

The effect of motivation and hygiene factors on Employee Retention in the IT Industry in KSA

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Introduction

Employee retention is a crucial factor in ensuring an organization's stability and long-term success (Ghani et al., 2022). High turnover rates can be costly as well as affect the employee productivity. Moreover it also disturbs the employee morale and overall business performance (Kashyap & Rangnekar, 2020). Retaining employees helps in maintaining institutional knowledge, fostering innovation and reducing the financial burden associated with recruiting and training new hires (Rathi & Lee, 2021). Organizations spend a lot of resources when hiring employees such as recruitment process, training process etc. In industries where skilled professionals are in high demand, understanding the factors that influence employee retention becomes even more significant. Herzberg's Two-Factor Theory highlights how motivation and hygiene factors influence job satisfaction and employee retention (Bhatt et al., 2022). While motivation factors such as recognition and career growth encourage employees to stay, hygiene factors like salary and working conditions prevent dissatisfaction (Al Mehrzi & Singh, 2019). Organizations must strike a balance between these factors to create an environment where employees feel valued and are less likely to seek external opportunities.

The IT industry in the Kingdom of Saudi Arabia (KSA) is growing rapidly. It is driven by the country's Vision 2030 initiative that emphasizes digital transformation and technological advancements (Alkhateeb et al., 2022). The sector has seen a surge in investment, with both local and international companies expanding their operations in the region. With this expansion comes an increase in job opportunities, making it a competitive field for skilled professionals. The IT workforce is often presented with attractive job offers from multiple employers, leading to high turnover rates in the industry (Rahman et al., 2021). Given this landscape, companies must

understand what drives employees to remain committed to their current organizations and what factors could push them to leave.

In a highly competitive IT industry, retaining talented employees is critical to maintaining a company's competitive edge. Organizations invest significantly in recruiting, onboarding and training employees (Aziz et al., 2023). High turnover rates can result in financial losses and decreased efficiency (Elshaer & Marzouk, 2021). Moreover, experienced IT professionals contribute to innovation and strategic decision-making, which are essential for staying ahead in the market. If companies fail to provide adequate motivation and hygiene factors, they risk losing top talent to competitors, which in turn impacts their long-term sustainability. Understanding whether motivation factors such as career development or hygiene factors like competitive salaries play a bigger role in employee retention is essential for IT firms in KSA to develop effective retention strategies.

There are many factors that play a key role in employee retention. Herzberg's Two-Factor Theory, developed in 1959, has divided these workplace factors into two categories: motivation factors and hygiene factors (Rai et al., 2021). Motivation factors include aspects like recognition, career growth and responsibility, which contribute to job satisfaction and drive employees to perform better. On the other hand, hygiene factors such as salary, job security and work conditions do not necessarily increase satisfaction but their absence can lead to dissatisfaction (Herzberg, 1966). The theory suggests that organizations must address both factors to ensure employees are both satisfied and engaged in their roles (Alrawahi et al., 2020). Herzberg's theory plays a vital role in understanding what might retain the employees in a job.

Several studies have explored the impact of motivation and hygiene factors on employee satisfaction and retention. For example, a study by Bakker and Demerouti (2020) found that

motivation factors, such as career advancement and meaningful work, significantly improve employee engagement and reduce turnover rates. Similarly, research by Nguyen et al. (2019) highlighted that while salary and job security are essential for retaining employees, intrinsic motivators like recognition and a sense of achievement play a more prominent role in long-term job satisfaction. Another study by Awan and Tahir (2021) emphasized that organizations focusing on both hygiene and motivation factors experience lower turnover rates and higher productivity. These findings reinforce the idea that addressing both types of factors is crucial for creating a sustainable workforce.

Motivation and hygiene factors play a critical role in shaping employee retention within the IT industry. Research indicates that IT professionals prioritize motivation factors such as career advancement, skill development and workplace recognition over time (Sinha & Sinha, 2020). However, hygiene factors like competitive salaries, job security and favorable working conditions remain essential in preventing dissatisfaction. Studies have shown that when companies neglect either factor, they risk increased employee turnover and decreased job satisfaction (Gopal & Chowdhury, 2019). Therefore, IT organizations must balance both elements to maintain a productive and committed workforce.

The IT industry in KSA can utilize Herzberg's Two-Factor Theory to enhance employee retention by implementing strategies that address both motivation and hygiene factors. Providing competitive compensation packages, ensuring job security as well as fostering a positive work environment which can help mitigate dissatisfaction (Thant & Chang, 2021). Simultaneously, organizations must invest in employee development programs, recognition initiatives and career growth opportunities to enhance job satisfaction and engagement. By incorporating both factors

into their retention strategies, IT firms in KSA can create a sustainable workforce, reduce turnover rates, and strengthen their position in the competitive market.

Research problem

Employee retention remains a persistent challenge for organizations operating in the IT industry, particularly in competitive markets such as KSA. The increasing job opportunities especially during the advancements made in Vision 2030, have posed a great problem in employee retention. Although there are many opportunities in the industry for qualified experts, organizational stability and long-term success are seriously threatened by the high turnover rate. Many businesses find it difficult to determine whether hygienic factors like pay and job security or motivational factors like career advancement and recognition have a greater impact on employee retention. IT companies must comprehend how these elements affect employee retention in order to create successful retention strategies, especially in light of the quick digital revolution and changing market dynamics in Saudi Arabia. This research aims to investigate the impact of Herzberg's motivation and hygiene factors on employee retention in the IT industry in KSA, providing insights into how organizations can create an optimal work environment that minimizes turnover and enhances workforce stability.

Significance of the study

Understanding the factors that contribute to employee retention in the IT industry of KSA is crucial for both academic research and practical business applications. This study is significant as it provides empirical evidence on the role of motivation and hygiene factors in retaining IT professionals. By identifying the factors that impact job satisfaction and turnover intentions, the study will help organizations tailor their HR strategies to create a more committed and engaged

workforce. Additionally, the research will contribute to the broader field of organizational psychology and human resource management, offering insights that may be applicable to other competitive industries facing similar retention challenges.

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