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The Impact of Effective Management Practices on Retaining Experienced Employees: (Applied on {*Sugar & Spices Catering*}) on KSA in Riyadh)

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Graduation Project – 1

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1. Chapter 1: Introduction

1.1. Research Background

In recent times, employee retention is one of the leading challenges for organizations in constantly changing environment where a lot of opportunities pops up. Retaining key employees is one of the most important strategies that maintain the company's efficiency and the implementation of tasks to the fullest extent, especially employees with long-term experience. The departure of a loyal employee from the company may cause huge losses. A solution will mean more profitable and effective organizations, happier and more productive employees, and more satisfied client/ customers.

For most companies, it is important to retain employees to build a cohesive work team in the work place so workers can trust and depend on each other. Diminished productivity and competitive advantage are among the biggest losses when talented employees leave an organization ((2017). *Employee Retention*, **Target tech website**,4-1). High employee turnover rates can harm an organization's ability to carry out its mission due to impairments to continuity, loss of institutional knowledge, and the high costs of replacing departing workers and training new replacements. Employee departures can also lower morale and prompt more employees to leave the organization.

((Kaye and Jordan-Evans 2001, pp. 06) in their book (*Retaining Key Employee*)) shared a study that says "Studies have found that the cost of replacing lost talent is 70 to 200 percent of each lost employee's annual salary. There are advertising and recruiting expenses, orientation and training of the new employee, decreased productivity until the new employee is up to speed, and loss of those customers, clients, or citizens who were loyal to the departing employee. Finding, recruiting, and training the best employees represent major investments. Once an organization has captured talented people, its best return on investment (ROI) requires closing the back door to prevent them from walking out".

The reasons for losing valuable employees can be the presence of another very attractive opportunity that is compatible with your values, goals, and professional priorities, whether for financial, developmental, or other reasons, in a way that is compatible with your professional plan.

Dissatisfaction in the current workplace for many reasons, including: the nature of the job, the work environment, financial income, or lack of professional satisfaction

Stop personal development and learning in the organization you work for

Lack of opportunities for promotion and professional advancement despite your excellent performance and continuous development, and the inability to do so within the targeted time frame.

Not tolerating work pressures despite trying to organize and control them

There is a lack of compatibility between you and management and its orientations or methods in a way that affects you and the work

Changing your career path for well-thought-out and clear reasons

This study aims to address this gap by investigating the impact of effective management practices on the retention of experienced employees. By examining managerial behaviors, strategies, and interventions that have been theorized or empirically linked to retention outcomes, this research seeks to provide actionable insights for organizational leaders and human resource practitioners. Through a comprehensive review of relevant literature and primary data collection from [Sugar n Spices Catering], this study endeavors to enhance theoretical understanding and offer practical recommendations to optimize the retention of experienced talent.

By delving into the relationship between management practices and employee retention, this research contributes to scientific knowledge while offering solutions to enhance organizational effectiveness and sustainability.

1.2. Research Problem

Despite acknowledgment of the importance of effective management in employee retention, there remains a gap in understanding how specific managerial practices and strategies contribute to the retention of experienced employees in organizations

1.2.1. Theoretical Gaps

There could be a gap in understanding how effective management practices contribute to factors such as job satisfaction, organizational commitment, and psychological well-being, which are crucial for retaining experienced employees.

1.2.2. Practical Gaps

There may be a gap in how organizations measure and evaluate the impact of management practices on employee retention, particularly concerning experienced employees. Lack of firm metrics or feedback mechanisms can hinder the ability to assess effectiveness and make informed adjustments.

The main research question: How can an effective manager help the organization measure and evaluate the impact of management practices on employee retention?

1.3. Research Significance

Theoretical and empirical significance of this research lies in its potential to bridge existing gaps and contribute to the advancement of effective management practices

1.3.1. At the theoretical level

To overcome the theoretical gap mentioned above, an effective manager can increase employee retention by following up specific strategies in a company and does constant monitoring for the performance reports. This keeps the manager up to date with the psychological employee well-being state and the environment in which the employee is operating.

1.3.2. At the practical level

Understanding the impact of effective management practices on retaining experienced employees holds significant practical implications for organizations aiming to enhance workforce stability, productivity and competitive advantage. Effective management practices that foster a firm metrics or feedback mechanisms for the retention of experienced employees contribute to a greater organizational stability and continuity. Retaining employees with extensive organizational knowledge and expertise helps mitigate knowledge loss, maintain operational efficiency and sustain a cohesive organizational culture.

1.4. Research Questions

Main Question: How do effective management practices affect retaining experienced employees?

Sub-Question 1: What are the main factors that makes management practices effective?

Sub-Question 2: How does effective management practices in retaining experienced employees helps the organization reach its goal?

Sub-Question 3: How organization entities can develop and attain the practices of effective management?

Sub-Question 4: Why is it important to retain experienced employees?

1.5. Research Objectives

The main objectives for this research are:

- ❖ To identify and categorize key management practices that are perceived as effective by experienced employees.
- ❖ To investigate how various effective management practices, influence the retention of experienced employees within organizations
- ❖ To evaluate the correlation between the implementation of effective management practices and employee retention rates among experienced staff.
- ❖ To explore the role of organizational culture in enhancing the effectiveness of management practices in retaining experienced employees.

1.6. Research Hypotheses

There is probability that Effective management practices are positively correlated with higher retention rates of experienced employees.

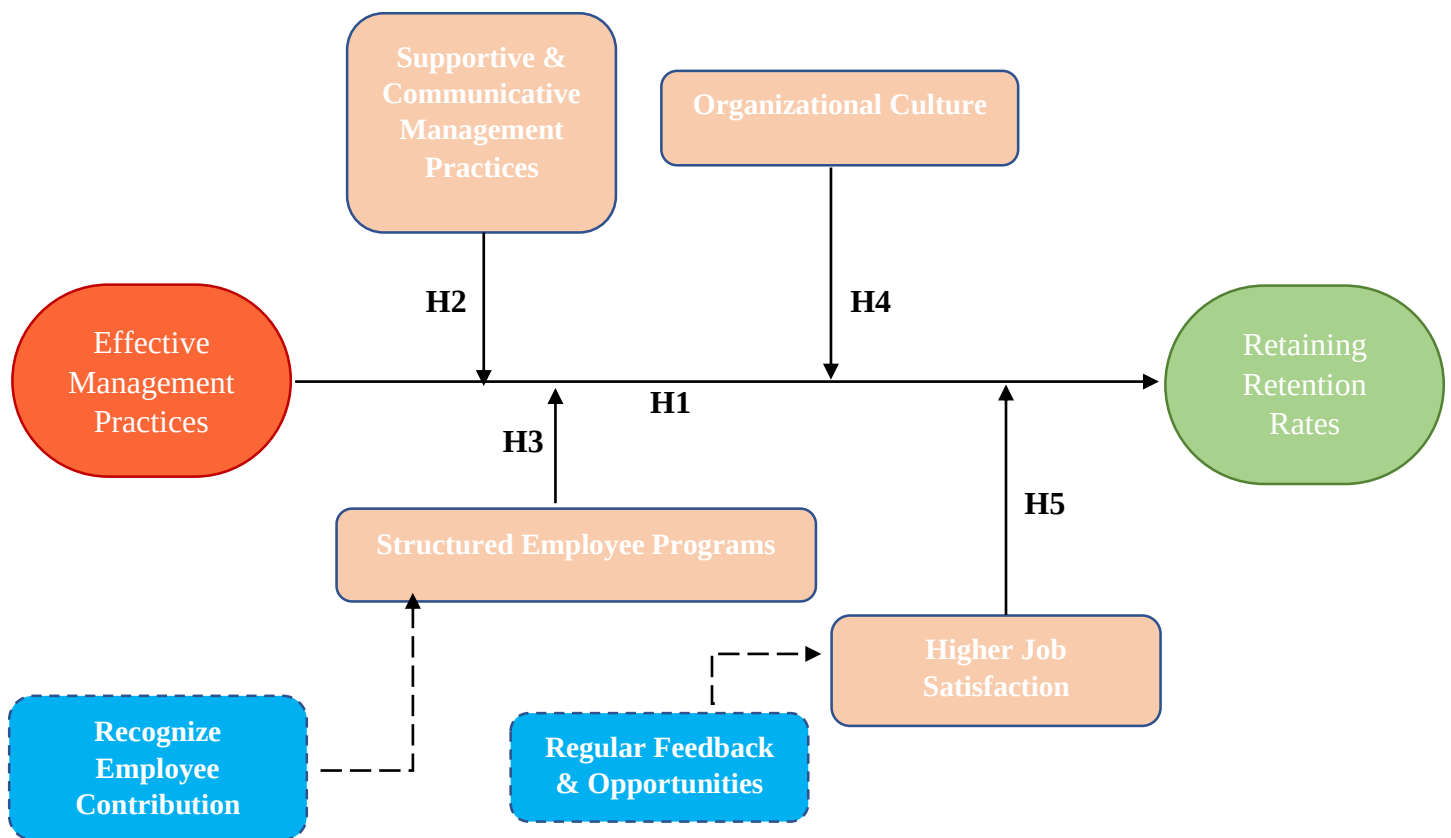
There is a significant positive relationship between experienced employees perceiving their managers as using supportive and communicative management practices and their likelihood of remaining with the organization.

There is a positive substantial connection between organizations implementing structured employee development programs and recognizing employee contributions and higher retention rates among experienced employees.

There is a positive noteworthy correlation between effective management practices and employee retention, which is enhanced by a positive organizational culture.

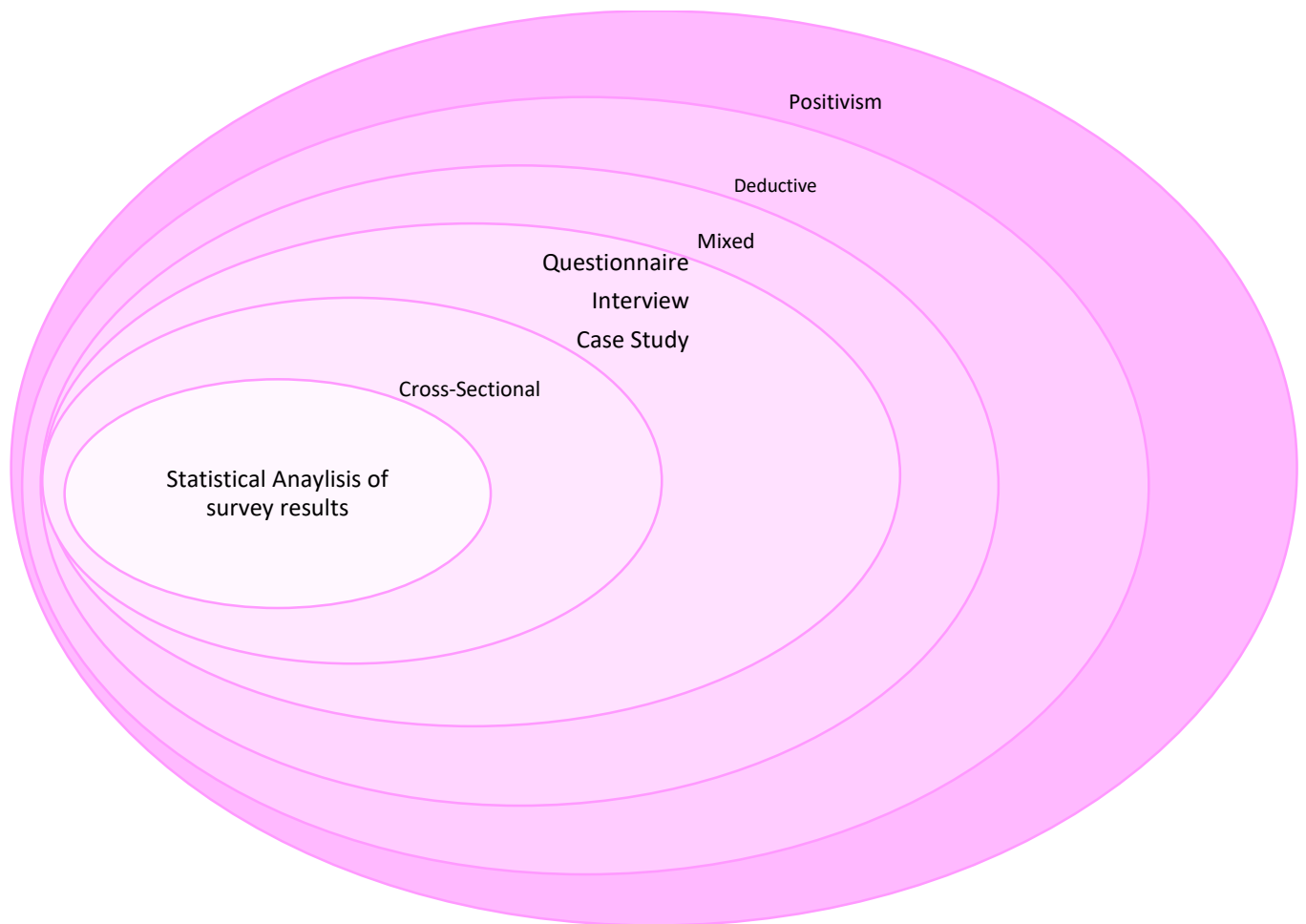
There is a significant positive relationship between experienced employees receiving regular feedback and opportunities for professional growth from management and their job satisfaction and retention rates.

1.7. Research Model



1.8. Research Methodology

- ❖ **Research Philosophy:** Positivism
- ❖ **Research Approach:** Deductive
- ❖ **Research Choice:** Mixed (Qualitative & Quantitative)
- ❖ **Research Strategy:** Questionnaire, Interview & Case Study
- ❖ **Time-Horizon:** Cross-Sectional
- ❖ **Data Collection & Analysis Technique:** Statistical Analysis of survey results



1.9. Scope of The Study

This Research is based on a study done in Sugar & Spices Catering in KSA, Riyadh, which is a company in the catering industry. The company serve a wide range of international dishes that cover events, parties and other valuable family gatherings. It hires chefs from different countries with different catering backgrounds that influence the quality of the dishes being served. Sugar & Spices insures in gaining the hired chefs' skills by continuous development and teaching the chef the preferred taste of the audience (customers), hoping to retain the experienced employees.

The Population: The employees of Sugar & Spices Catering and the managerial stuff.

The Sample: The expert employees, the CEO and the Owner.

Accessibility: As a secretary in the company, I have access to take permission from the owner to take required information regarding the employees' history and their insights and perception of their management practices of the company.

1.10. The Suggested Project Structure

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Research Methodology

Chapter 4: Statistical Analysis

Chapter 5: Results, Discussion and Conclusion

Chapter 6: References



2.Chapter 2: Literature Review

2.1. Introduction

Employee retention has emerged as a critical issue for organizations aiming to maintain a competitive edge and sustain long-term success. Retaining experienced employees is particularly vital due to their extensive knowledge, skills, and institutional memory, which significantly contribute to organizational effectiveness. Effective management practices have been identified as pivotal in enhancing employee retention. This review explores the relationship between management practices and employee retention, focusing on leadership styles, communication, career development, work-life balance, and organizational culture.

2.2. The independent variable

The **independent variable** is "**Effective Management Practices.**" This includes various strategies and approaches employed by management, such as leadership styles, communication practices, employee recognition, and professional development opportunities. These practices are hypothesized to influence or affect the outcome being studied.

2.3. The dependent variable

The **dependent variable** is "**Retaining Experienced Employees.**" This variable represents the ability of an organization to keep experienced employees over time. It can be measured through metrics such as employee turnover rates, retention rates, length of employment, or employee satisfaction and commitment.

2.4. The relationship between the independent and the dependent variables

The **independent variable** (Effective Management Practices) is presumed to have a direct impact on the **dependent variable** (Retaining Experienced Employees). Specifically, the research investigates whether variations in management practices lead to changes in employee retention. The hypothesis is generally that **effective management practices** positively influence **retaining experienced employees**. This means that improvements in management practices are expected to lead to higher retention rates of experienced employees.

2.5. Conclusion

The literature indicates that effective management practices are crucial for retaining experienced employees. Leadership styles, communication practices, career development opportunities, work-life balance, and organizational culture all contribute significantly to employee retention. Organizations that implement strategies in these areas are better positioned to retain their experienced staff and leverage their expertise for long-term success. However, further research is needed to explore the interactions between these factors and identify best practices across different organizational contexts.

References

(*Employee Retention, Target tech Website, (2017) 4-1*)
(*Kaye and Jordan-Evans 2001, pp. 06*) from the (Retaining Key Employee)
(ASU {Arizona State University Website}, (2024))