



Midocean University

College of Management

Department of management

Title in English

**"Exploring Key Factors Influencing Employee Performance in Saudi
Arabia's Private Sector: A Focus on Motivation, Leadership, Work
Environment, Engagement in Decision-Making"**

Prepared by:

Faisal Mohammed Alrafey Student ID221000714

Fawziah Ali Albalawi Student ID20222006076

Supervised by:

Dr.Walid Soliman

Year:2023

جامعة ميدأوشن

كلية الإدارة

قسم / تخصص الإدارة



العنوان باللغة العربية

استكشاف العوامل الرئيسية التي تؤثر على أداء الموظفين في القطاع الخاص في
المملكة العربية السعودية: التركيز على التحفيز، القيادة، بيئة العمل، المشاركة في
صنع القرار"

إعداد الطالب/

فيصل محمد الرافي رقم الطالب 221000714

فوزية علي محمد البلوي رقم الطالب 20222006076

إشراف/

د/ وليد سليمان

العام الدراسي:

2023

Contents

Research Title	1
1. Abstract.....	4
2. Introduction.....	5
3. Research Problem	5
4. Importance and Objectives of the Research	6
5. Research Hypotheses	6
6. Literature Review	6
7. Research Methodology	7
8. Research Limits.....	7
9.Results and Analysis.....	8
10.Conclusion and Recommendations.....	11
11.Appendex.....	13
12.References	18

1. Abstract

This research aims to investigate the factors affecting employee performance in the private sector in Saudi Arabia, with a focus on motivation and leadership, working environment, training and development, and engagement in decision-making (Armstrong & Taylor, 2014; Bakker & Demerouti, 2017; Noe, 2017; Yukl, 2013). The study will contribute to the understanding of how these factors influence employee performance and provide insights for organizations to enhance their employees' productivity and overall. In this area of competitive business environment where profitability, efficiency, and effectiveness rules, employees should be influenced to increase their performance levels to be in either the organization or leave.

يهدف هذا البحث إلى دراسة العوامل المؤثرة على أداء الموظفين في القطاع الخاص في المملكة العربية السعودية، مع التركيز على التحفيز، القيادة، بيئة العمل، التدريب والتطوير، المشاركة في اتخاذ القرار.

ستساهم الدراسة في فهم كيفية تأثير هذه العوامل على أداء الموظفين وتقديم رؤى للمؤسسات لتعزيز إنتاجية موظفيها بشكل عام. في هذه الأغنية من بيئة الأعمال التنافسية حيث قواعد الربحية والكفاءة والفعالية، يجب التأثير على الموظفين لزيادة مستويات أدائهم ليكونوا إما في المنظمة أو يغادرون.

2. Introduction

The main purpose of the study is to assess the role of work motivation on employee's performance level in [Private](#) schools in Saudi Arabia. The research aims to determine the factors that affect employees' motivation and its impact on job performance. In recent years, research showed that there was a direct relation between employees' motivation and business performance. It is very important for business profit and productivity to identify motivational factors that increase employees' performance. The research is based on a quantitative research method. The data in this research were mainly obtained by using questionnaires. Moreover, the research was conducted on a selection of private sectors in Dammam that are located in the Eastern Province of Saudi Arabia. 120 employees were selected as a sample from three different sectors. Only 99 questionnaires were suitable for a statistical analysis that equals to 82.5% of the total sample. The data were collected via a questionnaire covering four variables such as leadership style, organizational environment, salary, and stable future. The research tested the effect of these variables mentioned above on employees' performance.

3. Research Problem

Despite the importance of employee performance in the private sector, there is limited research on the factors that influence employee performance in Saudi Arabia. This study seeks to fill this gap by examining the key factors affecting employee performance in the private sector in Saudi Arabia.

4. Importance and Objectives of the Research

The research aims to:

- Identify the key factors affecting employee performance in the private sector in Saudi Arabia.
- Examine the relationship between motivation and leadership, working environment, training and development, and engagement in decision-making and employee performance (Armstrong & Taylor, 2014; Bakker & Demerouti, 2017; Noe, 2017; Yukl, 2013).
- Provide recommendations for organizations to improve employee performance.

5. Research Hypotheses

- H1: Motivation and leadership have a positive impact on employee performance (Yukl, 2013).
- H2: A conducive working environment positively influences employee performance (Bakker & Demerouti, 2017).
- H3: Training and development programs enhance employee performance (Noe, 2017).
- H4: Employee engagement in decision-making positively affects employee performance (Armstrong & Taylor, 2014).

6. Literature Review

The literature review will cover studies on motivation and leadership (Yukl, 2013), working environment (Bakker & Demerouti, 2017), training and development (Noe, 2017), and engagement in decision-making (Armstrong & Taylor, 2014). The review will provide a comprehensive understanding of the existing research on these factors and their impact on employee performance.

The literature review will explore the following key areas:

- The impact of motivation and leadership on employee performance, including the role of transformational and transactional leadership styles (Bass & Riggio, 2006; Velu et al., 2017).

- The influence of work environment factors such as lighting, temperature, noise, layout, and interior design on employee motivation and productivity (Chargespot, 2022; Genzorová, 2017).
- The importance of training and development in enhancing employee performance and engagement (Maryville University Online, 2021; Ottawa University, 2021).
- The benefits of involving employees in decision-making processes, including increased commitment, creativity, and overall organizational success (Chron, 2011; HRZone, 2017).

7. Research Methodology

The research will employ a mixed-methods approach, including quantitative and qualitative data collection and analysis (Creswell & Creswell, 2017). A questionnaire will be conducted among employees in the private sector in Saudi Arabia to gather quantitative data on the factors affecting their performance. In-depth interviews will be conducted with selected participants to gain qualitative insights into their experiences and perceptions of the factors influencing their performance (Creswell & Creswell, 2017).

The research questions for this study are:

- How do motivation and leadership styles affect employee performance in Saudi Arabia's private sector?
- What are the key work environment factors that influence employee performance and satisfaction?
- How does training and development contribute to employee engagement and performance?
- What is the impact of employee involvement in decision-making on organizational success?

8. Research Limits

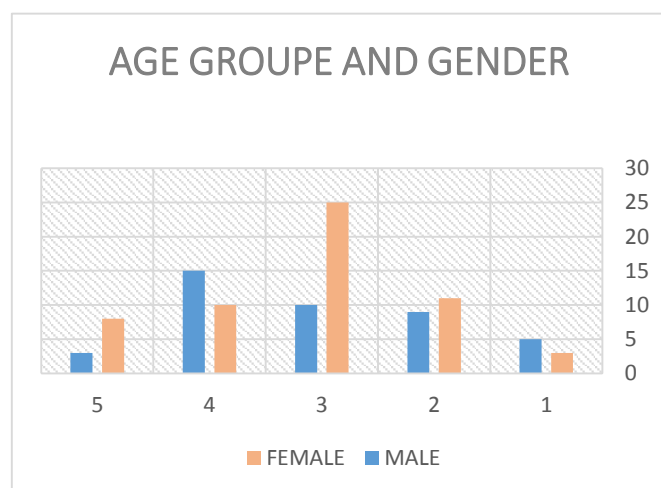
The study will focus on the private sector in Saudi Arabia, limiting the generalizability of the findings to other sectors or countries. Additionally, the research will rely on self-reported data from employees, which may be subject to biases.

9. Results and analysis

The data for this research were gathered from subordinates of 12 different selection of private sectors in Dammam. This was done to get a more profound and proper understanding of the general relationship structure of the constructs. All the respondents were subordinates in various hierarchies in various departments of private sector. A total of 120 questionnaires were sent out to respondents, and 21 were unable to be returned.

Participant demographics

	AGE GROUPE	MALE	FEMALE
1	18-24	5	9
2	25-34	9	7
3	35-44	18	21
4	45-54	16	6
5	55 - OLDER	3	1



Tabl(1) participant demographics bar chart(1)

The descriptive statistics indicated that out of 99 respondents, 52% (51 respondents) are males.

Most of the respondents (56%) are between the ages of 25 and 44 years of age. Majority of these

public sector employees have experienced between 4 and 7 years. Again, the majority of these respondents being 77.5% have been under a supervisor.

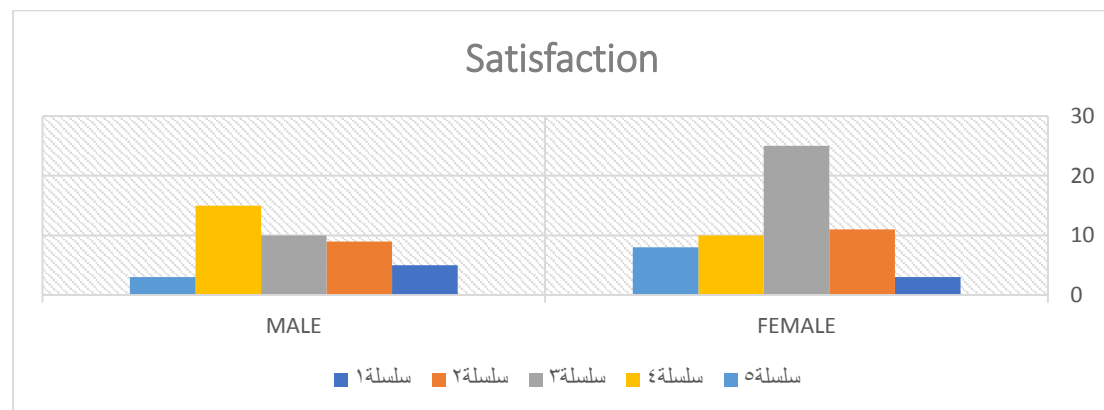
Satisfaction and motivation

Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. Although thousands of papers and research have been conducted on job satisfaction all over the world. Many studies have demonstrated an unusually large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations.

Table (2) Job satisfaction and motivation

Satisfaction	MALE	FEMALE
Very dissatisfied	5	3
Somewhat satisfied	9	11
Satisfied	10	25
Very satisfied	15	10
Extremely satisfied	3	8

Bar chart (2) Descriptive statistics of Job satisfaction



The descriptive statistics showed that female are more satisfied than male by (28%) in private sector.

Leadership Style

It is based on the fact that there is a psychological mechanism that propels employee to perform efficiently and effectively through the exhibition of leadership styles. To achieve the objectives validly, Questionnaire used Leadership Questionnaire introduced to evaluate leadership styles and satisfaction. It consists of four forms of which the one that subordinates use to assess leaders was considered. The second is for feedback from your supervisor or manager by the leader. In addition, third and fourth phases are effective and enhancing employee performance.

The results contribute to our understanding and psychology of subordinate attitude toward performance and effects of the full range of leadership styles in organizational behaviour.

Most of the respondents (56%) are satisfied with their manager whereas less percentage receive feedback from their supervisor or manager. Practically, findings of the study imply that when subordinates perceive their leaders as adopting leadership behavior that enhance them and support, they become more committed to the business, more loyal to the course of the entity and improve on their job performance.

Work environment

Work environment findings suggest the value of friendly, and supportive work environments is important, they have to be nuanced as some participants warned that being too informal and friendly with employees can result in employees feeling unaccountable, thus creating unproductive behavior. According to participants, such a balance can be achieved by drawing a clear line between what is and is not allowed and monitoring employees' productivity.

Training and Development

Effectiveness of training and development was divided into three questions which was used to gatherer bio data information from the respondents such as training and development opportunities How effective are the training and development opportunities provided by your organization in improving your performance and additional training or development.

The results of the findings indicated that training, development affects employees' performance, and organizational effectiveness, which implies that effort, must be made to ensure that employees' skills and knowledge are fully underutilized through adequate and timely training design and implementation.

Engagement in Decision-Making

Practically, findings of the study imply that when subordinates perceive their leaders as adopting leadership behavior that allows them to take part in decision making, they become more committed to the business, more loyal and improve on their job performance. To this, leaders should bear in mind that any action to improve subordinate job performance and commitment should take into consideration the fact that subordinates' satisfaction and empowerment is essential. Again, in improving subordinate job performance and commitment, managers should adopt appropriate leadership behavior. Appropriate human development training programs should be developed to shape subordinate is leadership needs of the enterprises through the development of a succession plan that reduces the central interference. This will motivate subordinates to be more committed to the course of the business. After all, they may feel that the future is bright if they continue to improve on their performance.

10. Conclusion/Recommendations

Focus on Motivation, Leadership, Work Environment, and Engagement in Decision-Making are importation for the survival of any organisation. It is also imperative for effective performance of employees, enhancement of employees' ability to adapt to the changing and challenging business environment and technology for better performance, increase employees' knowledge to develop creative and problem solving skills. Meanwhile, all the relationships proposed among the variables in the research model were tested and it was found that relationship exists amongst the variables having subjected the collected data to empirical analysis with the use of descriptive statistics. However, the results of the findings indicated that training and development affects employees' performance and organizational effectiveness, which implies that effort must be made to ensure that employees' skills and knowledge are fully underutilized through adequate and timely training design and implementation. The overall result showed that proposed hypotheses tested were accepted. It is therefore recommended that Individual should be more proactive and seek to be more creative and innovative to contribute their quota through their profession and skill. Employers of labour and decision makers should endeavour to create enabling training environment and favorable training policies that will give every worker opportunity to attend training. Management should also take into consideration the training need of each workers and act as appropriat

11. Appendix

Employee Performance Questionnaire

Introduction

Thank you for participating in this questionnaire. Your feedback is crucial in understanding the factors affecting employee performance in Saudi Arabia's private sector. The information gathered will contribute to enhancing productivity and overall organizational success. This survey should take approximately 10-15 minutes to complete.

Demographics

What is your age group?

- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55 or older

What is your gender?

- ☐ Male
- ☐ Female

How many years have you been working in your current organization?

What is your job title/role in the organization?

Satisfaction and motivation

On a scale of 1 to 5, how satisfied are you with the recognition and rewards you receive for your work? (1: tVery dissatisfied, 5: Extremely satisfied)

- ☐ 1

- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

What motivates you the most to perform well in your job? (Open-ended question)

How can your organization improve its reward and recognition system to better motivate employees? (Open-ended question)

Leadership Style

On a scale of 1 to 5, how satisfied are you with the leadership in your organization? (1: Very dissatisfied, 5: Extremely satisfied)

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

How often do you receive feedback from your supervisor or manager?

- ☐ Always
- ☐ Often
- ☐ Sometimes

☐ Rarely

☐ Never

How effective is the feedback you receive from your supervisor or manager in improving your performance? (Open-ended question)

What leadership qualities do you believe are most important for enhancing employee performance? (Open-ended question)

How can the leadership in your organization improve to better support employee performance? (Open-ended question)

Work Environment

On a scale of 1 to 5, how satisfied are you with your current work environment? (1: Very dissatisfied, 5: Very satisfied)

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

What aspects of your work environment positively impact your performance? (Open-ended question)

What aspects of your work environment negatively impact your performance? (Open-ended question)

How can your organization improve the work environment to enhance employee performance? (Open-ended question)

Training and Development

How often do you receive training and development opportunities in your organization?

- ☐ Always
- ☐ Often
- ☐ Sometimes
- ☐ Rarely
- ☐ Never

How effective are the training and development opportunities provided by your organization in improving your performance? (Open-ended question)

What additional training or development opportunities would you like to see in your organization? (Open-ended question)

Engagement in Decision-Making

On a scale of 1 to 5, how involved are you in the decision-making process within your organization? (1: Not involved at all, 5: Highly involved)

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5

How does your involvement in decision-making impact your performance? (Open-ended question)

In what ways can your organization improve employee engagement in decision-making? (Open-ended question)

Additional Comments

Do you have any additional comments or suggestions regarding factors affecting employee performance in your organization? (Open-ended question)

Thank you for your valuable feedback!

12. References

Armstrong, M., & Taylor, S. (2014). *Armstrong's handbook of human resource management practice*. Kogan Page Publishers.

Bakker, A. B., & Demerouti, E. (2017). Job demands—resources theory: Taking stock and looking forward. *Journal of Occupational Health Psychology*, 22(3), 273-285.

Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.

Noe, R. A. (2017). *Employee training and development*. McGraw-Hill Education. Yukl, G. (2013). *Leadership in organizations*. Pearson Education Limited.

Chargespot. (2022). *Work Environment Factors That Affect Employee Performance*. Retrieved from <https://www.chargespot.com/workspaces/work-environment-factors-that-affect-employee-performance/>

Maryville University Online. (2021). Importance of Training and Development for Employees.

Retrieved from <https://online.maryville.edu/blog/importance-of-training-and-development/>

Chron. (2011). The Advantages of Employee Involvement in Decision Making. Retrieved from

<https://smallbusiness.chron.com/advantages-employee-involvement-decision-making-18264.html>

Ottawa University. (2021). 5 Benefits of Training and Development. Retrieved from

<https://www.ottawa.edu/online-and-evening/blog/january-2021/5-benefits-of-training-and-development>

Genzorová, T. (2017). Impact of Workplace Environment on Employee Performance. Retrieved

from <https://www.ispatguru.com/impact-of-workplace-environment-on-employee-performance/>

Bass, B. M., & Riggio, R. E. (2006). Transformational Leadership (2nd ed.). Psychology Press.

Veliu, L., Manxhari, M., Demiri, V., & Sylva, A. (2017). The impact of leadership style on job satisfaction: A study of Kosovo institutions. *Journal of Economics and Business*, 1(1), 7-18.

HRZone. (2017). 5 Reasons to Engage Employees in Decision Making. Retrieved from

<https://www.hrzone.com/community/blogs/sashag/5-reasons-to-engage-employees-in-decision-making>

Raimonda, A., Zhonghua, L., & Adrian, W. (2015). The impact of leadership on employee

motivation in Malaysian telecommunications. *Procedia - Social and Behavioral Sciences*, 172, 563-570.

Bushiri, M. J. (2017). Impact of employees motivation on organizational effectiveness. *European Journal of Business and Management*, 9(18), 62-71.

Chron. (2011). The Importance of Training & Development in the Workplace. Retrieved from <https://smallbusiness.chron.com/importance-training-development-workplace-10321.html>

Seismic. (2023). The Importance of Workplace Training and Development. Retrieved from <https://www.seismic.com/enablement-explainers/the-importance-of-training/>

ThoughtExchange. (2021). Accelerate Decision-Making by Involving Employees. Retrieved from <https://thoughtexchange.com/blog/employee-involvement-decision-making/>

Bushiri, M. J. (2017). Impact of employees motivation on organizational effectiveness. *European Journal of Business and Management*, 9(18), 62-71.