

The Powerful Influence of Appreciation and Work Environment on Retention in Saudi Arabia's Manufacturing Sector

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Abstract

This study aimed to analyze the impact of appreciation and work environment on the employees' turnover in the Saudi Manufacturing Sector. The combination of unfavorable work environments and restrictive leadership styles creates significant challenge to talent retention in this sector. Addressing these challenges is crucial to attract and retain skilled individuals. In particular, the researcher observed the impact of manager appreciation and work environment on employees' performance and how it relates to the employee's retention. In this context, quantitative and qualitative analysis approaches were used to address the research objectives. Accordingly, 578 employees from this sector had participated in the survey questionnaires. Moreover, 30 employees working in panel boards manufacturing factory were purposely selected to participate in face-to-face interviews for the qualitative part. Findings from the quantitative analysis were verified using qualitative analysis. Results showed that the majority of the participants believed that appreciation and quality of the work environment are significantly impacted their decision to stay or leave the company. The research recommends providing competitive compensation packages, and the organization should invest in employees development, especially in leadership development programs and training which can improve managers and supervisors' emotional skills, and Encouraging the creation of a healthy and productive work environment.

Keywords: Leadership styles, Appreciation, Talent's Retention, Turnover, Work Environment

1. Introduction

Modern organizations face challenges associated with talent retention. Various factors are influencing talent retention, like compensation, work-life balance, career development opportunities, organizational culture, leadership styles, employee engagement, and employer branding. By understanding and addressing these factors, organizations can develop effective retention strategies to attract, motivate, and retain skilled professionals. Hence, modern organizations require competitive infrastructure that support employee's diversity, strategies, and objectives. Therefore, firm's management in Saudi manufacturing sectors need to evaluate employees' satisfaction factors that reduce their turnover and explore additional dimensions for talent retention.

1.1. Problem Statement

The manufacturing sector in Saudi Arabia is facing significant challenges in talent retention, principally due to issues related to organizational efficiency. These challenges impede the sector's ability to attract and retain skilled individuals and impacting companies' growth and competitiveness. Challenges like the quality of work environment and the management appreciation impacts on talent retention are evaluated in this study.

1.2. Research Objectives

The main objective of this study is to analyze the effect of management appreciation and work environment on the talented staff retention in Saudi manufacturing sector.

1.3. Research Questions

Based on the above problem statement, the following questions were raised:

- 1) How is management appreciation related to the employees' retention in Saudi manufacturing sector?
- 2) Dose the quality of work environment significantly impacts the employees' retention in Saudi manufacturing sector?

2. Literature Review

Interestingly, previous studies had illustrated critical factors that impact employees' retention. Organizations' human resources management developed programs that retain the talented employees and reduce the impact of staff turnover on operations. For instance, individuals focus on joining different associations that are high in reputation with more job securities.

Working in such firms increase the employees' satisfaction (Miron-Spektor and Beenen 2015). Correspondingly, talent retention has become a critical concern for organizations worldwide.

Saudi Arabia 2030 vision demands a rapid development to attain the stated ambitious economic goals. That made attracting and retaining skilled professionals vital for sustained growth and competitiveness. Accordingly, the impact of leadership styles on talent retention in Saudi Arabia was investigated by Arabia Al-Sabbagh and Al-Kandari (2018). Their study highlights the significance of transformational leadership, supportive leadership, and empowering leadership in fostering employee commitment and reducing turnover intentions (Al-Sabbagh and Al-Kandari 2018). Moreover, the influence of organizational culture on talent retention in Saudi Arabian organizations found significantly related to employee's retention. Adopting a positive and inclusive culture that aligns with employees' values, beliefs, and aspirations is important factor that reduce employees turnover (Al-Zu'bi and Al-Badi 2019). Furthermore, comparative study by Al-Khatib and Al-Mudimigh (2019) investigates talent retention strategies in Saudi Arabian organizations. They found that training and development programs, rewards, flexible work arrangements, and mentorship programs are effective approaches to retain staff (Al-Khatib and Al-Mudimigh 2019).

Additionally, the factors affecting talent retention in Saudi organizations were evaluated by Al-Dulaimi and Al-Badi (2020) who identified key elements in their study such as compensation, work-life balance, career development opportunities, and organizational culture as crucial in fostering employee loyalty and reducing turnover (Al-Dulaimi and Al-Badi 2020). Moreover, Alshammari and Alrogi (2020) study explored the role of employer branding in talent retention in Saudi Arabia. Their research highlights the importance of developing a strong employer brand that reflects the organization's values, reputation, and opportunities to attract and retain talented professionals (Alshammari and Alrogi 2020). While employee's engagement impact on talent retention in the Saudi Banking Setor was explored by Almadiy and Al Harbi (2021). They pointed out that encouraging engaged employees through effective communication, recognition programs, and career development opportunities is significantly related to retain top talent (Almadiy and Al Harbi 2021).

2.1. Studies Done in the Area of Research Topic

2.1.1. Leadership Style

Leadership style was explained by previous researchers as the approach of providing direction, implementing plans, and motivating people. This approach can be categorized as Transformational, Transactional and Passive avoidance leadership styles (Alkassabi et al. 2018).

However, the problem in the development of leadership models occurs with the adoption of effective techniques. There are several strategic models appreciated by the leaders in the last three decades related to organizations that were facing difficulties in developing proper leadership models. Such strategies mainly highlight some of the factors that encourage employees' performance significantly (Al Doghan and Albar 2015). Other effect can be explained by the leader-member exchange theory. The particular theory is about effective leadership that influences employees, managers, their objectives, aims and goals. These factors are directly encouraging the employees to work more progressively for their designed objectives as well as organizational objectives (Miron-Spektor and Beenen 2015).

In addition, the leadership plays a decisive role in determining the challenging goals and supports the individuals to resolve emerging challenges in the most remarkable manner (Landers, Bauer, and Callan 2015). Similarly, the factors like technical leadership and adjusted leadership drive strategic implementation and job objectives execution. Moreover, leadership helps the organization in the development of employees objectives and in tracking their implementation stages (Lam, O'Donnell, and Robertson 2015).

2.1.2. Satisfactions

There are researchers who defined the job's or employees' satisfaction during last century. One of the old definitions was in 1938 by Hoppok & Spielgler. They defined employees' satisfaction as the integrated set of psychological, physiological, and environmental conditions that encourage employees to admit their gratifications and acceptance. That can be explained by employees' happiness about their jobs (Raziq and Maulabakhsh 2015). Hence, the happy staff can deliver the best values among customers (Fulmer and Ployhart 2014).

On the other hand, from management point of view, the job satisfaction is the acceptable quality and quantity of the completed jobs done by the employees. For instance, in Bucharest, employees' dissatisfactions caused by monotonous jobs and pressure from clients caused weakness in the organizational performance. Moreover, dissatisfied employees search for competitors that offer better work conditions and higher incentives (Dobre 2013). However, the negative impact of employees' dissatisfactions should not be generalized on all employees since naturally they have different behavior and attitudes. For example, some employees can be satisfied with monetary rewards, while others might be motivated with better work environment.

Simultaneously, as indicated by Alshahrani Ahmed, Alqahtani Abdulaziz, and Alshahrani Bander (2015), good supervisor and employee partnership can positively influence the satisfaction level

among the employees working in Saudi Electricity Company. However, if managers over used their power to punish low performance employees, that might lead to dissatisfaction sensation (Alshahrani, Alqahtani, and Al-shahrani 2015). Thus, both personal satisfaction and employees' job satisfaction are considered as significant factors that noticeably impact their decision to continue in the company.

2.1.3. Work Environment

Work environment was defined by previous researchers as the surrounding conditions in which an employee operates. The work environment can be office physical conditions, equipment, work processes or procedures (Awan and Tahir 2015). In addition, the complex businesses in a dynamic environment require essential strategies to accomplish the identified goals that enhance the growth of the firm. The work environmental change implication is occurred through the variation in legal policies, technology and performance of people. Moreover, customers and companies see themselves in a distinct setting which require satisfactory action accordingly. Change is constant factor to create strategic and significant difference as it assists to keep the competitive advantage in the modified business environment (Islam and Ali, 2017).

Subsequently, Job stress and workplace violence were found higher in Saudi private sector than public sector. While, as stated by Alzalabiani who did his study in Yanbu Industrial City, job satisfaction, job stress and leadership practices can be used as indicators to evaluate work environment in the organization (Alzalabani 2017). Particularly, the effect of leadership style had noticed on the job satisfaction among physiotherapists working in both private and government hospitals in Saudi Arabia (Alkassabi et al. 2018).

2.2. Conceptual Model

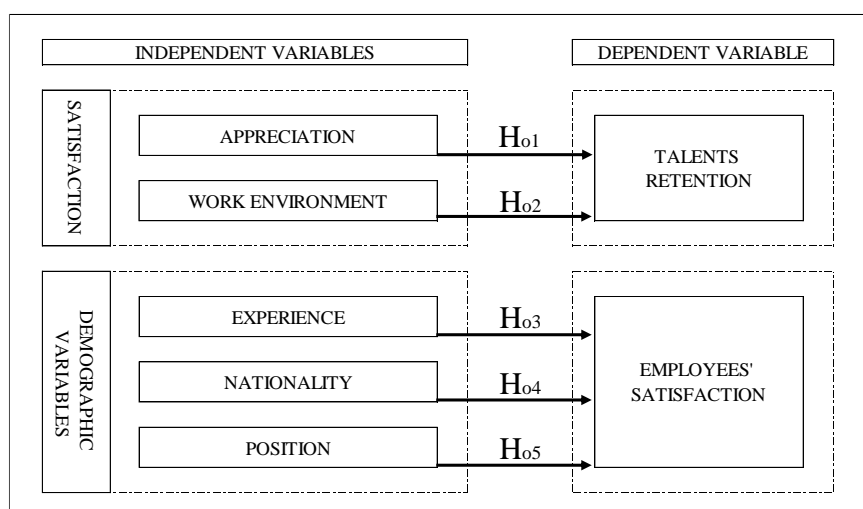


Figure 1: Conceptual diagram

2.2.1. Hypothesis Statement

- Hypothesis 1

Null Hypothesis (H_{01}): Appreciation is not significantly related to the employees' retention in Saudi Arabian manufacturing sector.

Alternative Hypothesis (H_{a1}): Appreciation is significantly related to the employees' retention in Saudi Arabian manufacturing sector.

- Hypothesis 2

Null Hypothesis (H_{02}): There is no significant impact of work environment quality on the talents turnover in Saudi Arabian manufacturing sector.

Alternative Hypothesis (H_{a2}): There is significant impact of work environment quality on the talents turnover in Saudi Arabian manufacturing sector.

- Hypothesis 3

Null Hypothesis (H_{03}): Employees' experience is not significantly moderating the employees' satisfaction in Saudi Arabian manufacturing sector.

Alternative Hypothesis (H_{a3}): Employees' experience is significantly moderating the employees' satisfaction in Saudi Arabian manufacturing sector.

- Hypothesis 4

Null Hypothesis (H_{04}): There is no significant relationship between employees' nationality and satisfaction in Saudi Arabian manufacturing sector.

Alternative Hypothesis (H_{a4}): There is significant relationship between employees' nationality and satisfaction in Saudi Arabian manufacturing sector.

- Hypothesis 5

Null Hypothesis (H_{05}): The association between employee's position and satisfaction is not significant in Saudi Arabian manufacturing sector.

Alternative Hypothesis (H_{a5}): The association between employee's position and satisfaction is significant in Saudi Arabian manufacturing sector.

3. Methodology

In this study, quantitative and qualitative research approaches were used. The researcher independently observed and randomly collected primary data to test the hypotheses statistically using deductive research approach. Accordingly, the quantitative primary data collected using survey questionnaire while the qualitative primary data collected through face-to-face interviews.

Furthermore, quantifiable observations were obtained from the collected data using quantitative Five (5)-point Likert scale questionnaire survey which was statistically analyzed. Precisely, the survey design was cross-sectional. The quantitative survey responses report was extracted from Surveymonky.com at the end of April 2019. While the face-to-face interviews were conducted at the end of May 2019.

3.1. Population and sample

Table 1: Saudi Arabian Manufacturing Sector Labour Force Summary

GOSI-Table (3-8)	Nationality		
	Saudi	Non-Saudi	Total
Manufacturing			
Male	210,562	851,315	1,061,877
Female	113,778	8,896	122,674
Total	324,340	860,211	1,184,551

Source: (GOSI 2023)

According to Saudi General Authority of Statistics (2023), there are 1,184,551 employees working in the manufacturing sector in Saudi Arabia as shown in Table (1). Moreover, this sector consists of diverse types of industries and multinational employees. The industrial establishments in this sector covered different economic activities like manufacturing of food products, manufacturing of clothes, manufacturing of fabricated metal products, transformative industries, etc. (GOSI 2023).

Table 2: Collected Primary Data Summary

Total number of responders	Category		Frequency	Percentage
566	Experience	5 years or less	95	16.78%
		6 to 12 years	148	26.15%
		13 to 19 years	156	27.56%
		20 years or more	167	29.51%
574	Nationality	Saudi	476	82.93%
		Non-Saudi	98	17.07%

564	Position	Production and Site Technicians	179	31.74%
		Administrations and Engineering	235	41.67%
		Middle Management	114	20.21%
		Top Management	36	6.38%
Total number of participants			578	100%

Source: Primary Data

The population for the quantitative phase is all employees who are working in Saudi Arabian Manufacturing Sector. Since population size is known, by using simple random sampling method, the sample size required for this study was estimated under confidence level of 95% and 5% margin of error as 384 participants as indicated in the sample size table issued by (The Research Advisors Web 2006). As shown in table (2), the total participants in the shared questionnaire were 578 employees.

Additionally, for the qualitative phase, the selected Factory population is 200 employees. Specifically, purposive sampling technique was used to select the required employees for the face-to-face interviews. The researcher selected this sampling method due to the respondents knowledgeable and experience in make to order manufacturing industry. This sampling technique was followed to ensure that all population categories had equal chance to provide their feedback. Moreover, as indicated by Fridlund and Hildingh (2000), one to thirty interviewees were common sample size in qualitative studies (Bengtsson 2016). Thus, 30 employees were selected to participate in this research face-to-face interviews.

The researcher used simple and clear English to design the interview questions. This made it possible for the respondents to provide their feedback comfortably. Furthermore, the researcher clarified the questions to the respondents for easy comprehension. The researcher also controlled the data collection through flexible dialogue and discussion sessions. Specifically, structured interview guide was provided by the researcher to enhance the discussion about the employee's retention.

The following questions were used to evaluate the impact of appreciation and work environment on employee's retention in that factory.

- a) How is your manager appreciation impact your decision to stay or leave the company?

- b) What is the relationship between the quality of work environment and employees' turnover?

3.2. Analysis Techniques

For the quantitative part, Data was analyzed statistically using the Microsoft Excel 2016. Precisely, the collected primary data was analyzed using descriptive analysis for demographic variables. Moreover, research questions and findings were assessed statistically through Regression test, Chi-Square Test, Spearman's r, Independent Sample t-test and Tukey-Kramer Multiple Comparisons. While for the qualitative part, content analysis approach was used by the researcher to analyze the gathered data.

4. Analysis and Discussion

4.1. Hypothesis 1: Appreciation effect

The first objective of this study was to identify the impact of management behavior on employees' turnover in Saudi Arabian manufacturing sector. That was tested in the first null hypothesis which is (H₀₁) "Appreciation is not significantly related to the employees' retention in Saudi Arabian manufacturing sector". In this section, researcher analyzed the employees' opinions for the five statements regarding the impact of appreciation on their satisfaction.

Table 3: Showing the questionnaire results about appreciation items

Items (12 to 16)			TR	SD	D	N	A
12- My manager recognizes the exceptional job accomplished by subordinates equally.	F	531	41	140	135	175	40
	P	91.87	7.72	26.37	25.42	32.96	7.53
		M= 3.06	Mo= 4	Md= 3			
13- Consistency and punctuality are appreciated by my manager.	F	533	16	57	97	271	92
	P	92.21	3.00	10.69	18.20	50.84	17.26
		M= 3.69	Mo= 4	Md= 4			
	F	533	15	22	46	223	227

14- An applaud from my manager in front of co-workers motivates me to do better job.	P	92.21	2.81	4.13	8.63	41.84	42.59
		M= 4.17	Mo= 5	Md= 4			

15- Appreciating the employee efforts fairly helps in retaining them.	F	534	4	7	10	201	312
	P	92.39	0.75	1.31	1.87	37.64	58.43
		M= 4.52	Mo= 5	Md= 5			

16- My manager inspires the teamwork and build co-operation between team members.	F	534	18	43	93	213	167
	P	92.39	3.37	8.05	17.42	39.89	31.27
		M= 3.88	Mo= 4	Md= 4			

NOTE: M=Mean, Mo=Mode, Md=Median, TR=Total number of responders per item, SD=Strongly Disagreed, D=Disagreed, N=Neutral, A=Agreed, SA=Strongly Agreed, F=Frequency and P=Percentage)

Source: Primary Data

The study findings in table (3) show that the management appreciation is linked with the employees’ satisfaction (cumulative mean = 3.86). A comparison on these items showed that the percentage of employees who opposed ranged from 2.06 percent to 34.09 percent. While the percentage of those who were neutral ranged from 1.87 percent to 25.42 percent. Moreover, the percentage of those who concurred ranged from 40.49 percent to 96.07 percent. Hence, the range of percentages of the opposed employees’ group and the undecided employees’ group were lower compared to the concurred employees’ group.

Consequently, the respondents noted that they are not sure if their managers are recognizing their completed work equally (mean = 3.06). They also partially agreed that management are appreciating punctuality (mean = 3.69).

Moreover, they were barely expected that managers are inspiring the teamwork (mean = 3.88). However, they showed positive intention to perform better if they were appreciated in front of their colleagues (mean = 4.17). In addition, they believed that thankfulness influences their satisfaction (mean = 4.52). Thus, management appreciation had clear impact on the employees’ satisfaction and retention.

Table 4: Showing the results of leadership style t-test

	Item 14	Item 15
Mean	4.1711	4.5207
Standard deviation	0.95	0.6734
Variance	0.903	0.4534
Sample	532	532
Probability P-Value	7.6E-12	
t Stat	-6.924	
t Critical two-tail	1.9622	
(t [1062] =-6.924, p<0.05)		

	Item 12	Item 16
Mean	3.0623	3.8811
Standard deviation	1.0973	1.0449
Variance	1.204	1.0917
Sample	530	530
Probability P-Value	2.9E-33	
t Stat	-12.442	
t Critical two-tail	1.9622	
(t [1058] =-12.442, p<0.05)		

Moreover, to test if there is significant difference between the means of the responses about the influence of management appreciation on the employees’ satisfaction and retention, several t-test were conducted as shown in table (4). After comparing the responses between Item 14 and Item 15 about appreciating the employees, the P-Value from t-test was (7.6E-12) less than 0.05 and the absolute value of t-stat was (6.924) was greater than t-Critical (1.9622); (t[1062]= - 6.924,p<0.05). Hence, there was significant difference between the means of the collected data in Item 14 and Item 15 which was most likely reflecting the real intrinsic differences in the population, and they were not by chance. Similarly, after comparing the responses between Item 12 and Item 16 about teamwork and recognition, the P-Value from t-test was (2.9E-33) less than 0.05 and the absolute value of t-stat was (12.442) greater than t-Critical (1.9622); (t[1058]=-12.442,p<0.05). Hence, there was significant difference between the means of the collected data in Item 12 and Item 16 which was most likely reflecting the real intrinsic differences in the population, and they were not by chance as well.

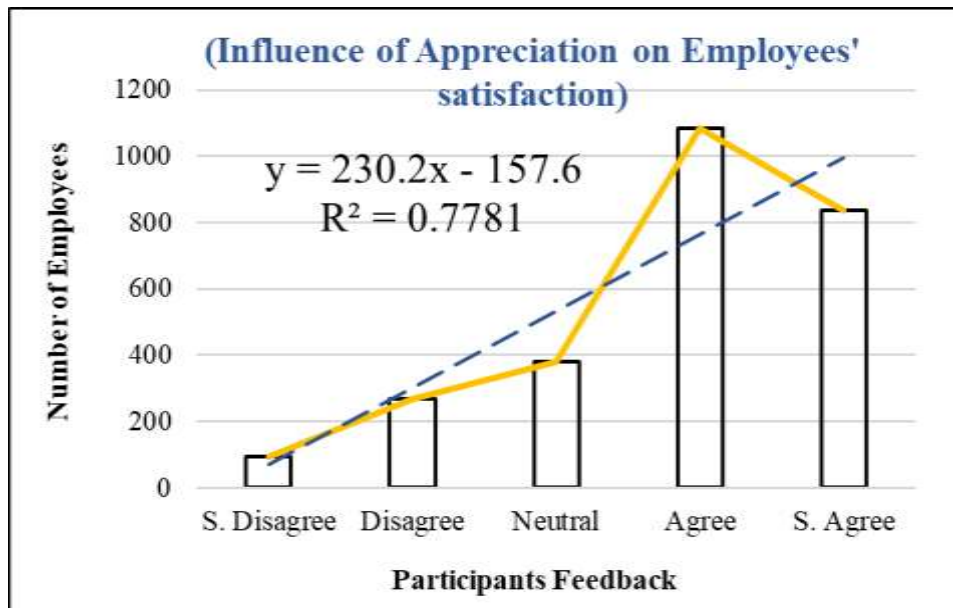


Figure 2: Responses analysis about appreciation and employee's satisfaction

Additionally, in order to determine the influence of appreciation on employee's satisfaction, the regression analysis was conducted. The first test was comparing the relationship between the respondents' feedback and number of respondents. Clear trend was observed as shown in Figure (2). Specifically, when respondents' feedback changed from strongly disagree toward strongly agreed, number of employees who are considering the appreciation as important factor that impact employees' satisfaction were increased. Secondly, the relationship between respondents' feedback about appreciations (items 13, 14) and their feedback about retention (items 15) were verified using regression test. The results are summarized in Table 5.

Table 5: Showing the results of regression test between Appreciation and Retention

Appreciation and Employee's Retention Regression Statistics			
(Means)			
Multiple R	0.5129	t-Stat	13.7685
R Square	0.2631	F-Value	189.5727
P-value	4.22699E-37	Lower 95%	0.3849
Observations	533	Upper 95%	0.513
Linear Equation		Y = 0.4489 X + 2.7554	
(r=0.5129, F[1, 531]=189.5727,p<0.05)			

According to the results extracted from table (5), researcher found that appreciation had significant effects on employees' retention. Regression test was conducted to verify the correlation between management appreciation and employee's retention. The P-value was (4.23E-37) less than 0.05 which indicates significant association between management appreciation and employees' retention. Namely, when the more management appreciate the employees, the greater number of employees who improve their performance. Moreover, the correlation coefficient R was (0.5129) slightly greater than 0.5 which indicates a moderate positive correlation. Therefore, management appreciation was good predictor of employees' retention. Hence, the model was significant ($r=0.5129$, $F[1, 531]=189.5727, p<0.05$). The coefficient of determination ($R^2 = 0.2631$) explains that management appreciation held to be 26.31 percent variance in employees' retention in Saudi Arabia's manufacturing sector.

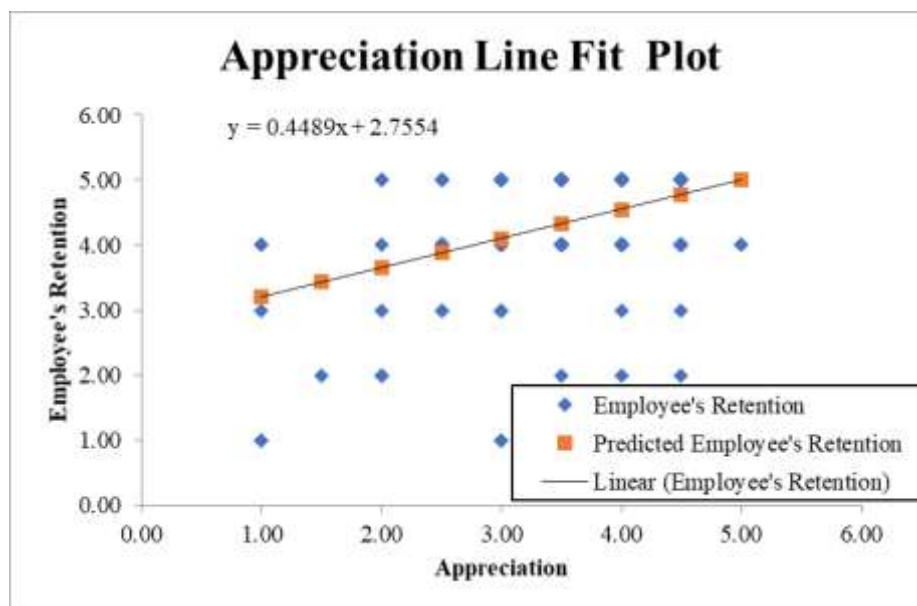


Figure 3: Regression analysis – Appreciation Line Fit Plot

Accordingly, the relationship plot is shown in Figure (3) which indicates linear relationship between the mean of the respondents' feedback about the appreciation and the mean of their feedback about employee's retention. Moreover, percentage of improvement in employees' retention due to management appreciation can be predicted using the linear formula ($y=0.4489x + 2.7554$). Therefore, the null hypothesis (H_{01}) "Appreciation is not significantly related to the employees' retention in Saudi Arabian manufacturing sector" was rejected.

4.2. Hypothesis 2: Work environment effect

Continuing the objective of this study to analyze the work environment impact on employees' retention, researcher analyzed the employees' opinions using five statements related to the work environment (Table 6). The null Hypothesis (H₀₂) was "There is no significant impact of work environment quality on the talents turnover in Saudi Arabian manufacturing sector".

Table 6: Showing the questionnaire results about work environment items

Items (42 to 46)			TR	SD	D	N	A
42- Friendly environment leads to better company performance and growth.	F	466	5	8	29	191	40
	P	80.62	1.07	1.72	6.22	40.99	7.53
		M= 4.37	Mo= 5	Md= 3			
43- Healthy work environment drives the company to retain potential employees.	F	467	2	5	17	177	92
	P	80.80	0.43	1.07	3.64	37.90	17.26
		M= 4.5	Mo= 5	Md= 4			
44- Positive management interactions promote employee's retention.	F	467	2	9	27	228	227
	P	80.80	0.43	1.93	5.78	48.82	42.59
		M= 4.32	Mo= 4	Md= 4			
45- I perform better in stressful environment.	F	467	107	146	103	82	312
	P	80.80	22.91	31.26	22.06	17.56	58.43
		M= 2.53	Mo= 2	Md= 5			
46- Working in conflict environment increase turnover.	F	466	14	24	41	158	167
	P	80.62	3.00	5.15	8.80	33.91	31.27
		M= 4.21	Mo= 5	Md= 4			

NOTE: M=Mean, Mo=Mode, Md=Median, TR=Total number of responders per item, SD=Strongly Disagreed, D=Disagreed, N=Neutral, A=Agreed, SA=Strongly Agreed, F=Frequency and P=Percentage)

Source: Primary Data

The study findings in table (6) show that the work environment was positively linked with the employees’ retention (cumulative mean = 3.99). A comparison on these items showed that the percentage of employees who opposed ranged from 1.50 percent to 54.17 percent. While the percentage of those who were neutral ranged from 3.64 percent to 22.06 percent. Moreover, the percentage of those who concurred ranged from 23.77 percent to 94.86 percent. Hence, the range of percentages of the opposed employees’ group and the undecided employees’ group were lower compared to the concurred employees’ group.

Consequently, the respondents noted that friendly work environment led to better company performance and growth (mean = 4.37). Moreover, they also strongly agreed that healthy work environment support the company to retain the potential employees (mean = 4.5). In addition, they alleged that positive management interaction harvests employees’ retention (mean = 4.32). However, they accepted that working in conflict environment increase turnover (mean = 4.21). On the other hand, they refused to perform in stressful environment (mean = 2.53). Thus, work environment had positive impact on the employees’ retention.

Table 7: Showing the results of work environment t-test

	Item 42	Item 45		Item 43	Item 46
Mean	4.371	2.53	Mean	4.502	4.210
Standard deviation	0.769	1.199	Standard deviation	0.660	1.007
Variance	0.590	1.437	Variance	0.435	1.014
Sample	466	466	Sample	466	466
Probability P-Value	5E-125		Probability P-Value	2.1E-07	
t Stat	27.913		t Stat	5.233	
t Critical two-tail	1.9625		t Critical two-tail	1.9625	
(t [930] =27.913, p<0.05)			(t [930] =5.233, p<0.05)		

Moreover, to test if there is significant difference between the means of the responses about the work environment and the employees’ retention, several t-test were conducted as shown table (7). After comparing the responses between Item 42 and Item 45 about the quality of work environment, the P-Value from t-test was (5E-125) less than 0.05 and t-stat value was (27.913) greater than t-Critical (1.9625); (t[930]=27.913,p<0.05). Hence, there was significant difference

between the data collected in Item 42 and Item 45 which was most likely reflecting the real intrinsic differences in the population, and they were not by chance. Moreover, after comparing the responses between Item 43 and Item 46 about the employees’ retention and turnover, the P-Value from t-test was (2.1E-07) less than 0.05 and t-stat value was (5.233) greater than t-Critical (1.9625); (t[932]=5.233,p<0.05). Hence, there was significant difference between the data collected in Item 43 and Item 46 which was most likely reflecting the real intrinsic differences in the population, and they were not by chance.

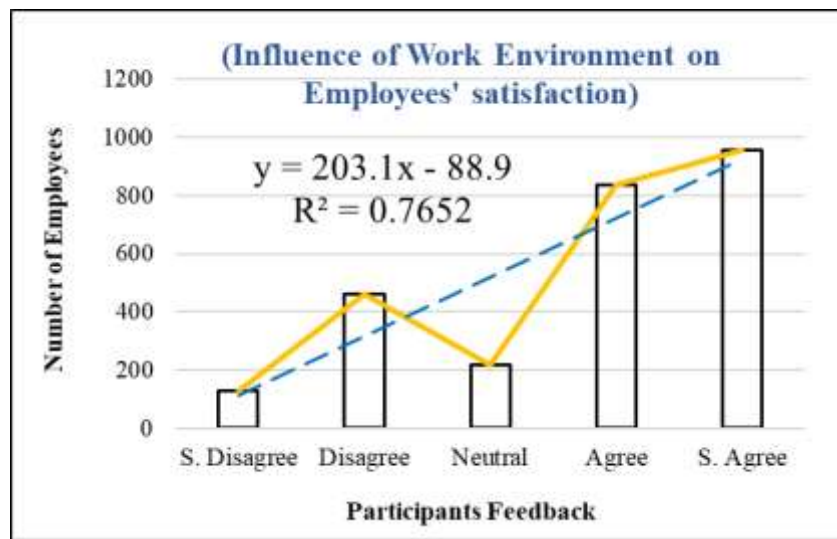


Figure 2: Responses analysis between work environment and employees’ satisfaction

Additionally, to determine the influence of work environment on employee's satisfaction and retention, the regression analysis was conducted. The first test was comparing the relationship between the respondents’ feedback and number of respondents. Clear trend was observed as shown in Figure (4). Specifically, when respondents’ feedback changed from strongly disagree toward strongly agreed, number of employees who are considering the work environment as important factor that impact employees’ satisfaction and retention were increased. Secondly, the relationship between respondents’ feedback about work environment (items 42, 45) and their feedback about retention (items 43, 44, 46) were tested using regression test. The summarized results in Table 8.

Table 8: Showing the results of work environment regression test

Work Environment and Employee's Retention			
Regression Statistics (Means)			
Multiple R	0.6614	t-Stat	21.1666
R Square	0.4375	F-Value	448.0243

P-value	5.40005E-74	Lower 95%	0.5417
Observations	578	Upper 95%	0.6525
Linear Equation		Y = 0.5971 X + 1.3277	
(r=0.6614, F[1, 576]=448.0243,p<0.05)			

According to the regression test results summarized in Table (8), researcher noticed that work environment had significant effect on employees’ retention. The P-value was (5.4E-74) less than 0.05 and the correlation coefficient R was (0.6614) closed to one which indicates strong linear relationship. Therefore, the healthy work environment was moderating positively the employees’ retention. Hence, the model was significant (r=0.6614, F[1, 576] = 448.0243, p<0.05). The coefficient of determination (R² = 0.4375) explains that 43.75 percent variance in employees’ retention was accounted by healthy work environment at Saudi Arabia’s manufacturing sector.

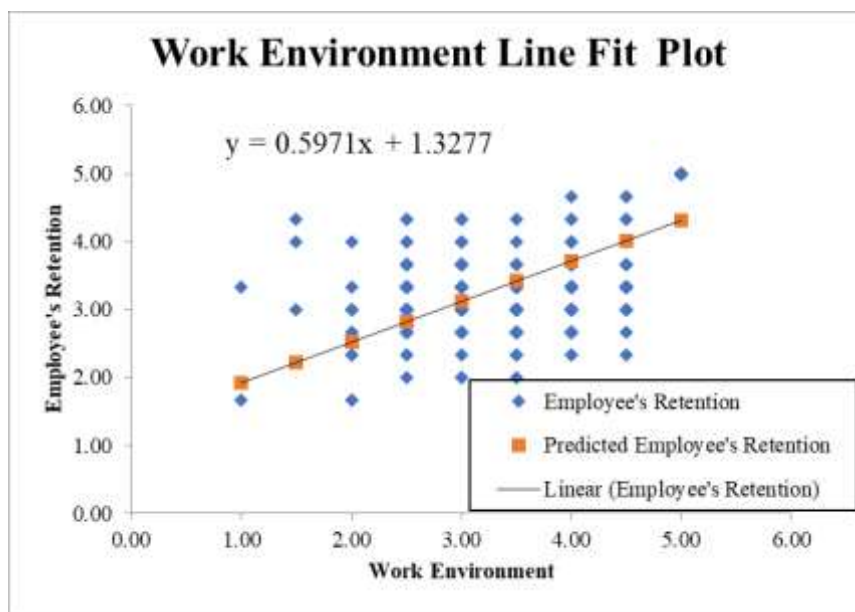


Figure 5: Regression analysis – Work Environment Line Fit Plot

Accordingly, the relationship plot is shown in Figure (5) which indicates linear relationship between the mean of the respondents’ feedback about the work environment and the mean of their feedback about employee’s retention. Moreover, percentage of improvement in employees’ retention due to healthy work environment can be predicted using the linear formula ($y=0.5971 x + 1.3277$). Therefore, the null hypothesis (H₀₂) “There is no significant impact of work environment quality on the talents turnover in Saudi Arabian manufacturing sector” was rejected.

4.3. The employees’ demography impact

In order to determine if employees’ demography is moderating the employees’ satisfaction, regression analysis was conducted. Moreover, the comparisons between the mean of the respondents’ feedback about the related Appreciation, Work Environment items and specific respondent’s demography were studied for Experience, Nationality and Position.

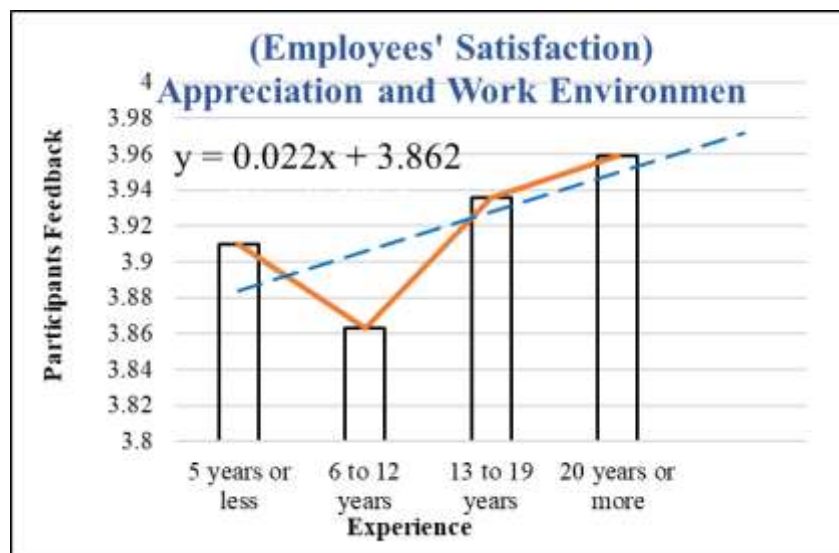


Figure 6: Responses analysis of Experience and employees’ Satisfaction

Starting with analyzing the employee’s experience, increasing trend was observed from Figure 6. Specifically, when respondents’ experience changed from less than five years toward more than 20 years, the mean of respondents’ feedback about satisfaction were increased.

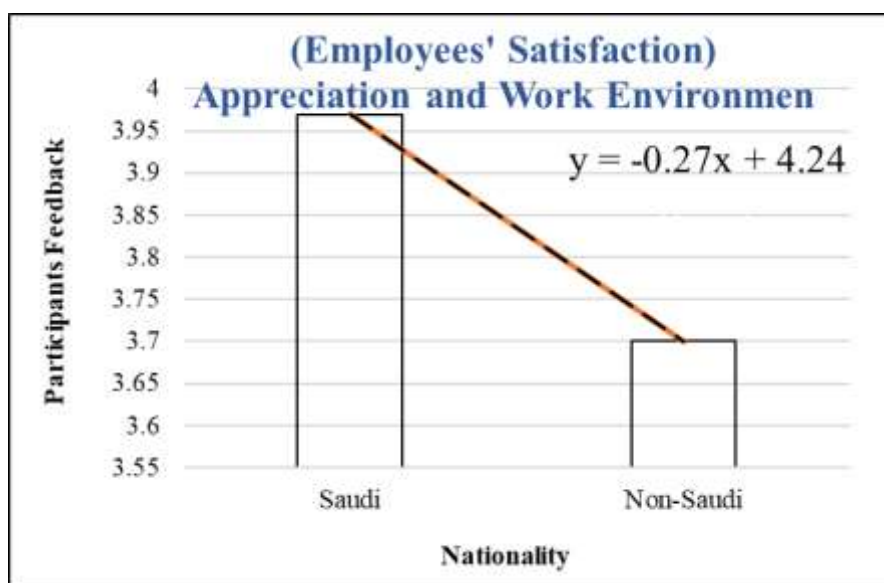


Figure 7: Responses analysis of Nationality and employees’ satisfaction

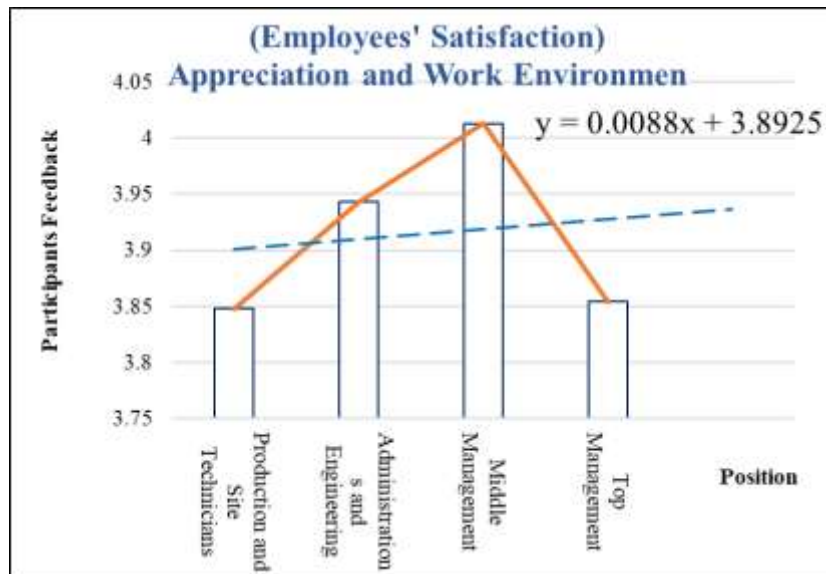


Figure 8: Responses analysis of position and employees' satisfaction

Correspondingly, the analyses of the association of employees' satisfaction with both the employee's nationality and the employees' position showed in Figure (7) and Figure (8). As observed, the Saudis were affected more than others with appreciation and work environment. While middle management were affected more than low and top positions.

4.3.1. Hypothesis 3: Employees' experience effect

First, Chi Square test was conducted to test if Employee's Experience is significantly moderate the relationship between Appreciation and Employees' Retention. Using the observed data in Table (9), the calculated X² value was 15.7064 which is greater than the critical value which is 12.592 (X²=[6,N=1992]=15.7064,p<0.05). Hence, Employee's Experience is significantly moderate the relationship between Appreciation and Employees' Retention.

Table 9: Observation data to test Employee's Experience if moderates the relationship between Appreciation and Employees' Retention

Experience	Opposed Employees	Undecided Employees	Concurred Employees	SUM
5 years or less	42	66	235	343
6 to 12 years	116	106	312	534
13 to 19 years	99	106	343	548
20 years or more	102	96	369	567
SUM	359	374	1259	1992

Furthermore, Chi Square test was conducted to test if Employee's Experience is significantly moderate the relationship between Work environment and Employees' Retention. Using the observed data in Table (10), the calculated X^2 value was 23.882 which is greater than the critical value which is 12.592 ($X^2=[6,N=1832]=23.882,p<0.05$). Hence, Employee's Experience is significantly moderate the relationship between Work environment and Employees' Retention.

Table 10: Observation data to test Employee's Experience if moderates the relationship between Work Environment and Employees' Retention

Experience	Opposed Employees	Undecided Employees	Concurred Employees	SUM
5 years or less	42	66	235	343
6 to 12 years	116	106	312	534
13 to 19 years	99	106	343	548
20 years or more	102	96	369	567
SUM	359	374	1259	1992

Hence, the data suggests that the employee's satisfaction by both appreciation and healthy work environment is significantly moderated by employee experience.

4.3.2. Hypothesis 4: Nationality effect

Additionally, Chi Square test was conducted to test if Employee's Nationality is significantly moderate the relationship between Appreciation and Employees' Retention. Using the observed data in Table (11), the calculated X^2 value was 5.0774 which is less than the critical value which is 5.991 ($X^2=[2,N=2001]=5.0774,p<0.05$). Hence, Employee's Nationality is not significantly moderate the relationship between Appreciation and Employees' Retention.

Table 11: Observation data to test Employee's Nationality if moderates the relationship between Appreciation and Employees' Retention

Nationality	Opposed Employees	Undecided Employees	Concurred Employees	SUM
Saudi	303	304	1080	1687
Non-Saudi	57	73	184	314
SUM	360	377	1264	2001

Furthermore, Chi Square test was conducted to test if Employee's Nationality is significantly moderate the relationship between Work environment and Employees' Retention. Using the observed data in Table (12), the calculated X^2 value was 37.022 which is greater than the critical value which is 5.991 ($X^2=[2,N=1844]=37.022,p<0.05$). Hence, Employee's Nationality is significantly moderate the relationship between Work environment and Employees' Retention.

Table 12: Observation data to test Employee's Nationality if moderates the relationship between Work Environment and Employees' Retention

Nationality	Opposed Employees	Undecided Employees	Concurred Employees	SUM
Saudi	222	167	1110	1499
Non-Saudi	95	47	203	345
SUM	317	214	1313	1844

Hence, the data suggests that the employee's satisfaction by appreciation is not moderated by nationality. While the employee's satisfaction by healthy work environment is significantly moderated by nationality.

4.3.3. Hypothesis 5: Employees' position effect

Besides, Chi Square test was conducted to test if Employee's Position is significantly moderate the relationship between Appreciation and Employees' Retention. Using the observed data in Table (13), the calculated X^2 value was 13.2129 which is greater than the critical value which is 12.592 ($X^2=[6,N=1987]=13.2129,p<0.05$). Hence, Employee's Position is significantly moderate the relationship between Appreciation and Employees' Retention.

Table 13: Observation data to test Employee's Position if moderates the relationship between Appreciation and Employees' Retention

Position	Opposed Employees	Undecided Employees	Concurred Employees	SUM
Production and Site Technicians	99	106	403	608
Administrations and Engineering	163	180	517	860
Middle Management	69	57	267	393
Top Management	27	26	73	126
SUM	358	369	1260	1987

Likewise, Chi Square test was conducted to test if Employee's Position is significantly moderate the relationship between Work environment and Employees' Retention.

Using the observed data in Table (14), the calculated X^2 value was 19.8888 which is greater than the critical value which is 12.592 ($X^2=[6,N=1836]=19.8888,p<0.05$). Hence, Employee's Position is significantly moderate the relationship between Work environment and Employees' Retention.

Table 14: Observation data to test Employee's Position if moderates the relationship between Work Environment and Employees' Retention

Position	Opposed Employees	Undecided Employees	Concurred Employees	SUM
Production and Site Technicians	114	76	341	531
Administrations and Engineering	119	87	585	791
Middle Management	61	34	291	386
Top Management	23	15	90	128
SUM	317	212	1307	1836

Hence, the data suggests that the employee's satisfaction by both appreciation and healthy work environment is significantly moderated by employee position.

4.4. Findings

Researcher tested the null hypotheses to analyze the association between appreciation, work environment and employee's retention in the Saudi Arabia's manufacturing sector. The study found that when respondents' feedback changed from strongly disagree toward strongly agreed, number of employees who are considering the appreciation and work environment as important factors that impact employees' retention were increased. Moreover, the conducted regression test result showed significant relationship between appreciation and employee's retention (P-value = $4.23E-37$). Management appreciation held to be 26.31 percent variance in employees' retention. Similarly, regression test result showed significant relationship between work environment and employee's retention (P-value = $5.4E-74$). Explicitly, 43.75 percent variance in employees' retention was accounted by healthy work environment at Saudi Arabia's manufacturing sector. Hence, both H_{01} and H_{02} are rejected.

Additionally, findings show that the relationship between appreciation and retention is moderated by experience and position but no by nationality. On the other hand, the association between work environment and retention is moderated by experience, nationality, and position. Hence, both H_{03} and H_{05} are rejected while H_{04} is NOT rejected.

5. Case Study and Implications

The case study was conducted in one of the panel board manufacturing factories in Dammam second industrial city. The factory population was 200 multinational employees, and the selected sample was 30 employees from deferent career level. The researcher analyzed the face-to-face interviews data using content analysis and regression test. The following questions were used to evaluate the impact of appreciation and work environment on employee's retention in that factory.

5.1. How is your manager appreciation impact your decision to stay or leave the company?

To evaluate the association between appreciation and employees' retention, the interviewee's feedback was analyzed using content analysis. After analyzing the participants' feedback, codes and categories were grouped as shown in Table (15). Particularly, 59 percent of respondents believed that manager's appreciation had significant effect on employee retention. It considered as motivation factor and stress relief that increased employee trust. Moreover, it had positive impact on employees' performance and overall factory productivity. However, 34 percent of them expected that, managers should clarify the task to be completed in stipulated time. Also, they anticipated managers help in solving problems on time and simplifying the processes through effective communication by matching task to skill. Specifically, managers' support shall be job oriented, avoid distraction, clarifying goals, cut out the excess workload and manage interruption. On the other hand, 7 percent of the interviewees believe in mental and technical management supports are more important than appreciation.

Table 15: Categories and themes from interviewees' feedback about manager appreciation

Category	Frequency	Percentage	Themes
Effect on employee	26	59%	Manager appreciation is significant factor that Impact employees' retention.
Effect on job	15	34%	Manager support enhance the employees' performance by simplifying the work processes and reduce the unnecessary tasks.
No effect	3	7%	Mental and technical support are required Not Appreciation.

5.2. What is the relationship between the quality of work environment and employees' turnover?

Respectively, to evaluate the relationship between the quality of work environment and employees' retention, the interviewee's feedback was analyzed using content analysis as well. Codes and categories were grouped as shown Table (16). Data showed 83 percent of respondents feedback were concurring that friendly environment is the foundation for teamwork and lead to better performance and ultimately reduce the turnover. Moreover, 14 percent of the interviewees believed that good environment is positively affecting their output and makes them focus to execute their job effectively. However, 3 percent of the participants did not see significant association between work environment and employees' retention.

Table 161: Categories and themes from interviewees' feedback about work environment

Category	Frequency	Percentage	Themes
Effect on employee	29	83%	Work environment has significant impact on employees' retention.
Effect on job	5	14%	Healthy work environment is necessary for the development of practical work.
No effect	1	3%	Work environment is not related to employees' retention.

5.3. Case study findings:

The researcher used content analysis to analyze the open-ended interview questions about appreciation and work environment impact on the employee's retention. Data showed that both appreciation and work environment are significantly impacting the employees' retention. Hence, case study findings were matching the descriptive and inferential analysis in section 4.

6. Conclusion

From the organizational behavior side, researcher analyzed the relationship of appreciation, work environment and employees' retention. Hence, to answer the research questions " 1) How is management appreciation related to the employees' retention in Saudi manufacturing sector? And 2) Dose the quality of work environment significantly impacts the employees' retention in Saudi manufacturing sector?", the researcher analyzed the null hypotheses which stated no significant relationships.

However, the study found significant association between employees' retention and both management appreciation and work environment. This infers that in companies' sustainability can be affected with talents turnover. The findings of this study could be attributed to the fact that the skillful manager serves positively company interest to attain better outcomes from the employees (Lam et al. 2015). Moreover, managers responsible to guide the employees to attain their objectives effectively (Osabiya 2015). Even though, previous study found that leadership style had lower impact on the employees' performance (Al Doghan and Albar 2015), others found that transformational leadership style specifically enhances the employees' performance (Kovjanic, Schuh, and Jonas 2013). Otherwise, the study findings are in line with earlier scholars who found significant impact of leadership style on the employees' satisfaction in Saudi hospitals (Alkassabi et al. 2018).

Accordingly, researcher found that the appreciation was moderating 26.31 percent of the employees' retention. However, 43.75 percent variance in employees' retention was accounted by healthy work environment at Saudi Arabia's manufacturing sector. Absent of management appreciation that should be given to the talented individuals often causes a constant turnover of skilled personnel. Another critical challenge is the absence of a conducive work environment which negatively impacts employee morale, engagement, and commitment, leading to higher turnover rates. Factors such as outdated facilities, poor infrastructure, and inadequate safety measures contribute to an unsatisfactory workplace experience for employees. The leadership styles adopted within the manufacturing sector in Saudi Arabia also present a challenge to talent retention. In some cases, autocratic and hierarchical leadership approaches prevail, stifling employee empowerment, innovation, and creativity. The lack of participatory decision-making and limited opportunities for professional growth and development discourage talented individuals from staying with organizations for the long term.

7. Recommendations

Staff turnover must be reduced by continuously improving the association between employee's satisfaction factors and organizational objectives. This study analyzed the impact of appreciation and workplace conditions that found significantly related to employees' retention in the Saudi Arabia's manufacturing sector. Below some advises obtained from the study analysis and face to face interviews.

Beside to competitive compensation packages, the organization should invest in employees develop, especially in leadership development programs and training which can improve managers

and supervisors' emotional skills. That can improve management capability to understand the employee's temperament. Moreover, employees' fears, and ideas need to be communicated clearly and safely. Anonymous communication and Whistleblowing procedure could encourage the staff to share their experience in this regard. Such communication develops trust, helps resolve conflicts, and ensures that employee aspirations are aligned with organizational objectives. Below some ways to appreciate the talented employees:

1. Recognition of exceptional performance.
2. Appreciation for going above and beyond.
3. Acknowledgment of teamwork and collaboration.
4. Gratitude for creativity and innovation.
5. Recognition of personal and professional growth.
6. Appreciation for problem-solving skills.
7. Acknowledgment of dedication and commitment.
8. Recognition of excellent customer service.
9. Appreciation for meeting or exceeding targets.
10. Acknowledgment of contributions to the company's success.

In addition, embolden a healthy and productive work environment that is characterized by harmony and collaboration found significantly improving the employees' retention. Such healthy work environment promotes teamwork, establish healthy relationships among employees, and avoid any practices of bullying or discrimination. That makes employees highly committed, satisfied, and loyal. Below some examples of work environment that attract talented employees:

1. Work Environment Flexibility
2. Work-Life Balance and Flexible Work Arrangements
3. Positive and Inclusive Culture
4. Collaborative and Supportive Team Environment
5. Strong Leadership and Mentorship
6. Collaborative Decision-Making
7. Employee Engagement Initiatives
8. Meaningful and Challenging Work
9. Cutting-Edge Technology and Tools
10. Strong Company Values and Ethics

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Doi: doi.org/10.52132/Ajrsp.e.2024.60.1