Factors Affecting Job Retention: 
Basis for Retention Management Model

Dr. Paul Reinald Base Garcia
Al-Ghad International Colleges for Health Sciences – Male Campus
Shatea Area, Beside Red Tag, Ad Dammam, Kingdom of Saudi Arabia
paulreinaldgarcia@yahoo.com
+966 507 605 230

Abstract

It is important to explore factors which contribute with the retention of employees in this period of employee shortages and increased service demands in the field of higher education in Kingdom of Saudi Arabia. This research study aimed to investigate on these factors with a focal intention of building a platform of high retention workplace. This inquiry, however was delimited to one of the branches of a fast growing private college which offer health science programs wherein all the teaching and non-teaching personnel are the respondents.

This study revealed weak retention practices by the College in all of the established retention factors which include compensation and benefits, employee engagement, performance management, retention measures, and career development, hence; requiring an extensive review and modification of many administrative procedures which supposedly geared towards people management.

Further, the demographic characteristics of the subjects of the study exposed the diverse workforce population demanding for effective retention measures which would translate into job satisfaction and improved retention rate, increased work performance and enhanced customer service. In addition, the documentary analysis divulged the dire need for people management strategy or advocating the people approach which leads to employee engagement and improved productivity at every level of services that the college offers.

On the contrary, decoding perceived retention factors by the respondents of the study lead to the proposed retention management model reflecting specific retention measures that the academic institution should embark on.

KEYWORDS: Retention Factors, Retention Management Model, Job Retention
1. INTRODUCTION

This study was initiated with needs assessment for employee retention measures as evidenced by job turnover rate of 30% in SY 2013 – 2014 and 22% in SY 2011 – 2012; in one of the branches of the College under scrutiny. In addition, perceived needs by faculty members to investigate on the causes of turnover intentions prompted the researcher to study this issue.

Vital to the achievement of the College goals and objectives are the competent manpower whose functions are integral and their quantity, competence and effectiveness impact the educational institutions productivity and efficiency. As cited in the study of Surbhi (2013), no academic institution can really ensure sustainability and quality in the long run without a well-qualified and committed academic staff. The investigator also purported that higher education institutions are very much dependent on their intellectual and creative capabilities and commitment. This therefore makes it critically important to retain this intellectual staff.

It is apparent that preserving great employees in the organization is indispensable to uphold the undertakings of any academic institutions. These institution employ measures to retain competent employees. However, the adequacy and suitability of the said actions are constantly an uncertainty. Job retention and turnover in the arena of higher education are still a global concern.

In the United States, for instance, about 7.7% of all full-time academic staff left their institutions within one academic year from fall of 1997 to fall 1998 (National Center for Educational Statistics, 2001). In Canada, it has been argued that one of the challenges that the university will face over the next decade or so is academic recruitment and retention. Similarly, it has been suggested that “early in the 21st century there will be crisis in Australian higher education with an estimated labor shortage of 20,000 if this trend is not addressed” (Mathews, 2003). This circumstances is also experienced in South American higher education institutions, since data indicate that a substantial number (between 5% and 18%) of academics leave higher education institutions (Tettey, 2006).

The study of Iqbal (2010) determined employee turnover as one of the challenges to the human resource managers and the respective employers in any fast growing economies including the Kingdom of Saudi Arabia. Most of the employers in the Kingdom are not aware of why employers choose to leave the organization and why they stay. Employees who leave the organization’s request as well as those who leave on their own initiative can cause disruptions in operations, work team dynamics and unit performance. Employee turnover being such a serious problem in Middle-East organizations, there is limited research investigating it, especially studies on causes and consequences are scanty.

Statistical data on turnover rates in higher education in Saudi Arabia are generally not available adding significance to the need to study this concern. However, Ministry of Education affirms as cited in the study of Habhab and Smith (2014) that the recruitment and retention of foreign talent is a challenging issue for management in the higher education sector in Saudi Arabia.

The purpose of this study is to investigate the determinants of the teaching and non-teaching personnel on their continuous commitment to work in Al-Ghad College Dammam Male Campus. Specifically, this investigation is sought to determine the factors affecting employee retention and develop a retention model as representation of specific retention management strategies as tools in bridging the gap of College’s job retention and employees’ productivity.
2. MATERIALS AND METHODS

This research study used the descriptive research method which included 70% of the total faculty and non-faculty members of one of the branches of a young and fast growing private college in Kingdom of Saudi Arabia. Ten (10%) of faculty members participated in the interview. They were those who were willing to participate in the study, gave their time and honest response to the questions.

A self-made questionnaire constructed based from documentary analysis was the main tool to gather the necessary data. Prior, the tool was validated by experts in the field of academic institution administration and management.

The first part of the questionnaire was designed to determine the profile variables of the respondents in terms of nationality, salary grade per month, position in the organization, department, length of service, age, and highest educational attainment. The second part was made to determine the perceived job retention practices by the college in the domains of retention measures, employee engagement, performance management, career development, and compensation and benefits. The last and third part was formed to determine the perception on the possible reasons of the employees for leaving the organization.

A 4 point Likert Scale was also used to quantitatively measure the participants’ response.

<table>
<thead>
<tr>
<th>Option</th>
<th>Range</th>
<th>Verbal Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>4.50 – 4.00</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>3</td>
<td>2.50 – 3.49</td>
<td>Agree</td>
</tr>
<tr>
<td>2</td>
<td>1.50 – 2.49</td>
<td>Disagree</td>
</tr>
<tr>
<td>1</td>
<td>1.00 – 1.49</td>
<td>Strongly Disagree</td>
</tr>
</tbody>
</table>

The data through the use of questionnaires were tabulated, evaluated, analyzed and interpreted using Statistical Package for Social Science (SPSS).

3. RESULTS AND DISCUSSION

3.1 Demographic Profile of the Respondents

Most of the respondents are expatriates particularly Egyptian, Jordanian, Filipino and Sudanese. The result signifies the shortage of indigenous manpower in Saudi Arabia which prompted them to hire faculty, instructors, office staff and assistant and even college administrators from a wide variety of countries. It also implies that manpower in the academic sector is dominated by expatriates in terms of quantity. The diverse workforce population employed in the College suggests benefits and challenges yet necessitates an effective managerial tool for job satisfaction and retention. This would translate into increased work performance and customer service.

In terms of compensation, the results suggest that the salary grade in the college is lower compared to other academic institutions in various positions such as lecturer, clinical instructor and administrative personnel. Although, some of the respondents have stressed that the salary they receive is higher compared to what other employers can offer even in other government universities and colleges most of them during the interview stated their dissatisfaction in their compensation. The disparity among the employees response in salary issue is zeroing to inexistence of standardized salary scheme of the college. According to one of the respondents, salary depends on the nationality of the employees rather than based on the credentials including his working experience and academic accomplishments.
The results also infer the need for continuous contracting of additional manpower in the area of administrative positions and clinical trainers. The low quantity of employees impacts the magnitude of their job assignment. Interview results reveal the discontent of employees in terms of the bulk of their workload both in teaching load and paper works. It is scrutinized that hiring additional teaching and non-teaching staff is a major concern of the college due to the new Saudization program known as Nitaqat implemented by the Ministry of Labor since June 18, 2011. According to Saudi Legal company (2015) businesses are classified as Excellent, Green, Yellow or Red, and that the employer will receive privileges or be subject to sanctions connected with the employment of foreign staff depending on the category it falls into. Interview with the top administrator of the College reveals that the company is either in Yellow or Red category. It would only mean that the academic institution may only renew current work permits without being granted new ones, or the latter category would put the company in a position of non-enabling to renew existing work permits. This condition, affects the workload of faculty leading to discontent. Further, it intensifies the necessity to reduce the retention rate to the minimum and attract competent employees to stay in the company.

There is a high turnover rate in the institution as evidenced by 30% turnover rate and the data showing that respondents stay in the college for 2-3 years only. According to Flagg as cited by Grensing Pophal (2006), a turnover rate beyond 20% signifies a major concern in an organization. Further, an employee turnover can be costly. Various sources estimate that it can cost anywhere from 30% to 400% (the average being 150%) of an employee’s annual salary (Gallant, 2013). One contributing factors of this turnover is the young work force of the employees. Most of them belongs to 26 – 30 years old age bracket followed by 31 – 35 years old age group. In the CNN article of Hargreaves (2013) 78% of the people in the US aged 20 to 34 are not in any rush to start working and those between the ages of 25 and 34 have been leaving the labor force while there is a high percentage of people aged 55 tend to hold on the their job. This is also in accordance with the study of Smith (2007) as cited by Gonzales which reveals that professional employees that were older are more satisfied than those that were younger. Various studies also suggest that professional satisfaction are directly associated with job retention.

In terms of Highest Educational Attainment, the study disclose a startling academic setting since there is a huge number of employees who holds a bachelors’ degree and low percentage of faculty with doctorate degree considering that the locale of the study is a higher education institution. This arguably demands a further investigation on the credibility and quality of teaching in the College. However, this situation could be an opportunity to create and implement a retention strategy particularly creating a formal study program which would address both career advancement and retention issues.

3.2 Factors Affecting Job Retention

Factors which influence job retention such as performing exit interviews, communicating the mission and organizational goals through orientation program, practicing Investors in People Strategies (IIP), performing surveys for motivation, engaging and satisfying employees are not widely implemented in the college.

Bhattacharya claims that (2011) objective and specific feedback from exit interviews can benefit the organization and may be instrumental in designing effective interventions fencing critical talent. The insights from this tool can be a great input for any organization development agenda by mending ways the organization functions and often become better places to work. On the other hand a good employee orientation program is a good employee retention program. According
to one of the respondents, there should be a comprehensive orientation program which would cascade the College’s vision, mission and departmental goals. He added that it is important so that the employees would feel welcomed. There is also a dire need to adapt the Investor in People (IIP) framework which includes Business Strategy, Learning and Development Strategy, People Management Strategy, Leadership and Management Strategy, Management Effectiveness, Recognition and Reward, Involvement and Development, Performance Measurement and Continuous Improvement (The IIP Framework, 2014). This will lead to empowerment, ownership and improved productivity at every level of services that the college offers.

Many studies suggest a relationship among employee motivation, engagement and job satisfaction with the intent of the employees to stay in their workplace. A survey on the employees’ motivators is essential. This will serve as a basis in the formulation of retention programs geared them which will pave the way in retaining workforce of sufficient quantity and quality to create a positive impact on the organization’s effectiveness.

The respondents perceive a sense of inequality in salary and fringe benefits, promotion and opportunities, inability to address personal developments, lack of feeling that employees are being valued as greatest asset and lack of feeling of being proud working in the College. These results imply a need to establish a resilient screening procedures for secondary students who want to enroll in the College and increase the standard of the retention policy since the interview suggests that one of the causes of low morale of the faculty is the quality of students. In addition, there is a requisite to establish a clear professional classification scheme which would be the basis of a standardized salary in accordance with the educators’ academic achievement, years of teaching and professional experience, research publications and seminars and workshops attended.

The College provides insurance benefits to employees and their spouses with an overall annual limit of 500,000 SAR covering inpatient and outpatient treatment, physiotherapy or rehabilitation, acute psychiatric conditions and even dialysis treatment. However, these health privileges are limited only to the employee and partner and not extended to their children. This scheme causes dissatisfaction among them. One respondent states, “Medical insurance of our children is very costly and has been considered as requirement to renew residence visa or Iqama. This is a source of discontent among us.”

This insurance plan of the college differs with the health care benefits of Dammam Community College (DCC) providing both employee and all family members with free medical and dental care at government operated medical facilities (EFL Lecturers-DCC, 2015). Prime university particularly King Abdullah University of Science and Technology (KAUST) offers the same health benefits providing medical and dental coverage among employees, eligible spouse and dependent children up to age of 19 (KAUST Employment Package, 2008).

In terms of service bonus the College provides end service award pursuant to article 84 of Saudi Labor Employment Law wherein the employer shall pay end-of-service award of a half-month wage for each of the first five years and a one-month wage for each of the following years. However, respondents are discontented in the context of housing and transportation allowance. The institution offers lower benefits than other higher education institutions like Alfaisal University which provides a monthly housing allowance which is equivalent to 3 months basic salary per annum or 25% of the employee’s annual salary and transportation allowance which represents 10% of the monthly base salary of an employee (Alfaisal-Benefits, 2015). Collectively, the College needs to enhance the provision of fringe benefits such as housing allowance and transportation allowance and the health card and insurance for employee and family members since they pessimistically perceived these factors as causes of poor job retention.
The study reveals low approval rate on the job retention measures of the College in terms of performance management particularly in performance evaluation, constructive feedback based on the performance evaluation, positive recognition and the sufficiency of necessary supplies, equipment and other resources in the workplace. This is congruent with the statement of the respondent, “We have annual evaluation and quality unit continuously improves our tool, but, it is designed only for educators. It should be a 360 degree evaluation wherein the head and other administrators and administrative personnel are also evaluated. This will determine the College’s administrative needs.”

“There is no feedback given to us after the annual evaluation. The result should be used to improve our teaching skills,” he added. The interview and the data imply the need to improve the performance evaluation system which is considered as the key component of employee development. There is also a need to establish a performance improvement plan utilizing evaluation results done by the head, peer and students.

According to Brooks (2015), the goal of a performance evaluation is to give workers feedback on what they are doing and what needs improvement. Frequent informal conversations with employees help managers to ensure everyone is staying on task and to address quick, easy-to-solve issues. Formal reviews, on the other hand, can carry much more weight and even determine an employee future career path at the company. Gomez (2014) added that evaluation plan is also essential to measure the effectiveness of the unique career development program. All of these proposed measures of the author of this study zero in to important goals—reduce turnover rate and achieve a favorable Return of Investment (ROI). Further, interview reveals that office supplies they need are not promptly given to them like ink of printers and cartridge of photocopier machine. According to him, it takes long time before the office supplies are given to them and this delay really affects their office and teaching work.

On the contrary, participants of this study agree on the college’s efforts to recognize contributions of the employee, however, they are not fully satisfied on the positive recognition the company provides. The interview results give explanation on this issue. “The College provides positive recognition, but it is not enough. Awards should be given annually and categorized into three main classifications: Instruction, Research and Community Extension. Those teaching and non-teaching personnel who exhibit exemplary leadership and dedication in their work should also receive awards,” said by the interviewee. Summarizing the result, it can be inferred that respondents perceive a need to enhance job retention measures in the area of performance evaluation and feedback. The reward system should also be strengthened to further improve the quality of instruction or teaching, research and community extension which are the three important foci of higher education institutions.

Further, this investigation discloses weak retention measures in terms of career development particularly in providing seminar/training based on employees’ specialty, in providing coaching/mentoring to new faculty, in financing off-campus seminars with weighted mean, in conducting surveys on the needed seminars or training and in providing study loan. These results are supported by various statements of respondents wherein they claim that they didn’t attend any mentoring or coaching programs both in the clinical area and in the classroom and they have just learned how to accomplish most of the required documents from co-faculty. Broom (2007) claims that training bridges the gap between organizational commitment and training. Training is a tool that can assist organizations in building a more committed and productive workforce. An effective training program can lead to greater commitment and less employee turnover.
The College, however, has created a Continuous Medical Education Committee (CME) which started initiating workshops for the completions of CME hours as requirement for Saudi Council for Health Specialist (SCHS) professional registration renewal. On the other hand, there is a low audience rate since not all the educators are SCHS registered and the topics of the workshops are not valuable to their discipline. It implies a need to create a survey questionnaire which will find out the theme of interest of employees beneficial to their specialty.

Further the data elucidate a need to use shadowing techniques as part of mentoring or coaching programs for newly hired educators for initial week of their teaching. It will enable them to adapt to the unique teaching environment of the College which has a bearing on their job retention. In addition, there is a necessity to enhance the orientation program both in the College and affiliated hospitals which would really explicate the specific job functions of teachers. This program should be a collaborative responsibility of the quality unit personnel and head of each department ensuring lucid discussion on the task performance in the classroom, academic counseling and documentation in accordance to National Commission for Academic Accreditation (NCADA) standards. Orientation program on the clinical setting, however, should be coordinated and supervised by the Training Unit of the College. A must to create a faculty manual should also be considered. This will become a powerful tool to clearly cascade among the employees the procedures and protocols of the College.

Financial assistance on formal studies (online learning) and off-campus seminars can also be an effective strategy to support career development among employees. Online learning offers skill development without placing extra pressure on employees to be present at work. It can be one of the key features of career development in the workplace (Gomez, 2014). Study loan with corresponding years of stay can be one of sturdy retention strategies of the College.

3.3 Possible Reasons for Leaving the Organization

This study posits the possible reasons of the respondents of this study for leaving the college which are better career opportunity, insufficient compensation and benefits, opportunity to join government sector and lack of career improvement, aggressive recruitment by competitors, poor management and lack of positive recognition. The result is congruent with the article Top 4 Reasons Why Good Employees Quit (2015) wherein they have listed poor reward system, management, hiring promotions and too much work. Further, according to CEB as cited in the article of Casserly (2013) in Forbes website that stability, compensation, respect, health benefits and work life balance are the top five things employees look for when seeking a new job. Respondents perceive that government universities would provide better work stability for them evidenced by interview results and the gathered data.

The dilemma of employees’ intent to leave the company is a national concern of Saudi Arabia. The article of Al Jassem in Arab News (2013) declares that about 34% of foreign workers in the Kingdom seek to return home due to several reasons including the rising cost of living. This is supported by various surveys wherein 85% of professionals claim that the cost of living increased and the salaries are not consistently keeping pace. According to the respondents increases have mostly affected the cost of rent, food, beverages and education (Saudi Gazette, 2014). This nationwide situation accords a pronounced challenge in the management and administration on how to attract good employees to stay in the company. It implies subsidizing competitive salary and benefits comparable to other private colleges and government universities without compromising the company profit. It also reflects essential strategies to create a working environment of career...
growth through the provision of seminars and workshops inside and outside the college and support for formal education of employees.

Further, study also suggests the practice of employee motivation strategies through an intensified reward scheme which would comprise of external rewards (salary, bonus, promotional opportunities, working condition and supervision) and internal rewards (autonomy, training, feedback and employee engagement).

3.4 Job Retention Model

Based on the result of the study, and the needs of the College, the author of this research formulated a Job Retention Model as guide to intensify retention measures practices and reduce the increasing job turnover.
4. CONCLUSION/RECOMMENDATION

Decoding perceived retention factors by the respondents of the study pave the way towards the proposed retention model reflecting specific retention measures in the zone of compensation and benefits, employee engagement, performance management, retention measures, career development and compensation and benefits.

The scrutiny of the data revealed poor retention practices by the College in all of the established retention factors, hence; requiring an extensive review and modification of many administrative procedures which supposedly geared towards personal and professional growth of employees.

One of the major challenges of Al-Ghad College Dammam Male Campus is the recruitment and retention as evidenced by high turnover rate of 30% in SY 2013-2014 and 22% in SY 2011 – 2012; both beyond the healthy retention rate of 20%. The existing category of either Yellow or Red under the new Saudization program known as Nitaqat limiting the recruitment privileges of the College to hire new foreign professionals who would compensate to the shortage of local educators intensify the necessity to devise retention strategies.

The management should develop a standardized classification scheme which would categorize educators into Professor, Associate Professor, Lecturer and Clinical Instructor. This would be based on the academic qualification, seminars and workshops attended, teaching and clinical experience and published researches. Further, the said classification would also be the basis of the standardized salary scheme with annual increments. In addition incentives and benefits should also be comparable to other university and colleges in the Kingdom which includes improved health benefits to employee, wife and children and competitive furniture, housing allowance and transportation allowances.

A reward system on the area of instruction, community extension, research, leadership and length of service should also be established, given and clearly communicated among all the employees of the College. A simple congratulatory note or certificate of recognition should be given to members of the committee annually as a recognition and motivation for the accomplishment to the added accountabilities for them.

A strong orientation program should be established both in the academe and in the clinical area. New faculty member should be well oriented on the policies and procedures and documentation in the College; and be given 1 week of coaching and feedback from senior faculty and head of the department before their class instructions or clinical supervision in order to be fully adjusted in the College’s environment. A simple congratulatory note or certificate of recognition should be given to members of the committee annually as a recognition and motivation for the accomplishment to the added accountabilities for them.

The development of faculty manual is also important which will guide them regarding the policies and procedures in the College, their job description and other job related tasks such as academic counseling and others. The forms and documents that need to be accomplished and how to accomplish them should also be clearly stated in the said manual.

Redesign of faculty evaluation form should also be made which would clearly elucidate the teaching capability of educators. Teachers who would receive low rating should be subjected to Teacher Instruction Program, a series of workshops on improving teaching strategies, developing teaching tools and test construction. Feedback should also be given to them spearheaded by heads and dean of the college with the aim of motivating and improving them.

Development of evaluation tool for administrators should also be completed. A 360 degree evaluation would decipher the leadership and management strategies needed to improve employee engagement and organizational effectiveness.
Generating a post graduate program should be reviewed by the administration to address the high percentage of employees with baccalaureate and masters’ degree. It can be initially established through consortium with other universities inside or outside the Kingdom. A study loan grant should be considered with corresponding years of stay agreement between the College and employees who want to pursue online education.

Formulation of committee who would review the documentation procedure should be done to abolish filing redundancy and reduce the load of paper works which leads to increase faculty time allocation in preparing instructional tools. Creation of retention measures committee who would act as retention consultants, further investigate and devise retention plan should be considered as well.

Exit interviews should be done by top administrators among employees who would decide to resign. Exit form should be enhanced as well. These are important tools to continuously evaluate retention practices of the College.

Reference List


