Leadership and its Impact on Employee Retention in Saudi Arabia

Mohammed Karali

Abstract: In any organisation, leadership is considered as a very important tool, which decides the organisation’s role in multinational corporations. The employees mainly join the organisation and stay, as they have belief in the motivation and inspiration of leadership. This study aims to show the role and impact of leadership in the motivation and retention of employees and the leader’s vision about retaining employees for working in the organisation. In this research, a variety of determinants will be examined in reaction with employee retention in Saudi Arabian organisations. The research has purposefully presented the argument that with the help of effective leadership, the employee turnover rates can be reduced to a great extent, because leadership is mainly recognised as the most significant determinant in retaining employees. Therefore, the main focus of the study is centred on different leadership styles followed in the organisations and the types of leaders who influence their subordinates and employees the most. Moreover, in this research, the proceeding area to be studied is regarding the conceptual framework of leadership, which explains the importance and ways of retaining the employees in the organisations of Saudi Arabia. Along with this, the study will also help in identifying different organisational cultures and attitudinal differences among the people, which will clearly help in demonstrating the role of leadership.

Keywords: Leadership, Employee Retention, leaders, Practices.

1. INTRODUCTION

The role played by leadership in retaining the employees in an organisation has been given due importance and attention by the management. The influence of leadership is being studied by the researchers and practitioners with a very keen interest. According to most of the researchers, leadership plays a major role in the bottom-line success of an organisation, by retaining employees to a great extent. The leaders also represent the entire organisation in the social structure and deal with many issues interconnected with public policy in addition to organisational and social problems (Sandbakken 2006).

In this research, the organisational problem, i.e. employee retention, has been discussed in relation with the leadership style of an organisation in perspective of Saudi Arabia. It has been observed that many of the researchers have studied about the importance of the impact of leadership in an organisation, but the influence of leadership in relation with employee retention has not been studied in detail (Mills 2007). With the help of this research, various implications of an effective leadership, present in business organisations of Saudi Arabia, will be studied in detail.

The aim of the introduction is to provide background information with the nature of present study and make the readers understand the role of leaders in an organisation for motivating and retaining them. This chapter provides a complete overview of the research by identifying the research problem and the objectives of research to be accomplished with the help of this research. In this dissertation, the introduction aims to provide a rationale for studying the problem, and understanding the importance of leadership followed in the organisations, in order to maximise employee retention rate.

This research is aimed to examine a variety of determinants of employee retention in the Saudi Arabian organisation. The study presents an argument that the rate of employee turnover can be reduced to a considerable degree with the presence of an effective leadership, as leadership is considered as a strong determinant of employee retention. The main area for the research has been recognised as the role and impact of leadership in Saudi Arabian organisations. In this study, the focus is centred on various leadership styles and types of leaders that exist in the organisations. In addition, the subsequent area of the research to be studied is the leadership framework in retention of the employees in the...
organisations of Saudi Arabia, on the whole (The Report: Saudi Arabia 2010). The background information of the research can be extracted from the study of organisational culture, various leadership roles and styles, along with types of leaders. With the help of this information, the variety of cultures and attitudinal differences among the people can be understood in a better manner. As a result, the leadership should be able to inspire the overall workforce (Avolio et.al 2004). In context of the orientation towards employee retention in the organisation, different leaders may have different types of personality traits, abilities, and influence on the employees (Nyberg, Bernin and Theorell 2005). In recent years, there have been many developments in the study of employees’ behavioural trends in the organisations, including the turnover and retention of employees (Corporate Leadership Council 2004).

In present times, the employees keep on searching for the best opportunity, and if they are not well satisfied with their job and organisational culture, they do not stay for longer. In order to retain the employees in the organisation, it is very important for the leaders to manage their employees with effective retention strategies, facilitating sincere commitment and providing the employees with employee empowerment, job security, performance appraisal, and better compensation and pay. Loosing a talent from the company can prove to be a huge loss to the organisation; therefore effective leaders can help in establishing a clear vision and communicating that vision to their employees and resolving the conflicts between them (Adams and Adams 2009).

Leadership can have a very significant impact on the organisation’s as well as employees’ performance. The business owners mainly set the leadership tone for their organisations. The performance and success of the organisation mainly depends on proper behaviour of employees and managers. The organisations, which provide an effective leadership, know how to transform an employee into a valuable team worker and complete their tasks in an efficient manner (Amabile and Khaire 2008). The employees’ mentality can be easily changed through leadership skills, for improving productivity in the organisation. Leadership lays a direct cause and effect relationship on the success of the organisation. Employee motivation and their retention are determined by the leaders. The leaders influence the people around them and draw utmost benefits from the resources of the organisation; among them, the most important one is the workforce (Boulter 2010).

Presently, the leadership theories mainly talk about the leaders who rely on traits and the way they use their power and influence for achieving their objectives. The trait based leaders are basically classified as charismatic, autocratic, and democratic ones (Ayman and Korabik 2010). When the leadership is considered on the basis of exchanging power and the act of usage for securing the outcomes, the leaders are categorised as situational, transactional, and transformational. Studying and understanding about these leadership styles and their impact in the organisation can lead to desired and valuable results for the research (Miles 2007) It is very important to understand that all the leaders do not have equal power and authority and they also differ in their leadership quality in every organisation. In order to achieve the goals of the organisation and retain the employees within the organisation, it is significant for an individual leader to own a style which helps in evaluating the leadership quality (Brown 2009).

The employee turnover increases due to poor leadership in the organisation, because it negatively impacts employee satisfaction, and as a result, it is difficult to retain the employees in the organisation. Ineffective leadership results in poor employee productivity; therefore, it is necessary to have better management practices in order to decrease the level of employee turnover (Dixon and Hart 2010).

In order to gain profits, it is vital for an organisation to retain employees. On the other hand, the organisations are required to add up new employees to their organisations with better skills to stay economical in the industry. In order to retain the employees, the leaders in the organisations are required to provide a setting to satisfy the employees, so that the employees can grow better in the organisation (Holmberg and Åkerblom 2001). It is essential for the organisations to follow effective leadership and provide the employees with necessary training, industry updates, and the use of current technology. Leadership is the determining factor of productivity, commitment, and job satisfaction. In an organisation, the leaders are required to classify employees’ suitability among various departments, as it will help in determining job satisfaction, and as a result, will retain employee for a longer period. When an employee is comfortable with the environment of the organisation and feels comfortable, he or she is more likely to be motivated and look for advancement in that organisation (Isaksen 2007).
The research study seeks answers to numerous questions that define the purpose of research study, forming the base for the study of the given topic. The primary research problem that has provided an impetus to the entire research study is as follows:

**Primary Research Question:**

What is the importance of employee retention in maintaining an organisation’s growth and what role does an effective leadership play in ensuring the maximum employee retention in the organisations of Saudi Arabia?

**Specific Research Questions:**

The key research question mentioned above generates some more contextual questions that are required to be answered to complete the research study, which are as follows:

1. What are the different leadership techniques used in an organisation for motivating the employees?
2. What is the importance of employee retention in revenue growth of an organisation?
3. What is the relationship between leadership and employee retention?
4. What are the various techniques used for employee retention in an organisation?
5. What is the role of leadership in improving the performance of employees along with increasing the performance of the organisations in Saudi Arabia?

The above mentioned research questions would provide a clear direction to the researcher in shaping the aims and objectives, and collecting the data for the research.

This research paper primarily focuses on the problem of employee retention in the organisations of Saudi Arabia. The major aim of this research is to understand the role of a leader in determining the employee retention in the organisations of Saudi Arabia. To achieve this aim, certain objectives have been formulated, which are as follows:

1. Analyse the effectiveness of leadership in retaining an employee.
   
   This objective is necessary to be achieved in relation with the aim of the research to analyse the level of effectiveness of the leadership, which is required to retain the maximum number of employees.

2. Evaluate the leadership techniques used in Saudi Arabian organisations.
   
   The fulfilment of this objective will provide the knowledge of different existing techniques that are used by the leaders in the organisations of Saudi Arabia, in order to retain the employees.

3. Examine the relationship between employee retention and the profitable growth of the organisation.
   
   This objective is meant to establish the importance of employee retention in an organisation that leads to a successful growth of an organisation by making it more profitable.

4. Analyse the challenges faced by the leaders of an organisation in retaining the employees.

   With this objective, the researcher will be able to find out the various problems and challenges that are faced by the people in the leadership roles while managing and solving the grievances of employees; these issues later turn out to be the reason of employee turnover.

2. **LITERATURE REVIEW**

In order to retain employees, it is very necessary to take various steps for moving successfully in the organisation. As per the interest of employee, he should find his job challenging to do extremely well in work and stay with the organisation for a long time (Collins and LeDuff 2000). In the retention of talented employees, the role of management is considered very important, as they are familiar with the working conditions and as a result they perform with better quality of the work as compared to the workers who just come and go.
Employee retention

According to Wylie (2006) the process of employee retention simply involves the activities, which help in encouraging and uplifting the individuals and teams to stay in the company engaged in the organisational activities, as it proves advantageous for both the employer and the employee. On the other hand, the retention of employees mainly depends on several factors on which, the employee motivation is based. These factors help in retaining employees to a great extent. First of them is Remuneration and Rewards, this factor plays a significant role in the procedure of encouraging staff, which results in retention of employees (Wylie 2006).

Malley and Michael (2000) have explained that in this process, an attractive compensation package is composed that includes basic salary, incentives, bonuses, various allowances like medical, travel, domestic etc. there are various employee assistance programs introduced. In order to make the employees stay, retirement benefits like gratuity and provident fund are provided. It is very necessary to manage the working surroundings for retaining staff by providing appropriate services and facilities to staff.

Some of the main features that keep the employees connected with the organisation are: there should be a reliable and long-lasting bond between the employee and management (Malley and Michael 2000). An Employee Retention Program (ERP) program is considered successful when a systematic attempt is made, in order to encourage an environment, which helps in motivating and facilitating the employees to remain working by maintaining various practice and strategies, which addresses their different requirements.

Employee Retention Strategies

McCooey and McCooey (2009) state that retention strategies are categorised into three different levels, such as bottom level, middle level and high level. There are some of the factors that help in attracting and retaining the talented employees in various business firms. The management should provide the employees with freedom to operate at work and provide them with training and opportunities for learning. In the bottom level of retention strategies, the performance appraisal should be given by appreciating the employees and recognising good performance.

The other retention strategy is to provide the employees with compensatory and monetary benefits along with perks. The organisation should also provide the conveniences in workplace, as that would help in the retention of employees. The employer should always encourage recreation and fun at work, as it helps in relieving stress and supports the employees to prove their efficiency in tough times (McCooey and McCooey 2009).

McCooey and McCooey (2009) also explains that in the middle level, along with performance appraisal and appreciation, benefit programs for family and conveniences at workplace with safety measures should be provided. In order to provide personal growth opportunity to the employees, they should be given training. In the high level of retention strategies, work effectiveness should be promoted, the esteem needs of the employees should be understood by the employers. Professional training with an environment of trust must be provided (McCooey and McCooey 2009).

Employee motivation

According to the book of Jones and George, "Contemporary Management," motivation is defined as "psychological forces that determine the direction of a person’s behaviour in an organisation, a person’s level of effort and a person’s level of persistence" (Jones and George 2007). In the equation of motivation in Saudi Arabia, the main factors are input, performance and outcome. Inputs are considered as anything an employee dedicates to its job. Outcomes can be defined as the thing, which employee gets from the organisation, for example job security, salary, and various benefits. The outcomes are used by the managers, in order to motivate people in contributing inputs.

Motivation Theories

According to Consador (2012) there are some theories regarding motivation such as expectancy theory, equity theory, need theories and goal setting theory have different dimensions in motivation. The expectancy theory helps in suggesting about the high levels of motivation that takes place when the employees think that they can get their work done, and are able to perform with high quality and outcomes. A bonus is said to be a desired outcome (Consador 2012). There are some of the need theories that the managers use in determining the needs of their employees in an organisation.
The managers also ensure that the people should receive the outcomes, in order to satisfy the requirements of the employees when executing high performance. The other theory for motivation is equity theory, which provides that the managers encourage motivation by making sure that the employees believe in outcomes. Goal-setting theory suggests that the specific objectives help in accomplishing success and high motivation. So, this discussion on theory evaluates that in order to achieve better outcomes in an organisation, it is essential for the managers to understand and motivate the employees to perform with high level (Consador 2012).

Types of leaderships

**Autocratic Leadership:** In this autocratic leadership style, the leader possesses all the powers of taking decisions by him and does not consult to his subordinates or followers regarding any issue. He is completely responsible for his decisions. This type of leadership style, results in staff turnover and high level of absenteeism (Sternberg 2010).

**Bureaucratic Leadership:**

In Saudi Arabia the bureaucratic leaders are the leaders who work through rules to make sure that their staffs follow all the procedures in an exact manner. This is a very suitable style of working with staff and involves a variety of safety risks, associated with machinery, where high amount of financial risks are concerned. In this type of leadership, the high levels of control de-motivates the staff and also results in problems in reacting to change (Hillmer and McRoberts 2004).

**Charismatic Leadership**

A charismatic leader is also considered as a transformational leader who always has the preference to believe more in him, as compared to his team. They have the ability to drive others forward, because of their energetic and enthusiastic nature. The organisation can surely succeed with the presence of a charismatic leader and his followers feel comfortable in his presence.

**Democratic Leadership**

The democratic leadership makes the final decision in any process, but he also gives invitation to his team members for contributing in decision making. This type of leadership leads to job satisfaction among the employees and the team members and they are motivated to do hard work. This is a comparatively slow process but in long term it provides a better result. It is the most appropriate in team work and the emphasis is given more to quality than productivity (Harter and Hayes 2002).

**Laissez-Faire Leadership**

In this type of leadership, the leaders leaves the staff to get on with their work accordingly, though he keeps a regular check on his staff and team members. This type of leadership is mainly concerned with heavily experienced staff or very skilled employees, but the level of control over the staff is not sufficient (Efinger et al. 2004).

**People Oriented Leadership**

This leadership is totally different from the task oriented leadership because, here the leader is completely focused on organising, assisting and developing people in organisation team. This leadership results in a creative collaboration and good team work. But sometimes, it leads to failure in achievement due to poor participation by team member. In real practices, most of the leaders are both task oriented and people oriented, which makes them efficient in an organisation (Kreisman 2002).

**Task Oriented Leadership**

Thomas (2000) describes that this type of leadership is quite an autocratic style because the leaders here mainly concentrate on getting the job done. The leader actively explains about the work and the responsibilities needed in order to put the structures in right place by organising, planning and monitoring. On the other hand, this type of leaders are very less concerned about the well being of their teams and because of this approach, certain flaws are faced by the organisations, and the leader is not able to motivate and retain their employees in the organisation (Thomas 2000).
Transactional Leadership

Harter and Hayes (2002) explain that in transactional leadership, the team members have to completely obey the orders and rules of the leader. These types of leaders generally in the organisation pay the team for their efforts and attempts in the completion of their tasks. If the staff members do not meet the requirements of specific tasks, the leader has also the right to punish its team members. The transactional leadership does not help much in job satisfaction for the team members until and unless proper reward for their work is provided to them. In this leadership, short term tasks are mainly focused and it is a common style in many organisations (Harter and Hayes 2002).

Transformational Leadership

According to the authors, Connell and Ryan (1989) in this leadership style, the person is a true leader who helps in motivating his team with a clear vision concerned about future. The transformational leaders give a good time for proper communication and they are highly visible and assign the responsibilities among their team members. Both the transactional and transformational leaders are important and required for the organisation, in order to make sure that the routine work is done in a reliable manner for adding value to the organisation (Connell and Ryan 1989).

3. RESEARCH METHODOLOGY

3.0 Introduction

The research methodology section of this research paper is concerned with providing adequate and authentic information regarding various aspects of research methodology. These aspects include research philosophy, research approach, research strategies, research design, data collection methods, sampling strategies, validity and reliability, ethical consideration, limitations of the research etc. The basic purpose of proving information associated with these dimensions and aspects ensure that the data have been collected within the standard guidelines and sources are highly reliable and authentic. The following discussions are significant and crucial with respect to “Leadership and its Impact on Employee Retention in Saudi Arabia”.

The research methodology section aims to provide the appropriate methods for collecting data and various research approaches to make the research more effective. These methods and approaches have been chosen in accordance with the identified objectives. In this research, both primary and secondary methods for data collection have been used to make it more valuable and reliable.

3.1 Research Philosophy

The positivism research philosophy has been used in this research paper and it has played a vital role in development of overall research strategy. The adoption of positivism philosophy in this research paper has ensured that collected empirical evidences have been interpreted appropriately and the outcome of the paper truly reflects the impact of leadership on employee retention in Saudi Arabia. In addition to this, the acquired philosophy for conduct of present research work has assisted in developing a comprehensive and selective approach that ensures the minimal possible deviation from the research topic (Efinger et al. 2004).

The positivism research philosophy has provided a new dimension for identifying and evaluating the role of leadership and its direct or indirect impact upon the employee retention. Further, it assumes that there is an objective reality, which is beyond the subjective interpretation of human mind and behaviour. It has enabled a cross verification of theories and establishment of relationship between the systematic practices of leadership and its impact upon the employee retention. The value-criteria have been implied though the adoption of this philosophy and it ensures that the laws and principles of leadership have been evaluated against objective standards rather than the subjective interpretation of human mind.

3.2 Research Approach

There are primarily two types of approaches, which are taken into consideration for conduct of a research and these are known as inductive and deductive. For the purpose of this research paper, deductive approach has been used. This approach helps in assessing the validity of the leadership theories on the rate of turn over for selected organisations. In addition to this, the deductive research approach has enabled an independent observation and has enhanced the objectivity of outcomes (Collins 2010). In the section of literature review, the terms ‘leadership’ and ‘retention’ have been well
described that has assisted in eliminating any subjective interpretation of these terms. The breakdown of key terms in the bite-size chunks has ensured that only appropriate and authentic information are being tested against the general principles, theories, definitions, etc of the leadership and employees retention in the business organisations of Saudi Arabia.

The deductive research approach has helped in making a general inference through the specific theories and principles of leadership and employee retention, and has helped in identification and establishment of relationship between them. The use of this approach has ensured empirical observations regarding the presence of KSAOs (Knowledge, Skills Attitude, and Other characteristics) of leadership among the managers of the organisations and their direct and indirect impact upon the retention rate of the employees. It is worth noticing here in the context of this research paper that a general inference has been drawn that reflects the intensity, direction and dimensions of leadership theories and with respect to the final impact upon the employee retention. These empirical observations have been done with the help of survey and the outcomes have been discussed in the findings and conclusion part of this research paper.

3.3 Research Design

Out of three alternatives of research design namely descriptive, diagnostic and exploratory, the exploratory research design method has been used (Denzin and Lincoln 2000). This method aims at exploring the factors of leadership that influence the rate of employee retention in Saudi Arabian business organisations. This research design has helped in assessment of different leadership techniques and practices that are being used by the business organisations of Saudi Arabia and how they have a major impact upon the employee turnover. Although this research design is not used for establishment of cause and effect relationship but the method has been very supportive in identification analysis of factors of leadership that have direct or indirect impact upon the retention rate of employee in business organisations of Saudi Arabia.

Heselhaus (2010) has clearly mentioned in his text book that exploratory research design offers a higher degree of flexibility and that can be used for reviewing the validity of theories and outcomes of various researches which deal with the impact of leadership on the employee’s retention (Heselhaus 2010). The adoption of exploratory research design has been helpful in critically evaluating the major factors of the leadership practices at any organisation and how these practices have affected the turnover rate of a particular organisation, both positively and negatively.

3.4 Data Collection Methods

The data have been collected from two available alternatives, which are known as primary and secondary sources (Bergh 2004). The primary data have been collected with the help of survey method through use of questionnaire. These questions have been filled by the employees of the organisations and reveal first hand information. The use of primary method has been done with the purpose of examining and analysing the actual experience and perception of participants with regard to relevance and impact of leadership upon the employee retention rate. There are basically two types of questions that have been included while designing the questionnaire and these are termed as “close ended question” and ‘open ended question’.

The close ended questions aims at evaluating the impact of leadership practices on the employee retention through bounded and quick response. In addition to this, these questions have also prompted respondents to participate in this research work, as it takes less time and deliver high accuracy, as per the merit of questions (Mertens 2005). The open ended questions are focused at gathering information that could be termed as subjective and are based upon individual’s experience of the employees. The inclusion of these questions ensures that the research covers all the potential aspect of leadership practices and its impact upon the employee retention rate, in Saudi Arabia. There are basically three types of information that have been collected though the primary research method and these include:

Demographic information:

The questionnaire consists of question that is concerned with collection of demographic information of the respondents, in order to ensure that the data have been collected from the reliable and authentic sources (Bergh 2004). These pieces of information are related with the name, age, gender, etc of the employees. The demographic information is also known as factual information and ensures that the participants are mature enough to provide appropriate and genuine responses, as per their understanding and knowledge.
Opinion information:
The term opinion itself suggests that these questions are focused at collection of information that reflects the personal opinion and perception of participants on ‘Leadership and its Impact on Employee Retention in Saudi Arabia’. These kinds of question attract different responses by the participants and their responses could significantly differ across the same organisation. It has been observed through the responses of the participants that the variation in their opinion is driven by the experience and their perception.

Attitudinal information:
It is important to collect data regarding the attitude of the respondents with respect to the topic in concern. This requirement becomes quite essential, if the research is being conducted upon the topic like leadership and their impact on employee retention in Saudi Arabia. The leadership and the causes of employee turnover have been an ever debatable topic, since its evolution. The collection of attitudinal information ensures that an addition dimension has been added for enhancement of accuracy and reliability of the research work (Gillham 2000).

Secondary Sources:
An appropriate use of secondary sources has also been done for conduct of a meaningful and reliable research. In this paper, the secondary data have been collected from existing literary sources including books, journals, online articles, the reports of reliable agencies, etc. The theories of leadership and styles have been evaluated against the employee retention rate in the organisations of Saudi Arabia. It has not only helped in identification of patterns and trends but has also been helpful in establishment of a systematic relationship between the practices of leadership and their ripple impact upon the employee turnover ratio. The literature review chapter of this research paper is the part of secondary research and aims at covering major aspects of leadership practices and how they could be a potential source of employee retention in the Saudi Arabia (Flick 2011).

3.5 Sampling strategy
In order to collect the data from the most productive respondents, ‘purposeful sampling’ technique has been used (Collins 2010). This method is also known as judgmental sampling technique and has been used with the purposes of meeting the aims and objectives of research question. The number of sample size in this research work is equal to 200 and it consists of managers and employees from the organisations of Saudi Arabia. The participants have been divided equally in the ration of 1:1 between the managers and employees. It means that 100 managers and 100 employees have been made the part of sample size. These participants would provide information regarding practices of leadership in the organisations and their impact upon the employee retention. It has been ensured from empirical observation that the sample size is adequate enough to reflect the characteristics of entire population.

Validity and reliability
Determinants or the factors affecting employee retention is the prime concern or area of research study. Validity and reliability is the two main cornerstone of present research study. Reliability in the present research study is ensured by verifying that all set of questionnaires, test or observation produce the same result when repeated continuously. In other words, reliability in the present research study refers to the stability and consistency in the responses accorded by the respondents (Connolly 2006).

Reliability is ensured, in order to align the research study with the defined research protocol. Three aspects of reliability namely equivalence, stability and internal consistency are primarily addressed in the present research study. Equivalence here refers to equal means, correlations, variances and so on. Equivalence measures degree of correlation among two questionnaire forms given to the respondents. In other words, this administration mechanism considers two set of questionnaires represent same degree of correlation.

Research team of present research study evaluates the response of the respondents towards leadership style and its impact on employee retention. Each member of the research team applies same set of standards at the time of assessing the responses (Creswell 2003). This scenario demonstrates the prevalence of equivalence in evaluation of responses. Criteria of stability are satisfied by means of test-retest procedure, which provides same set of scores or results when repeated with same group of respondents. Individual items in the questionnaire are closely related with each other, thus also contribute towards internal consistency.
Validity in the present research study tests the legitimacy of research study. Legitimacy is judged at the time of selecting groups, recoding data and analysing the responses. High level of validity is maintained through proper study design and strict research protocol. All sources of evidences are properly and continuously integrated over the period of time. All the three aspects-construct, content and criterion validity is addressed in the present research study. Validity criteria are more important in the present research study, as there are many heterogeneous groups participated in the survey process (Marczyk, DeMatteo and Festinger 2005).

4. DATA ANALYSIS METHOD

The raw data, collected through primary sources would be analysed with the help of percentage method and pie-chart. The responses of the participants have been coded through likert scale and have been visually displayed by pie-chart graph. In addition to this, the chances of errors have been reduced up to maximum possible extent with the help of an appropriate method that has been discussed under the headlines of validity and reliability of research methodology.

The visual representation of information regarding impact of leadership on the employee retention in Saudi Arabia enables a quick and comprehensive analysis. It also allows making a comparative analysis with the outcomes of other researches on the same topic. The data analysis section of this research paper is focused towards transforming raw data into meaningful information.

4.1 Data Analysis and Findings

The data analysis section of this research work focuses on interpreting key information from the raw data. These interpretations are based on the primary data, which have been collected from the employees and managers of Saudi organisations. The sample size for collecting of primary data consists of 200 respondents, which includes 100 employees and 100 managers. This section aims at analysing the responses of participants under two headings; analysis on the basis of close-ended questions, and analysis on the basis of open ended questions. The close-ended questions cover the responses of employees, whereas open-ended questions acquire data from the managers of Saudi organisations.

The aim of data analysis is to analyse the information collected from the primary and secondary data collection methods. Moreover, the data is evaluated in order to derive valid and applicable conclusions. The following discussions are essential in order to make a critical analysis of data, collected from survey through questionnaire method:

4.2 Analysis and Findings on the Basis of Close-ended Questions

The close ended questions of this research paper educe bounded responses from the employees of Saudi organisations. The data collected from these respondents have been presented with the help of pie-chart diagram, in the form of percentage method.

![Figure 1. Influence of Leadership upon Employee’s Retention](image-url)
In response to a question, which was focused on discovering employees’ perception regarding the influence of leadership on retention practices, the above data have been collected. The figure 1 shows that 46% of the respondents strongly agreed with the statement that leadership can influence an employee’s retention in an organisation. In response to the same question, 33% of the respondents have shown their agreement, whereas 5% respondents were neutral in this regard. Around 9% of the respondents said that they disagreed with the statement and felt that the employees’ retention cannot be influenced by strong leadership. The percentage of respondents who strongly disagreed on this notion was 7%.

The responses of the participants are quite consistent with the findings of previous researches on this topic. It is evident from the literature review section of this research paper that strong leadership lays a positive impact upon employee retention. Alnaqbi (2011) has argued that the presence of a strong leadership not only provides right direction to the organisation, but also inculcates a purpose of existence in an organisation among the employees. In this regard, the employees develop a sense of belongingness with their originations and make extraordinary efforts in delivering, what is desired from them. The employees with clear aims and objectives, along with their roles, tend to work for a longer period than those who are confused with their roles and responsibilities within an organisation (Alnaqbi 2011).

The above figure represents the primary data, collected from the employees of the Saudi Organisations. The data depicts the reasons cited by the employees, behind working with their present organisations. The percentage of respondents who told that due to effective reward and recognition system they were continuing the job, was 26%, on the other hand, 21% of the employees stated that career growth was the reason for staying in their present jobs. The factors, like teamwork, and challenging job have attracted same percentage of responses from the employees, which was equal to 13%, whereas 27% of the employees reported that leadership style was the basic reason to continue with the present job.

Dochy, Michielsen, Moeyaert (2009) in their research paper have highlighted the same factors and stated that in the organisations, which practice fair reward and recognition system, the employees have a tendency to work for relatively longer period of time, than in those, which lack transparency. From the same perspective, if the employees find that there is lack of teamwork and excitement at the workplace, it becomes difficult for them to continue the job. Moreover, the absence of strong leadership can also adversely affect the employee retention in any organisation, as the employee finds it difficult to connect himself with the mission and vision of the company, for which he is working (Dochy, Michielsen, Moeyaert 2009).
In response to a question, which was focused towards acquiring the opinion of employees regarding the effectiveness of 3R’s policy, it was found that 31% of them strongly agreed that the policy can help in retaining the employees, whereas 47% of the respondents agreed with the statement that the state of employee retention can be enhanced by adopting the policy of 3 R’s. In the response of the same question, 6% of the participants were neutral, while 9% have shown their disagreement. The number of respondents, who strongly disagreed with the effectiveness of this policy upon employee retention, was 7% of the total.

Winfield and Berry (2001) have highlighted the significance of these three factors while establishing a linkage with employee retention. In this context, they argue that the organisations, which respect their employees, become worth respecting over a period of time. The care and appreciation of strength of each individual by an organisation helps in building a culture of trust. The importance of recognition can be understood with the figure collected from the employees, as one fourth of the employees have cited this as the primary reason to continue their jobs. In the same way, enriching the workplace and fostering retention through quality of life reward would help in retaining the existing employees (Winfield and Berry 2001). All these three factors cannot be properly implemented in the absence of strong leadership.
The figure 4 represents the data collected from the employees of the Saudi organisations and suggests that, when the actual impact of ERP with regard to retention is evaluated, the employees have a different perception. In the response of this question, 33% of the respondents said that they were strongly agreed with the statement that ERP can influence an employee’s motivation and retention in an organisation, whereas 46% of them have shown their agreement. In the response of the same question, 6% were neutral, and 8% of them have shown their disagreement. The percentage of people who strongly disagreed with the opinion that ERP has a practical implication upon an employee’s retention and motivation was 7%.

This data indicates that the employees of Saudi Arabia feel that, if their organisations adopt the strategy of ERP, it can enhance the level of employee motivation and retention. More than 3/4th of the respondents have suggested the same thing, which has already been discovered through previous researches. In the section of literature review, it has been mentioned that McCooey and McCooey (2009) have suggested that the retention strategy should be implemented at all the three levels of hierarchy: bottom, middle and top. This strategy would not only help in responding to different needs of employees on all levels, but would also help in retaining the best employees at each level (McCooey and McCooey 2009).

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![Inter-link between leadership and organisational growth](chart.png)

Figure 5: Linkage between Strong Leadership and Organisational Growth and Competency

In response to a question, through which it was asked that whether there is any linkage between the presence of strong leadership and growth of an organisation or not, 46% have shown their strong agreement and said that they felt the same. Responding to the same question, 37% of the respondents have shown their agreement, whereas, 4% of the employees were neutral in this regard. However, there were some employees who have also shown their disagreement to this, and their number was equal to 8%. In the continuance of the same, 5% of the employees have been reported to be strongly disagreed, who felt that there is no direct relationship between leadership and organisational growth.

The above mentioned statistics indicate that Saudi employees perceive a close relationship between strong leadership and organisational growth and their number is as high as more than 80%. This perception of the participants is consistent with the findings of previous research works. Voon, Lo, Ngui1, and Ayob (2004) have highlighted the significance of strong leadership upon the competency and growth of an organisation. In their research paper, they have stated that the presence of strong leadership helps in realising the mission and vision of the organisation and provides a direction, towards which all the resources of an organisation can be channelised (Voon, Lo, Ngui1, and Ayob 2004).
The above mentioned figure depicts the data collected from the respondents of Saudi organisations and reflects their perception regarding dynamic linkage among strong leadership, employee motivation and employee retention. In the response of this question, 41% of the respondents said that there exists a close relationship among the mentioned factors, and they show their strong agreement to this. The same question has educed the agreement from 43% of the total respondents, whereas 3% of the participants were neutral in this regard. The figure clearly indicates that 9% of the total employees did not think the same, and as per their opinion, there was no relationship among the specified factors. Out of 100 participants, 4% also showed their strong disagreement on this opinion.

The analysis of the above data implies that the employees of Saudi Arabia have a fair idea about the interrelationship and interdependence of dynamic linkage among strong leadership, employee motivation and employee retention. This relationship has also been discovered by previous researchers, as Kreisman (2002) states that in a preset business scenario, only those organisations can succeed in long-run, which have identified the factors of employee motivation at the workplace and have been continuously searching for the alternative ways to maintain the level of motivation among the employees (Kreisman 2002).
In the response of a question, which was focused towards acquiring key information factors, an employee would expect to be present in his/her new job, the respondents put forth different views. Responding to this question, 24% of the respondents said that they would look for an effective reward and recognition system, which should be performance based. The significance of teamwork and working environment was highlighted by 18% of the respondents, whereas 27% of the respondents said that while joining to a new company they would look for career growth opportunities. In response to the same question, 12% said that, in their new jobs, they would look for challenging opportunities, while rest 27% of the respondents said that while taking the decision regarding their new job they would focus upon the quality of leadership.

The responses of these participants have highlighted the same factors, which have been discovered by many professionals and academicians. In this regard, Branham (2007) has identified seven main reasons that may result into high turnover for an organisation (Branham 2007). The above mentioned factors identified by the respondents suggest that in Saudi organisations, employees are also concerned with other factors, than compensation and benefits, and leadership is one among them.

When asked about the required changes in leadership styles as per the change in organisational culture and organisational structure, it was found that 38% of the respondents strongly agreed with this opinion. The number of employees who have shown their agreement with the statement that leadership styles should be changed as per the situations and organisational requirements was 42%. Out of 100 respondents the number of the employees who have shown their disagreement and were strongly disagreed was equal to 7% and 6% respectively. Moreover, 7% of the respondents were neutral in this regard.

The data collected from these respondents suggest that Saudi employees believe that a single leadership style cannot be universal and may not be used in the same culture. Their perception can be reinforced with the outcomes of studies conducted by many researchers; like DuBrin (2008) has clearly mentioned that leadership style should be changed as per the situation, for subordinate and organisational structure to be effective and value oriented (DuBrin 2008).
The figure 9 depicts the data collected from the employees of Saudi Organisations. The data reveals that 24% of the respondents felt that lack of motivation was the primary reason of high turnover, whereas, attitude of supervisor has been identified as one of the major causes of employee turnover by 23% of the respondents. Out of 100 respondents, 19% expressed that ineffective reward and recognition system was the most significant reason of employee turnover; while 21% of the total respondents said that the absence of strong leadership intensifies the turnover ratio in an organisation.

After analysing the above mentioned factors in the light of existing literature, it is found that a numbers of researches have supported the same findings. In this regard, Guyo, Gakure, Mwangi (2011) have carried out a critical analysis and suggested that the turnover ratio increases, if the employees of an organisation feel that the organisational supervision is not supportive, or there is a lack of teamwork. The ineffective reward and recognition system has also laid a negative impact on the employees’ retention, and it has been indicated in this research paper that there are some employees, whose motivation level can be enhanced by making their jobs more challenging (Guyo, Gakure, Mwangi 2011).
In the response of a question, when the employees of the organisations were asked to evaluate their level of satisfaction with leadership styles and practices on the basis of their previous experiences, it was found that 20% of the employees were highly satisfied with their experience. The percentage of employees who were satisfied with their leader was 41%; on the other hand, 4% of the respondents were neutral in this regard. Out of 100, 19% of the respondents were dissatisfied with the leadership styles and practices in their organisation, and 16% of the participants were highly dissatisfied with the style of leadership in their organisation. The data collected through survey method suggests that leadership style can directly influence the level of satisfaction among the employees; therefore, Saudi organisations should make efforts to address the emerging needs of their employees in order to make the leadership more effective and strong.

### Analysis and Findings on the basis of open-ended Questions

The open ended questions have helped in the collection of primary data from the managers of Saudi organisations. In this regard, the following discussions are essential:

In response to the question, which focused upon identifying the basic reasons of high turnover in an organisation, majority of the managers stated that lack of career growth, lack of teamwork and cooperative culture, ineffective reward and recognition system, and the absence of strong leadership can result into high turnover. The managers emphasised the role of leadership in retaining the best employees, as strong leadership can imbibe a sense of belongingness among the employees and can inspire them to attain aims and objectives of the organisation (Wylie 2006).

The responses and observations of the managers are quite similar with the findings of other researchers on the same topic. Thomas (2000) states that a company should explore new ways of job enrichment and job satisfaction, and this can be done through right leadership. In order to attract and retain the best employees within an industry, the company should not only develop an organisational culture which is known for its trust and cooperation among the employees, but should also focus upon developing an individual’s KSAs (Knowledge, Skills and Attitude) (Thomas 2000).

When the managers were asked about the influence of leadership style on employee motivation and job satisfaction, it was found that most of them favoured democratic leadership style. This leadership style is characterised by the participative decision making, sharing and exchange of ideas, and respect of subordinates (Eisenberger et. al 2002). The emerging business environment has compelled the organisations to adopt this style, as it helps in the development of better compatibility between superior and subordinates. However, many of the Saudi organisations are still following bureaucratic style of management and believe in control and command, but a paradigm shift is taking place due to the increasing importance of employee motivation and job satisfaction at the workplace (Thomas 2000).

In response to a question, which was focused towards acquiring key information by the managers about the most significant advantages of strong leadership in an organisation, certain advantages have been highlighted (Hillmer and McRoberts 2004). The first among them has been identified as providing right direction for realising the vision and mission of the company. It has been discussed by many of researchers and professionals that transformational leadership can utterly change the way, in which the organisation conducts its operations (Harter and Hayes 2002).

The second advantage can be seen from the level of motivation and job satisfaction of the employees. A true leader identifies exact strengths and weaknesses of his/her employees and channelizes them into a most appropriate way. This ability enhances the level of intrinsic motivation and increases the overall job satisfaction. In this same context, one of the significant benefits can be identified to be building a culture of trust where an employee feels free to share and exchange his innovative ideas and information (Hillmer and McRoberts 2004). In addition to this, the managers of these organisations stated that the quality and style of leadership can help an organisation in retaining the best employees and this can be considered as one of the crucial advantages of having strong leadership in the organisation (Agbor 2008).

### 5. RECOMMENDATIONS

Leaders play a key role in retention management, because in an organisation, they act as communicators, esteem builders, talent developers, and trust builders. Therefore, leadership is considered as the main factor in retaining the employees in the organisation. The leaders should also provide the employees with the authority to get the tasks done and make them realise that they are the most precious asset of the organisation. In order to make the leadership effective, the leaders should keep the employees’ morale high and provide them with recognition by appreciating their achievements. The
leaders can efficiently create the environment, where the employees feel comfortable in working and are satisfied with their job responsibilities (Eisenbeiss, Knippenberg and Boerner 2008).

For retention management, the leaders should be able to understand the needs of the employees, by appreciating innovative ideas and rewarding risk taking attempts. It is essential for the leaders to encourage professional training and development along with growth opportunities. Communication among the employees and leaders is necessary, as it would help in providing an environment of trust. The leaders should take proper care of taking feedbacks from their employees in relation with their organisational activities and goals on a regular basis. The success of the organisation depends on the leadership style followed in it and the way it attracts, motivates, and retains employees (Giri and Santra 2010).

There is a need for the organisations to be more flexible for developing brilliant workforce and getting the commitment of the employees towards their work. As a result, the organisations are needed to follow the leadership style, which helps in retaining employees and addressing all their issues related to work life. For increasing organisational effectiveness, the leaders are required to maintain a smooth relationship between the physical work environment, administrative system, and social environment. The leaders are required to understand that why the employees leave the organisations and what can be the measures in leadership practices that can help them in retaining employees. Until the employees start leaving, the organisations do not know how their leaders are performing and consequently it becomes very difficult to manage the heavy loss caused by employee turnover (Laohavichien, Fredendall and Cantrell 2009). Therefore, it is necessary for the organisations to follow such leadership styles that bring effectiveness in the working of employees, and by which, they feel motivated towards their work:

*Create value preposition to attract employees:* An employer should offer attractive features, like friendly work environment, no discrimination, growth opportunities, etc., to his existing and potential employees, so as to attain high level of employee satisfaction. The positive image as well as perception in the minds of the existing employees about their employer helps the employer to recruit new employees (Ayman and Korabik 2010). The positive word of mouth from the existing employees about their boss helps in reducing the employee attrition rate in the organisation.

*Craft reward system:* Managers should provide other benefits and perquisites besides compensation, like promotional opportunities, bonuses and incentives, and non monetary benefits, etc., to their employees based on their performance, in order to retain them in the organisation. If a manager wants to retain or keep employees for long period, he should create the reward system in such a way that the employees are able to attain their personal objectives along with organisational goals (Nyberg, Bernin and Theorell 2005).

*Give feedback on employee performance on a regular basis:* Effective performance appraisal system helps the employees to know about the importance of their performance and their existence in the organisation. Receipt of performance feedback on time also indicates that managers pay attention on the work done by the employees and provide assistance to their employees on how they can improve their performance, which in turn, helps in employee engagement and retention (Ayman and Korabik 2010).

*Flexible work – life balance:* Companies should form their working policies in such a way that it provides flexibility to the employees in managing balance between their personal and professional life. The managers should adopt different control systems for checking time and attendance of the workers without hampering the output, quality, and the productivity.

*Create a culture of belongingness trust:* Nowadays, employees feel more attached to their colleagues in comparison to the company through activities related to process management and project-team based work. This results into shift in their loyalty towards projects, employees, and teams. Companies must create such a culture where employees, processes, and projects can become fully connected and engaged with one another, so that the employees can remain loyal to these organisations (Holmberg and Åkerblom 2001).

*Creating a Motivating Environment:*

The main aim of the team leaders is to create an environment which is motivating, so that they are able to retain their team members for longer periods. The purpose of retention activities is not about organising fun events, like parties and celebrations, but to create motivation which can be done by any type of activities that have the interest and likings of the
team members. The employees who are motivated by the activities, which are taking place in an organisation, are more likely to be engaged in the tasks of the organisation (Avolio et al 2004).

Standing up for the Team:

The team leader has cordial relations with all its team members. He needs to create a balance between the management and the team members. Leaders need to take a stand for their team and also make the team understand its responsibilities. A leader is representative of his team, and when the leader takes steps for his team members, he is able to provide a support to members, which helps in improving their working. The team leader’s support proves to be helpful for the retention of members and improving their productivity (Sandbakken 2006).

Providing coaching:

It is the responsibility of the team leader to provide coaching to his team members, which will help the members in completion of their jobs in the right manner. The coaching provided by the team leader helps in improving the performance of employees (Ayman and Korabik 2010). The coaching acts as a tool to improve the performance of employees, and all the actions are monitored closely, which helps the members in delivering effective and efficient work.

Delegation:

Effectively delegating the work is also the responsibility of a leader. The work should be delegated according to the competencies of members of the team. If the work is not delegated effectively, it might not be able to produce the desired results. The leader delegates the work in the proper manner since he is well aware about the capabilities of his team members (Holmberg and Åkerblom 2001).

Extra Responsibility:

Added responsibility is also a method, which is used by the leaders in order to engage their team members in the company. The leaders should show high level of interest and help the employees in fulfilling the added responsibilities in the best possible manner. The leaders should enhance the capabilities of employees and give them added responsibilities to keep them engaged in their work.

REFERENCES


