

عنوان البحث

تأثير العوامل غير المالية على رضا الموظف يسهم فيما بعد في استدامة ونمو الشركات الناشئة والصغيرة في السعودية.

The impact of non-monetary factors on employee satisfaction subsequently contributes to the sustainability and growth of startups and small businesses in Saudi Arabia.

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1. Introduction

In the dynamic and competitive landscape of modern business, startups and small businesses play a crucial role in driving innovation, economic growth, and job creation. Saudi Arabia, in its ambitious Vision 2030, places significant emphasis on fostering entrepreneurship and nurturing small and medium-sized enterprises (SMEs) as a means to diversify its economy and reduce dependency on oil revenues. As these businesses strive to establish themselves and achieve sustainable growth, understanding the factors that influence employee satisfaction becomes paramount.

Traditionally, monetary compensation has been considered the primary driver of employee satisfaction and motivation. However, recent research suggests that non-monetary factors, such as work-life balance, recognition, professional development opportunities, and a positive organizational culture, are equally, if not more, significant in enhancing employee satisfaction. These factors not only contribute to the well-being and productivity of employees but also play a crucial role in reducing turnover rates and fostering loyalty, which are vital for the long-term sustainability and growth of startups and small businesses.

The unique challenges faced by startups and small businesses in Saudi Arabia, such as limited financial resources, high competition, and the need to attract and retain talent, underscore the importance of leveraging non-monetary factors to boost employee satisfaction. By focusing on these factors, businesses can create a motivated and engaged workforce, which is essential for achieving organizational goals and maintaining a competitive edge in the market.

This research aims to explore the impact of non-monetary factors on employee satisfaction within the context of startups and small businesses in Saudi Arabia. It seeks to examine how

these factors contribute to the overall sustainability and growth of these enterprises. Through a comprehensive analysis, this study will provide insights into the key non-monetary drivers of employee satisfaction and offer practical recommendations for business leaders and policymakers to foster a conducive environment for the flourishing of startups and small businesses in the region.

Aligned with Saudi Vision 2030, which emphasizes the development of a vibrant society, a thriving economy, and an ambitious nation, this research underscores the significance of nurturing human capital and fostering an entrepreneurial ecosystem. Vision 2030 aims to create an attractive business environment, support innovation, and enhance the quality of life for all citizens. By shedding light on the significance of non-monetary factors, this research aspires to contribute to the broader discourse on employee satisfaction and its critical role in the sustainability and growth of entrepreneurial ventures. Understanding these dynamics is essential for developing strategies that not only enhance employee well-being but also drive the success and longevity of startups and small businesses in Saudi Arabia, thereby aligning with the strategic objectives of Vision 2030.

2. Study Problem

The sustainability and growth of startups and small businesses are crucial to the economic development of any country, including Saudi Arabia. However, these enterprises often face unique challenges that can hinder their progress. A significant challenge is employee satisfaction, which greatly impacts organizational success. Many of these companies struggle to retain employees long-term due to limited capital for competitive salaries, leading to high turnover rates and low morale. This situation stymies their growth and sustainability.

Therefore, this study aims to investigate the impact of non-monetary factors on employee satisfaction and how this, in turn, influences the sustainability and growth of startups and small businesses in Saudi Arabia. By identifying the non-monetary drivers of employee satisfaction and understanding their effects on organizational outcomes, this research seeks to provide actionable insights that can help entrepreneurs and business leaders create the most suitable employee profiles and implement effective programs to boost satisfaction. Ultimately, this study aspires to contribute to the broader discourse on enhancing the performance and longevity of startups and small businesses in Saudi Arabia through improved employee satisfaction.

3. Study Importance

Understanding the impact of employee satisfaction on the sustainability and growth of startups and small businesses in Saudi Arabia holds significant importance for several reasons:

Talent Retention and Development:

Employee satisfaction programs play a key role in talent retention and development. In a competitive labor market, attracting and retaining skilled employees is essential for startups and small businesses to innovate and remain competitive. By identifying and addressing the non-monetary factors that influence job satisfaction, organizations can create workplaces where employees feel valued, motivated, and committed to long-term success.

Organizational Performance:

Research indicates a strong correlation between employee satisfaction and organizational performance. Satisfied employees are more likely to be motivated and engaged in their work, which can lead to higher levels of creativity, problem-solving, and collaboration. This, in turn, can improve operational efficiency, customer satisfaction, and overall business performance. Understanding how specific non-monetary factors impact employee satisfaction can enable organizations to strategically allocate resources and implement policies that enhance both employee well-being and organizational performance, overcoming its incapacibilities to offer the monetary factors.

Economic Contribution:

Startups and small businesses are crucial drivers of economic growth and job creation in Saudi Arabia. By encouraging an environment where these companies can thrive, the economy can diversify beyond traditional sectors and become more resilient to global economic fluctuations. Enhancing employee satisfaction within these organizations can contribute to higher productivity, lower turnover rates, and ultimately, greater economic stability and growth.

4. Study Objectives

The primary objective of this study is to examine the impact of non-monetary factors on employee satisfaction and its subsequent effect on the sustainability and growth of startups and small businesses in Saudi Arabia. To achieve this overarching goal, the study has several specific objectives:

- **To identify the key non-monetary factors influencing employee satisfaction:**

This objective aims to determine the various non-monetary elements, such as work-life balance, job autonomy, recognition, career development opportunities, and organizational culture, that significantly affect employee satisfaction within startups and small businesses in Saudi Arabia.

- **To analyze the relationship between employee satisfaction and organizational performance:**

This objective seeks to explore how employee satisfaction impacts critical organizational performance indicators, including productivity, turnover rates, customer satisfaction, and overall business success in the context of Saudi Arabian startups and small businesses.

- **To examine the role of organizational culture in shaping employee satisfaction:**

This objective aims to understand how different aspects of organizational culture within startups and small businesses contribute to employee satisfaction and how these cultural factors can be leveraged to enhance workplace morale and commitment.

- **To formulate the right employee profile that fits the startup and small business environment:**

This objective aims to develop a comprehensive profile of employees who are most likely to thrive in the dynamic and often challenging environments of startups and small businesses. This profile will consider the experience and characteristics that align with the unique demands and culture of these organizations.

- **To provide actionable recommendations for improving employee satisfaction:**

Based on the findings, this objective aims to formulate practical recommendations for entrepreneurs, business leaders, and policymakers to improve employee satisfaction through non-monetary means. These recommendations will ultimately support the sustainability and growth of startups and small businesses in Saudi Arabia.

By addressing these objectives, the study seeks to provide comprehensive insights into the critical role of non-monetary factors in fostering employee satisfaction and supporting the sustainable growth of startups and small businesses in Saudi Arabia. The findings are expected to inform both academic discourse and practical strategies for enhancing workplace satisfaction and organizational resilience in the entrepreneurial sector.

5. Research Questions

➤ Survey

The survey will be distributed to a sample of individuals residing in Saudi Arabia, selected using a random sampling method to ensure a representative cross-section. Conducted online via a sophisticated survey platform, the survey will include 18 crafted questions. These questions aim to gather demographic information and insights on the topic under the research.

The questions are:

Section 1: Demographic Information:

1. What is your gender?
 - ☐ Male
 - ☐ Female
2. What is your age group?
 - ☐ 18-25
 - ☐ 26-35
 - ☐ 36-45
 - ☐ 46-55
 - ☐ 56 and above
3. What is your marital status?
 - ☐ Single
 - ☐ Married
 - ☐ Other
4. Do you have children?
 - ☐ Yes
 - ☐ No
5. What is your highest level of education?
 - ☐ High school, diploma or equivalent
 - ☐ Bachelor's degree
 - ☐ Master's degree

- ☐ Doctorate
 - ☐ Other
6. How many years have you been working in your current company?
- ☐ Less than 1 year
 - ☐ 1-2 years
 - ☐ 3-5 years
 - ☐ 6-10 years
 - ☐ More than 10 years
7. Which of the following best describes your current role in the company?
- ☐ Executive/Management
 - ☐ Mid-level Management
 - ☐ Operational Staff
 - ☐ Administrative Staff
 - ☐ Fresh Graduate
 - ☐ other
8. Which of the following best describes your level of professional experience in your current field?
- ☐ Entry-Level: Less than 2 years of experience
 - ☐ Intermediate: 2-5 years of experience
 - ☐ Experienced: 5-10 years of experience
 - ☐ Expert: More than 10 years of experience

Section 2: Employee Satisfaction:

9. What is the type of your current company?
- ☐ Startup
 - ☐ Small (1-50 employees)
 - ☐ Medium (51-250 employees)
 - ☐ Large (251+ employees)
10. How satisfied are you with your current job?
- ☐ Very satisfied
 - ☐ Satisfied
 - ☐ Neutral
 - ☐ Dissatisfied

☐ Very dissatisfied

11. How often do you feel motivated to go beyond your job requirements?

☐ Always

☐ Often

☐ Sometimes

☐ Rarely

☐ Never

12. How important are non-monetary factors (e.g., work-life balance, recognition, job security....) to your overall job satisfaction?

☐ Very Important

☐ Important

☐ Neutral

☐ Less Important

☐ Not Important at All

13. Besides money, which of the following factors contributes the most to your satisfaction as an employee? (Select only 4)

☐ Work environment

☐ Opportunities for career advancement

☐ Work-life balance

☐ Recognition and rewards

☐ Supportive management and leadership

☐ Clear job roles and responsibilities

☐ Flexible working and autonomy

14. How likely would you be to work for a small or startup company that pays less than you expected but offers a positive work culture, work-life balance, and opportunities for career advancement?

☐ Very likely

☐ Likely

☐ Neutral

☐ Unlikely

☐ Very unlikely

15. If you got an opportunity to work for a small or startup company that excels in offering non-monetary factors, how long would you stay committed to it?

- ☐ Less than 1 year
- ☐ 1-3 years
- ☐ 3-5 years
- ☐ More than 5 years
- ☐ other

16. Do you think your company's management effectively work on employee satisfaction?

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree

17. Which do you think your company needs to improve?

- ☐ Monetary factors
- ☐ Non-monetary factors
- ☐ Other

18. How likely are you to recommend your company as a good place to work?

- ☐ Very likely
- ☐ Likely
- ☐ Neutral
- ☐ Unlikely
- ☐ Very unlikely

➤ **Interview**

The following question will be asked during the interview to capture real information on the topic:

1. How do non-monetary factors such as work environment and company culture affect your job satisfaction?
2. In your opinion, which non-monetary factors have the greatest impact on employee commitment and retention in small and startup businesses?
3. What motivates you to work for a small or startup company as an employee?
4. How long do you envision yourself working for a small or startup company?
5. From your perspective, what strategies should leadership and management implement in startups and small businesses to enhance employee satisfaction?

6. Study Hypotheses

Main Hypothesis (H1): There is a positive relationship between non-monetary factors influencing employee satisfaction and the sustainability and growth of startups and small businesses in Saudi Arabia.

Explanation:

1. Non-monetary Factors:

Non-monetary factors refer to elements of the work environment and organizational culture that are not directly related to financial compensation such as:

- **Work Environment:** The workplace conditions and culture impact employee morale and productivity in startups and small businesses in Saudi Arabia.
- **Opportunities for Career Advancement:** Clear paths for promotions and skill development programs motivate employees, supporting retention.
- **Work-Life Balance:** Flexible schedules and wellness programs helping employees manage work and personal life.
- **Recognition and Rewards:** Acknowledging achievements through praise and incentives.
- **Supportive Management and Leadership:** Open communication and empowerment from leaders build trust and a positive work culture.
- **Clear Job Roles and Responsibilities:** Defined expectations clarify roles and promote efficiency and teamwork.
- **Flexible Working and Autonomy:** Empowering employees with flexible work arrangements and decision-making autonomy.

2. Employee Satisfaction:

Employee satisfaction reflects the overall happiness, contentment, and fulfillment of employees within their roles and within the organization. It is influenced by both intrinsic (non-monetary) and extrinsic (monetary) factors.

3. Impact on Sustainability and Growth:

The sustainability and growth of startups and small businesses depend significantly on the performance, productivity, and retention of their workforce. Employee satisfaction plays a crucial role in:

- **Retention and turnover:** Satisfied employees are more likely to stay with the organization, reducing turnover costs and maintaining continuity.
- **Productivity and performance:** Happy employees tend to be more engaged, motivated, and productive, which can enhance organizational performance.
- **Organizational reputation:** Positive employee experiences contribute to a favorable employer brand, attracting top talent and enhancing the organization's reputation in the market.

4. Context of Saudi Arabia:

- In the context of Saudi Arabia, where startups and small businesses are emerging and evolving rapidly, understanding the drivers of employee satisfaction beyond financial incentives is crucial. Cultural and societal factors may influence how non-monetary factors are perceived and valued by employees.

7. Previous Studies

Employee satisfaction is pivotal for organizational success, particularly within startups and small businesses where resource constraints and competitive pressures can significantly impact employee morale and retention. This review explores the relationship between non-monetary factors, employee satisfaction, and their implications for sustainability and growth in Saudi Arabian startups and small businesses.

1 .Non-Monetary Factors and Employee Satisfaction

Non-monetary factors encompass elements within the workplace environment that contribute to employee well-being and job satisfaction. Research highlights key factors such as work-life balance, job autonomy, recognition, career development opportunities, and organizational culture as crucial determinants of employee satisfaction. Mansor et al. (2012) conducted research involving 236 employees to assess employee satisfaction levels. Their study utilized Pearson Correlation Analysis, revealing that competition exerted the greatest influence on job satisfaction among employees, followed by factors such as the working environment, reward system, motivational factors, and supervision/leadership. Therefore, the Non-Monetary factors are especially critical in startups and small businesses, where intrinsic motivators often play a more significant role than financial incentives in fostering employee engagement and commitment.

2 .Impact on Employee Satisfaction

Empirical studies demonstrate a strong correlation between non-monetary factors and employee satisfaction levels. Employees who perceive their workplaces as supportive of personal and professional growth tend to exhibit higher job satisfaction, motivation, and productivity. Conversely, deficiencies in non-monetary factors, such as lack of recognition or

limited career advancement opportunities, can lead to dissatisfaction, disengagement, and higher turnover rates.

“On the basis of above points, we can say that employee attitudes typically reflect the moral of the company. In areas of customer service and sales, happy employees are extremely important because they represent the company to the public” (Sageer, A., Rafat, S., & Agarwal, P. (2012))

3 .Organizational Sustainability and Growth

The sustainability and growth of startups and small businesses depend on their ability to attract, retain, and leverage talented employees effectively. Fostering a positive work environment characterized by robust non-monetary incentives enhances employee satisfaction and contributes to organizational resilience and long-term viability. This is crucial in Saudi Arabia's economic landscape, where startups play a vital role in diversifying the economy and driving innovation.

“It is important the company Executives recognize appropriate motivational tools, the importance of atypical employment patterns and team building programs in order to become more competitive and profitable in the future.” (Hitka, M., Schmidtová, J., Lorincová, S., Štarchoň, P., Weberová, D., & Kampf, R. (2021))

4 .Contextual Factors in Saudi Arabia

In the Saudi Arabian context, cultural norms, regulatory frameworks, and socio-economic factors shape the effectiveness of non-monetary incentives in enhancing employee satisfaction. The focus on non-monetary factors is needed due to the challenges that the small companies are facing with financial matters.

“SMEs face an increasing number of fees and fines from the government, and multiple

interview transcripts illustrate the impact that this has had on the daily running of their business, causing stress, anxiety and financial concern.” (Almalki, A. (2023)

This literature review highlights the critical role of non-monetary factors in shaping employee satisfaction and underscores their significance in fostering sustainability and growth within Saudi Arabian startups and small businesses. By prioritizing non-monetary incentives aligned with employee preferences and organizational goals, businesses can cultivate a motivated workforce capable of driving innovation, achieving operational excellence, and seizing opportunities for expansion in dynamic market environments. Future research should continue exploring emerging trends and best practices in employee satisfaction, contributing to evidence-based strategies for organizational success and economic development.

8. Theoretical Foundations of the Study

This research builds on two theoretical frameworks to explore the dynamics of employee satisfaction, particularly emphasizing non-financial factors. It examines how these factors influence the sustainability and growth of startups and small businesses in Saudi Arabia.

Maslow's Hierarchy of Needs:

Maslow's Hierarchy of Needs proposes that people are driven by a hierarchy of needs, beginning with basic physiological requirements like food and shelter, and culminating in self-actualization—achieving individual's full potential. Applied to the workplace, this theory suggests that higher-level needs such as esteem and self-actualization can be met through non-monetary factors such as recognition, growth opportunities, and meaningful tasks. This understanding is crucial for creating work environments that support employees' overall well-being and satisfaction.

Self-Determination Theory:

According to Self-Determination Theory, intrinsic motivation—fueled by autonomy, competence, and relatedness—is essential for cultivating employee engagement and satisfaction. Non-financial factors that improve employees' autonomy in decision-making, opportunities to acquire new skills (competence), and positive interpersonal connections

(relatedness) promote intrinsic motivation and overall job satisfaction within startups and small businesses.

9. Methodology and Research Methods

This study employs a mixed methods approach to explore the impact of non-monetary factors on employee satisfaction and its implications for the sustainability and growth of startups and small businesses in Saudi Arabia. The mixed-methods design integrates both quantitative and qualitative techniques to provide a comprehensive understanding of the research problem.

❖ **Research Design:**

The research design incorporates both cross-sectional surveys and short interviews. This combination allows for the collection of quantitative data through surveys to identify trends and correlations, while qualitative insights from interviews provide deeper contextual understanding and perspectives on employee satisfaction within the organizational context.

❖ **Sampling Strategy:**

The study utilizes purposive sampling to select participants from different background and experience across various industries in Saudi Arabia. This approach ensures representation from diverse organizational settings, allowing for exploration of how non-monetary factors influence employee satisfaction and organizational outcomes and forming the right employee profile for the startup and small companies.

❖ **Data Collection Methods:**

- Surveys: A structured questionnaire, containing 18 crafted questions, will be distributed to employees within the selected sample to gather quantitative data on their perceptions of non-monetary factors affecting satisfaction. The survey will include demographic questions to know the individuals' backgrounds and topic-related MCQ questions to measure the satisfaction levels and to capture additional insights.
- Short Interviews: Interviews will be conducted with some individuals from the sample to explore their perspectives and experience on the employee satisfaction program in startup and small companies. These interviews will provide qualitative data to complement and enrich the survey findings.

❖ **Data Analysis:**

- Quantitative Analysis: Survey data will be analyzed using descriptive and comparative analysis to summarize and compare participants' responses and will be employed for data processing and analysis.
- Qualitative Analysis: Interview transcripts will undergo thematic analysis to identify recurring themes, patterns, and insights related to non-monetary factors influencing employee satisfaction. This qualitative approach allows for a deeper exploration of the subjective experiences and perceptions of participants.

❖ **Ethical Considerations:**

Ethical guidelines will be rigorously followed throughout the research process. Participants will receive clear information regarding the study's objectives, confidentiality protocols, and their rights to voluntary participation. Informed consent will be obtained from all participants before data collection begins. Anonymity and confidentiality will be strictly upheld during

the reporting and dissemination of findings to ensure participant privacy and integrity in the research outcomes.

10. Research Tools

For the online survey, a Google Forms platform will be utilized to create a questionnaire that includes inquiries about participants' demographic backgrounds and specific aspects related to the study's focus. This method allows for efficient data collection across a wide range of respondents, ensuring a diverse sample. The survey will focus on quantitatively assessing various factors identified in the study, such as work environment, career advancement opportunities, work-life balance, recognition, and leadership support. These factors are crucial in understanding their impact on the sustainability and growth of startups and small businesses in Saudi Arabia.

In addition to the survey, in-depth interviews will be conducted either via phone calls or face-to-face meetings. These interviews aim to gather qualitative data, providing deeper insights and nuanced perspectives on how these factors influence employee satisfaction and organizational outcomes. Interviewees will have the opportunity to elaborate on their experiences, perceptions, and suggestions regarding non-monetary factors and their role in fostering sustainable growth within the startup and small business context in Saudi Arabia.

Additionally, an OpenAI tool will be employed to assist with data analysis and interpretation. This tool will support identifying key themes from qualitative data, generate insights from

survey results, and support the drafting and refinement of the research report. Utilizing AI enhances the analysis process for greater efficiency and depth, ensuring a comprehensive examination and presentation of the data.

By combining both quantitative survey data and qualitative interview findings, the research aims to provide a comprehensive understanding of how non-monetary factors contribute to organizational success in the Saudi Arabian business landscape. This dual approach ensures a robust analysis and valuable insights for stakeholders aiming to enhance employee satisfaction and drive sustainable growth.

11. Research Limits

This study is subject to several notable limitations that impact the interpretation and generalizability of its findings:

Data Limitations:

A significant challenge encountered in this research was the scarcity of comprehensive turnover and employee satisfaction data specific to Saudi Arabian small and startup businesses. This lack of readily available data hindered the ability to provide a robust analysis grounded in concrete metrics and benchmarks. Consequently, the research relied heavily on survey responses, which, while valuable for capturing perceptions, may not fully capture the complex dynamics influencing employee satisfaction and turnover rates in these contexts. Future studies could benefit from access to more extensive and detailed data sets to enhance the validity and reliability of their findings.

Self-Reported Data:

Self-reported data gathered from surveys and interviews relies on participants' responses, which may introduce response bias. This bias occurs when participants provide answers they believe are socially acceptable or inaccurately recall their experiences regarding the influence of non-monetary factors on employee satisfaction.

12. Reference

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