by exploring the two important forms of training. General training is the part of training that gives the worker with skill development that can not only apply at the current firm but also other firms throughout the labor market. General training programs include the following examples apprenticeship trainings, general computer training, and learning surgical techniques that could be used in other hospitals. Another example of general training is the Educational Reimbursement; this means that the skills attained can be applied for many different employers [8].

Employee turnover occurs when the employee is not satisfied with his/her job. Being unhappy is not only the single reason behind leaving the job. It is as

clear as that, if the employees contain the skills that are in demand, they can be awarded higher pay, better facilities or job growth prospective. Therefore, it is very crucial to recognize and know the dissimilarities in between those employees who tend to leave their jobs as they are not satisfied with their job and those employees who leave their jobs for some other reasons [9].

On the other hand, on-the-job training is the training that tends to develop the productivity of the employees and greater amount of job satisfaction when they are able to perform better in their jobs. This training is “specific” to a particular firm only. Some examples of specific training are the training given that includes the learning to drive a tank or to operate machinery that belongs to the company. The general training is not the same as the specific on-the-job training, as it is the company and not the only individual that have to tolerate the cost. In an organization, the employees always require training and guidance. Those employees that are newly hired require extra amount of guidance in learning various jobs. Therefore, absence of training programs can cause the employees to fall behind their performance level and realize that their skills are absent. According to the research conducted by Chiang et al. [10], the training of employees is linked with the employee decisions to stay within the organization. The research also concluded that, employee turnover has direct relationship with job satisfaction. The research further concluded that, the job satisfaction has a significant relationship with an employee turnover rate. On the other hand, the quality of training programs provided to the firm’s employees shows an indirect relationship with an employee’s plan to remain or give up the organization. The employee’s turnover rate can be decreased by training the employees and to keep talented people with them. In today’s world, the retention of the workers in the telecommunication sector is becoming complex. No organization can be successful in any sector until and unless the strategies are taken by the management to decrease the turnover rate efficiently and effectively. An employee, whom is invested in an organization, is also an employee who is going to be working with the organization for the greater periods of time. According to Becker [7], “employees can invest in a multitude of practices that can be perceived as “side bets”.” Some of the examples of these “side bets” include participating in the training programs or workshops after the work timings, attending an apprenticeship program or gaining a high degree of seniority. “Side bets” can be centered on time, effort, pay, advantages and much more. When the investment in these “Side bets” was greater, there was more probability of an employee being within the organization. Because of the perceived cost of leaving can be greater, side bets can cater to develop the employee’s intention to remain within the firm. Therefore, this research aims at investigating on how the training and development opportunities after Saudization can influence the Job Satisfaction and employee’s intentions to leave the company.

METHODOLOGY

In this research a quantitative method will be adopted which will target the population of Jeddah mainly the employees belonging to the Saudi Arabian firms. The method used will be the survey questionnaire that aims at surveying

more than 100 research participants through digital channels such as email or WhatsApp. The research methodology used in this research involves the quantitative research approaches. A method of survey is adopted that will be aiming at collecting data from more than 100 research participants. The simple random sampling method is used in order to collect data randomly from amongst the employees of the organization. The survey questionnaire will be formulated using the web application “Google Forms”. The research survey will be conducted through the digital devices such as iPad and tablets. The survey questionnaire comprises of the close ended questions as they help in generating precise results.

Data Collection

This section will include the methods, channels and approached through which the data is collected to match and feed the needs of the research.

1.1.1 Primary Data

The primary data collection for this research involves the survey methods. The survey aims at collecting 100+ research responses from the different employees of the Saudi Arabian firms such as Almoudi Trading, Al Rajhi, Aramex and FedEx. The data is collected by the means of simple Random Sampling. The simple random sampling method gives the equal chances of selecting any person from the population. This type of research is an applied research as several researches have been conducted on the similar topic and this research adds to the sea of knowledge. The data will be collected through the method of Survey questionnaire. This survey Questionnaire is comprised of 13 research questions. The Survey questionnaire is prepared with the help of the online survey platform known as the “Google Forms”. All the questions in the questionnaire are close-ended in nature.

1.1.2 Data Assessment

The data collected from this research is assessed and evaluate in the form of numerical data, statistics and graphs collected from the survey made through the Google forms.

Ethical Considerations

Before performing this research, the ethical approval of the participants is gained. The research participants are given a consent form. This consent form allows them to participate in the research survey. Before conducting the survey, they are informed about the research aims and objects as well as how the research will benefit the audience.

RESULT AND DISCUSSION

There are 112 employees of Saudi Arabian companies (such as Almoudi Trading, Al Rajhi, Aramex and FedEx) have completed the questionnaire. The results obtained will be analyzed in terms of demographic data and their skills and experience.

General Participant’s Background Information

Table 1 tabulates the general background information of the participants. About 54% of the research participants are male and 45% of the research participants are female. In term of participant’s age group, there are 35% of the research participants belonged to the age group of 27-35 years, 37% of the research participants belonged to the age group of 18-26 years, 14% of the research participants belonged to the age group of 36-44 years and 12% of the research participants belonged to the age group of more than 44 years. Besides that, majority 56% of the research participants obtained a Bachelor’s degree, 20% of the research participants obtained a High school. There are 15% of the research participants obtained a Master’s Degree and 8% of the research participants claim for others education level.

Table 1: General Background Information for Participants

Criteria	Categories	Number (n)	Percentage (%)
Gender	Male	61	54.46
	Female	51	45.54
Age group	18-26 years	42	37.50
	27-35 years	40	35.71
	36-44 years	16	14.29
	More than 44 years	14	12.50
Highest education level	Bachelor’s degree	63	56.25
	Master's degree	17	15.18
	High school	23	20.54
	Others	9	8.04

Based on Figure 1, majority 57% of the research participants are working with a company, 25% of the research participants are having their own business and 17% of the research participants are currently unemployed.

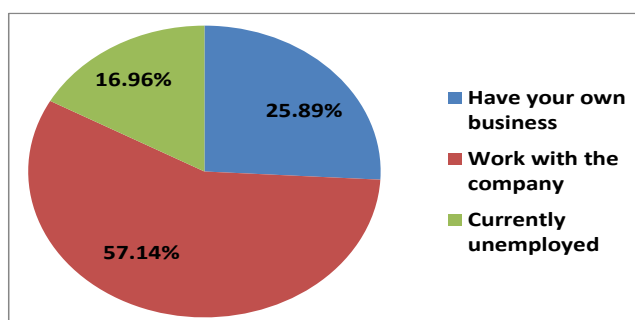


Figure 1: Respondent's Occupational Status

In Figure 2, about 13% of the research participants worked in the education sector, 11% of the research participants worked in the government sector, 9%

of the research participants worked in the banking and financial services as well as 9% of the research participants worked in the IT sector. There are 8% and 7% of the research participants worked in the telecom industry and medical sector respectively. At the same time, about 40% of study participants claimed that they work in other departments.

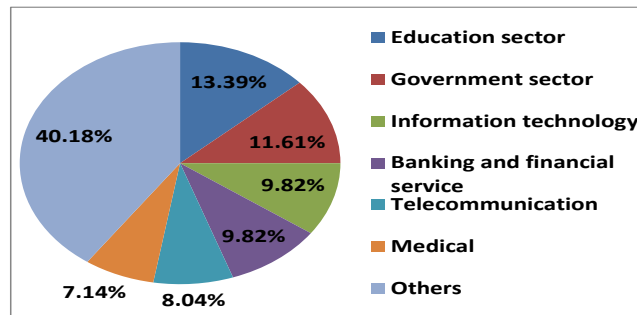


Figure 2: Participant's Field of Work

Skills and Experience

Figure 3 shows the feedback from the survey regarding the period of participates in the last training or certification program. In Figure 3, about 35% of the research participants said that, they had been to training for 3 months ago, 31% of the research participants said that, they had been to training for over a year ago. Besides that, there is 19% of the research participants said that, they had been to training for 1 year ago and 14% of the research participants said that, they had been to training for 6 months ago.

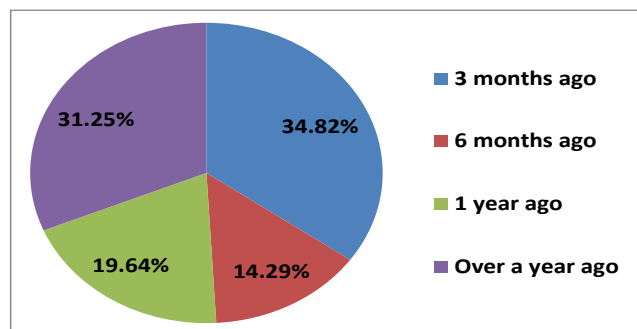


Figure 3: Participate in the last training or certification program

Figure 4 demonstrates the benefits of training provided by the company. About 50% of the research participants said that their company had always covered up their training costs, 31% of the research participants said that their company did not always covered up their training costs and 17% of the research participants said maybe. Moreover, about 46% of the research participants have said that, they had obtained a position raise after being certified, 38% of the research participants have said that, they had obtained a position raise after being certified and 15% of the research participants said maybe.

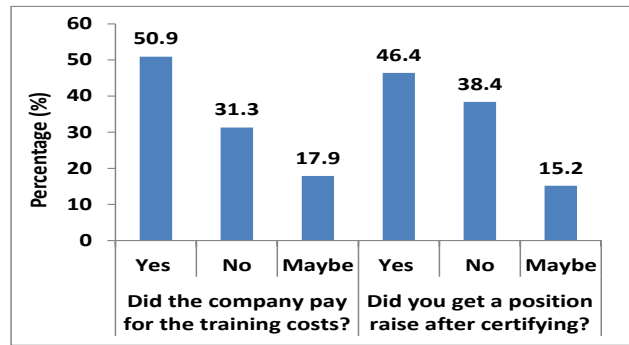


Figure 4: Benefits of Training Provided By the Company

Regarding the effectiveness of the training period, Figure 5 indicates that about 14% of the research participants said that after obtaining training and development the longest time to work in an organization is 5 years and 16% of the research participants said that after obtaining training and development the longest time to work in an organization is 3 years. There are 20% and 22% of the research participants said that after obtaining training and development the longest time to work in an organization is 2 years and 1 year respectively. While, there is 26% of the research participants said that after obtaining training and development the longest time to work in an organization is more than 5 years.

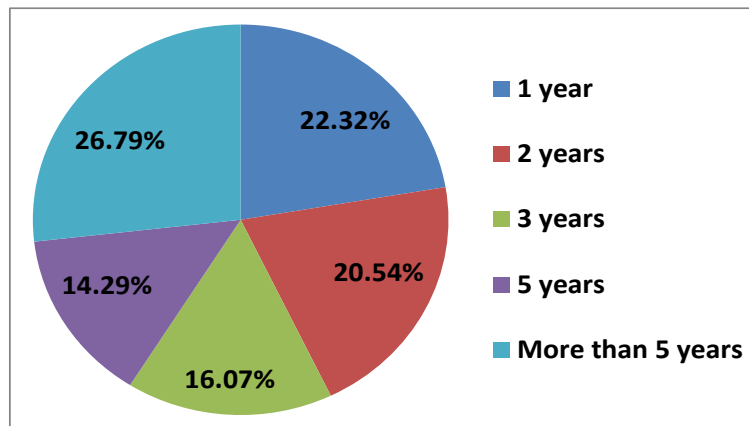


Figure 5: Effectiveness of the training period

Figure 6 depicts the participant’s satisfaction on salary increase and promotion opportunities. In term of salary increment after completed training, majority of the 26% of the research participants are neutral with the salary increase after completing the training. There are 24% and 21% of the research participants are very satisfied and satisfied toward the salary increment after completed training respectively. While, there are 17% and 9% of the research participants are somewhat satisfied and not satisfied with the salary increase after completing the training respectively. Furthermore, Figure 6 also indicates that majority 33% of the research participants are neutral with the promotions opportunities after training. There are 25% and 22% of the research participants are very satisfied and satisfied with the promotions opportunities after training respectively. While, there are 9% and 8% of the research

participants are somewhat satisfied and not satisfied with the promotions opportunities after training respectively.



Figure 6: Satisfaction of Salary Increase and Promotion Opportunities

Figure 7 demonstrates the participant’s satisfaction on coverage of training costs and overall job satisfaction. Majority 33% of the research participants are neutral that the company provided the training expenses. Figure 7 illustrates that if the company provides training fees, 26% and 18% of the participants are very satisfied and satisfied respectively. There are 12% and 7% of the research participants are somewhat satisfied and not satisfied if the company provided the training expenses respectively. In term of overall job satisfaction after training, majority 31% of the research participants are neutral. There are 22% of the research participants are satisfied followed by 19% of the research participants are very satisfied. While, there are 16% of the research participants are somewhat satisfied and only 10% of the research participants are not satisfied.



Figure 7: Coverage of Training Costs and Overall Job Satisfaction***Overall Discussion***

The findings of this research display that, there are adequate training programs given to the employees in the firms this can be confirmed by the 34% research participants indicating that, they had received training only before the period of 3 months. Moreover, the Saudi Arabian firms are covering the training costs of the participants. Greater percentage about 46% of the research participants said that they had experienced the position raise after acquiring the training and development. According to the participants of this research, employees can work more than 5 years in the same firm in acquired training from the same firm marks by 26%.

The findings of this research also display that, the participants after obtaining the training are very satisfied as they experience raise in salary after training is completed by 45%. About 47% of the research participants displayed a satisfaction towards the opportunities of promotion they had experienced once received training and development by the firm. The participants are also greatly satisfied with the company's offering the training costs. After training and development, 41% of the research respondents were satisfied with the overall job satisfaction.

CONCLUSION

The turnover intentions of the employees working in the firm are really impacted by the overall environment of the firm. The turnover intentions of the employees can create a change in the organization culture as well. The employee turnover rate increases when the employees are not content by the facilities provided by their company or are simply not happy working in the company. On the other side, the employee turnover rate decreases when the employees are happy with their work environment such as the training and development opportunities. The aim of this research was to focus on the employee turnover intentions when they are provided with the training and development opportunities. The results of this study indicate that once training is provided, it is estimated that the employee will stay in the organization for more than 5 years. Furthermore, the Saudi Arabian firms are found to be conducting the training regularly and also covering up the training costs which can again lead to the less employee turnover rate. The results of this study also show that when providing training and development for employees, they will get more opportunities and job promotion, which in turn may be a key factor leading to a reduction in employee turnover. Finally, the results of this study also show that when appropriate training and development are provided, overall job satisfaction will be more popular.

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